

Evaluating Financial Performance and Corporate Growth: A Case Analysis of Marico Limited

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Abstract

This paper examines Marico Limited in two ways. First, it uses data from a survey of 55 investors in Hyderabad in April 2026. It also uses information from the past five years (2019-2024). 78 Percent of the people surveyed know that Marico Limited is listed. 60 Percent have ever bought Marico Limited shares at some time or the other.. 67 Percent believe Marico Limited is financially healthy. A majority of people know the product Parachute and Saffola. In fact 96.4 percent knew Parachute and 87.3 percent knew Saffola. The numbers also showed some things. Marico Limited's turnover grew at a rate of 7.2 percent per year. This is a rate of growth. It also had a return on equity that was more than 30 percent per year. So, the company is doing well not just because it is highly leveraged but because it is efficiently managed. Marico Limited performed well when compared to companies such as HUL, Dabur India, Godrej Consumer and Emami Limited The best in terms of debt. How much money it had. Now using all this data the paper makes four suggestions to Marico Limited. These are, into areas involved in managing risks associated with commodities using money to acquire other firms and selling high quality items on the Internet.

Introduction:

Marico Limited is a unique player in the Indian FMCG sector. Turnover is about one-sixth of Hindustan Unilever, there's been no game-changing acquisitions, and quarterly results seldom trigger fireworks in share prices. But a closer look at the financial statements reveals a story worth investigating: over the past five years, the company has paid back nearly two-thirds of its debt with operating cash flows alone, maintained a Return on Equity in excess of 30% without leverage restructuring, and nearly doubled its cash holding - all without raising a new share. Such silent growth can go unnoticed in an industry dominated by big players. The current paper takes two parallel perspectives of Marico. In April 2026, a survey was conducted of 55 investors in Hyderabad. This aims to find out what people who invest in or follow this company think. This includes their awareness and perceptions of the company, how they invest and risks they perceive. The survey findings are compared with company data over the last five years. This is to check whether the investors view of the company is consistent with the figures. You can't use just one of these methods. If you just look at what investors think it's opinion, not facts. If you only look at the facts without knowing what investors are up to, you don't get the full picture. We learn more about the firm using both methods. The survey and the financial data help paint the picture.

1.1 Objectives

The research will do a things. It will find out what people think of Marico. It will ask 55 people in Hyderabad some questions to see what they know about Marico if they know the company and how they invest in it. It also wants to see how Marico has performed over the last five

years (2019-2024). For this it will use some special equipment such as looking at numbers and some maths to work things out. And it will look at some other similar companies to Marico. It will look at 12 things about these companies to see how they are doing. The study also wants to test these ideas it has about Marico and it would like to make some suggestions, based on what it learns about Marico. It has some questions it wants to answer and it'll use the information it gets to help it with some decisions, about Marico.

1.2 Research Hypotheses

Five null hypotheses are tested in the study, using particular analytical techniques:

2. Research Methodology We do this study in an approach that is multi-angled. In April 2026 we got information from investors in Hyderabad. We asked them to complete a questionnaire. We received responses from 55 retail investors. We also took information that's publicly available. This is from Maricos reports for years FY20 to FY24. We verified this information by comparing it with the information filed with the BSE and NSE and the information in the CMIE Prowess IQ database. We also checked reports of other companies, similar to Marico, for the year FY24.

2.1 Secondary Analytical Methods

We did the data analysis using five methods. These tools were: we calculated some ratios for each of the years from FY20 to FY24 how much money Marico has to pay its debts and how many profits Marico makes we used the DuPont method to split the return on equity into three things: how much profit the company makes, how efficient the company is with its assets and the company's financial leverage (how much money it has to make money on its assets).

3. Business Introduction and Analysis of Financial Statements

It all began with an idea. They realised that raw coconut oil is not very profitable when sold

in bulk.. But when they sell it in a bottle with a well known name, people want to pay more for it. It helps to gain trust from the oil buyers This is what Harsh Mariwala was thinking of when he was running Bombay Oil Industries in the 1980s. Later in 1996 he turned Marico into its company that people can buy shares in. Their first product was the coconut oil, Parachute. And now Parachute coconut oil is the biggest seller of coconut oil in India with 63% of the market share. Then they made Saffola, which was first a product people use for cooking. They added oats, honey and other health things to the Saffola brand. Recently Marico also acquired some other companies like Beardo, which sells products for men to groom themselves and Just Herbs which sells special skincare products. Marico also has products that they sell in other parts of the world, like South Asia, South East Asia, Africa and the Middle East. Marico makes 22% of its revenue from these countries.

3.1 Consolidated Income Statement — FY20 to FY24

Line Item	FY20	FY21	FY22	FY23	FY24
Revenue (Rs. Cr)	7,315	7,782	8,627	9,207	9,653
Cost of Materials	3,824	3,912	4,567	4,891	4,834
Gross Profit	3,491	3,870	4,060	4,316	4,819

Gross Profit Margin	47.7%	49.7%	47.1%	46.9%	49.9%
EBITDA	1,634	1,867	1,789	1,923	2,145
EBITDA Margin	22.3%	24.0%	20.7%	20.9%	22.2%
Finance Costs	89	71	62	54	45
Net Profit (PAT)	1,000	1,162	1,093	1,181	1,328
Net Profit Margin	13.7%	14.9%	12.7%	12.8%	13.8%
EPS (Rs.)	7.74	8.99	8.46	9.13	10.27

There was no fall in revenue. The 10.9% growth in FY22 was due to price increases. Parachute and Saffola prices increased because of increased cost of copra. This pushed revenue up. But it also pushed margins down to 46.9% lowest in FY23. In FY24 gross margins soared to 49.9%. The highest in five years. This is against the backdrop of normalisation of commodity prices and the company's ability to pass on cost increases. Finance costs continued to decline from Rs. 89 Crore, to Rs. 45 Crore. That's because the company continued to pay back its debt.

3.2 Consolidated Balance Sheet — Five-Year Changes

Item	FY20	FY21	FY22	FY23	FY24
Total Equity (Rs. Cr)	2,971	3,316	3,585	3,841	4,253
Total Debt (Rs. Cr)	568	388	352	279	210
Cash & Equivalents (Rs. Cr)	578	810	692	876	1,124

Net Fixed Assets (Rs. Cr)	1,014	1,085	1,143	1,278	1,380
Total Assets (Rs. Cr)	5,461	5,875	6,314	6,717	7,322
Share Capital (Rs. Cr)	129	129	129	129	129

Two big changes happened. The total debt went down by Rs. 358 Crore in four years. This is a 63% drop. The company did this with the cash flow it generated from its operations. It did not do any disposals, issue new shares or make changes. The share capital remained at Rs. 129 Crore. So no change in the equity. All the increase in the equity was due to the profits which were retained. Cash increased a lot. It went from Rs. 578 Crore to Rs. 1,124 Crore. That's because of the company's performance, in terms of the cash it earned from its operations. By FY24 Marico has turned around from debt to cash surplus.

4. Ratio Analysis, DuPont Decomposition, and OLS Regression

4.1 Financial Ratio Matrix

Metric	FY20	FY21	FY22	FY23	FY24	Trend
Current Ratio	1.70	1.87	1.87	1.96	2.05	Rising
Quick Ratio	1.15	1.29	1.20	1.36	1.52	Rising
Gross Margin (%)	47.7	49.7	47.1	46.9	49.9	Recovery to 5-yr high
Net Margin (%)	13.7	14.9	12.7	12.8	13.8	Recovery
Return on Assets (%)	18.3	19.8	17.3	17.6	18.1	Stable, sector-leading

Return on Equity (%)	33.7	35.0	30.5	30.7	31.2	Above 30% every year
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Debt-to-Equity	0.19	0.12	0.10	0.07	0.05	Near-zero
Interest Coverage (x)	17.4	22.7	24.4	30.0	40.5	Strong rise
Inventory Turnover (x)	5.29	4.99	4.91	4.90	5.23	Recovering
Asset Turnover (x)	1.34	1.32	1.37	1.37	1.32	Stable

4.2 DuPont Decomposition

Component	FY20	FY21	FY22	FY23	FY24
(A) Net Profit Margin	13.7%	14.9%	12.7%	12.8%	13.8%
(B) Asset Turnover	1.34x	1.32x	1.37x	1.37x	1.32x
(C) Equity Multiplier (EM)	1.84x	1.77x	1.76x	1.75x	1.72x
ROE = A × B × C	33.7%	35.0%	30.5%	30.7%	31.2%

EM Trend (leverage signal)	High	Moderate	Moderate	Moderate	Low
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The current and quick ratios of the company both improved over the years, so the build-up in inventory is not inflating the liquidity ratio. It is not common for the Return On Equity to be above 30 percent for five straight years especially as one of those years was FY22, a commodity year. The typical Return On Equity of the FMCG industry is 22-25 percent. The debt-to-equity ratio has come down significantly from 0.19 to 0.05. The interest coverage increased from 17.4 to 40.5 times. Both the Return On Equity and the debt-, to-equity ratio and interest coverage went up because the company had more cash coming in from operations than it had to.

4.3 OLS Trend Regression

Year	Revenue (Cr)	Rev. Index	PAT (Cr)	PAT Index	Asset Index
FY20	7,315	100.0	1,000	100.0	100.0
FY21	7,782	106.4	1,162	116.2	107.6
FY22	8,627	117.9	1,093	109.3	115.6
FY23	9,207	125.9	1,181	118.1	123.0
FY24	9,653	131.9	1,328	132.8	134.1
CAGR	—	7.2%	—	7.3%	7.6%

The DuPont result puts H3 to rest. The equity multiplier which is the borrowing part of the return on equity went from 1.84 times in 2020 to 1.72 times in 2024. So borrowing money was not helping the return on equity the time.. The return on equity was never less than 30%. This can only happen if the company is profitable and efficient. And that is what happened. We can certainly say that H3 is false: Maricos return, on equity is not because of borrowing money. It is because the company is well managed as we suspected. In a survey, 67.3 percent of people said they bought Marico shares because it has brands and is profitable.

5. Multi-Company Peer Benchmarking

5.1 Revenue Scale and Profitability (FY 2023–24)

Company	Revenue (Cr)	Gross Margin	EBITDA Margin	Net Margin	PAT (Cr)
HUL	59,579	50.1%	24.3%	16.5%	9,853
Dabur India	12,404	48.6%	21.8%	15.2%	1,888
Godrej Consumer	14,862	55.2%	22.1%	11.3%	1,679
Marico Limited	9,653	49.9%	22.2%	13.8%	1,328
Emami Limited	3,749	68.1%	29.4%	20.1%	754

The company did a study of the revenue index using OLS regression. It's found that it increases by 7.9 index points a year. The R-squared is 0.97 which's very high. So nearly all of the variance in the revenue index is explained by a linear trend. This is very rare in company data because normally there's a lot of variance from quarter to quarter and it is difficult to get a pattern.. In this case the revenue of Marico is very stable. It is not a temporary phenomenon or COVID-19. It is true as per the study. The profit index was also increasing. At the end of FY24 it was at 132.8 which is slightly higher than the revenue index of 131.9. So the profit growth is a little better, than revenue growth.

5.2 Capital Structure, Efficiency, and Solvency (FY 2023–24)

Company	ROE (%)	ROA (%)	Asset Turnover	D/E Ratio	Int. Coverage (x)	Current Ratio
HUL	~120%*	~22%	1.34x	Low	High	1.41
Dabur India	~25%	~14%	0.91x	0.10	~35x	1.64
Godrej Consumer	~18%	~8%	0.71x	0.31	~18x	1.18
Marico	31.2%	18.1%	1.32x	0.05	40.5x	2.05
Emami Limited	~28%	~16%	0.79x	0.08	~42x	1.55

Maricos gross margin is 49.9%. This is comparable to HULs 50.1% and higher than Daburs 48.6%.Emamis gross margin is 68.1%. This is due to its premium personal care products that it can sell at a higher price.Companies like Marico that sell coconut oil in bulk can't charge the same.Maricos net margin is 13.8%. This is greater than Godrej Consumers but less than HULs and Emamis.The reason Maricos revenue is not higher than HULs is that HUL has portfolio and better coverage.This is not due to Marico inefficiency.It is just because of HULs scale and distribution, over time.

5.3 Five-Year Revenue CAGR and ROE Trend (FY20–FY24)

Company	Rev FY20 (Cr)	Rev FY24 (Cr)	Rev CAGR	ROE FY20	ROE FY24	Pattern
HUL	38,273	59,579	11.7%	~82%	~120%	Rising (leverage-driven)
Dabur India	8,703	12,404	9.3%	~24%	~25%	Broadly stable

Godrej Consumer	9,923	14,862	10.6%	~15%	~18%	Gradual rise
Marico	7,315	9,653	7.2%	33.7%	31.2%	Consistently above 30%
Emami Limited	2,649	3,749	9.0%	~25%	~28%	Steady rise

This table is the empirical basis for the rejection of H4. Marico's debt/equity (D/E) of 0.05 is the lowest in the group - Godrej Consumer's D/E of 0.31 is more than six times levered. At

2.05, its current ratio is highest of the five companies. Asset turnover at 1.32x is ranked second (HUL is highest), showing that Marico generates revenue from its assets better than Dabur, Godrej and Emami. It has the second highest ROA of 18.1%. The commodity risk concerns of 47.3% of the survey respondents are well founded - but they are looking at a company with Rs. 1,124 crore in cash and almost no debt, much stronger than any of its peers.

6. Hypothesis Testing Outcomes and Strategic Recommendations

6.1 Hypothesis Testing Summary

Hypothesis	Method	Key Evidence	Verdict
H1: No significant revenue trend	OLS Regression		$R^2=0.97$, slope=7.9; 7.2% CAGR over 5 years Rejected

H2: No profitability improvement	Five-year trend ratio	ROE above 30% every year; margins at 5-yr peak in FY24	Rejected
H3: ROE driven by leverage	DuPont decomposition	Equity multiplier fell FY20–FY24; ROE is operations-driven	Rejected
H4 : Liquidity not superior to peers	Cross-sectional benchmark	Highest current ratio (2.05), lowest D/E (0.05) in group	Rejected
H5: Deleveraging unrelated to coverage	Directional analysis	Both metrics driven by the same operating cash surplus	Rejected

Marico's standout weakness is revenue growth: 7.2% CAGR (below all four peers). Some of this is inevitable: with Parachute at 63% market share, volume growth opportunities are more limited. Part is also by choice: Marico in FY24 chose profitable volume expansion over revenue acceleration through pricing. Over five years, though, the difference is meaningful and suggests new growth opportunities are needed. On ROE, it is the other way around: Marico's 31.2% in FY24 is the best in the organic peer group, achieved with the most conservative balance sheet.

6.2 Strategic Recommendations:

We have four key recommendations based on reviewing the survey and financial data. We

believe Marico should go into areas and small towns. Marico's revenue growth is not as good as its peers. This is because they are dominant in cities. Parachute already has 63 percent of the local market and it is difficult to increase market share in cities. But people are doing better in towns and shops are becoming more sophisticated so there are more opportunities for consumers. Since 96.4 percent of the people know about Parachute we know that people are aware. We want to make it easier for them to purchase it there. By making products for these markets and making sure that they get to shops we can really increase Marico's profits. We believe Marico should have a plan for dealing with commodity risks. Investors are concerned about the cost of copra and last year Marico's profit dropped 5.9 percent as a result. Marico has the capital to cover the losses but this does not mean they can manage them. If Marico creates a plan that includes using hedging tools to manage some of the cost of copra and has a strategy for when to buy and stores commodities Marico can lower the risk that investors are concerned about.

We believe Marico should concentrate on its products and make more high-end products. Marico already sells 8-10 percent of their products on the internet and it's a good market to make money because there are fewer middlemen and it's more profitable. Investors know about Marico - from apps and social media so we know people are interested. If Marico's sells its high quality product Saffola health food and Beardo grooming products online it will grow, make more profits and advertise better.

7. Conclusion

This paper examined Marico Limited in two ways. What customers think and its financials. Both sides gave the result. Most investors who rate the company as good or excellent (67.3%) are looking at a successful business. It has consistently earned a return on equity (ROE) of more than 30% for the past five years. It has also used its cash to pay off much of its debt and built up its cash reserves from Rs. 578 Crore to Rs. 1,124 Crore without raising new shares. We tested five hypotheses. All of them were wrong.

The firm's growth in revenue is steady and strong. We can explain 97% of its index change with our simple analysis. We also checked how Marico makes its ROE. It is not from borrowing a lot of money. In fact it has reduced borrowing. It has high return because of its margins and its asset utilisation. Among its peers Marico is number one in terms of health and liquidity. It is second in terms of asset utilisation and return on assets.. It is not growing its sales, as quickly. We have four suggestions to improve this.

Marico is in a good financial position going into FY25.. It should not get complacent. It's not about preserving what it has. Growing further. It must identify further growth opportunities in markets where it already operates. It also needs to manage its input costs and use its additional funds to grow in related fields before its growth in revenues slows down. Our research suggests Marico has the financial resources to do so.