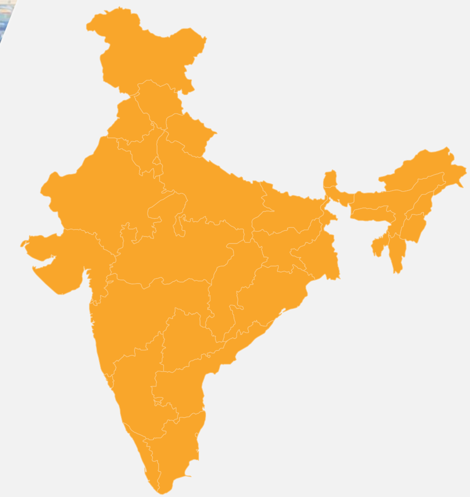
FAST MOVING CONSUMER GOODS (FMCG)



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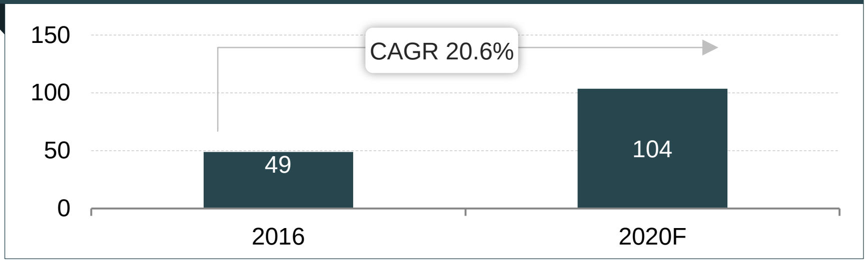
July 2017

Table of Content

EXECUTIVE SUMMARY

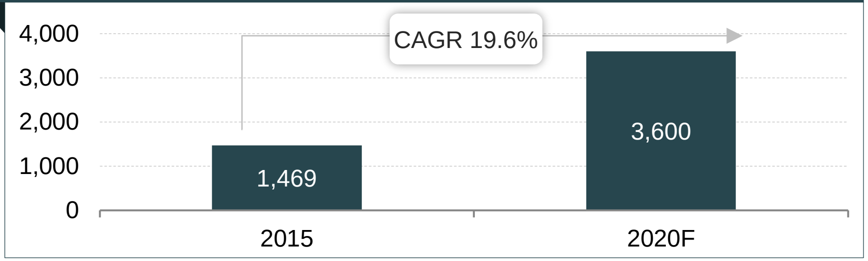
- Favourable demographics and rise in income level to boost FMCG market
- FMCG market in India is expected to grow at a CAGR of 20.6 per cent and is expected to reach US$ 103.7 billion by 2020 from US$ 49 billion in 2016.

FMCG market in India (US$ billion)



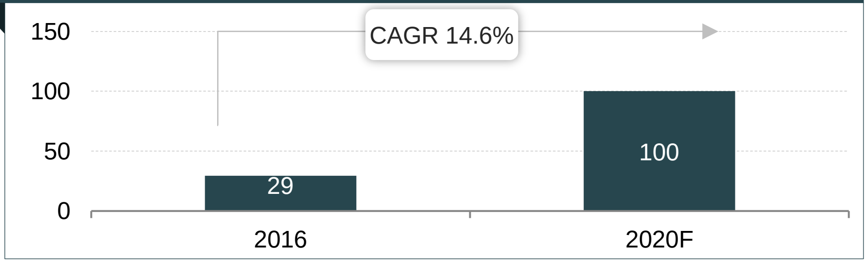
- Total consumption expenditure is set to increase
- Total consumption expenditure is expected to reach nearly US$ 3600 billion by 2020 from US$ 1469 billion in 2015

Total consumption expenditure (US$ billion)



- Rise in rural consumption to drive the FMCG market
- The rural FMCG market in India is expected to grow at a CAGR of 14.6 per cent, and reach US$ 220 billion by 2025 from US$ 29.4 billion in 2016

Rural FMCG market in India (US$ billion)



Notes: *F- Forecast*

Source: *World Bank, Emami Reports, Dabur Reports, AC Nielsen*

ADVANTAGE INDIA

ADVANTAGE INDIA

Growing Demand

- Rising incomes and growing youth population have been key growth drivers of the sector. Brand consciousness has also aided demand
- 1st Time Modern Trade Shoppers spend was estimated to be tripled to US$1 billion by 2015
- Tier II/III cities are witnessing faster growth in modern trade

Attractive Opportunities

- Low penetration levels in rural market offers room for growth
- Disposable income in rural India has increased due to the direct cash transfer scheme
- Exports is another growing segment
- E-commerce companies like Amazon are strengthening their business in FMCG sector, by positioning their platform pantry as front line offering to drive daily products sales.

Higher investments

- Many players are expanding into new geographies and categories
- Modern retail share is expected to triple its growth from US$60 billion in 2015 to US$180 billion in 2020
- With an investment of US$254.50 million, Wipro is diversifying and expanding its product range in energy drinks, detergents and fabric conditioners.
- Patanjali will spend US$743.72 million in various food parks in Maharashtra, M.P. Assam, Andhra Pradesh and Uttar Pradesh.

Policy Support

- Investment approval of up to 100 per cent foreign equity in single brand retail and 51 per cent in multi-brand retail
- Initiatives like Food Security Bill and direct cash transfer subsidies reach about 40 per cent of households in India
- The minimum capitalisation for foreign FMCG companies to invest in India is US$100 million

Note: *E – Estimated, F - Forecast*
Source: *Emami*

MARKET OVERVIEW AND TRENDS

EVOLUTION OF FMCG IN INDIA

- FMCG is the 4th largest sector in the Indian economy
- Household and Personal Care is the leading segment, accounting for 50 per cent of the overall market. Hair care (23 per cent) and Food and Beverages (19 per cent) comes next in terms of market share
- Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector
- Retail market in India is estimated to reach US$ 1.1 trillion by 2020 from US$ 672 billion in 2016, with modern trade expected to grow at 20 per cent - 25 per cent per annum, which is likely to boost revenues of FMCG companies
- People are gracefully embracing Ayurveda products, which has resulted in growth of FMCG major, Patanjali Ayurveda, with a m-cap of US$ 14.94 billion. The company aims to expand globally in the next 5 to 10 years.

FY00	FY17
Indian FMCG Industry – US$ 9 billion	Indian FMCG Industry – US$ 49 billion
Market size of chocolates - <US$ 100 million	Market size of chocolates – US$ 1,766.6 million
Market size of personal care - <US$ 3 billion	Market size of personal care – US$ 12.58 billion
HUL's share in FMCG market (personal care) - >50%	HUL's share in FMCG market (personal care) – 37.4%

Source: *Dabur Annual Report, Economic Times, Emami Annual Report, McKinsey Global Institute, CII*

THREE MAIN SEGMENTS OF FMCG

FMCG

Food and Beverages

- It accounts for 19 per cent of the sector.
- This segment includes health beverages, staples/cereals, bakery products, snacks, chocolates, ice cream, tea/coffee/soft drinks, processed fruits and vegetables, dairy products, and branded flour

Healthcare

- It accounts for 31 per cent of the sector.
- This segment includes OTC products and ethicals.

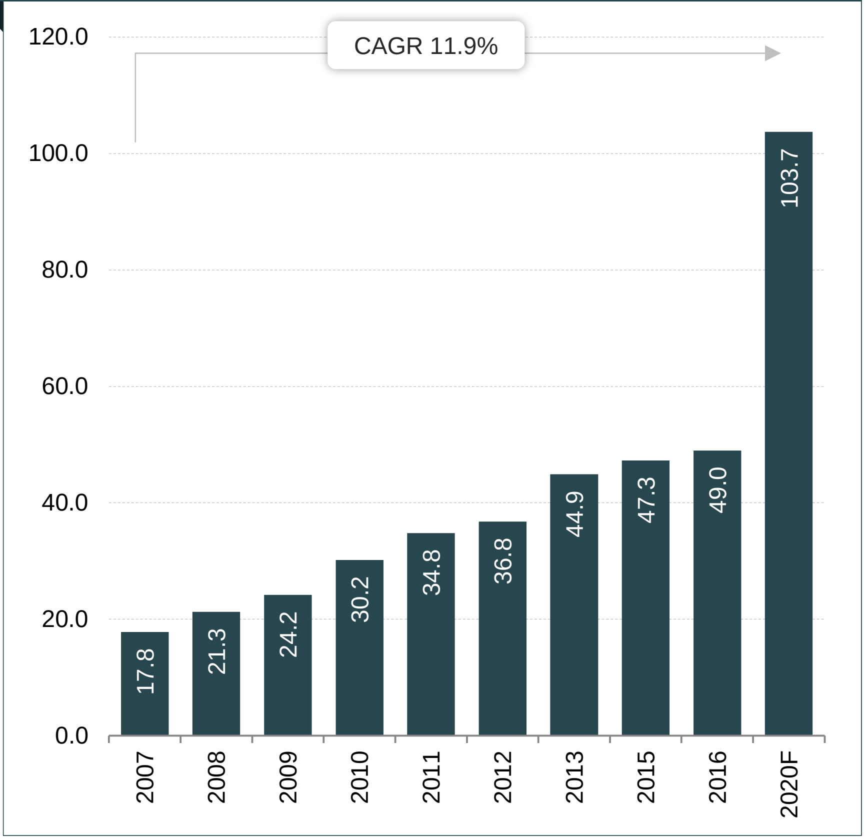
Household and Personal Care

- It accounts for 50 per cent of the sector.
- This segment includes oral care, hair care, skin care, cosmetics/deodorants, perfumes, feminine hygiene and paper products, Fabric wash, household cleaners

Note: *OTC is over the counter products; ethicals are a range of pharma products,*
Data as of March 2016
Source: *Dabur*

- The FMCG sector in India generated revenues worth US$ 49 billion in 2016.
- Over 2007-16F, the sector is expected to post CAGR of 11.9 per cent in revenues
- In 2016-17, revenues for FMCG sector have reached US$ 49 billion and is expected to grow at 9-9.5 per cent in FY18.
- In the long run, with the system becoming more transparent and easily compliable, demonetisation is expected to benefit organised players in the FMCG industry.

Trends in FMCG revenues over the years (US$ billion)

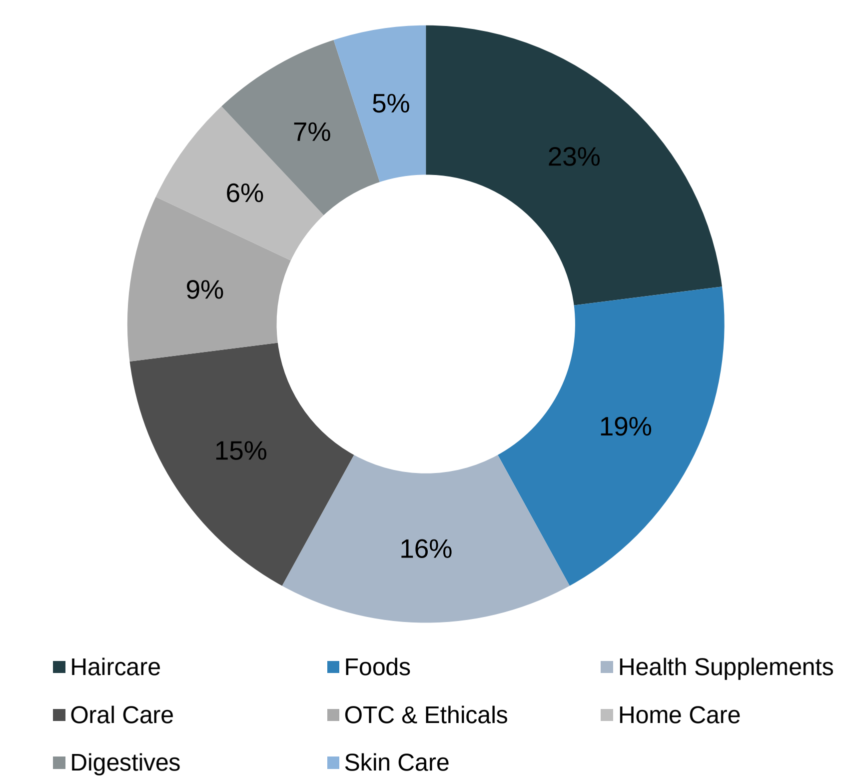


Note: *F - Forecast*
Source: *Booz and Company, Dabur, AC Nielsen*

FOOD AND PERSONAL CARE ACCOUNT FOR 2/3rd SHARE IN REVENUES

- Hair Care is the leading segment, accounting for 23 per cent of the overall market in terms of revenue.
- Food Products is the 2nd leading segment of the sector accounting for 19 per cent followed by health supplements and oral care which has a market share of 16 per cent and 15 per cent, respectively.

Revenue share of India (FY20E)

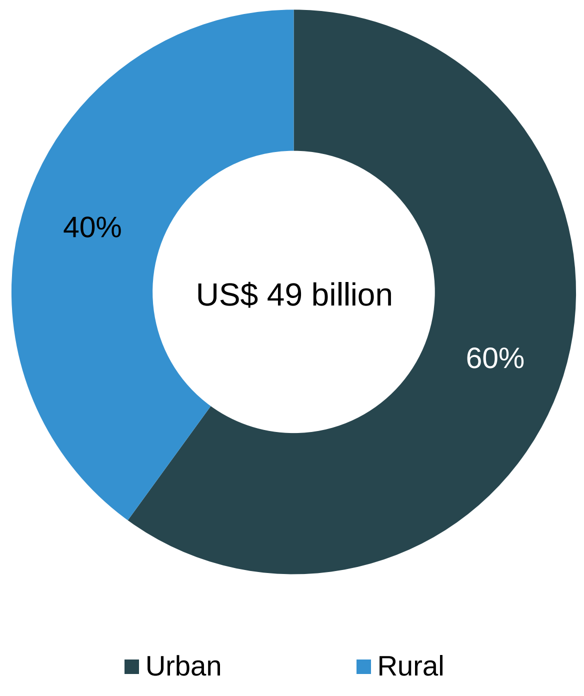


Source: *Dabur*

URBAN MARKET ACCOUNTS FOR MAJOR CHUNK OF REVENUES

- Accounting for a revenue share of around 60 per cent, urban segment is the largest contributor to the overall revenue generated by the FMCG sector in India and recorded a market size of around US$ 29.4 billion in 2016-17.
- Semi-urban and rural segments are growing at a rapid pace and accounted for a revenue share of 40 per cent in the overall revenues recorded by FMCG sector in India.
- In the last few years, the FMCG market has grown at a faster pace in rural India compared with urban India.
- FMCG products account for 50 per cent of total rural spending.

Urban – Rural industry Breakup (2016)



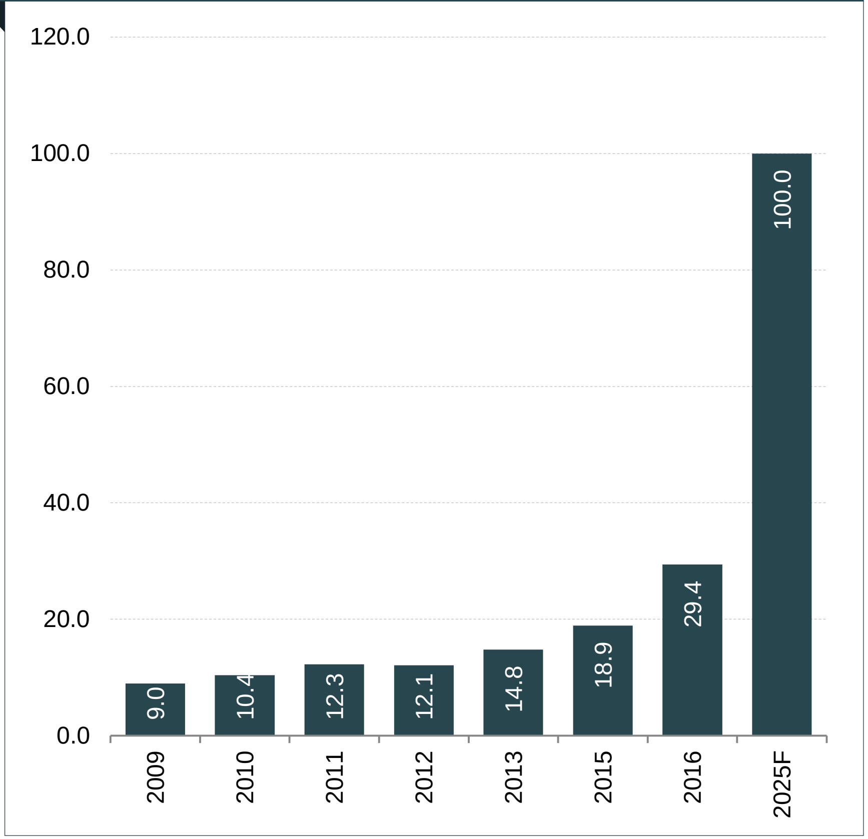
Note: *E – estimate*

Source: *BCG , KPMG- indiaretailing.com, Deloitte Report, Winning in India's Retail Sector*

RURAL SEGMENT IS QUICKLY CATCHING UP

- In FY17, rural India accounted for 40 per cent of the total FMCG market.
- Total rural income, which is currently at around US$ 572 billion, is projected to reach US$ 1.8 trillion by FY21. India's rural per capita disposable income is estimated to increase at a CAGR of 4.4 per cent to US$ 631 by 2020.
- As income levels are rising, there is also a clear uptrend in the share of non-food expenditure in rural India.
- The Fast Moving Consumer Goods (FMCG) sector in rural and semi-urban India is estimated to cross US$ 220 billion by 2025
- Amongst the leading retailers, Dabur generates over 40-45 per cent of its domestic revenue from rural sales. HUL rural revenue accounts for 45 per cent of its overall sales while other companies earn 30- 35 per cent of their revenues from rural areas.

Rural FMCG Market (US$ billion)

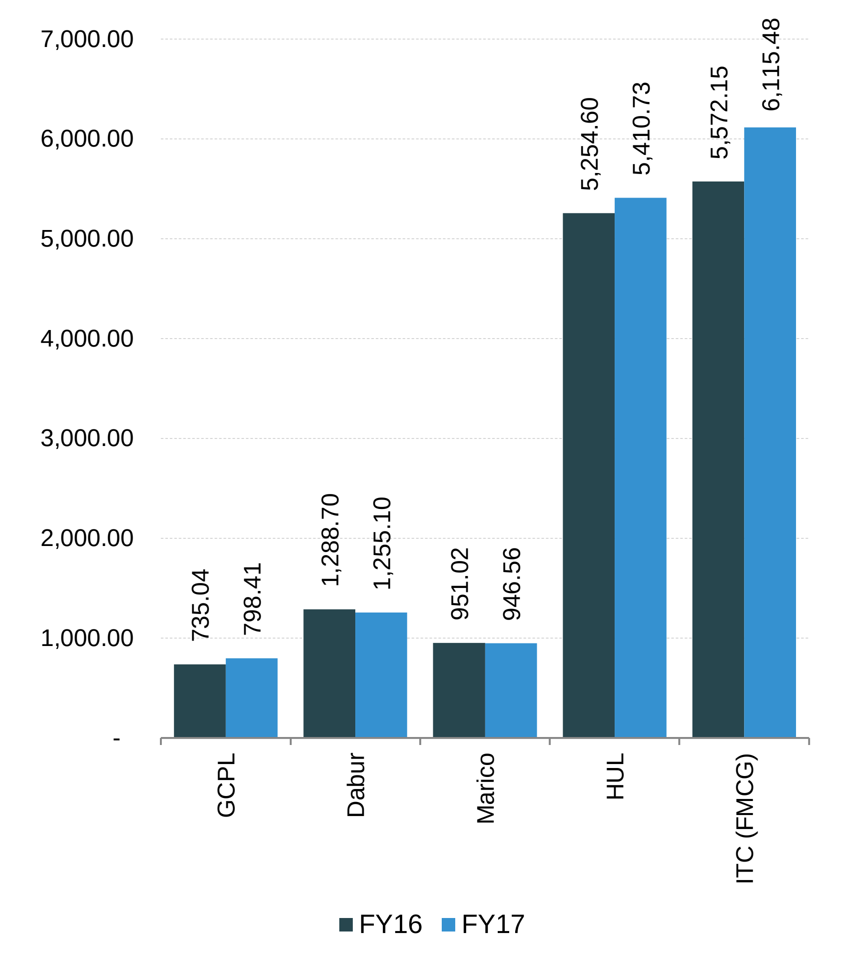


Note: *F-Forecast*
Source: *AC Nielsen, Dabur Reports, Goderej Group, McKinsey Global Institute*

INCREASING SALES OF TOP FMCG COMPANIES

- Consumer products manufacturers ITC, Godrej Consumer Products Limited (GCPL) and HUL reported healthy net sales in FY17.
- Aggregate financial performance of the leading 10 FMCG companies over the past 8 quarters displays that the industry has grown at an average 16-21 per cent in the past 2 years.
- In December 2016, Godrej Consumer Products Ltd (GCPL) acquired remaining 49 per cent in Kenyan Co Charm Industries
- Reckitt Benckiser, posted 14 per cent growth in sales in FY16, on the back of a forced distribution push in rural market, in support from the Swach Bharat Campaign.
- Biscuits and confectionery maker - Parle Products, is aiming to increase its market share in the premium biscuits category from 15 per cent in 2016—17 to around 20 per cent by 2017-18.
- ITC (FMCG) has generated highest revenue till FY17.

Sales (US$ million)



Source: *Company Websites*

MARKET SHARE OF COMPANIES IN A FEW FMCG CATEGORIES

	Market leader		Other Leading Players			
Hair oil	Marico	30%	Dabur	19%		
Shampoo	Hindustan Unilever Limited	47%	P&G	27%		
Oral care	Colgate	54.9%	Hindustan Unilever Limited	30%	Dabur	14%
Skin care	Hindustan Unilever Limited	54%	CavinKare	12%	Godrej	3%
Fruit juice	Dabur	50%	PEPSICO	30%		

Porter's Five Force Framework Analysis

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Threat of Substitutes

- **High –** Presence of multiple brands
- Narrow product differentiation under many brands
- Price war

Bargaining Power of Suppliers

- **Low** – Big FMCG companies are able to dictate the prices through local sourcing from a fragmented group of key commodity suppliers

Competitive Rivalry

- **High** – Private label brands by retailers are priced at a discount to mainframe brands limits competition for the weak brands
- Highly fragmented industry as more MNCs are entering

Bargaining Power of Buyers

- **High** – Low switching cost induces the customers' product shift
- Influence of marketing strategies
- Availability of same or similar alternatives

Threat of New Entrants

- **Medium –** Huge investments in setting up distribution network and promoting brands
- Spending on advertisements is aggressive

Positive Impact
Neutral Impact
Negative Impact

STRATEGIES ADOPTED

STRATEGIES ADOPTED

Promotions and offers	▪ FMCG companies are trying to influence consumers with intelligent deals ▪ Firms like ITC offers combo deals to the consumers. For example, in the case of soaps and cosmetics; 4 soap cases are offered at the price of 3, selling the range of deodorants for men and women at a discounted price
Research online Purchase offline	▪ The internet enables consumers to make their own research on the kind of products or commodities they want to purchase. 1 in 3 FMCG shoppers goes online 1st and then to the stores ▪ Almost half of the automobile consumers follow Research Online Purchase Offline (ROPO) method
Production innovation	▪ Indian consumers have become choosy and are less likely to stay loyal to a brand ▪ Dabur has launched its sugar free variant for Chyawanprash in India ▪ As of March 2017, ITC, which ventured in coffee and chocolates segment under the Fabelle and Sunbean brands is planning to launch another premium range of items. By doing so, the company is planning to compete with brands like Nestle and Cadburys.
Customisation	▪ Product Flanking: Introduction of different combinations of products at different prices, to cover as many market segments as possible ▪ Emami, has decided to rework on its overseas strategy by planning manufacturing and acquisitions in overseas markets. The company plans to re-work on its product portfolio by getting into new categories with higher buying preference and revamp its distribution networks.

Source: *AC Nielsen*

GROWTH DRIVERS

Source: *Dabur*

GROWTH DRIVERS FOR INDIA's FMCG SECTOR

GROWTH DRIVERS

Shift to organised market

- Organised sector growth is expected to grow as the share of unorganised market in the FMCG sector fall with increased level of brand consciousness
- Growth in modern retail will augment the growth of organised FMCG sector

Increase in penetration

- Low penetration levels of branded products in categories like instant foods indicating a scope for volume growth
- Investment in this sector attracts investors as the FMCG products have demand throughout the year.

Easy access

- Availability of products has become way more easier as internet and different channels of sales has made the accessibility of desired product to customers more convenient at required time and place
- Online grocery stores and online retail stores like Grofers, Flipkart, Amazon making the FMCG product s more readily available

Rural consumption

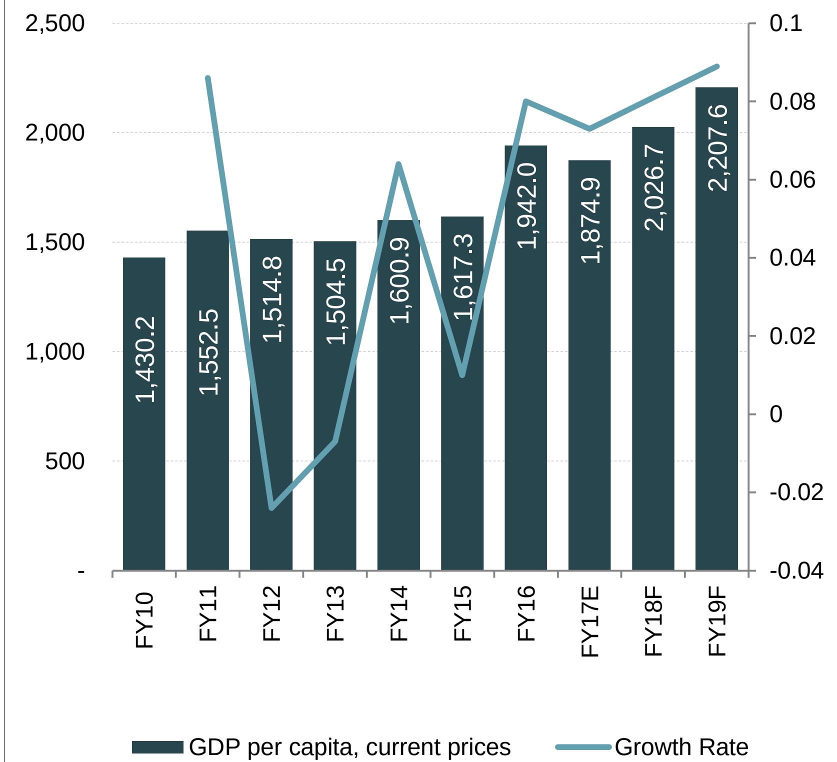
- Rural consumption has increased, led by a combination of increasing incomes and higher aspiration levels, there is an increased demand for branded products in rural India
- Huge untapped rural market
- Godrej is launching OneRural programme to generate more revenues from rural areas
- Rural India accounts for 40 per cent of the total FMCG market, as of May 2017.

Source: *Dabur*

HIGHER INCOMES AID GROWTH IN URBAN AND RURAL MARKETS

- Incomes have risen at a brisk pace in India and will continue rising given the country's strong economic growth prospects. According to IMF, nominal per capita income is estimated to grow at a CAGR of 4.94 per cent during 2010-19F
- An important consequence of rising incomes is growing appetite for premium products, primarily in the urban segment
- As the proportion of 'working age population' in total population increases, per capita income and GDP are expected to surge
- Per capita income in India is expected to grow at a CAGR of 8.09 per cent during 2015-19F

India's nominal per capita income (US$)

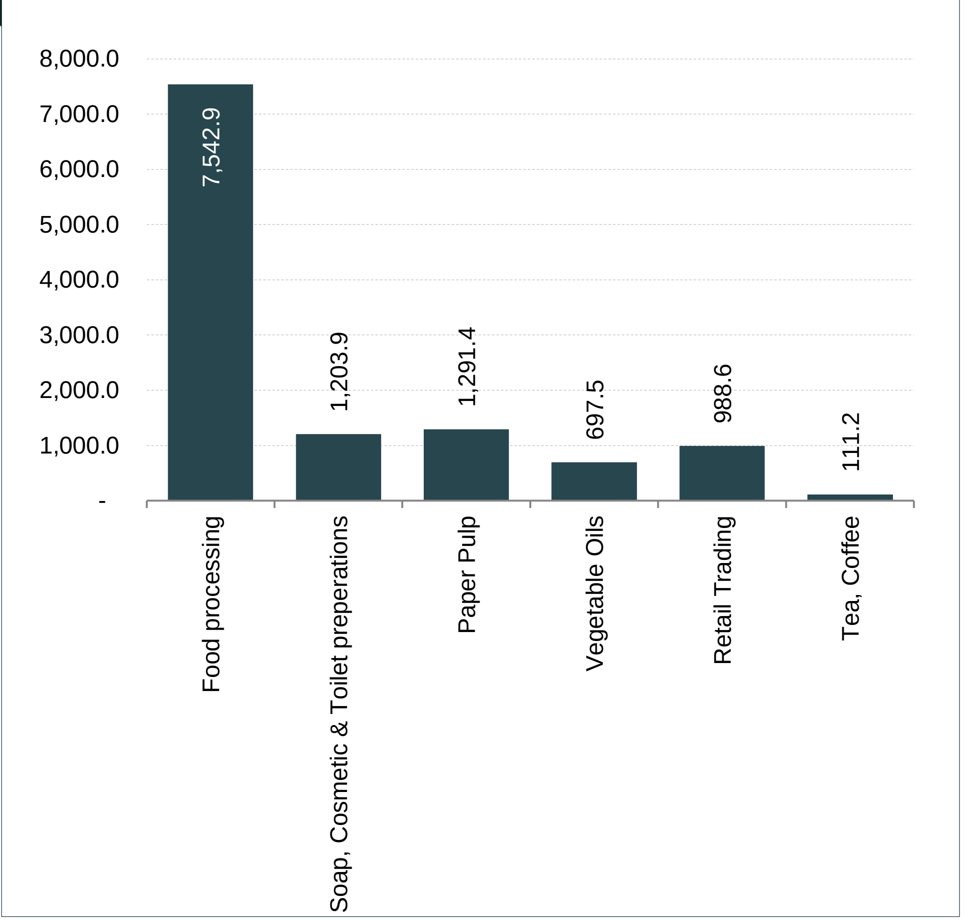


Source: *IMF, World Bank*

FDI INFLOWS RISE OVER THE YEARS

- 100 per cent FDI is allowed in food processing and single-brand retail and 51 per cent in multi-brand retail.
- This would bolster employment and supply chains, and also provide high visibility for FMCG brands in organised retail markets, bolstering consumer spending and encouraging more product launches
- The sector witnessed healthy FDI inflows of US$ 11,835.6 million, during April 2000 to March 2017.
- Within FMCG, food processing was the largest recipient; its share was 63.73 per cent
- US based dairy giant - Schreiber Dynamix Dairies, opened its 1st fully-automated infant nutrition plant, at Baramati, Maharashtra, with an investment of US$ 37.18 million.
- Britannia has signed an MoU with a Greek baker – Chipita, to produce bakery items such as croissants, rolls and various dough products. The venture is worth an investment of US$ 11 million, in which Britannia will be looking after functions like logistics costs, supply-chain and distribution network

Cumulative FDI inflows – April 2000 to March 2017 (US$ million)



Source: *DIPP*

POLICY AND REGULATORY FRAMEWORK

Goods and Service Tax (GST)	▪ The rate of GST on services lies between 0-18 per cent and on goods lies between 0-28 per cent ▪ FMCG sector wants an early rollout of the Goods-and-Services tax (GST) so as to reduce supply chain constraints, improve competitiveness of FMCG companies against unorganised players ▪ Major consumer product manufacturing companies like PepsiCo, Dabur, Hindustan Unilever etc. are aligning their supply chains, IT infrastructure and warehousing systems ahead of unified GST regime, so as to facilitate seamless interstate movement of goods. ▪ GST will be beneficial for the FMCG industry as many important raw materials required in the food processing industry will be exempted from GST. Moreover, major FMCG products will have lower GST rates compared to their current tax rates.
Excise duty	▪ Excise duty on instant tea, quick brewing black tea, and ice tea would be decreased to reduce the retail price by 30 per cent ▪ Excise duty on other beverages and lemonade would be decreased to reduce retail sale price by 35 per cent ▪ Excise duty on various tobacco products other than beedi would be increased, resulting in retail price of tobacco products going up by 10-15 per cent
Relaxation of license rules	▪ Industrial license is not required for almost all food and agro-processing industries, barring certain items such as beer, potable alcohol and wines, cane sugar and hydrogenated animal fats and oils as well as items reserved for exclusive manufacture in the small-scale sector

POLICY AND REGULATORY FRAMEWORK

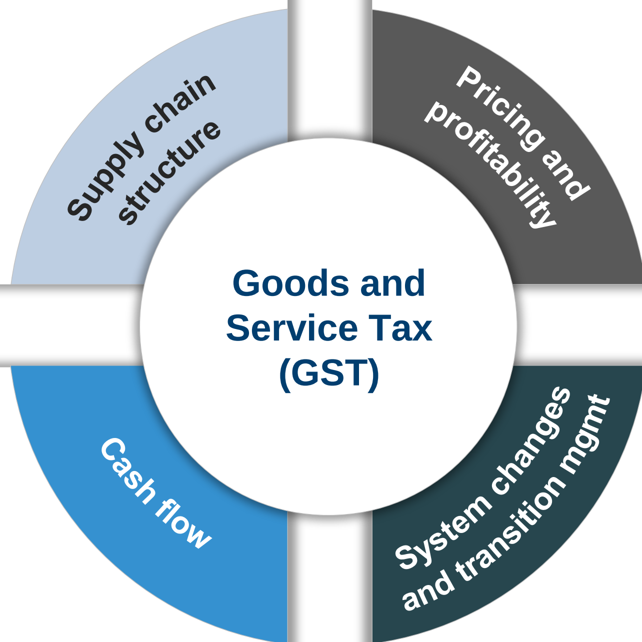
Statutory Minimum Price	▪ In October 2009, the government amended the Sugarcane Control Order, 1966, and replaced the Statutory Minimum Price (SMP) of sugarcane with Fair and Remunerative Price (FRP) and the State-Advised Price (SAP)
FDI in organised retail	▪ The government approved 51 per cent FDI in multi-brand retail in 2006, which will boost the nascent organised retail market in the country ▪ It also allowed 100 per cent FDI in the cash and carry segment and in single-brand retail
Food Security Bill (FSB)	▪ FSB would reduce prices of food grains for Below Poverty Line (BPL) households, allowing them to spend resources on other goods and services, including FMCG products ▪ This is expected to trigger higher consumption spends, particularly in rural India, which is an important market for most FMCG companies
Telecom Regulatory Authority of India (TRAI) advertising regulations	▪ FMCG companies, which are top advertisers on television (above 50 per cent share), are likely to face the twin risks of reduced inventory to advertise, which could be cut by 25–30 per cent, and increased prices as broadcasters hike prices
SETU Scheme	▪ Government has initiated Self Employment and Talent Utilisation (SETU) scheme to boost young entrepreneurs. Government has invested US$ 163.73 million for this scheme

Source: *SBI, Union Budget 2015-16*

NEW GOODS AND SERVICE TAX (GST) WOULD SIMPLIFY TAX STRUCTURE

- Introduction of GST as a unified tax regime will lead to a re-evaluation of procurement and distribution arrangements
- Removal of excise duty on products would result in cash flow improvements
- The rate of GST on services is likely to be 16 per cent and on goods to be 20 per cent

- Elimination of tax cascading is expected to lower input costs and improve profitability
- Application of tax at all points of supply chain is likely to require adjustments to profit margins, especially for distributors and retailers



- Tax refunds on goods purchased for resale implies a significant reduction in the inventory cost of distribution
- Distributors are also expected to experience cash flow from collection of GST in their sales, before remitting it to the government at the end of the tax-filing period

- Changes need to be made to accounting and IT systems in order to record transactions in line with GST requirements and appropriate measures need to be taken to ensure smooth transition to the GST
- It is estimated that India will gain US$ 15 billion a year by implementing the Goods and Services Tax

Source: *GST India*

KEY M&A DEALS IN THE INDUSTRY

Target name (segment)	Acquirer name (segment)	Merger/ Acquisition	Year
Godrej Industries	Godrej Agrovet Ltd.	Increase in stake	2017
Argencos, Argentina (Hair care products)	Godrej Consumer Products Ltd (Home and personal care)	Acquisition	2016
Issue Group, Argentina (Hair products)	GCPL (Home and personal care)	Acquisition	2016
Tura, Nigeria (Soap and cleaning products)	GCPL (Home and personal care)	Acquisition	2015
Frika Hair (Pty) Ltd, Africa	Godrej Consumer Products Ltd (Home and personal care)	Acquisition	2015
Megasari, Indonesia (Soap and cleaning products)	GCPL (Home and personal care)	Acquisition	2014
Olyana Holding LLC (Tea)	UK-based Borelli Tea Holdings Ltd, a wholly-owned unit of Mcleod Russel India Ltd	Acquisition	2014
Varun Beverages	Pearl Drinking - Bottling business	Acquisition	2013
Garden Namkeens Pvt Ltd (Food - misc.)	Cavinkare Pvt Ltd (Food)	Acquisition	2012
Bacardi Martini India Ltd's 26% shares from Gemini Distillery Private Ltd (Beverages)	Bacardi Martini BV, Netherlands (Beverages)	Acquisition	2011
Vale Do Ivai SA Acucar E Alcool (sugar and ethanol)	Shree Renuka Sugars Ltd (Food)	Acquisition	2011
Tern Distilleries Pvt Ltd (beverages - wine/spirits)	United Spirits Ltd (Beverages)	Acquisition	2009
Greenol Laboratories Pvt Ltd (Tea)	Asian Tea and Exports Ltd (Food - tea)	Acquisition	2009
Lotte India Corp Ltd (Food)	Lotte Confectionery Co Ltd, South Korea (Food)	Acquisition	2004

Source: *Bloomberg*

OPPORTUNITIES

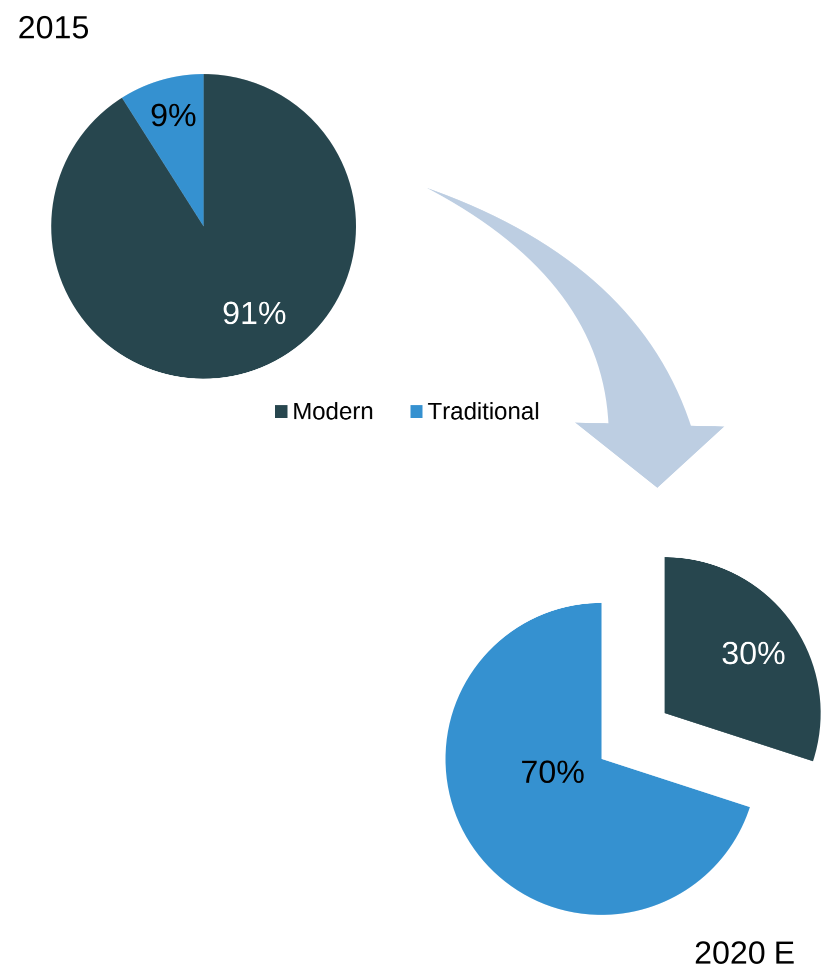
GROWTH OPPORTUNITIES IN THE INDIAN FMCG INDUSTRY

Rural Market	▪ Leading players of consumer products have a strong distribution network in rural India; they also stand to gain from the contribution of technological advances like internet and e-commerce to better logistics. Godrej is focusing on rural market for household insecticides segment. At present, Godrej accounts for 25 per cent of the household insecticides sales from rural areas ▪ Rural FMCG market size is expected to touch US$ 220 billion by 2025
Innovative products	▪ Indian consumers are highly adaptable to new and innovative products. For instance there has been an easy acceptance of men's fairness creams, flavored yoghurt, cuppa mania noodles, gel based facial bleach, drinking yogurt, sugar free Chyawanprash
Premium products	▪ With the rise in disposable incomes, mid and high-income consumers in urban areas have shifted their purchase trend from essential to premium products ▪ Premium brands are manufacturing smaller packs of premium products. For example, Dove soap is available in 50g packaging ▪ Nestle is looking to expand its portfolio in premium durables cereals, pet care, coffee, and skin health accessing the potential in India.
Sourcing base	▪ Indian and multinational FMCG players can leverage India as a strategic sourcing hub for cost-competitive product development and manufacturing to cater to international markets
Penetration	▪ Low penetration levels offer room for growth across consumption categories ▪ Major players are focusing on rural markets to increase their penetration in those areas
Align partnership	▪ ITC partnered with farmers of MP to improve the living conditions in villages. It aims at improving watershed development programmes where ITC has factory or agri operations

Source: *Assorted articles and reports, AC Nielsen*

- Growth of India's FMCG purchased through modern trade is surpassing growth of FMCG purchased in general trade
- In 2015, market size of the organised FMCG sector was 9 per cent of the overall organised retail market and is expected to reach 30 per cent by 2020. This represents the influence of modern retail over the FMCG sector
- Share of the modern retail in FMCG sales is estimated to be 12 per cent by 2016.
- FMCG companies are partnering with major retail players to increase brand communication and boost their share in modern retail
- Modern retail is expected to reach US$ 180 billion in 2020 from US$ 60 billion in 2015. Traditional retail is expected to grow at 10 per cent and modern retail growth rate is expected to be 20 per cent in future. Overall retail market is expected to have 12 per cent growth rate per annum

FMCG share



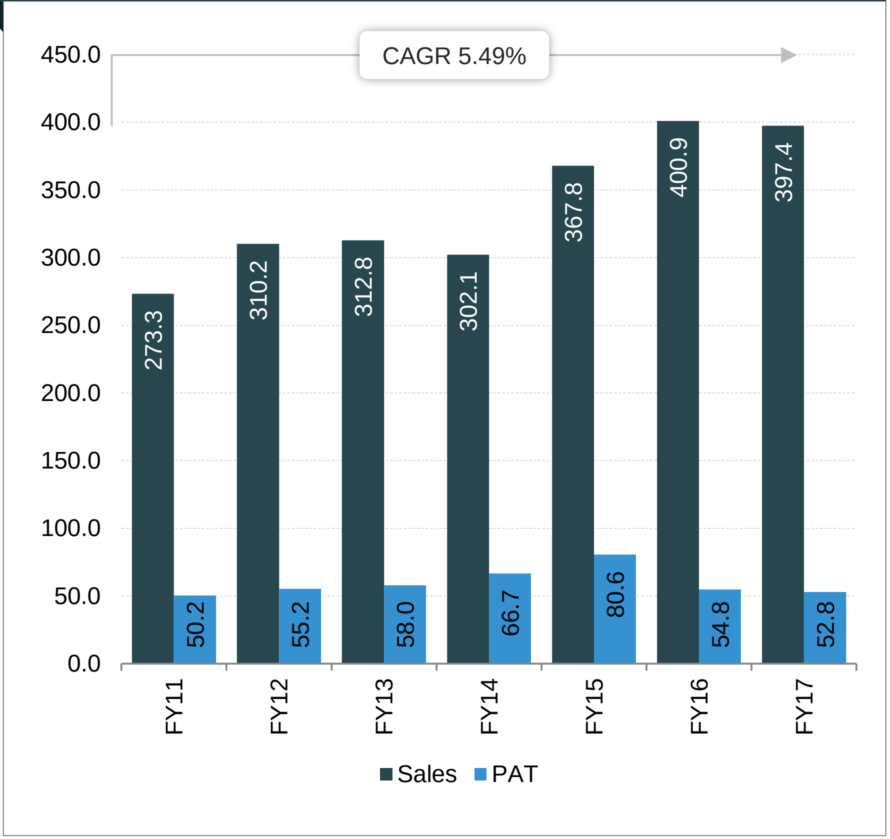
Source: *TCS report, AC Nielsen*

CASE STUDIES

EMAMI – ONE OF THE FASTEST GROWING FMCG COMPANIES

- Niche category player and innovator
- Key brands are strong market leaders in their respective categories
- Portfolio includes Zandu, one of the strongest Ayurvedic brands
- Over 80 per cent of business comes from wellness categories
- During FY11-17, net sales of the company grew at CAGR of 5.49 per cent reaching US$ 397.4 million in FY1 7 and the profit after tax reaching US$ 52.83 million
- Emami has increased focus on OTC products, concentrating on advertising, distribution and product launches. These initiatives are expected to increase revenue contribution to 8 per cent from 6 per cent by FY16
- Emami plans to make investments in start-ups. The company has created a new division to evaluate and fund such initiatives

Emami's Sales and PAT (US$ million)

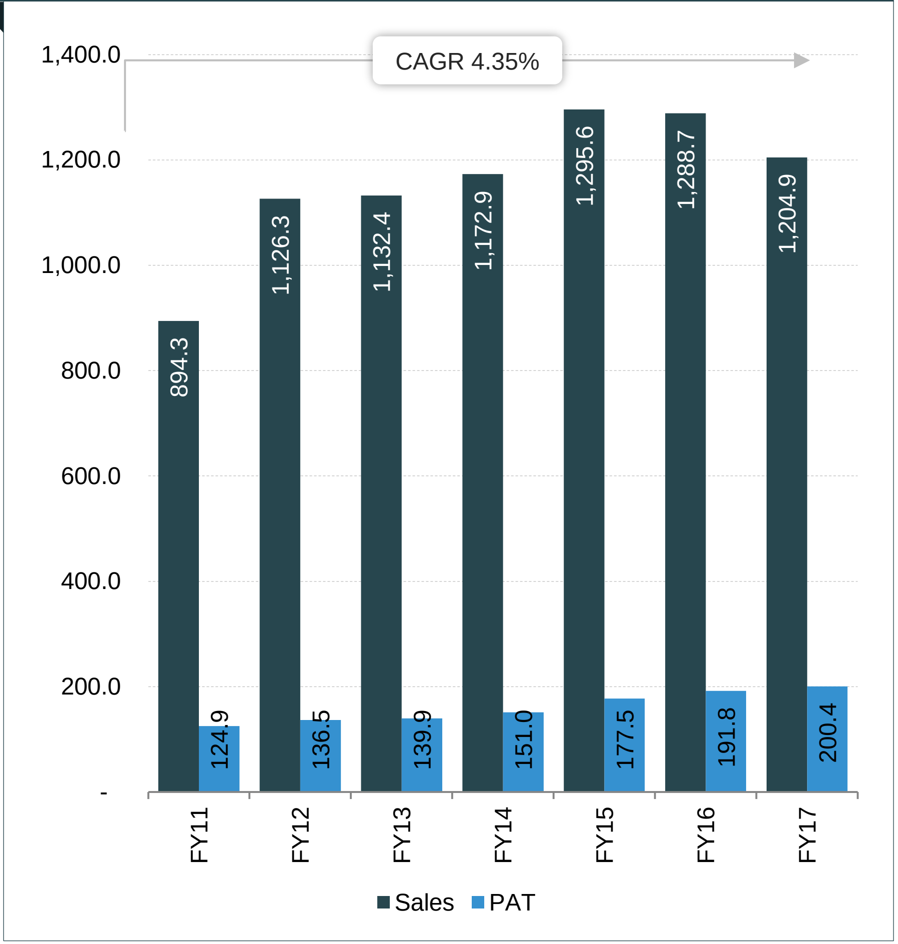


Source: *Company website, Annual Report, Media sources*

DABUR – RIDING ON STRONG BRAND EQUITY IN INDIA

- Among top four FMCG companies in India
- 14 brands with turnover of US$ 16.6 million with 3 brands over US$ 165.9 million
- Wide distribution network covering 2.8 million retailers across the country
- 17 world-class manufacturing plants catering to needs of diverse markets
- Dabur's Vision Plan for 2011-15, successfully got completed with the sales of US$ 1,295.6 million recording a growth of 9.7 per cent
- In 2017, Dabur registered sales of FMCG products worth US$ 1,204.93 million growing at a CAGR of 4.35 per cent over FY11-17.
- The company plans to acquire the personal care, hair care and creams businesses of CTL group based in South Africa, at an estimated cost of US$ 1.5 million
- As of May 2017, NewU, a beauty retail venture of Dabur, launched Sri Lankan beauty products brand - Spice Island, to India to strengthen their portfolio

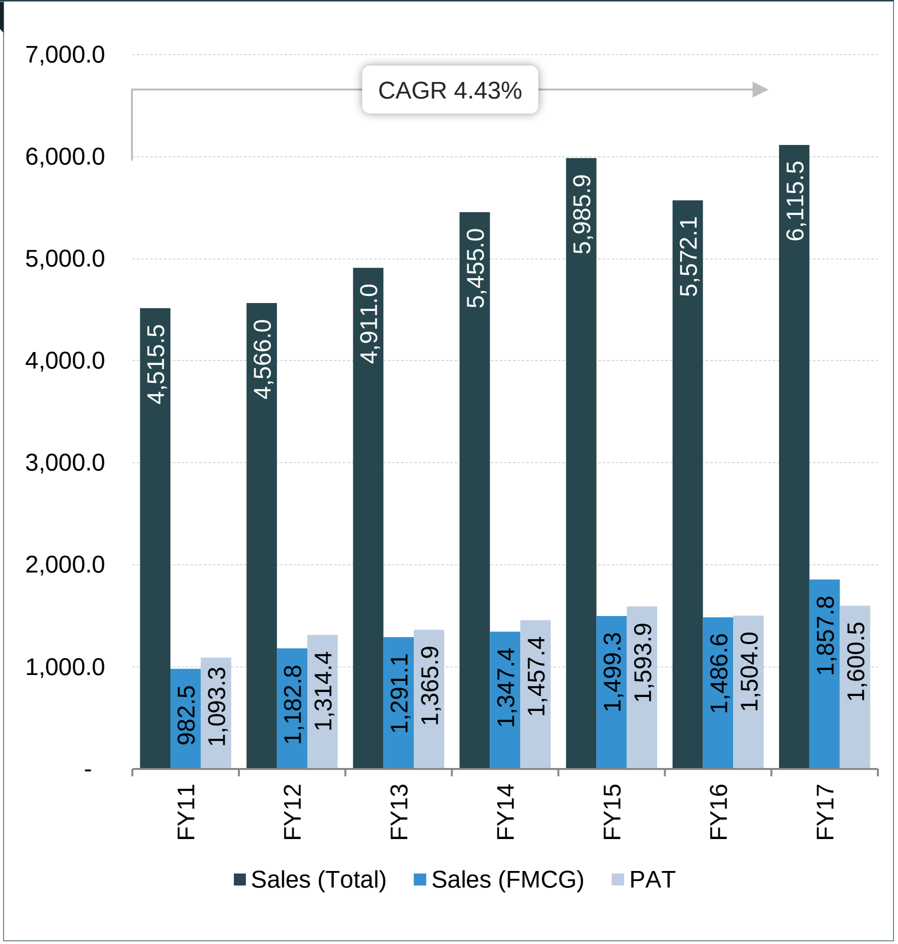
Dabur's sales growth (US$ million)



Source: *Dabur Annual Report*

- ITC is one of the foremost company in private sector in terms of sustained value creation, operating profits and cash profits
- It is the only India-based FMCG company to feature in Forbes 2000 List in 2016.
- ITC is a market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri-Exports
- The company is rapidly gaining market share even in its nascent businesses of Packaged Foods and Confectionery, Branded Apparel, Personal Care and Stationery
- Its Agri-Business is one of India's largest exporters of agricultural products
- ITC's total sales increased at a CAGR of 4.43 per cent between FY11 and FY17 to reach net sales of US$ 6,115.48 million

ITC's sales growth (US$ million)



Source: *Company Reports*

KEY INDUSTRY ORGANISATIONS

INDUSTRY ORGANISATIONS

Indian Dairy Association

Secretary (Establishment)

Indian Dairy Association, Sector-IV, New Delhi –110022

Phone: 91-11-26170781, 26165355, 26179780

Fax: 91 11 26174719

E-mail: ida@nde.vsnl.net.in

Website: www.indairyasso.org

All India Bread Manufacturers’ Association

PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi –110016

Phone: 91-11-26515137; Fax: 91-11-26855450

E-mail: aibma@rediffmail.com; mallika@phdcci.in

Website: www.aibma.com

All India Food Preservers’ Association

206, Aurobindo Place Market Complex

Hauz Khas, New Delhi –110016

Phone: 91-11-26510860, 26518848; Fax: 91-11-26510860

Website: www.aifpa.net

Indian Soap and Toiletries Manufacturers’ Association

Raheja Centre, 6th Floor, Room No 614, Backbay Reclamation, Mumbai – 400021

Phone: 91-22-2824115; Fax: 91-22-22853649

E-mail: istma@bom3.vsnl.net.in

USEFUL INFORMATION

GLOSSARY

- **FDI:** Foreign Direct Investment
- **MSP:** Minimum Selling Price
- **NREGA:** National Rural Employment Guarantee Act
- **FY:** Indian Financial Year (April to March)

  - So FY09 implies April 2008 to March 2009
- **SEZ:** Special Economic Zone
- **MoU:** Memorandum of Understanding
- Wherever applicable, numbers have been rounded off to the nearest whole number

Exchange Rates (Fiscal Year)

Year INR	equivalent of one US$
2004–05	44.81
2005–06	44.14
2006–07	45.14
2007–08	40.27
2008–09	46.14
2009–10	47.42
2010–11	45.62
2011–12	46.88
2012–13	54.31
2013–14	60.28
2014-15	61.06
2015-16	65.46
2016-17 (E)	67.23

Exchange Rates (Calendar Year)

Year	INR equivalent of one US$
2005	43.98
2006	45.18
2007	41.34
2008	43.62
2009	48.42
2010	45.72
2011	46.85
2012	53.46
2013	58.44
2014	61.03
2015	64.15
2016 (Expected)	67.22

Source: *Reserve bank of India, Average for the year*