emami limited

Date : 3rd August, 2018

The Secretary
The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata – 700 001

Sub : 35th (Thirty Fifth) Annual General Meeting (AGM)

Dear Sirs,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015 the Annual Report 2018 comprising of Consolidated and Standalone Financial Statements of the Company with audited Balance sheet as at 31st March 2018, the statement of profit & Loss and Cash Flow Statement for the financial year ended on that date and the reports of the Directors' and Auditors' thereon of the Company for the Financial Year 2017-18, duly approved and adopted by the Members of the Company, at the 35th Annual General Meeting held on 1st August 2018.

Further the copy of the Annual report was also sent, at the time of dispatch of the Annual Report to shareholders, to the stock exchanges vide our letter dated 6th July 2018.

Thanking you,

Yours faithfully,
For Emami Limited

A. K. Joshi
Company Secretary & VP- Legal

Encl. As above.

naya emami

EMAMI LIMITED | ANNUAL REPORT 2017-18

Cover Story
PAGE 18

IN A RAPIDLY-CHANGING WORLD, THE ONLY INSURANCE IS THE NEED FOR COMPANIES TO MOVE FASTER. AT EMAMI, WE ARE EVOLVING AS A NEW PERSONALITY.

Young. Contemporary. Innovative.



PAGE 60

INNOVATING FOR THE FUTURE

WHY IS CHEMICAL-FREE THE NEW NORMAL?

PAGE 24

RURAL INDIA THE NEXT BIG THING

WITH THE GOVERNMENT EXPECTED TO BOLSTER RURAL LIVELIHOODS AND OPPORTUNITIES, RURAL CONSUMPTION IS POISED TO GROW WELL.

emami

For a digital copy of the Annual Report and other related information, scan this QR Code.

Corporate Information

Chairman
R.S. Agarwal

Managing Director
Sushil K. Goenka

CEO-Finance, Strategy & Business Development and CFO
N.H. Bhansali

Company Secretary & VP-Legal
A.K. Joshi

Auditors
S.R. Batliboi & Co. LLP
Chartered Accountants

Directors
R.S. Goenka
K.N. Memani
Y.P. Trivedi
M.D. Mallya
Rama Bijapurkar
P.K. Khaitan
C.K. Dhanuka
S.B. Ganguly
Amit Kiran Deb
Mohan Goenka
Aditya V. Agarwal
Harsha V. Agarwal
Priti A Sureka
Prashant Goenka

Our Presence

60+ Countries | 8 Factories | 1 Overseas Unit | 4 Regional Offices | 27 Depots | 9 Overseas Subsidiaries.

Bankers

ICICI Bank Ltd. | HDFC Bank Ltd. | HSBC Ltd. | Citi Bank N.A. | DBS Bank Ltd. | Yes Bank Ltd.

Registrar & Transfer Agent

Maheswari Datamatics Private Limited,
23, R.N. Mukherjee Road, Kolkata 700 001,
West Bengal, India,
Tel: +91-33-2248 2248, Fax: +91-33-2248 4787,
Email: mdpl@cal.vsnl.net.in

Registered Office:

Emami Tower, 687, Anandapur,
EM Bypass, Kolkata 700 107, West Bengal, India.
Tel : +91-33-6613 6264, Fax: +91-33-6613 6600,
Email: contact@emamigroup.com

Website: www.emamiltd.in

CIN: L63993WB1983PLC036030

Board committees

Audit Committee
S.B. Ganguly, Chairman
R.S. Goenka
C.K. Dhanuka
Amit Kiran Deb

Nomination and Remuneration Committee
Amit Kiran Deb, Chairman
C.K. Dhanuka
S.B. Ganguly

Share Transfer Committee
Mohan Goenka, Chairman
Aditya V. Agarwal
Harsha V. Agarwal
Priti A Sureka

Stakeholders' Relationship Committee
C.K. Dhanuka, Chairman
S.B. Ganguly
Mohan Goenka
Harsha V. Agarwal
Prashant Goenka

Finance Committee
R.S. Goenka, Chairman
Sushil K. Goenka
Mohan Goenka
Aditya V. Agarwal
Harsha V. Agarwal
Priti A Sureka

Risk Management Committee
R.S. Goenka, Chairman
S.B. Ganguly
Sushil K. Goenka
Mohan Goenka
Harsha V. Agarwal
Priti A Sureka

Corporate Governance Committee
S.B. Ganguly, Chairman
R.S. Goenka
Y.P. Trivedi
Amit Kiran Deb

Corporate Social Responsibility Committee
Sushil K. Goenka, Chairman
Amit Kiran Deb
Mohan Goenka
Harsha V. Agarwal
Priti A Sureka
Prashant Goenka

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"Every bit of household income and every consumer, whether rich or poor, is a real opportunity." **– Rama Bijapurkar,** Eminent Marketing Consultant

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the next big thing — 24

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EDITORIAL BOARD
N H Bhansali
Rajesh Sharma
Mahasweta Sen
Arpit Shah
Pritha Roy Chakrabarti



Editors' note

To all our stakeholders,

Welcome to the 2017-18 edition of Emami Limited's Annual Report.

You have known this Company for decades. Our strength lies in creating sustainable competitive advantage – from products to practices and processes.

As India's business environment becomes increasingly disruptive with phases marked by increased digitalisation, we welcome the change with future-readiness.

In doing so, we are offering new products for new times through new marketing channels delivered to new territories entailing investments in new and young ventures.

In view of this intent, we believe Emami is attractively placed to enhance value for its shareholders.

Welcome to Naya Emami!

Forward-looking statement
In this Annual report, we have disclosed the Company's objectives, expectations and forecasts to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make may be forward-looking within the meaning of applicable securities laws and regulations. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. Although we believe that we have been prudent in our assumption, actual results may differ materially from those expressed in the statement. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.



Additional details, investor information and the latest financials can be accessed at www.emamiltd.in across devices

Readers' speak

The Annual Report of Emami Limited, since the past few years, have become informative and knowledge-enhancing. The report gives me a feeling of reading a quality business magazine. From the cover story, one can make out how intricately the subjects are handpicked to showcase the Company in a topical and relevant way. The vibrant layout provides a relief that makes it easy to read hardcore business information. Every year, the benchmark is getting raised.

Biswanath Bhansali, *shareholder*

The annual report by Emami Limited is a class in its own. From the annual report, we not only get the details of the Company's future but also get a glimpse into the Company's values, ethos and other achievements. The magazine styled look makes it a good read and we keep it on our living room table.

Sunil Kumar Maheshwari, *shareholder*

Emami's annual report is not just a Balance Sheet but provides a readable insight into the operations of the Company. Its unique format generates interest not only for shareholders but for consumers as well. The reports like Management Discussion & Analysis and Brand overviews help assess business prospects of not just of the Company but also for the category and industry. My best wishes are with the Company.

Poonam Gandhi, *Shareholder*

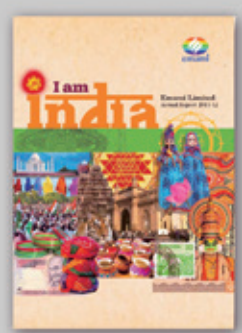
Business, The Emami Way" – The Annual Report of 2016-17 was a collector's item. Emami has its own unique way of functioning. Pioneering categories, introducing niches, differentiating from the clutter – all these represent the Emami Way of doing business. An annual report of a Company is one platform and one voice where a company can share not only its financials but also showcase values, traditions, business excellence and foresight. Last year's Annual Report of Emami Limited was bang on with that – a document that instantly instilled confidence in an investor that the Company's roadmap stands on the firm ground of tradition woven around innovation.

Vijay Kothari, *Shareholder*

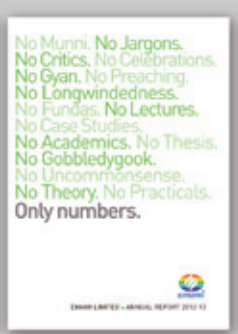


2016-**17**

ANNUAL REPORTS OVER THE YEARS



2011-**12**



2012 -**13**



2013 -**14**



2014 -**15**



2015-**16**

FOUNDERS' STATEMENT

The *new* rules of the game

Dear Shareholders

India is passing through an exciting transformation. One of the most decisive developments has been the wave of digitalisation sweeping across the nation. With a few clicks you can:

- Buy without touching physical cash
- Get your daily grocery delivered to your doorstep
- Book a cab
- Transfer money without writing a cheque
- Book a doctor's appointment and order medicines
- Plan an entire holiday
- Book train seats, hotel rooms and film tickets
- Access world news in real-time

The big message is that the digital revolution transpiring in the country is touching countless lives.

It would be naive to believe that this all-encompassing change would only be limited to IT companies.

The reality is that every single industry in India is being influenced and affected.

This is warranting businesses to work faster, map consumer trends deeper and distribute products wider.

This reality is prompting companies to transform their business models and reinvent their personalities.



Naya Emami

Emami is attractively placed to capitalise this opportunity. The Company has invested aggressively and proactively to ride the digital curve with the objective to emerge younger. The Company has always been an early adopter of new technologies from the early days of barcode scanning to the today's world of robotics and self-service. Besides, new retail technologies offer Emami an opportunity to innovate service consistency and back-office management.

There are several new rules of the game, warranting not just a change in the way we see things but a completely new set of eyes. We derive a deep understanding of consumer preferences through formal and informal engagements. We examine how different customer categories – housewives, farmers, bankers and students – consume. This consistent understanding of grassroot realities did something important for Emami: it helped us focus on the power of ayurvedic formulations, our biggest competitive advantage. Besides, Emami recognises that in a new business environment, there is a premium on the need to specialise. This understanding prompted us to acquire focused companies as opposed to growing those capabilities patiently from within.

Making the most of the digital revolution

In retail, more than almost any other sector, the move to a digital economy is bringing about a paradigm shift. There is an increasing need to blend traditional operating models with new-age technologies. With the advent of 4G data networks, a number of consumers have found an ideal purchase reference point through the digital media. The result is that India's digital commerce market is expected to exceed US$50 billion in revenues by the end of this year. As e-commerce grows, so should the country's ayurvedic and natural e-commerce segment. While most e-commerce platforms can expect a seven to ten-fold increase in revenue generation, the e-commerce market for ayurvedic and natural products would not only ride the digital wave but will also benefit from changes in consumer behaviour.

The country is transforming

India stands at an inflection point. The country is marked by growing per capita disposable incomes. Most citizens have grown their aspirations. Consumers are willing to pay higher for value-added products. The digital age is creating disruptive business opportunities.

And...Emami is transforming

Emami is leveraging the strengths of the past and addressing the challenges of the day. We are investing in cutting-edge technologies. We are mining data more extensively. We are strengthening our retail connect. We are exploring different delivery formats.

For instance, by deciding to market Nityam Churna in a tablet form, we virtually transformed a decade-old legacy into a modern application.

The Company is also investing in startups; it acquired a strategic stake in Helios Lifestyle, an online premium male grooming company widely known for it's 'The Man Company" brand. We took this move forward by acquiring a strategic stake in Brillare, which offers natural and premium professional salon products.

We invested >₹300 crore in an international standard state-of-the-art manufacturing facility at Pacharia (Assam), one of the largest in the country's FMCG sector.

The big message is that Emami is virtually reinventing itself across every dimension to accelerate its growth momentum.



"WE BELIEVE THAT MOST CONSUMER SEGMENTS WE ARE PRESENT IN ARE UNDERPENETRATED, OFFERING SUBSTANTIAL ROOM FOR GROWTH."

RS AGARWAL



"THE BIG MESSAGE IS THAT EMAMI IS VIRTUALLY REINVENTING ITSELF ACROSS EVERY DIMENSION TO ACCELERATE ITS GROWTH MOMENTUM."

RS GOENKA

Strengthening our core brands

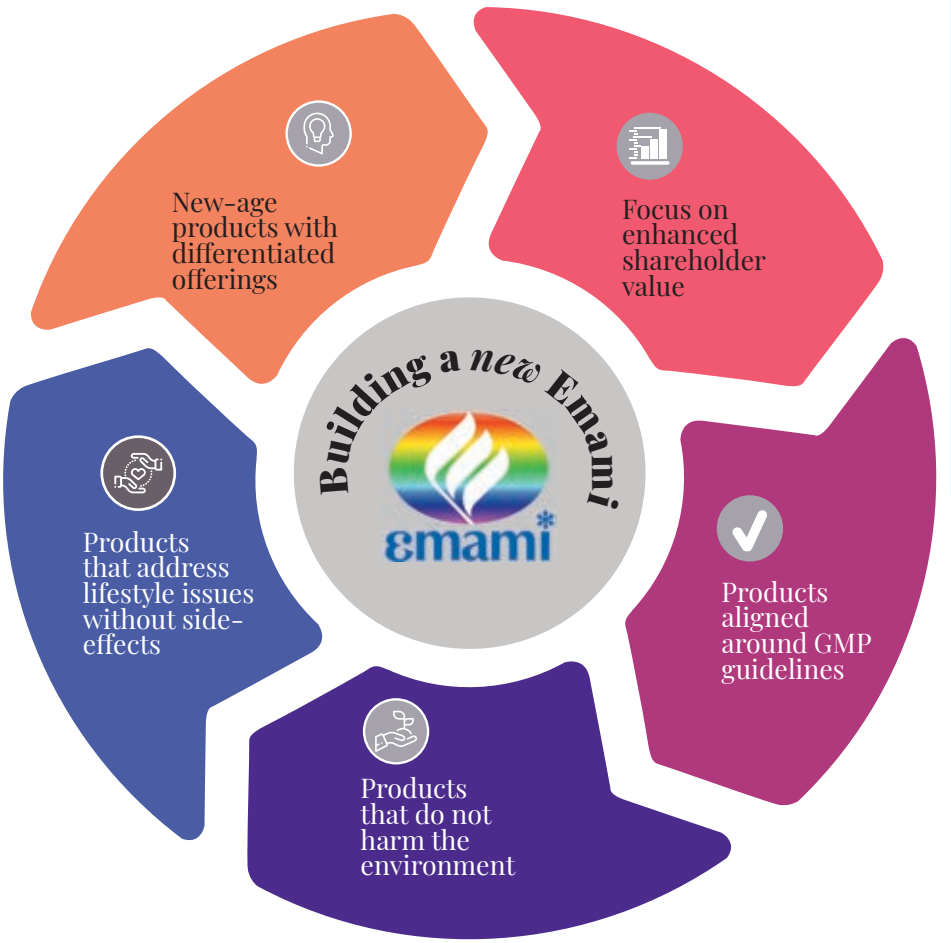
In the modern world, the strength of a brand is being increasingly manifested through an ever-widening array of media options. Emami is attractively placed in this regard. Our core brands continue to be active revenue generators enjoying market leadership despite being present for years. We believe that most consumer segments we are present in are underpenetrated, offering our brands substantial room for growth. We are continuously investing in our brands to enhance their relevance. We are focusing on brand extensions to carve out larger market shares. We are investing in cutting-edge packaging technologies to enhance aesthetic appeal.

Enhancing market reach

The lean-manufacturing revolution has prompted companies to reinvent how they build efficiently. Emami has extended this commitment to sales and marketing. When growth was elusive, we made strategic investments in our sales infrastructure. We widened and deepened our market presence. This is the result: Emami's products are not only available in all Indian cities but even in more than 25,000 villages with a population of <5,000 across the country. We enjoy a direct coverage via 8.5 lac retailers and an indirect coverage via 4.3 million retailers. Our distributor network comprises 3,150 dealers. We sharpened our focus on the modern trade channel as a key growth driver, increasing its contribution from 4% of revenues in FY17 to 6% in FY18.

Building on corporate governance

The modern world warrants a firm commitment towards enhancing business transparency and credibility. Hence, a seamless governance mechanism separates the successful from the rest. Over the years, Emami established a robust governance framework. The Company's Board comprises eminent personalities from diverse industry spaces; the various Board Committees oversee specific responsibilities that enhance understanding and compliance.



Outlook for FY19

Emami's new-age products comprise differentiated offerings based on the age-old wisdom of ayurveda. Thanks to our aggressive marketing campaigns and continuously expanding distribution network, we made the most of incipient trends and intend to sustain this across the years that lie ahead. As the world transforms and new opportunities emerge, Emami is equipped to surge ahead.

Acknowledgements

We are thankful to all our stakeholders for being a part of the Emami journey and look forward to their continued support as we advance towards realising our vision of a ***'Naya Emami'.***

RS Agarwal | RS Goenka

Highlights, FY18

Turnover

- Consolidated Net sales* grew by 5%
- Revenue from operations grew by 1%
- Domestic sales* grew by 4%
- International business grew by 14%

Costs

- Cost of goods sold at 32.3% of sales, decreased by 60 bps
- Staff costs at 10.0% of sales, increased by 80 bps
- Advertisement and sales promotion increased from ₹ 443 cr in FY17 to ₹ 470 cr FY18. Investments in new launches increased by 5.5 times to ₹ 63 cr
- Admin & other expenses at 10.9% of sales, increased by 50 bps

Profits

- EBIDTA margin at 28.3%
- Cash profit margin at 24.3%.
- PAT margin at 12.1%.
- EPS at ₹ 13.5; Cash EPS at ₹ 27.2
- ROCE at 26.2% (on Cash Profit)
- ROE at 30.7% (on Cash Profit)

New launches

- Emami Diamond Shine Luxury Crème Hair Colour
- Fair and Handsome Laser 12 Advanced Whitening and Multi Benefit Cream
- BoroPlus Zero Oil Zero Pimple Face Wash
- BoroPlus Healthy White Fairness Cream
- Zandu Kesari Jivan Sugarfree
- Zandu Chyawanprashad
- Zandu Pancharishta Sugar Free
- Zandu Gel, Zandu Spray & Zandu Roll On
- Navratna i-Cool Talc – Dynamite Variant

Capital Market

- Market capitalisation of nearly ₹ 24,300 cr. (as on 31st March 2018)
- The initial shareholder who invested ₹1,000 for 100 shares and invested ₹ 4,000 in a rights issue would presently own Emami shares worth around ₹ 8.9 crore – 22,470-fold return across 37 years
- Shareholders' wealth increased >46X and >10X following the public issue in March 2005 and QIP in July 2009 respectively.
- Around 35 brokerage houses covering Emami's stock included BNP Paribas, Bank of America Merill Lynch, CLSA, Credit Suisse, Deutsche Bank, Edelweiss, ICICI Securities, IIFL, Jefferies, Macquarie, Motilal Oswal Nomura and UBS.
- Board approved issue of Bonus shares in the ratio of 1:1

Brand Performance *

BoroPlus
- Sales grew by 15%
- Antiseptic Cream continued to maintain leadership with a market share of 74.4%

Pain Management
- Sales grew by 9%
- Balms maintained leadership with a market share of 53.3%.

Navratna
- Sales grew by 5%
- Cool Oil increased market share by 190 bps at 63.8%

Male Grooming
- Sales grew by 3%
- Fair and Handsome Cream grew market share by 110 bps to 65.7%
- Fair and Handsome Facewash grew market share by 230 bps to 15.9%

Kesh King
- Ayurvedic Medicinal Oil continued to be the market leader with a market share of 27.9%

Healthcare Range
- Chyawanprash range grew by 43%
- Nityam range grew by 11%

** Like to like revenue (i.e. including GST/VAT)*
Note: All market shares mentioned in this Annual Report pertain to MAT March 2018 in volume terms

Strategic initiatives

Sales & Distribution

- Direct retail reach increased to more than 8.5 lac outlets (previous year: 7.3 lac).
- Rolled out SAP-enabled handheld devices to the urban sales force
- Added ~500 salesmen to improve direct coverage and enhance execution capability at the point of sale
- Extended coverage from 12000 villages in FY 16-17 to ~25000 villages across the country with a population of 5000 and above
- Sharpened focus on the Modern Trade Channel as a key growth driver.
- Focused on the e-commerce channel

Operations

- With the commissioning of the Pacharia plant in Assam, Emami secured fiscal benefits for ten years. The fully-automated plant, set up at a cost of ₹300 crore, is GMP compliant
- Kick-started a third party unit in Sri Lanka for manufacturing country-specific products

Information Technology

- Continued to invest significantly on IT platforms
- Automation of business processes included product costing and profitability analysis, improving speed and real time product margin management decisions with accuracy

Research & Development

- Kick-started a project in collaboration with the Institute of Bio-Resources Sustainable Development, Imphal, for cultivating endangered plants

Human Resources

- Implemented SAP Success Factors for the automation of HR services
- Strengthened the Performance Management System

10-year highlights

(₹ in lac)

PARTICULARS	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
A OPERATING RESULTS										
Revenue from operations including GST/ VAT	2,82,340	2,68,911	2,54,421	2,19,327	1,83,042	1,70,541	1,45,855	1,25,164	1,04,856	76,796
Revenue from operations	2,54,083	2,52,774	2,39,755	2,06,767	1,72,765	1,60,996	1,38,116	1,18,774	1,00,751	73,633
EBIDTA	71,944	75,913	68,727	54,312	44,704	34,968	29,604	25,443	24,454	12,946
PBT	39,377	42,362	42,277	58,899	46,753	37,461	29,621	27,012	20,430	10,630
PAT (after minority interest and associate)	30,714	34,042	36,353	48,215	41,287	32,067	25,612	22,972	16,920	9,224
Cash profit	61,921	64,900	61,846	51,646	44,804	34,264	27,492	24,371	18,463	10,059
Dividend including tax	19,122	19,122	19,122	18,817	18,588	14,162	14,069	6,175	5,311	3,983
B FINANCIAL POSITION										
Fixed assets (Net block)	1,82,845	2,01,122	2,03,705	47,759	40,777	43,965	48,034	49,094	56,729	64,946
Liquid investments	12,806	3,332	1,193	49,657	28,922	15,634	7,356	-	5,500	3,267
Other assets	84,423	55,862	64,324	73,455	60,530	62,018	61,927	60,635	43,125	24,952
Total assets	2,80,074	2,60,316	2,69,222	1,70,871	1,30,229	1,21,617	1,17,317	1,09,729	1,05,354	93,165
Share capital										
- Equity	2,270	2,270	2,270	2,270	2,270	1,513	1,513	1,513	1,513	1,313
- Preference	-	-	-	-	-	-	-	-	-	-
Reserves and surplus	1,99,091	1,73,200	1,58,891	1,28,934	87,401	76,348	77,023	68,336	62,357	29,510

Our performance

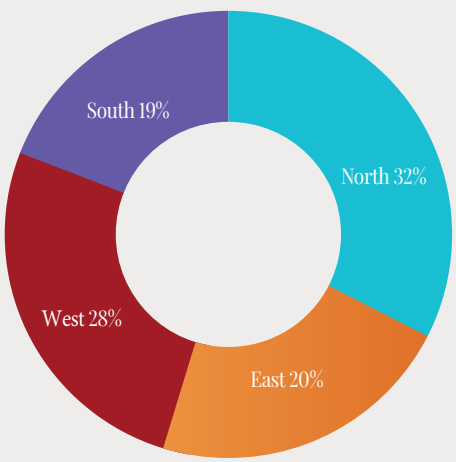
Revenue (₹ lac)



EBIDTA (₹ lac)



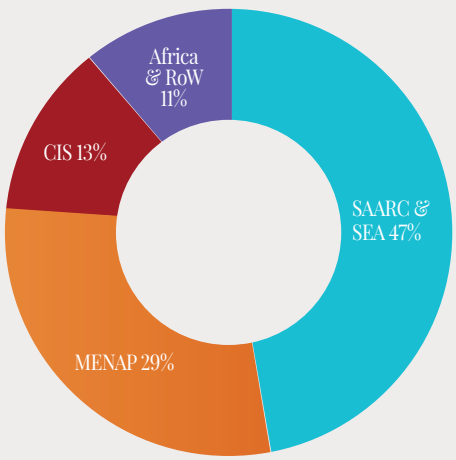
Domestic Region-wise Contribution (FY18)



	PARTICULARS	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
B	FINANCIAL POSITION										
	Net worth	2,01,361	1,75,470	1,61,161	1,31,204	89,671	77,861	78,536	69,849	63,870	30,823
	Minority interest	57	141	410	456	1	5	12	7	–	–
	Loan funds	32,591	47,295	67,144	3,588	4,502	12,010	16,114	22,937	25,906	44,822
	Deferred tax (Net)	1,467	2,816	904	2,212	479	1,368	1,450	1,370	696	596
	Capital employed	2,35,477	2,25,722	2,29,618	1,37,460	94,653	91,244	96,112	94,163	90,472	76,241
C	KEY RATIOS										
	ROE (%) (On cash profit)	30.75	36.99	38.38	39.36	49.96	44.01	35.01	34.89	28.91	32.63
	ROCE (%) (On cash profit)	26.30	28.75	26.93	37.57	47.33	37.55	28.60	25.88	20.41	13.19
	Debt-equity ratio	0.16	0.27	0.42	0.03	0.05	0.15	0.21	0.33	0.41	1.45
	EBIDTA margin (%)	28.32	30.03	28.67	26.27	25.88	21.72	21.43	21.42	23.93	17.29
	Cash profit margin (%)	24.37	25.63	25.80	24.98	25.93	21.28	19.91	20.52	18.33	13.66
	Interest cover	20.97	13.09	12.72	105.65	83.05	53.22	19.46	16.71	4.47	3.31
D	EQUITY SHARE DATA *										
	Cash earnings per share (₹)	27.28	28.59	27.25	22.75	19.74	22.65	18.17	16.11	12.20	7.66
	Dividend per share (₹)	8.43	8.43	8.42	8.29	8.19	9.36	9.30	4.08	7.28	6.27
	Book value per share (₹)	88.72	77.31	71.01	57.81	39.51	51.46	51.90	46.16	87.53	48.50

* Previous year EPS, DPS and Book value adjusted as per the present face value of ₹1 per share.
**All figures restated as per Ind AS

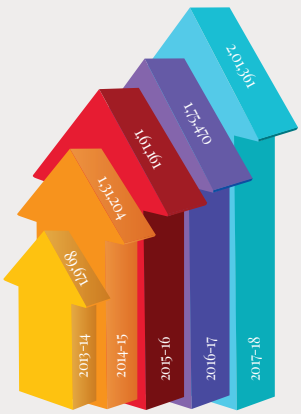
International Business Cluster-wise Contribution (FY18)



Advertisement and promotions (%)



Net worth (₹ lac)





A CONVERSATION WITH SUSHIL GOENKA, MANAGING DIRECTOR

How well did Emami perform in FY18?

FY18 was a year of disruption. Even as we were gradually recovering from the impact of demonetisation, the country implemented the biggest indirect tax reform (through GST). This meant that for a company like Emami that marketed >50% of its products through the wholesale channel, sales came to a virtual standstill before and immediately after GST implementation. I must add here that the impact could have been more severe but for our proactive responsiveness in addressing this regulatory challenge, which only moderately affected our performance. Case in point: against this challenging backdrop, we reported a 5% increase in like-for-like revenues.

What transpired following GST implementation?

In India, rural trade is largely conducted using cash. Hence, demonetisation, which sucked cash out of the system, had a significant bearing on rural consumption. Consumers delayed purchases as stocks accumulated. The situation improved only when the economy was remonetised. Before GST was introduced in July 2017, the ambiguity regarding the nitty-gritty of this new legislation resulted in traders liquidating their stocks. Although we were ready for GST implementation, a majority of our trade partners stayed unsure about the complexities and were not adequately prepared for the rollout. Consequently, our wholesale business bore the brunt as the FMCG sector posted its slowest revenue growth rate in two years

(CAGR of 4% versus 13% across the last decade).

How did Emami overcome this challenge?

Over the last few years, we had focused on widening our direct distribution network and reducing dependence on select trade partners. We added more than 1.2 lac direct retailers in the last one year, which brought down our dependence on the wholesale channel to 38% of our domestic revenues. During the fiscal year under review, some of our wholesale-driven brands like Kesh King and Pancharishta encountered their biggest declines in offtake. I must communicate to our shareholders that we are revisiting this strategy so that we can broad-base our distribution network and reduce our dependence on a handful of trade partners.

What were some of the high points of the Company's FY18 performance?

Even though we reported a mere 5% increase in turnover, there are many positives I would like to speak about.

One, our largest plant in Pacharia, Assam became fully operational. The fully-automated plant, built at an investment of >₹300 crore, enjoys a slew of fiscal benefits. **Two,** we strengthened our sales force and rolled out SAP-enabled handheld devices to enhance execution capability at points of sale. **Three,** Our direct rural reach expanded significantly as we introduced ~250 vans to ply across >3,000 routes in the rural hinterlands. **Four,** we continued to reinforce our Balance Sheet by generating significant cash flows from our popular brands. Despite the acquisition of Kesh King and sustained investments in new launches and capex, we reduced our net debt from ₹390 crore in FY17 to ₹118 crore in FY18. **Five,** following a year of subdued growth, the international business rebounded. We also extended into Sri Lanka through the commissioning of a third-party manufacturing facility for launching country-specific products.

Our direct rural reach expanded significantly as we introduced ~250 vans to ply across >3,000 routes in the rural hinterlands.

What new products were launched?

Despite these disruptions, the year proved to be a busy one for Emami. We launched a number of personal and healthcare products addressing long-unaddressed consumer needs like BoroPlus Zero Oil Zero Pimple Face Wash, Fair and Handsome Laser 12, BoroPlus Healthy White Fairness Cream, Diamond Shine Luxury Crème Hair Colour, sugar-free variants of Zandu Chyawanprash, Zandu Pancharishta and Zandu Kesari Jivan, among others. These launches were enthusiastically embraced by consumers. The result is that by widening



State-of-the-art manufacturing facility at Pacharia, Assam

customer choice we expect to increase revenues over the foreseeable future.

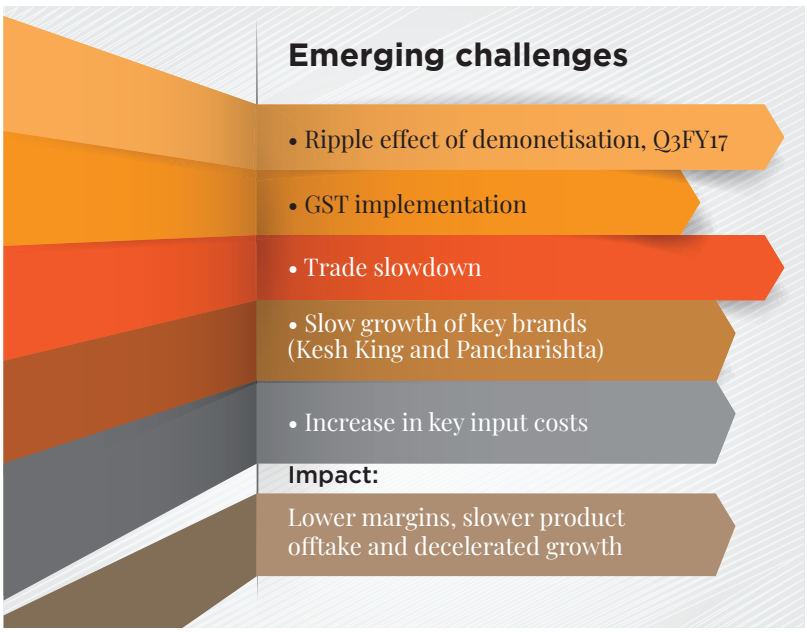
What makes you optimistic about Emami's prospects?

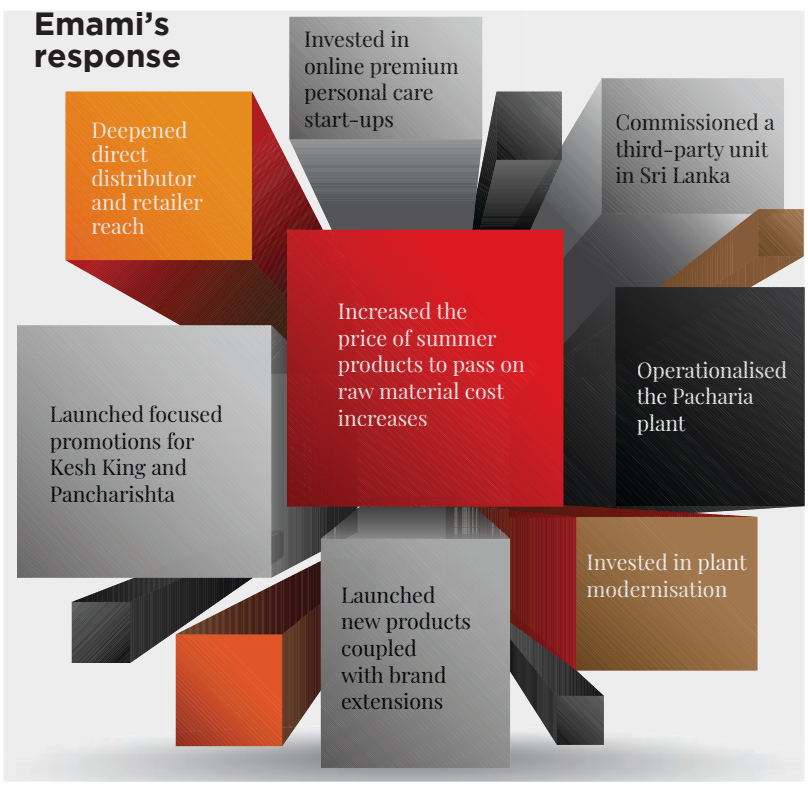
The Indian economy has been consistently growing, driven by rising per capita incomes. Besides, smartphones have helped consumers keep up with emerging trends. The result is that an improvement in lifestyles has led to consumers spending more on products offering superior advantages. In the last few years, the Indian Government took a number of initiatives to catalyse rural growth, including:

- Transfer of government subsidies and payments directly into the bank accounts of beneficiaries, helping eliminate middlemen, plug systemic leakages and increase transparency.
- The Union Budget FY19 stipulated a minimum 1.5x of MSP for agricultural produce realisations with the objective to enhance farm incomes.
- A number of State Governments initiated farm loan waiver schemes to strengthen farm viabilities.

Besides, stable growth was witnessed in nominal rural wages at 6-6.5% in FY17 and also in the first four months of FY18. Following a decline in inflation, real rural wage growth grew appreciably.

As a result of these initiatives, national consumption levels are gradually normalising. As GST implementation stabilises, Emami is expected to benefit as its products address problem-solving categories that are relatively more insulated in the face of macroeconomic uncertainties and enjoy pan-India visibility. We enhanced our focus on modern trade and e-commerce channels, which have become an important growth driver. We are partnering key modern trade accounts to create joint business plans to drive sales of our brands in their stores. We are investing in cutting-edge analytics to decode emerging realities and forecast better.





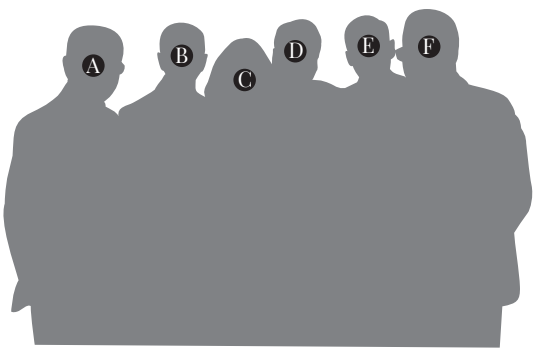
Q. What is your message to shareholders?

As GST implementation normalises, we expect to report handsome revenues, coupled with profitable growth, that translates into enhanced value for our stakeholders.

YOUNG LEADERSHIP



Ⓐ Manish Goenka Ⓑ Prashant Goenka Ⓒ Priti A Sureka
Ⓓ Mohan Goenka Ⓔ Aditya V Agarwal Ⓕ Harsha V Agarwal



Emami's second generation of promoters are taking the business ahead

Emami's Board of **Directors**



R S Agarwal
Founder & Executive Chairman



R S Goenka
Founder & Wholetime Director



K N Memani
Former Chairman & Managing Partner, EY, India
Independent Director



Y P Trivedi
Eminent Tax expert & Advocate, Supreme Court and Former Rajya Sabha member
Independent Director



M D Mallya
Former Chairman & Managing Director, Bank of Baroda
Independent Director



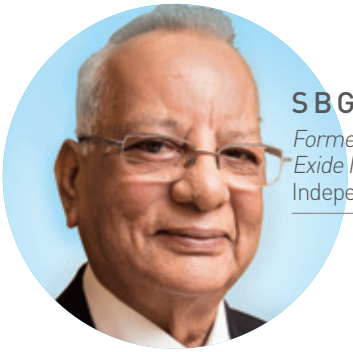
Rama Bijapurkar
Eminent consumer & marketing strategist
Independent Director



P K Khaitan
Advocate & Sr. Partner of Khaitan & Co.
Independent Director



CK Dhanuka
CMD, Dhunseri Tea & Industries Ltd and Chairman, Dhunseri Petrochem Ltd.
Independent Director



S B Ganguly
Former Chairman,
Exide Industries Ltd.
Independent Director



Amit Kiran Deb
Former Chief Secretary,
Govt. of West Bengal
Independent Director



S K Goenka
Managing Director



Mohan Goenka
Wholetime Director



Aditya V Agarwal
Non-Executive Director



Harsha V Agarwal
Wholetime Director



Priti A Sureka
Wholetime Director



Prashant Goenka
Wholetime Director

NAYA EMAMI



In a rapidly-changing world, where consumers shift from one product to another, the only insurance for companies is to move even faster.

At Emami, we are consistently evolving as a new personality.

Let us start with an overview of conventional India.

The consumer was middle-aged. The consumer was loyal. The consumer was content. The consumer stayed with established products.

The result was that what worked yesterday with consumers was expected to work the next day as well.

In the new India, the reality is different.

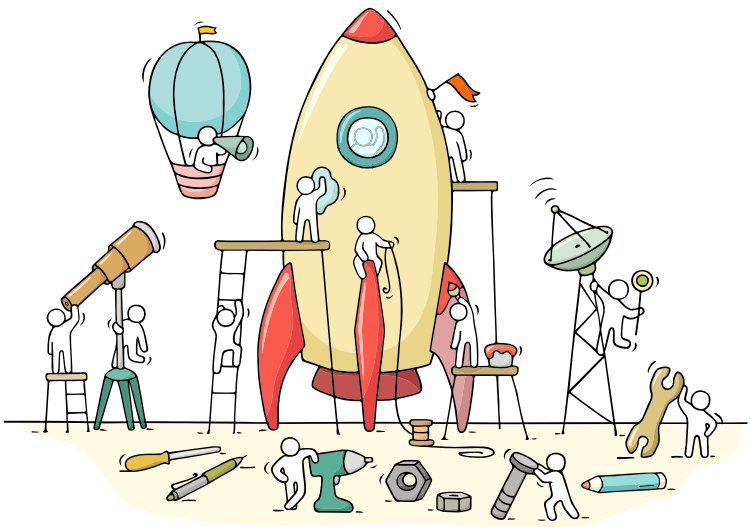
The consumer is young. The consumer is impatient. The consumer is earning. The consumer seeks to experiment with something new.

This reality is worrying business planners: there is a greater premium being placed on the need to phase out the successful of yesterday, replaced by the exciting of tomorrow.

This is not requiring companies to merely evolve their products portfolio; this is requiring companies to reinvent themselves.

Emami is a prominent FMCG company in transforming its identity. The result is that the Emami of old has yielded place to the new.

This explains the cover story of this year's report - 'Naya Emami'.



New sectors

A couple of years ago, Emami had two options: extend deeper in the areas of its presence or go wider and deeper, which comprised a prudent extension into adjacent business spaces and thereafter deeper within each.

There are a number of questions that our business planners encountered when faced with the question of which space to extend to: will the space be large? Will there be niches within this large space? Will it be possible for the Company to build a moat in this niche? Will this moat be sustainable? What will be the advantage derived from this moat that could translate into superior recall, margins or surplus?

Emami studied spaces, niche and moats. Following a careful analysis, the Company entered, invested, competed and widened the moat.

This is the result: for a company that was always associated with conventional creams and oils, the Company made a decisive break: it began to step into popular categories (deodorants, hair colours, light hair oils and face washes, among others). By leveraging the power of its brand and harnessing the competence of its distribution network, Emami achieved what a number of sectoral observers had not predicted: growing presence rapidly in lucrative niches.

What is remarkable is that Emami did not just enter and grow its presence in these new spaces; it demonstrated courage in the face of competition. Despite the presence of formidable competitors, the Company introduced crème-based hair colours, light hair oils, face washes and deodorants that generated a strong response from day one.

A number of these products were in the premium category and helped drive the Company's overall brand perception.

Effective therapies for emerging problems

In the healthcare space, Emami responded with eagerness: addressing emerging spaces where no definitive solutions were available through conventional medicinal systems on account of evolving sedentary lifestyles and growing treatment complexity. Detailed top-down analyses complemented by in-depth research helped launch products in increasingly relevant spaces like vitality, digestion and stress management. These areas possess significant prospects, widening the opportunity landscape.

Investing in future opportunities

In a space where opportunities were widening even as the spaces were growing, Emami recognised that the pursuit of a conventional organic approach would mean lost opportunities.

The Company changed its game; it selected to acquire and grow instead.

This decision created its own set of challenges: the identification of market gaps that needed to be plugged through acquisitions; the selection of the right prospect that would complement the Company's portfolio and personality; the identification of the right price to be paid for the target; the fusion of the respective competencies that would translate into aggregate value that would be higher than the sum of the constituents.

This approach translated into a prudent strategic stake in the online male grooming space. The selection of this space was validated by its online presence and traction in men's grooming product space. The longstanding neglect of men's grooming needs began to get compensated. In response to this reality, the Company acquired a strategic stake in the online male grooming startup Helios Lifestyle for its brand 'The Man Company'.

The other space where the Company selected to grow its presence through timely acquisitions was in professional personal care products. Factors like growing disposable incomes and increasing urbanisation are prompting people to feel young and look better. The Company also made a strategic investment in Brillare Science Private Limited, a company founded by a research scientist to deliver premium salon products.

New communications

In a competitive world marked by increased brand clutter, the names that stand out do not just grab attention through the conventional print or electronic media. There is a new kid on the block – social media.

As individuals spend more time on the internet and social media, there is a growing opportunity for advertisers. This is evident in the numbers: y-o-y digital advertisement expenditures grew by >27% in 2017 when overall advertisement growth slowed to 7.4%. *(Source: Pitch Madison)*



HE's award winning "Flying Basin" Digital campaign reached out to more than 6.5 million people



Amitabh Bachchan as an Acapella performer for Navratna garnered a million views on YouTube

The message is loud and clear: globally, advertisers are getting increasingly smart and shifting to new formats. The result is that brand managers across the country are now recognising that if they are not on social media, then they are not in the game at all. Companies are advertising more on digital platforms. Companies are running online promotional campaigns directed at the youth. Companies are investing in marketing activities that cut across socio-economic divisions.

Being 'new' entails a prominent visibility of modern-day communication spaces. Emami has moved speedily to reorient around these dynamic realities. The result is that the Company grew its exposure in digital platforms through award-winning campaigns in FY18: 'Flying Basin' campaign for HE On-The-Go Waterless Face Wash, 'The Man Code' campaign for Fair and Handsome and the Acapella YouTube campaign for Navratna Cool Oil featuring the legendary Amitabh Bachchan.

The result is Emami's creative sales pitches are now only a smartphone away.

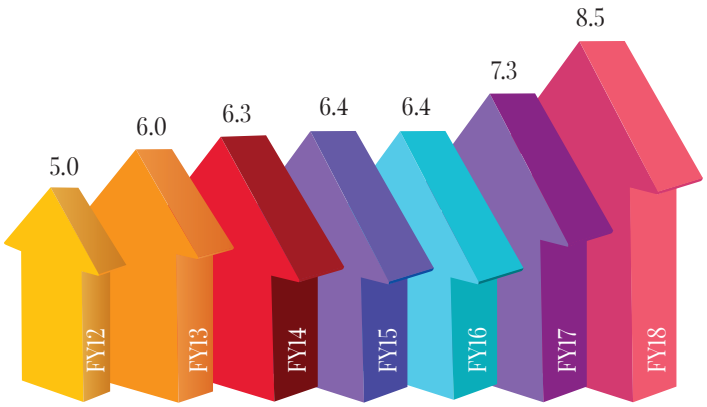
New networks

In the past, a bulk of Emami's products were sold via the wholesale network for onward distribution to retailers. Case in point: ~50% of the Company's revenues were derived from wholesalers until as recent as a couple of years ago.

Then something happened: following the GST implementation, wholesalers started destocking and sales started declining. The writing on the wall: the Company needed to engage directly with the marketplace. This would do two things: increase distribution and logistics savings and reach products faster to the marketplace, resulting in enhanced responsiveness.

Subsequently, Emami dared to do what a number of observers said would be difficult: the Company reduced its dependence on wholesalers and strengthened direct reach. The result: the number of outlets accessed by the Company increased by >1.2 lac outlets during the year under review.

Direct retail reach increased by 2.1 lac outlets in the last two years (outlets in lac)



Looking ahead, the Company has outlined three objectives: maximise revenues from direct distribution channels, shore presence in rural areas and extend deeper into the modern trade and e-commerce segments. The efficacy of this tactical switch can be assessed from the following numbers: from 4% of FY17 revenues, the contribution of modern trade channels rose to 6% of the Company's FY18 revenues – a higher share on a larger base.

New technologies

There was a time when technology was largely about bulky mainframes and complex hardware. In the modern world, technology is something that sits comfortably in one's hands.

The smartphone then is less an instrument through which people speak and more a window to the world at large: allowing people to transact, communicate and promote with unmatched ease. The smartphone has touched millions of lives, companies, products and verticals.

At Emami, we see the emergence of the smartphone-driven digital space as a boon for companies and consumers. It is now far cheaper and quicker to enhance brand awareness by leveraging the power of social media. Over the last few years, the Company has leveraged integrated multi-channel solutions to enhance consumer engagement. The Company is investing in advanced analytics to mine data and take informed decisions. The Company is investing considerable resources in



mapping customer journeys from product discovery to brand loyalty.

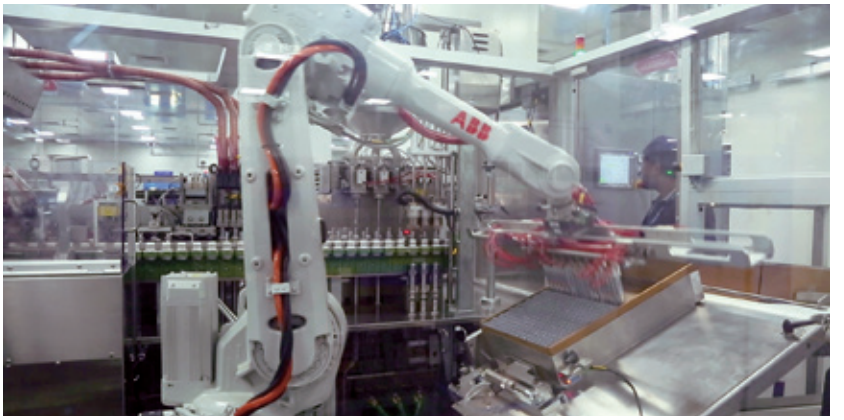
As an extension of this digital commitment, the Company invested in sales force automation to access real-time data on market conditions, strengthening sales. Emami is now leveraging digital technologies so that its sales team can leverage algorithmic inputs to take prompt and prudent decisions.

New units

For decades, Emami's principal market was India.

There has been a subtle change in its positioning since. The Company is now increasingly establishing itself as the global Indian corporate. This does not just mean that the Company is marketing a larger proportion of its output in the global markets but also that it is likely to commission new manufacturing units in these geographies.

To deepen its footprint in a growing market, Emami commissioned a third-party manufacturing unit in Sri Lanka (operated through a Sri Lankan subsidiary) and marketed products like BoroPlus and Navratna.



High-end robotic machinery at Pacharia Unit

Emami is now stepping into key African markets through relevant product launches.

Further, to secure long-term growth in the domestic market, Emami commenced commercial operations at the new fully-automated unit in Pacharia. The plant is among the largest of its kind in India and enjoys fiscal benefits. The plant is expected to address the Company's growing personal care and healthcare requirements across the near-term.

New efficiencies

As volumes have grown, sales footprint has widened and portfolios have become larger, the need of the hour is to strengthen efficiencies.

This need could not have emerged a day sooner. There is a greater consumer resistance to price increases; there is a greater recognition that increased costs need to be absorbed and recovered through improvements in efficiency. There is a greater focus on simplifying processes, moderating waste, procuring smarter and reaching products to retailers faster.

Emami has invested in extensive market research leading to effective promotional campaigns. It invested proactively in technologies to enhance process efficiencies. It ensured its plants complied with relevant cGMP norms. It invested in process automation, moderating expenditures. It built cross-functional teams to strengthen demand forecasting and production planning. It leveraged best-in-class technologies to secure raw materials cost-effectively and reduce logistics costs.

> Emami has reinforced its position as one of the most competitive players within its product spaces by retaining margins viability across market cycles.



Retaining traditional values

Demographic and cultural shifts influence the ebb and flow of FMCG demand. Consider the variables: buyers grow old, young consumers come of age, values shift, needs evolve. To stay relevant, brands must work tirelessly to deliver a first-class customer experience. But before that, they need to be on the same page as consumers.

While capitalising on technology platforms, spreadsheets, marketing mix results and media plans to address prevailing marketplace realities, Emami ensures that it stays rooted to enduring values as well. This is evident in the Company's longstanding investment in the ayurveda platform.

Emami believes that by focusing on the right inputs, the core output will be protected. The result is that despite extending into new businesses, the Company continued to invest in core brands, strengthening their position as primary revenue generators.

The verdict: Emami has evolved into an organisation increasingly comfortable with seemingly unusual partnerships inside and outside its industry, taking stakeholder interests ahead.

RURAL INDIA

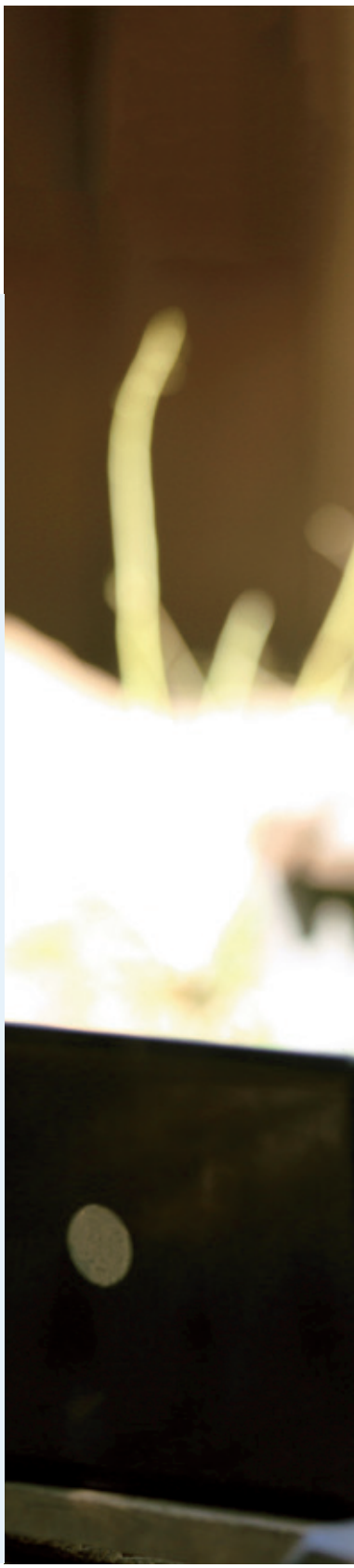
the next big thing

Nearly 650,000 villages comprising ~70% of India's population represent the largest under-consumed population in any single country. With the government expected to bolster livelihoods and opportunities, rural consumption is to grow beyond its prevailing average. This is expected to make rural India the most attractive revenue driver of India's FMCG industry.





The 'massification' of e-commerce is now a mainstream Indian phenomenon. India registered a healthy 30% y-o-y growth in terms of cities and towns transacting through e-commerce. Interestingly, this revenue growth is being driven by rural India: of ~4,300 e-commerce hubs, 3,281 comprise Bharat hubs (smaller towns) and 1,015 rural hubs.



The reasons catalysing consumption growth in rural India comprise the following:

- **Direct benefit transfer scheme (DBT):** The transfer of government subsidies and payments directly into the bank accounts of beneficiaries has helped circumvent intermediaries, plugging systemic leakages. The use of this option has expanded rapidly – to 434 programmes from 59 in FY16.
- **Daily wage rates:** The daily rural wage rate for male workers across 25 occupations (12 agricultural and 13 non-agricultural) averaged ₹309.95 during October 2017, as per field data compiled by the Labour Bureau, which was around 5% higher than the corresponding month in 2016.
- **Minimum support price:** The Central Government declared a minimum support price of atleast 1.5x the cost for rabi crops, which is a big leap towards doubling farmer incomes.
- **Budgetary allocations:** The Central Government intends to strengthen the rural economy (which was lagging urban growth) by enhancing agricultural productivity, building affordable homes, providing universal healthcare facilities to lower-income households and investments in rural infrastructure. The Central Government announced the creation of a ₹2,000-crore agriculture market infrastructure fund for strengthening the e-agriculture market. The allocation towards the National Rural Livelihood Mission was substantially increased to ₹5,750 crore.

KEY METRICS

Population (mn)
890

Per capita income (US$)
464

FY18 Budgetary allocation under MGNREGA (US$/bn)
8.5

Direct beneficiaries of the DBT (₹/cr)
119.7

Banking penetration of all rural households - at least one account holder (%)
99

Share of shampoos sold in <8-ml. packs (%)
80

Enhancing rural aspirations

A number of factors like improved internet connectivity, rural mobile phone access and widespread television coverage helped companies educate consumers better about products. Rural India spent US$26 billion on 'looking better' in 2017, with 64% of the amount being spent on apparel and footwear, followed by 23% on personal care products and 9% on jewellery. Shoppers in Tier-II and smaller towns grew three-fold compared to metro shoppers and accounted for ~41% of overall online shoppers in 2017.

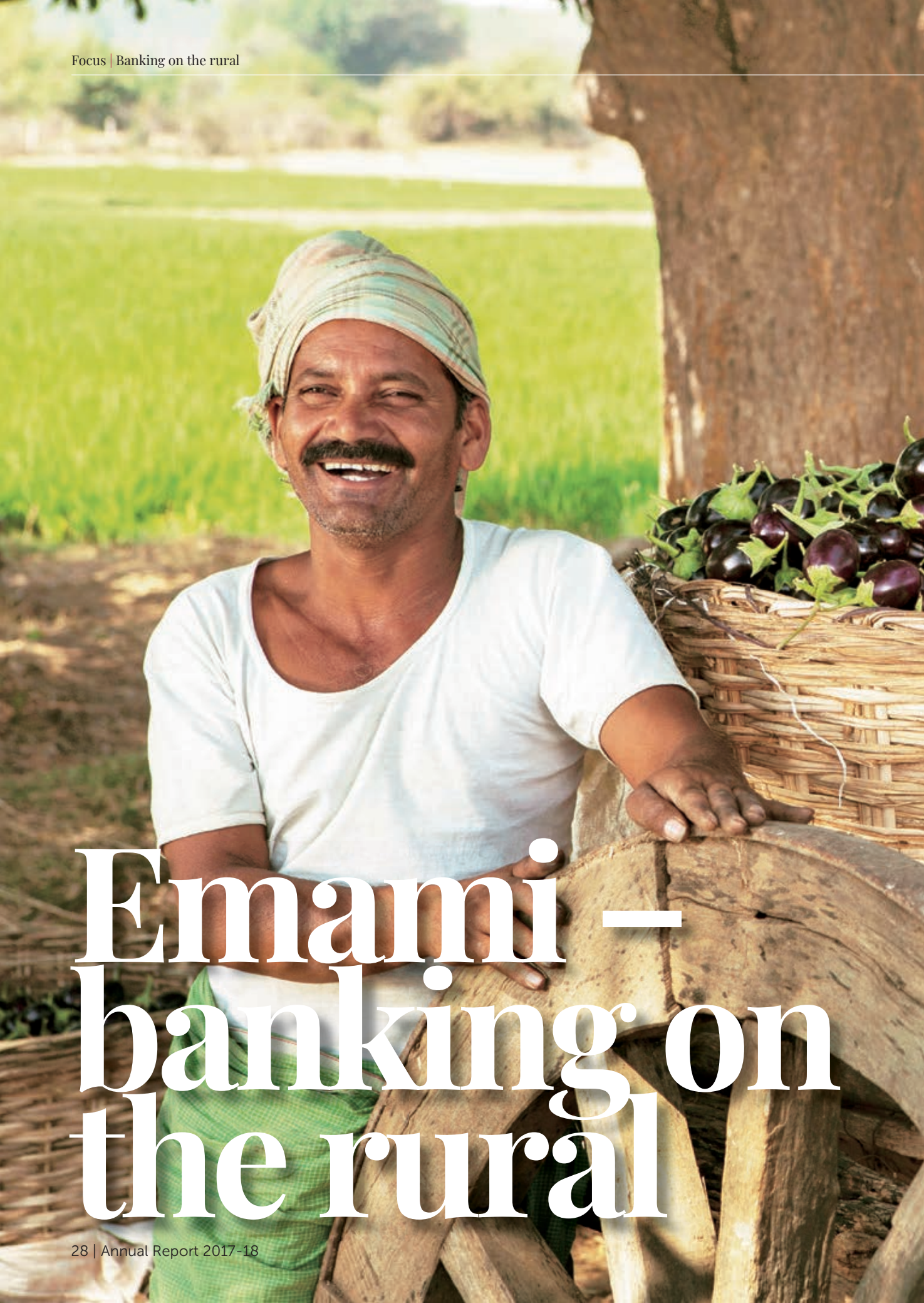


National Health Protection Scheme

Due to the under-penetration of health insurance in rural India, an illness to an elderly member in a lower middle-class family typically results in dipping into savings, borrowing or asset sales to pay for hospitalisation and medical costs. The indirect effect of this mode of financing healthcare can slow discretionary consumption. In this context, the Central Government's budgetary proposal to expand health insurance coverage to ₹500,000 per family from ₹30,000 earlier (for 100 million Indians below the poverty line) should enhance access to quality healthcare and strengthen discretionary spending.

Changing rural consumption patterns

Rural consumption is constrained by low affordability, which is a function of low income, dependence on daily wages or seasonal crop sales. The result is that most price-points in urban India (or most of the developed world) are relatively unaffordable. For example, a product priced ₹10-12 (US$0.16-0.19), common in urban India, represents 0.2 hours of work for rural landowners, 0.37 hours for rural labourers and 0.7 hours for rural-emerging consumers. From an affordability perspective, this is the equivalent of an 'urban middle' consumer paying ₹265 (US$4.15) for a single pack of that product. However, rural aspirations, especially among landowners and labourers are rising with better connectivity and increased media access. Consequently, businesses offering aspirational and premium products at affordable price-points are expected to grow.



Emami – banking on the rural



At a time when a majority of FMCG companies in the country continued to focus on cluttered urban markets, Emami developed niche and relevant products priced strategically for its vast rural audience. The result: ~50% of Emami's domestic revenues came from rural India.

Product mix: The first challenge for Emami was to create a product mix that rural customers would find relevant – problem-solving products over discretionary items. Take the case of Navratna Cool Oil, a product aimed at relieving stress. This product worked well for rural consumers whose daily lives involved rigorous physical labour, strengthening the brand's popularity.

- **Right price:** Emami recognised that a 'one-price-fits-all' approach would not succeed in rural areas. A majority of the rural workers earn daily wages and would not warm up to the idea of spending a sizeable chunk of their daily income on high-priced SKUs. Emami introduced small SKUs and sachets instead, like Re.1 sachets for Navratna Oil and Navratna Cool Talc, ₹2 dibbi for Mentho Plus Balm and ₹10 sachet for Fair and Handsome Face Wash across rural India.
- **Effective communication:** To make its products more acceptable across rural markets, Emami selected to speak a language that rural masses would understand. Consequently, Emami made sure that its key brands (Navratna, BoroPlus and Kesh King) connected with their rural audience through targeted below-the-line activations in fairs and festivals. Besides, Emami invested in brand ambassadors with pan-India acceptance across urban and rural locales.
- **Ensuring availability:** Emami enhanced its rural reach by covering >25,000 villages with a population of <5,000. The Company further expanded its direct reach (small-scale retailers) by deploying ~250 vans to ply across >3,000 routes through rural hinterlands.

Emami's robust rural network

250
Number of rural super-stockists

6,500
Number of rural sub-stockists

25,000
Number of villages covered with a population of 5,000 and above

400,000
Number of direct rural outlets

~13,000
Number of towns covered through van operations

~30%
Proportion of revenues derived from SKUs less than ₹10

"Every bit of household income and every consumer, whether rich or poor, is a real opportunity."



RAMA BIJAPURKAR

EMINENT MARKETING CONSULTANT

I am optimistic about robust, long-term growth in household consumption in India. A large population, mostly young, slowly getting richer, and with aspiration for and awareness of a better life can only mean guaranteed increases in consumption. The scale is mind-boggling – even at a modest 7% growth rate of real GDP, India's economy will double in a decade, raising household incomes, maybe at a slower pace, but still creating an enormous market opportunity.

Is this opportunity for real? Or is only a part of it addressable? A popular theory propounded in several global consultant reports, suggests that there is a magic number of income above which a household qualifies to be 'middle class' and it is the size of the middle class in a country that determines its addressable market opportunity. This theory rather absurdly suggests that it is consumers who have to grow their incomes in order to qualify to consume, rather than suppliers who have to drop their price points to satisfy consumption desire that already exists at much lower income levels! So to answer the original question, yes, every bit of household income and every consumer, whether rich or poor, is a real opportunity.

What's more, every Indian consumer, even at the lowest income level already knows what he/she wants to buy – you do not have to educate them on the virtues of consumption. The widening footprint of media has already created a huge amount of consumption desire and aspiration for a better life, defined in terms of products and services as markers of upward social

'More optimistic about India than any other country'

RAY DALIO

The man who founded and runs the $160-billion Bridge-water Associates, the world's largest hedge fund

Ray Dalio, the man who founded and runs the $160-billion Bridgewater Associates, the world's largest hedge fund opines as follows:

"We do a computerised study that forecasts the fastest-growing economies based on key performance indicators. India indicates the next 10-year growth, using data for the last 60 years. The structural reforms that have been initiated are great - not politics or ideologies but mechanics. If you change one of those numbers – for example the ease of hiring, the leverage of corruption, each of those things – you can see the correlation with growth.

The things that drive India's economic growth:

mobility. This fertile consumer base will transform into a large consumption engine, as incomes inevitably increase and grow explosively if suppliers manage to offer lower prices for adequate performance.

The irony however is that the constraint to exploding household consumption in India does not lie in stagnantly low incomes or a hesitant consumer mindset; the constraint lies in supplier conduct. Suppliers are unable to hit the right price-performance point for a demanding, well-exposed and aware but modest income consumer base. Even at the relatively higher end of the income spectrum, we are currently passing through the mother of all supply crises, unable to get our arms around the enormity of the consumption opportunity - note how we speedily run into overcrowding of aircrafts, airports, new expressways and bridges, hospitals, hotels, tuition classes, among others.

So why is supply lagging behind the already available demand? Because the high-margin-low-volume business that the mass Indian market demands is hard to do; because there are high-margin-low-volume businesses available aplenty with the richer half or quarter of Indian consumers (the so called, though erroneously labeled 'middle class'), which is growing fast enough thus far to satisfy corporate aspirations. Much of corporate India has focused between 1991 and 2015 when demand growth has been copious and steady, on building lean mean supply machines. They have learnt to switch between two modes: expand supply to grab topline (revenue) in good years and contract and moderate costs in bad years (slow economic growth years). They are, of late, focusing on premiumisation, which is all about raising revenue growth through getting consumers to buy at higher price- superior performance points. Therefore to have to struggle and innovate and invest in getting price -performance points right for modest income India doesn't seem worth the bother and the pain.

With the exception of some telecom and FMCG companies, most Indian companies prefer to target the top-20-30% of the country's income earners, who account for only about half of the country's consumer spend when in actual fact, the demand coming out of the remaining half is just as exciting. This demand is being serviced by Chinese goods, which are cramming our pavement shops and improving in quality and relevance by the day.

Even if companies choose to concede the true mass market and not address it, even within the 'top half' markets that they do choose to serve, there is a lot more that needs to be done. There are several unfulfilled consumer needs in search of supply. To take just one example, with dirt on streets getting worse, and with apartment living, where footwear cannot be left outside, a disinfectant door mat for the soles of shoes would be welcome. Only the small scale sector makes floor mopping systems for Indian home cleaning practices, the large home care companies don't. There are no brands for everyday geriatric problems. There are very few baby care brands for a country that produces over 20 million babies; no mass toy brands either. There is more innovation on the streets and in standalone retail stores than in large companies.

Consumers, on the other hand, are ready to experience and to experiment!

The irony however is that the constraint to exploding household consumption in India does not lie in stagnantly low incomes or a hesitant consumer mindset; the constraint lies in supplier conduct.

- **The relative cost of an educated person:** If you take the same person, same capabilities, and you compare them, then countries with the lowest cost of an educated person are going to be more competitive than the people-expensive countries. India has educated people that are cheap by comparison with the rest of the world.
- **The level of indebtedness:** The overall indebtedness in India is low unlike a country like Russia or China with negative population growth.
- **The culture influence:** The Indian has a sense of self-efficiency and work ethic. India also is good in innovation and commercialising innovations.

I think the most important thing (for India) is technology or artificial intelligence. This is a natural strength for India and will be important not only in the development of products, but in the development of competitiveness. I am looking at the tremendous progress in creating identification for everybody in India. India has got a good competitive edge and India is a force in the move towards computer thinking and artificial intelligence.

Adapted from an interview in The Economic Times, published on 7th March, 2018





Guardian *Angel*

In the vast and diverse landscape of India, the one product that remains universally popular is BoroPlus Antiseptic Cream. The management explains why the brand has been undisputed market leader for three decades.

What does the BoroPlus Antiseptic Cream brand stand for?

In two words: healthy skin. Over the past three decades, the product's efficacy has been its biggest recall: '*Lagaao aur bhool jaao*'. The result is that BoroPlus Antiseptic Cream was ranked among the 'Most Trusted Brands' in India as per a survey conducted by Economic Times Brand Equity.

BoroPlus is one of the oldest and most prominent 'power brands' of the Company. It is a must-have product for every family. The one reason why we believe that homemakers prefer to purchase BoroPlus is because it is the antiseptic cream equivalent of an all-rounder; a multi-purpose product that addresses a range of needs from moisturising dry skin to healing cuts, wounds, cracked heels and chapped lips. The bottomline is that the buyer sees in this one product the equivalent of multiple products – an evident cost-saver.

BoroPlus is not just a cost-saver: its ayurvedic formula makes it safe to use across skin types and age groups. Over the years, BoroPlus has emerged as the number one antiseptic cream not only in India but also in Russia and Ukraine.

How did the brand perform in FY18?

BoroPlus Antiseptic Cream grew by 17%, outperforming the category growth rate. We believe that this growth is creditable, given the fact that the country encountered GST implementation issues coupled with disruptions in trade channels.

We did not expect that the going would be smooth and this is why we promoted BoroPlus Antiseptic Cream through a robust 360° campaign across media and geographies. The positioning was reinforced by our brand ambassadors Amitabh Bachchan and Kangana Ranaut, two of the most popular actors in the Hindi film industry.

Our communication emphasised the multi-purpose nature of the product. Besides using on-ground





activation measures to address urban and rural consumers, we leveraged the digital medium and engaged in a host of promotional activities across our portfolio (body lotions, newly-launched face wash and fairness cream).

What excitement are you bringing to the brand?

The big message that we wish to communicate is that after a number of years of sustained success, the Company widened its scope at two levels: portfolio extension into different categories and the introduction of new SKUs relevant to consumer needs. This is what we have to show for our launches in the past year:

- Launched an SKU priced accessibly at ₹10, packaged conveniently in a tub format (especially for travel).
- Introduced the BoroPlus Body Lotions in three variants, which proved to be an important skin repair moisturising solution. In line with the brand's equity, body lotions are ayurvedic and nourish dry skin across 24 hours. Besides, the natural ingredients in these variants – *badaam* and milk cream, grapes and olive oil as well as cocoa – make them excellent moisturisers.
- Extended to BoroPlus Zero Oil Zero Pimple Face Wash, a pimple-solving expert, enriched with the natural goodness of neem's antiseptic action and *multani mitti*, which promises to nip the pesky pimples in the bud and prevent them from recurring by removing excess oil.
- Launched Healthy White Fairness Cream, a new-age product that addresses facial skin damage, replenishing and restoring skin to its original health.

Launched an SKU priced accessibly at ₹10, packaged conveniently in a tub format (especially for travel).



~65 million

BoroPlus' household reach a year - cutting through socioeconomic classifications, age groups and geographic barriers.

What is the outlook for the brand?

Our outlook lies in initiatives to strengthen recall: graduate to a powerful skincare brand focussing on moisturising combined with its antiseptic characteristics that would be extended through body lotion, face wash, prickly heat powder and fairness creams.



Perspective

"I believe that when brands price attractively, new markets will be created."

Even as India's per capita income is only around US$2,000 on a PPP basis, the per capita income is estimated at US$7,800, which is not only high when compared to the global average but growing fastest among major economies (>7%).



T.V. MOHANDAS PAI

Chairman of Manipal Global Education & former director of Infosys

There is perhaps no country that one would be more optimistic about than India.

There are a number of reasons for this optimism.

India is a US$ 2.6 trillion economy with the largest industrial base in the world.

This is no exaggeration: India is the world's second largest steel manufacturer at 112 million tonnes per annum. The country is the second-largest cement manufacturer at 330 million tonnes per annum. The country is the world's largest scooter manufacturer. The country produces more than 500 million square feet of space each year. The country possesses a robust US$ 190 billion IT sector. The country is the world's second-largest producer of vegetables. The country is the world's largest milk producer. The country is the world's second-largest sugar manufacturer.

Interestingly, on a purchasing power parity level, India's economic size is estimated at US$9.9 trillion. The inference is that India's economy is considerably larger than it appears.

It would be interesting to see how this translates into per capita numbers on a PPP basis. Even as India's per capita income is only ~US$2,000 on a PPP basis, the per capita income is estimated at US$7,800, which is not only high when compared to the global average but growing fastest among major economies (>7%).

Considering that the Indian economy has grown 8.7% from 1991 to 2018, it would be reasonable to believe that the country could grow at an estimated 8.5% across the next 12 years. When this transpires, India would be a U$10 trillion economy by 2030, which means the growth that India has generated in the last 100 years would treble in an eighth of that time from 2018 onwards.

The big question: which companies will benefit the most from this remarkable growth? My answer: companies that price products attractively enough for market growth. Take an instance: India has been buying 25 million cellphones a year over the last few years based on conventional pricing. Reliance Jio is pricing the cellphone at ₹1,500-1,800, resulting in market growth to 300 million handsets a year, accounting for 60% of the global handsets capacity.

This story is beginning to play out across various segments. As sachet pricing becomes increasingly competitive, the market for products expands disproportionately. The Indian aviation sector has been reporting double-digit percentage growth in the last three years and flying ~200 million passengers a year. If tariff pricing continues to remain attractive, it is estimated that India could be flying 700-900 million passengers five years from now.

I believe that when brands price attractively, new markets are created, volumes expand, cost amortisation is superior and India's exports could dominate the world.

This is why I am increasingly convinced that the period between 2020 and 2030 could well be India's decade in the world.



LOOKING



GOOD

EMAMI'S MARKET SHARE IN FY18	
MEN'S FAIRNESS CREAM: **66%**	MEN'S FACE WASH : **16%**
BRAND PORTFOLIO	
FAIRNESS CREAM, COMPLETE WINTER SOLUTION, LASER 12 ADVANCED WHITENING MULTI-BENEFIT CREAM, INSTANT FAIRNESS FACE WASH, OIL CONTROL FACE WASH, HE MALE GROOMING RANGE	

There was a time when any well-groomed male would be asked the inevitable question: 'Going someplace special?' or 'What's the occasion?'

Because the general connotation was that men's grooming was only for special occasions. Or that grooming was only for women.

There has been a big change since. Men are spending longer hours in salons. Men are turning up for facials more often. Men are not getting embarrassed by the word 'vanity'. A growing part of men's personal kit comprises grooming products.

There is one economic prism through which to appraise this social phenomenon: a large part of the country's personal care segment was built around the needs of just one-half of the country's population across the decades. Only in the last decade has the second half of the population emerged as an active consuming population: buying hair grooming products, buying creams and buying face washes.

A new trend appears to have begun. This is evident in the numbers: India's fairness cream market (men and women) is worth ~₹3,500 crore; the men's space is estimated at ~₹400 crore. Even as this segment is only a fraction of the overall pie, the good news is that it is growing faster.

Even as men, with growing disposable incomes and image consciousness, are spending serious money on beauty products today, the question that one would be inclined to ask is: what accounted for a decisive break in the market? What caused men to overcome decades of hesitation to become active consumers of personal care products?

The story goes back to 2005, a study revealed that >30% consumers of fairness creams were men. This represented a wake-up call: it proved what market analysts felt they knew anyway; it only emphasised that men were closet beauty product users; that in their quiet moments, men also looked into the mirror, stretched facial skin, compared pre-tan and post-tan influence and spent precious minutes getting their hair set right.

It was with this male category in mind that Emami launched Fair and Handsome – a fairness cream for men. This launch proved disruptive; writer Ambi Parmeswaran in *Nawab, Nudes, Noodles* heralded the launch of Fair and Handsome as 'The Berlin Wall of skin care between men and women fell with a big crash'.

Things would never be the same again in the country's male personal care grooming segment.

Star power

Emami continued to invest strongly in the male grooming segment through brands like Fair & Handsome and HE with the intent of building aspirations. The brands continued to enjoy top-of-the-mind recall, riding the popularity of their celebrity ambassadors Shah Rukh Khan and Hrithik Roshan, Shahid Kapoor and Kartik Aryan.

Highlights, FY18

- Fair and Handsome strategically shifted its core positioning as the 'real fairness cream for real men' with a new campaign featuring brand ambassador Shah Rukh Khan
- Retained its market leadership as the number one fairness cream for men
- Grew offtake to occupy the #2 spot in the men's face wash space within four years of launch
- Launched Fair and Handsome Laser 12, an advanced whitening and multi-benefit cream, which was received warmly by consumers
- Launched the pocket perfume extension of HE Deodorant, an on-the-go pack for convenient use

What makes Fair and Handsome tick?

Sectoral reality
Most brands engaged the target audience through conventional communication channels highlighting basic aspects like quality, service and packaging.

Emami's response
Fair & Handsome leveraged consumer feedback to reinvent itself around emerging needs. The communication was bold and unconventional. Besides, the brand used superior technology to provide efficacious results in a unique packaging.

Emami's effective promotion strategies

- Differentiated the brand from women's fairness creams by using the emotive plank of men behaving effeminately and using Shah Rukh Khan to explain why women's fairness creams cannot work effectively on men's skin
- Strengthened brand equity in South India by engaging Allu Arjun as brand ambassador
- Ensured top-of-the-mind recall through proprietary digital content featuring Cyrus Broacha (Fair and Handsome – The Man Code) that was hosted across digital platforms (Facebook, YouTube and Twitter)
- Floated a unique digital campaign titled 'The Flying Basin' for the revolutionary HE Waterless Face Wash that intrigued consumers and was highly appreciated not only by netizens but also by advertising and marketing Professionals. Received the coveted Abby Award, considered to be the Oscars in the world of advertising for 'The Flying Basin' campaign

Feather in the cap

'The Flying Basin' campaign received the coveted Abby Award, considered to be the Oscars in the world of advertising

Presence + Pricing + Positioning = Pole position	Fair and Handsome occupies shelf space in >14 lac stores (urban, suburban and rural)	The brand is priced affordably, enhancing aspirations of value-conscious males in Tier-II and Tier-III markets	The brand leveraged modern trade and e-commerce channels to reach Gen-Z consumers effectively	The brand retained its numero uno position since its launch in the men's fairness segment for 13 years running

Outlook

The verdict is out: men are no longer shying from looking better. Consequently, the Indian men's grooming market is projected to grow at a CAGR of 15% across the foreseeable future, with sub-categories demonstrating disproportionate growth. To capitalise on this reality, Emami will continue to invest in holistic brand-building exercises that strengthen its existing portfolio while seeking new opportunities.



Sectoral reality
The use of face-cleansing products among Indian men jumped sixty-fold between 2009 and 2016.

Emami's response
The brand entered the cluttered face wash category in 2014 with Instant Fairness Face Wash with Hrithik Roshan as the face of the brand, making deep and rapid inroads.

Sectoral reality
When facial skin care brands emerged as a one-stop solution, the consumer began to pay a higher price

Emami's response
The brand entered the premium face care niche by launching the Fair and Handsome Laser 12, a pioneering formulation addressing men's skin toughness.

'hair'-nessing potential

There used to be a time when any oil would do. There was a time when branded oils were just as good as their unbranded variants.

Those days are, well and truly, a thing of the past. Medicinal oils have developed variants based on different ingredients. They have been branded around specific applications. Hair care has extended from a need to provide nourishment to a more therapeutic requirement.



It would have been one thing for Emami to enter the ayurvedic medicinal hair and scalp care category through a patient and time-consuming strategy of building a brand from scratch. It was another matter that the Company kick-started its presence in this category through an acquisition instead. The Company acquired Kesh King in 2015. Most industry observers pronounced a grim forecast: Emami would not be able to recoup its sizeable investment in the acquisition.

Emami responded with a proactive spirit. The Company strengthened the formulation, arrived at attractive pricing and engaged in a 360° marketing campaign.

The result was dramatic: even as the odds were loaded against the Company, Kesh King emerged with a pleasant surprise. The product has emerged as a 'power brand' within a couple of years.

Brand proposition: That Kesh King is India's leading ayurvedic medicinal oil for hair and scalp is well-known. The fact that it has millions of satisfied consumers worldwide is something that is gradually coming to the fore.

₹10,000 cr
Hair oil market size in India

₹713 cr
Ayurvedic medicinal oil market size



A unique combination of 7 oils created by Indian and International Hair Experts, **7 Oils in One** was one of the star performers for the Company, not just in the domestic business but for the international markets as well.

There is a reason behind the brand's surge in popularity. It is prepared using the ancient *tel paak vidhi* knowledge combining the goodness of 21 medicinal herbs addressing hairfall, dandruff, split hair and other problems. This makes the brand a virtual all-rounder; name a problem and the brand is able to address it.

Brand extension: The brand has extended to shampoos, conditioners and capsules for hair and scalp problems.

Performance, FY18

The brand's sales took a hit in the slowdown following GST implementation. However, the Company took a number of counter-initiatives to revive brand growth:

- **Modern trade:** Entered into joint brand promotions with prominent retail chains
- **Online channels:** Strengthened online visibility on e-commerce platforms
- **Digital activation:** Commenced digital activation through relevant articles, consumer testimonials and advocacy messages

New website: Launched an informative website for the benefit of consumers

Outlook

The trade business is regaining vibrancy following the GST-induced slowdown. These initiatives are expected to enhance the brand's contribution from emerging and salient channels of communication and purchase. Overall, the Company is reducing its dependence on the wholesale channel to drive growth across the coming years.

Q&A

Nilesh Shah
Managing Director,
Kotak Mahindra Asset
Management Company Ltd.



Q: How optimistic are you about India's growth prospects?

A: I am highly optimistic because I believe that the country has arrived at a rare convergence of structural corrections. When you derive the benefit of a structural correction across one area, you get some improvement but when you have a unique coming together, then it would be even difficult to estimate the kind of transformation possible. For instance, India's GDP growth is ~7%, which appears remarkable when one compares it with some of the other large peer countries. However, over the next few years, I would not be surprised if India's GDP grew in double-digit percentage. We may have to work as hard as the Chinese but at least a platform for accelerated growth has now been created.

Q: What is the basis of your optimism?

A: There are three reasons for my optimism – financialisation, formalisation and efficiency gains. I believe that over the last few years, the Indian Government has made structural corrections and we are passing through a unique phase when each of these initiatives is beginning to play out. When the combined take-off transpires, the impact could be dramatically transformative for the country's prosperity.

Q: Let's begin by talking about financialisation.

A: Let me explain this. In 1984, the GDP of China and India was more or less around the same level. In the last 24 years, China's GDP has almost five-folded India's GDP to US$11 trillion while we are at US$2.4 trillion. The big reason for China's outperformance: India's credit-GDP ratio for private non-finance entities is 57% while China's is 211%. While India's savings preferred unproductive physical assets (gold and cash) in the two and-a-half decades, China invested in financial assets and bank deposits, which translated into an enhanced velocity of money. So while China's businesses enjoyed far higher access to financial resources, India could not provide adequate growth capital to entrepreneurs. The result is that the bulk of the gap between India and China's GDP can be explained by one overriding fact: misallocation of savings.

Q: How is this correcting?

A: The digitisation of the Indian economy, the creation of *Jan Dhan* accounts, gold bonds and demonetisation are combining to transfer assets from the physical (cash and gold in *tijori*) to financial assets faster than India has ever seen. Among other things, this means that people will import less gold, preventing Indian cash from being sent abroad and ensuring that less money goes into these relatively unproductive asset classes and more into financial instruments. We are already seeing this happen: following demonetisation, currency as a percentage of the GDP declined from 12% to 10%, which is really the start of a structural correction.

Q: What about formalisation?

A: For decades, India focused on small and micro enterprises due to the Monopolistic and Restrictive Trade Practice overhang. This adversely affected Indian enterprises. Imagine TISCO was the first steel company to be commissioned in Asia; today, a company like POSCO (Korea) is the largest in Asia (ex-China and Japan) simply because it had access to capital more than it had access to ore and other resources. TISCO yielded ground because India discouraged the big from getting bigger on the grounds that they would out-compete the smaller companies. Two inflection points have emerged over the last year: the demonetisation and introduction of GST, which represent unmistakable formalisation signals that will

Analyst *speak*

With the highest proportion of sales from rural and the highest proportion of sales from wholesale, Emami is a great play on recovery in both channels. Rural demand has already perked up from 2QFY18 and we believe will only pick up momentum because of a confluence of positives like a near-normal monsoon, benefits of extension of DBT, rural wage increases, another year of healthy increase in MSP and farm loan waivers granted in the past few months. -**Motilal Oswal,** *9th January 2018*

Emami's successful strategy (focus on low penetration and high-margin categories) is reflected in its Revenue/EBITDA/APAT CAGR of 17/28/24% in the last 10 years. We like Emami on account of (1) Leadership in ~70% domestic portfolio and gaining market share gain, (2) Focus on low penetration and high-margin categories, (3) New launches, (4) Distribution expansion. -**HDFC Securities,** *27th December 2017*

enhance business ease and capital access. The reform process of 1991 that comprised the scrapping of the MRTP has now finally been balanced by the GST, which should accelerate the growth of the country's formal sector. Interestingly, two sectors that have largely formalised over the last couple of decades in India have been automobiles and information technology. At one time, India imported automobile technology and the country had to wait years to get the delivery of a car, whose model was antique and color decided by the manufacturer. The time has now come when some of the largest Indian automobile companies are exporting the end product (car) to countries like Japan (unthinkable at one time). Similarly, the IT sector is dominated by large companies where the formalisation game has been played out most visibly, generating US$70 billion plus export revenues and where Indian companies are rated among the best in the world. I am optimistic that the benefits of formalisation that India has showcased through these two sectors will now irreversibly extend to other sectors as well, strengthening the overall economy.

Q: You spoke of efficiency gains.

A: Over the next few years, I foresee incremental power capacity being derived more from solar energy over thermal generation. Solar energy will be to India what oil was to the Middle East; it will help moderate power costs from around ₹6 per unit to ₹2.5 per unit (or less). When the benefits of this become evident, I foresee Indian manufacturing becoming more globally competitive. Similarly, one can see productivity gains being derived from a reduction in logistic costs following GST introduction, which could potentially moderate the overall cost of business. The coming together of advantages like these would gradually propel India into a new orbit. Obviously what we will then need to improve is the ease of doing business but at least a competitive platform would have become available.

Q: What other reasons could drive national growth?

A: India's consumer debt as a proportion of GDP is 9-12%, whereas in the US the corresponding figure is ~70%. For a country where 70% of the population is either rural or slum-based, one big change over the last decade has been a shift in perception: taking debt is no longer taboo. See how this mindset plays out: the Central Government's decisive interest rate subvention could democratise home ownership. With such a large proportion coming from the Central Government and the financing NBFI, the big question is how the home loan seeker would be able to mobilise the equity contribution. Here the Central Government has been flexible: it has stipulated that 90% of the EPFO can be borrowed to mobilise the equity component necessary for mortgage financing. The result is that the government has helped pre-pone home ownership by a number of years – what was a retirement option will soon become a mid-career decision. You might ask: won't home loan seekers default? With CIBIL data shared extensively across lenders, it is unlikely that any loan seeker will willfully default and risk being blacklisted. Now you may ask whether builders would default. My answer is that with RERA kicking in, only the credible and liquid builders will be empowered to build homes, receiving tax holidays for building affordable homes (making their status equivalent to farmers with a single stroke of the pen). Where will the land come is another relevant question. My answer is that the government has large parcels of land, which it could monetise. When all arms of this growth engine work in tandem, it would be the start of a domestic consumption engine where all the materials used would be completely local (steel, cement, bricks, paints and electrical fittings, among others) and all the labour indigenous, resulting in an efficient translation of local demand into domestic sales and income. It is because of this simulation and scenario that I feel that even as India becomes larger, its growth could be faster and completely funded by national resources.

Q: What would be the implications for consumer-driven companies?

A: India's economy could double in the next four to six years. We can't take this for granted, but if we work in a structured way towards it then that could be doable. In other words, even as a company like Emami was built across two generations, the prospective growth could be recreated in only five years. The result is that what transpired in the US with the baby boomers and in China during the 80s could well happen in India across the next few years. **Our time starts now!**

Emami has a solid niche positioning in the small segments where it operates, creating a natural entry barrier. Emami's marketing strategy hinges on higher-than-average ad-spending/sales, creating brand loyalty by using established brand ambassadors. We believe consensus has not fully priced in Emami's volume growth revival, given concerns about wholesale trade (following demonetisation and GST). -**UBS,** *7th November 2017*

Emami's product portfolio provides a play on Indian FMCG spend by virtue of its strong presence in less penetrated and high growth categories. More than 80% of Emami's products have an ayurvedic base. The therapeutic usage gives customer loyalty, leading to high gross margins, high barriers to entry, strong brand equity, mass acceptance and superior growth opportunities. Emami has a superior track record of launching new brands and transforming them into blockbusters. -**Edelweiss**, *3rd May 2018*

NAVRATNA TRIED. TESTED. TRUSTED.

Navratna is a Sanskrit compound word meaning 'nine gems'. Jewellery created in this style has important cultural significance in various religions. They are known for providing good health and good luck to those who wear them.

Emami envisioned Navratna Oil around the same lines: as a single product that would relieve mental and physical stress, helping people lead relaxed lives. Navratna Oil is the only cool oil segment player with a pan-India presence. For a product that has been in the market for a number of years, it would have been reasonable to believe that sales would have plateaued: on the contrary, sales strengthened with a 190 bps gain in market share to 64% in FY'18. Barring the traditional cool oil markets of Uttar Pradesh and Bihar that were marked by intensive competition, Navratna achieved what would be the dream of marketing consultants: a >90% market share in most of the pockets and undisputed market leadership in Southern and Western India.

Market share during FY18	Brand portfolio
Navratna Cool Oil 64%	Navratna Oil Navratna Extra Thanda Oil Navratna Almond Cool Oil Navratna Cool Talc Navratna i-Cool Talc





Highlights, FY18

- Reported 64% market share – a 190 bps gain compared to the previous financial year
- Reported healthy offtake following the launch of a new television commercial (directed by Nitesh Tiwari of *Dangal* fame, featuring Amitabh Bachchan singing the *Sar Jo Tera Chakraye* jingle in Acapella mode).
- Reported close to a million views on YouTube over just one-and-a-half months of the campaign
- Strengthened its position in Southern India through strategic activation and promotional campaigns with N. T. Rama Rao Jr. as brand ambassador, making inroads in the traditional coconut oil-dominated bastion, which is also used for stress relief

Ensuring steady growth Navratna Oil has been a longstanding category leader, growing relevance and offtake through consistent re-positioning. The latest television commercial communicated how the product could address a wider array of problems: in addition to the conventional therapeutic impacts (headache and stress), the commercial highlighted how the product could reduce insomnia and premature hair greying – which are new purchase triggers. In the cool talc category, when the commoditisation was posing a challenge for Navratna, Emami came up with a superior functional offering in the form of i-Cool Talc. The USP of the product was its double cooling advantage – not only on application but also another burst of coolness when one would start to sweat. Additionally, rigorous BTL activation exercises were undertaken to drive trials in new catchment areas and consumer segments.

Promoting the brand

Emami believes that successful marketing is about emotion, experience, and fulfilment. By retaining these aspects in a world marked by a growing influence of artificial intelligence (Alexa and Siri), Emami carved away precious mind share.

• **New commercial:** Amitabh Bachchan was launched in a *'Raahat Raja'* avatar marked by a unique *nautanki*-style TVC wherein he lent his voice to the classic Mohammad Rafi song *Sar jo tera chakraye* from the film *Pyaasa*. The campaign generated a positive consumer response. N. T. Rama Rao Jr. donned the similarly majestic avatar of '*Cool Raja*' for a campaign specifically aired in Andhra Pradesh. The Company also launched a YouTube video featuring Amitabh Bachchan as an Acapella performer.

• **Meet and greet with N. T. Rama Rao Jr:** Navratna conducted a celebrity 'meet and greet' with N. T. Rama Rao Jr in Hyderabad for consumers and trade partners. The activity was designed as part of a lucky draw contest wherein 100 winners were invited to meet their favourite superstar. The response was overwhelming as N. T. Rama Rao Jr. charmed the audience with his humility.

• ***Shreshth Pradhan*:** Navratna and *Amar Ujala* presented Navratna *Shresth Pradhan*, felicitating inspirational village heads in Central and Eastern Uttar Pradesh. *Amar Ujala* published their stories; nine best entries were awarded a cash prize of ₹50,000 each. The engagement generated 3,000+ entries, helping the brand acquire a new scalable dimension.

• **Film placements and caravan activities:** Navratna collaborated with blockbuster regional films and deployed a branded caravan that travelled across ~150 villages of Uttar Pradesh and Bihar showcasing these movies and airing Navratna's commercials to >40,000 people.

• **Salon academy:** Navratna commissioned an on-the-go salon academy across ~70 towns of Andhra Pradesh to engage with barbers, establishing that Navratna is the best *champissage* oil. Barbers were trained by Jawed Habib Hair & Beauty and awarded certificates.

Project *Saarthi*:
A branded truck that passed major transport hubs of Maharashtra, Gujarat, New Delhi, Bihar and West Bengal, emphasising the importance of safe driving.

• **Project *Saarthi*:** Navratna launched a branded truck that passed major transport hubs of Maharashtra, Gujarat, New Delhi, Bihar and West Bengal, emphasising the importance of safe driving. Navratna reached out to 7,000+ drivers within a month through an engaging video played on a VR device. Besides, 10 drivers were provided accident insurance policies through a lucky draw.



Omnipresent!
Navratna, the people's brand, touched >2.5 crore households – 10% of all Indian households – and 44 lac outlets, making it the only brand within the cooling oil market to be present across the country. The brand's two-pronged strategy comprised enhanced consumer pull through impactful commercials complemented by a widening distribution network.

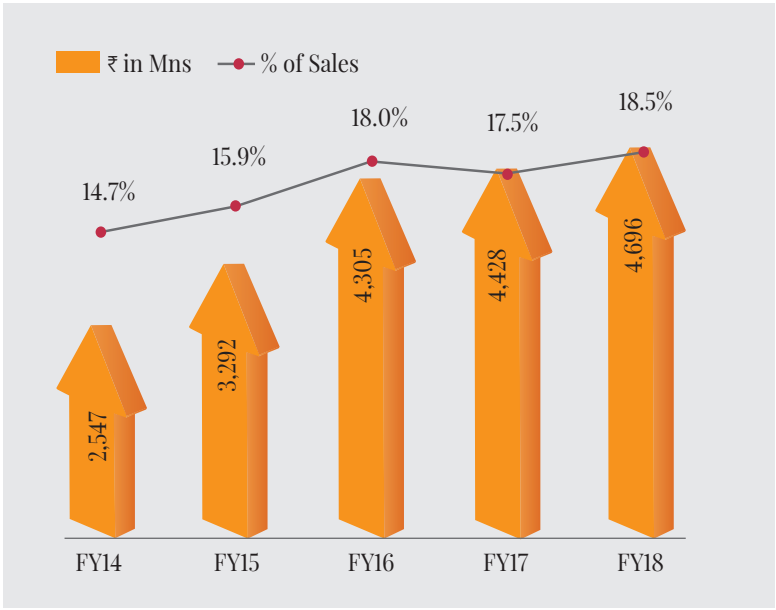

ZANDU
EXPERT IN LIFESTYLE DISORDERS
60 saal ke budhe
ya 60 saal
ke jawan
Zandu Kesari Jivan - created with 100 years of Zandu's Ayurvedic experience
Saffron provides energy and stamina
Pearl provides calcium and strengthens bones
Ayurvedic ingredients provide protection against common cold and fever
Kesari Jivan
Saffron & Pearl Enriched Revitalizer
Fit for diabetic

Emami's A&P canvas

Emami is one of the front runners in India in inducting celebrities to endorse its products. The Company's list of celebrity endorsers include famous Bollywood superstars including Amitabh Bachchan, Shah Rukh Khan, Hrithik Roshan, Shahid Kapoor, Kangana Ranaut, Madhuri Dixit and Govinda, among others. The Company also engaged famous sports celebrities like Saurav Ganguly, MS Dhoni, Virendra Sehwag, Saina Neiwal and Sania Mirza along with regional celebrities like Ramesh Babu, Jr. NTR amd Rituparna Sengupta to endorse Emami products. The Company selected the celebrities based on their national and regional appeal as well as relevance to the products endorsed.

The Company was among the higher spenders in advertisement and promotional activities in the industry, investing~18% of revenues every year. The Company's 360° promotional initiatives included print, television, digital media and out-of-home media to promote its brands. The Company associated its brands with premium events like Indian Premier League, Pro Kabaddi League, among others. Besides, the Company is among the first in the country to opt for in-film advertisements - promoting a number of products through hindi and regional language movies.

Emami's investments in A&P spends





** Past & Present Emami Brand Ambassadors*



Emami & Celebrities



Emami's pain management portfolio

Products	Zandu Balm	Largest selling balm in India
	Zandu Balm Ultra Power	Balm for severe pain
	Zandu Gel	Body ache specialist
	Zandu Roll On	Quick relief from headache
	Zandu Spray	Pain relief specialist
	Mentho Plus Balm	The headache specialist
	Fast Relief	Fast and long-lasting relief from pain
Brand strength	Reaches one out of five people in India	
Reach	1.7 million retail outlets for Zandu Balm	
	1.3 million retail outlets for Mentho Plus Balm	
Market share	54% (Zandu Balm + Mentho Plus)	
Zandu Balm is the rubefacient with the highest penetration in India	All India household level penetration - 19%	
	Five states with 30%+ penetration	
	LUP of ₹2 aimed at more trial generation and increase penetration	

Healing the pain of India



How Emami's pain management products help in healing headache, backache, body ache of 1 out of 5 people in India

Overview

Zandu enjoys more than a century of experience and competence in building trusted ayurveda-derived healthcare solutions.

Zandu Balm is the largest selling pain relief balm in India. Zandu Balm and Mentho Plus Balm account for a >50% share in the pain relief balm segment. The result is that Emami is counted among the biggest players in India's ₹3,300 crore-plus rubefacient vertical.

The sectoral evolution, FY18

- Rubs category grew 12% by value; balms category grew 9%
- Smaller segments (spray and oil) delivered high double-digit growth
- Knee and joint pain segments emerged as the highest growing pain segments
- Balms and cream/ gel are expected to be the largest segments even after five years

Transforming the brand

The brand faced challenges like decline in consumption due to its format (balm) restrictions. The Company responded with speed. The brand was reinvented around formulation and packaging changes coupled with new communication. The campaign was a success; offtake increased; the brand extended into new formats through the launch of Zandu Gel, Zandu Spray and Zandu Roll On. The portfolio intends to sustain its position as the biggest player within the rubefacient

category through innovative product offerings for different pain areas, strengthening its branding around effective pain relief.

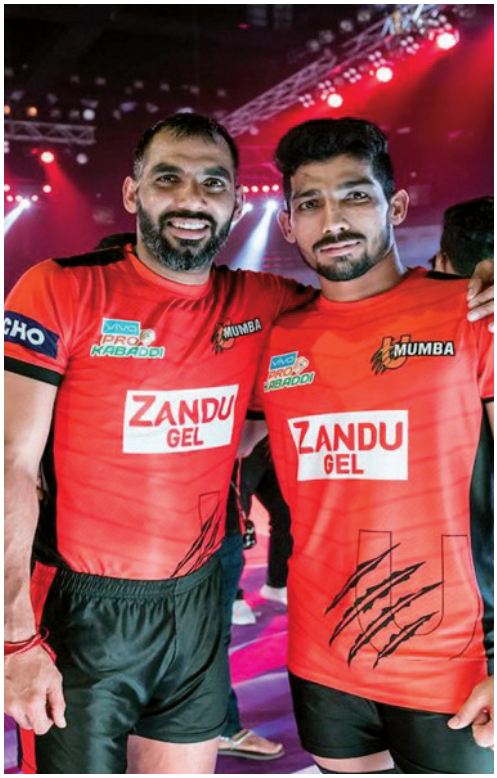
Effective promotional strategies

- Zandu is actively connecting with consumers through associations with marathons and sports leagues. Zandu Gel was the title sponsor for U Mumbai Pro Kabaddi League.
- The new television commercial for Zandu Gel, Spray and Roll On proved clutter-breaking, strengthening the brand.
- Mentho Plus sustained its sales momentum with healthy growth.
- The pain management portfolio was promoted through e-commerce channels like Amazon, Big Basket and the digital media, yielding positive results.

Outlook, FY19

Emami's pain management portfolio will continue investing in core brands to account for a larger market share and maintain leadership. The portfolio will drive penetration through low unit prices in underpenetrated markets. Zandu plans to invest in fast-growing categories within the rubefacient space through breakthrough innovation in specific pain areas.

"I was suffering from a lingering pain in my left ankle for a long time. I had used oils, sprays and ointments but to no avail. Then I saw an ad on TV and bought a tube of Zandu Gel. The next morning the pain disappeared. Miraculous!
– J.T. Clarence, Kolkata



Zandu Gel's association with Pro Kabbadi League



झंडु

झंडु पंचारिष्ट

पाचन को करे जड़ से मज़बूत



बदहज़मी | गैस | भारीपन | भूख ना लगना | खट्टे डकार

पेट की तकलीफों से राहत

35 आयुर्वेदिक तत्व

रोज़ दो चम्मच* दो बार
30 दिन के लिये

कमज़ोर पाचन अधिकतर बीमारियों की जड़ कैसे है?

आयुर्वेद और विज्ञान के अनुसार जब पाचन कमज़ोर हो जाता है, तब अपचित भोजन, पाचन तंत्र को असंतुलित कर देता है। जिससे बार-बार पेट की तकलीफें होती हैं और शरीर बन जाता है बीमारियों का घर। ऐसे में झंडु पंचारिष्ट आपके सातों पाचन-केंद्रों पर असर करके, पाचन को जड़ से मज़बूत बनाये, और बार-बार होने वाली पेट की तकलीफों से राहत दे। स्वस्थ पाचन ही स्वस्थ जीवन की नींव है।

Helpline: 1860 108 1001 (9:30 am to 6:30 pm)

*15 ml के 2 चम्मच

INTERVIEW

"More companies should aggressively start promoting ayurveda."

Says **Dr. M.S. Baghel,** Director and Chief Editor – AYU, Institute for Post Graduate Teaching and Research in Ayurveda, Gujarat Ayurved University

Q&A

The recent years have seen a growing preference for herbal remedies. What accounts for this phenomenon?

There is an increased interest in natural healing, which I believe is the direct result of the 'over-chemicalisation' of our lives. This is one way in which more people saying that they have had enough. This is also a natural extension of the increased plastic in our lives and pollution. The result is that there is aversion to the word 'chemicals'. This is the fundamental reason why people wish to move away from the man-made to the nature-derived.

What could be the other reason for this?

The driver of natural remedies has much to do with the stress in our lives. People live fast paced existences, people are more prosperous than ever and these realities have created a desire to age gracefully. If this could have been achieved by paying money there would be no problem. However, there is a growing recognition that healthy ageing can be facilitated by herbal consumer health products. In a world increasingly concerned with public health, there is increased awareness of the need for tighter category regulation and formalisation. This is brought out by an important discovery: >18% of all US hospitalisations are the result of wrong drugs being prescribed or adverse drug reactions (there are more US deaths from prescription medicine abuse than car accidents). There is also another emerging perspective: even as modern medicines treat infectious or surgically operable diseases, they do not represent a fail-safe option. Besides, the prolonged use of such medicines has caused irreparable damage to immune systems. The result is that the consumer health industry is passing through a transformation: the principles of traditional medicine and botanical folk remedies are being rediscovered. Consumers are turning to products deemed or perceived safe due to their naturalness. They are also focusing on salutogenesis, an approach that focuses on factors supporting human health and well-being rather than pathogenesis.



DR. M.S. BAGHEL

Do herbal medicines provide holistic solutions?

The recent years have seen a growing preference for these so-called unconventional medicines. Under this approach, the medical practitioner analyses the person's lifestyle traits and psychological aptitude as well as other factors (which could vary from person to person) and provides an all-round solution. Take the case of *panchakarma rasayana*, which detoxifies one's body and mind in just a week. It is based on evidence which the

WHO acknowledged that traditional medicines can be instrumental in the prevention of certain ailments, advocating their use over chemical-based pharmaceutical drugs in select cases. The result is that in the last decade, a number of formulations have been launched based on quality-protecting GMPs and the launch of unique natural ingredient blends.

Despite these advantages and India being the birthplace, why has ayurvedic medicine not caught on?

You are right. India's share of the global herbal medicinal market stands at a miniscule 0.5% (US$358.60 million). The irony is that even modern Indians are reluctant to accept anything not validated by the Western world. Even conventional practitioners rely on papers released by global practitioners. There is also a lack of awareness of international ayurveda product export opportunities (dietary supplements, health supplements, nutraceuticals, among others). However, things could change soon: India's signing of an MoU with the WHO to develop a global protocol for promoting traditional and complementary medicines should help ayurveda gain acceptability.

What are the challenges faced by this segment?

Before selling a herbal remedy as a proprietary drug in the American or the European market, it needs to be registered. This process entails an investment of roughly half a million dollars. Most companies prefer selling products as health supplements rather than as medicines. Consider this: *aswagandha*, which can be beneficial for people with Alzheimers, is being sold as a health supplement. The Government of India is now paying 50% of the registration fee following successful registration, but there is still a long way to go. Indian companies should aggressively start marketing ayurveda products in US and Europe. The Chinese have done precisely so with their local herbal remedies and their government is pushing these companies to invest in marketing.

What makes you optimistic?

The demand for natural remedies has brightened prospects. Regulatory bodies are establishing strict norms for the registration and sale of botanical products (in line with standard remedies). The skill now lies in balancing therapeutic benefits, safety, efficacy, availability and adapting them according to specific consumer preferences.

Can modern science play a significant role in ayurveda development?

Modern scientific protocols need to combine with traditional ayurveda knowledge to make successful products. We have been engaged in this reconciliation for decades. The problem is that scientific researchers are looking for target-oriented outcomes but in most cases the ability of these herbs to provide holistic results is common knowledge in this part of the world. Consider turmeric: there are thousands of research papers validating the properties of turmeric but there are hardly 40 products in the market. I consume *haldi-doodh* each morning and it has strengthened my immunity.

Modern scientific protocols need to combine with traditional ayurveda knowledge to make successful products.

What areas can be targeted by Indian companies?

Primarily, modern medicine appears incapable of addressing Parkinson's and Alzheimer's. I have seen a family member suffering from Parkinson's uses ayurvedic medicine with a superior effect than anything available in the market. Obesity is also a major concern in the US and I am convinced that a combination of controlled diet, yoga and ayurvedic health supplements can address this. Here too, modern medicine has been able to provide only temporary relief for metabolic problems whereas herbal remedies (*trikatu churna* and *trifala*) can deliver a better long-term solution. A group of global medical practitioners should be inducted and trained on ayurveda applications and benefits. They then can emerge as our global ambassadors at a time when the market potential appears literally infinite!

India's share of the global herbal medicinal market stands at a miniscule 0.5% (US$358.60 million).



Living naturally

HOW EMAMI'S AYURVEDA-DRIVEN HEALTHCARE BUSINESS UNDER THE ZANDU UMBRELLA IS HELPING PEOPLE LEAD BETTER LIVES

Overview

There is mounting evidence that a number of patients relying on conventional allopathic medication are facing adverse reactions following prolonged use. By one estimate, prescribed medications are the fourth-leading cause of deaths among Americans. *(Source: usnews.com)*

Modern man has begun to look the other way. After ignoring nature-derived benefits for a considerable time, a new picture is emerging. There is a greater willingness to seek alternative traditional medicines like ayurveda to treat critical ailments. Ayurveda comes with an excellent reference: a track record of 5,000 years in providing relief from critical ailments without adverse effects.

Emami was one of the early-movers in India's organised space in leveraging the power of ayurveda. The Company made a decisive move: blended the ancient wisdom of ayurveda with the rigorous protocols of modern science to develop effective products. Emami's promise was in line with the ayurvedic positioning of no side-effects.

Besides, the Company invested in the flagship Zandu brand's rich ayurveda knowledge and experience of more than a century, developing proprietary ayurvedic medicines in applications across



therapeutic segments. Zandu has identified key lifestyle areas for growing interventions: pain management, digestion, diabetes, cardiac health and various other lifestyle issues.

The result is that Zandu is more than a brand; it is positioned as an expert, assisting Indian consumers in managing lifestyle-related health issues.

Emami is taking its ayurveda-driven business ahead. The Company has expended significant time and resources in researching and developing ayurveda-based products to create a scientifically-backed data bank for prospective reference.

Identifying the potential

Over the years, the recall of ayurveda has evolved: from hesitation in seeking ayurveda support to a wider acceptance among young consumers. There has been an increase in the number of companies that have built strong brands around ayurveda and natural ingredients.

Multiple reasons are driving a renewed interest in this space: enhanced consumer awareness on the therapeutic benefits of the natural and ayurvedic as well as the long-term shortcomings of chemical-based products.

The reality is that consumers have increasingly started to look at what ingredients are being used in formulations; they are now seeking chemical-free products.

There are a number of reasons why Emami is attractively placed to capitalise. Consider: the contribution of the natural segment in the Indian personal care industry has grown by ~100 bps every year and if this trend sustains, the naturals' contribution by 2025 would be almost half total personal care sales. The Indian ayurvedic health products market is forecast to grow from US$500 million to US$1.1 billion by 2021.

With companies racing to keep pace with evolving consumer lifestyles, the premium on innovation will only increase – a game that Emami has made its own over the decades. *(Source: Nielsen, Tech Sci Research)*

Backed by research

The remarkable thing is that the Indian government backed the formation of the AYUSH Ministry in 2014, establishing the All India Institute of Ayurveda and launching the International Day of Yoga. The result is a renewed interest in traditional Indian wisdom.

The demand for natural products is driven by urban and rural consumers in different ways. Purchase in the latter category is being driven by the availability of mass brands priced affordably with natural ingredients, facilitating a shift from unbranded, homemade variants to packaged and branded products.

Over the years, Emami embraced the spirit of research through proactive investments in validating product efficacy through scientific evaluation and toxicity studies. Emami went one step ahead; it published results in premier medical journals on a case-to-case basis. The Company tied up with various government institutions to conduct research and it signed an agreement with the Institute of Bio-Resources Sustainable Development, Imphal, for the cultivation of endangered plants (*chirata* and *valerian*). The ~₹3 crore project will provide Emami with access to quality raw material from cultivated sources, strengthening cost management and profitability.

Target-oriented

At a time when people consider that good health can be acquired across the counter, ayurveda has emerged as a breath of fresh air. The ancient Indian science holds that health is a way of life; true to this, Emami manufactures products intended to make users healthier. Emami revolutionised the *asav arishta* process of making sugar-free self-fermented ayurvedic products in this category. This permitted Emami to launch innovative Pancharishta Sugar Free during the year under review. When Emami noticed that consumers encountered difficulties while consuming chyawanprash as it contained a high level of sugar, it created a sugar-free variant. The product proved to be a resounding success. When consumers found laxatives in powder form messy to consume, Emami introduced the popular Nityam Churna brand in an innovative tablet format.



Enhancing popularity

Emami's two-pronged strategy to popularise ayurvedic medicines comprises investments in television and print advertisements and promoting use among conventional practitioners. Emami's on-field team meets doctors, explaining the efficacy of ayurvedic medicines using research-backed data.

Road ahead

Emami possesses a slew of products in the pipeline. The Company will consolidate its presence in existing segments and extend deeper into lifestyle segments like pain management, digestion, diabetes, heart health, daily health care, women's care and child care. The aim is to develop an identity that when someone falls ill because of the problems indicated, the first reaction would be 'Get me Zandu!'

TURNING INTO A TRULY GLOBAL HERBAL AND NATURAL COMPANY

When a farmer in Russia needs protection from the winter chill, he turns to Emami's BoroPlus Antiseptic Cream. When a businessman in Bangladesh seeks relief from stress, he turns to Emami's Navratna Cool Oil. When a homemaker in Sri Lanka needs effective balm to address her migraine, she turns to Emami's Zandu Balm. This reality across 60 countries underscores an important point: Emami is a global brand of Indian origin.

So what makes Emami a successful global Indian?

The principal point is that the Company has extended beyond the Indian and Asian diaspora to touch millions of local citizens; that the Company's products are not mere market participants, they are leaders in select categories (Navratna, Fair & Handsome and BoroPlus); that it possesses innovative product development, in-depth understanding of customer needs and expansive distribution network; that the Company's international business is divided into four clusters (SAARC & SEA, MENAP, CIS & EU, Africa and RoW) for enhanced focus.

Over the years, Emami made a decisive strategic change: as opposed to the conventional practice of manufacturing out of India and exporting to other countries, the Company selected to commission manufacturing facilities in Bangladesh, its first overseas facility in 2012, followed by a 3P unit in Sri Lanka in 2018.

The Company leveraged the best practices of its Indian units to achieve the highest quality and efficiency benchmarks.

Highlights, FY18

- **MENAP:** Performance grew in healthy double-digits even while key countries (UAE and Saudi Arabia) introduced VAT, leading to business disruption. The latter country experienced a recession due to suppressed crude oil prices for the major part of the year.



Outlook: Going ahead, the Company will strengthen its presence in existing markets and introduce localised products. The Company feels that the worst is behind it, with sales surging during the second half of FY18. Barring sporadic incidents, there is stability in the MENAP region and Russia. The Company aims to expand its portfolio in key markets by launching new products.

Emami's international presence

Countries
60+

Key products
Navratna Oil
Fair & Handsome
Fairness Cream
BoroPlus Antiseptic Cream
7 Oils in One
Zandu Balm, Mentho Plus
Balm & Fast Relief

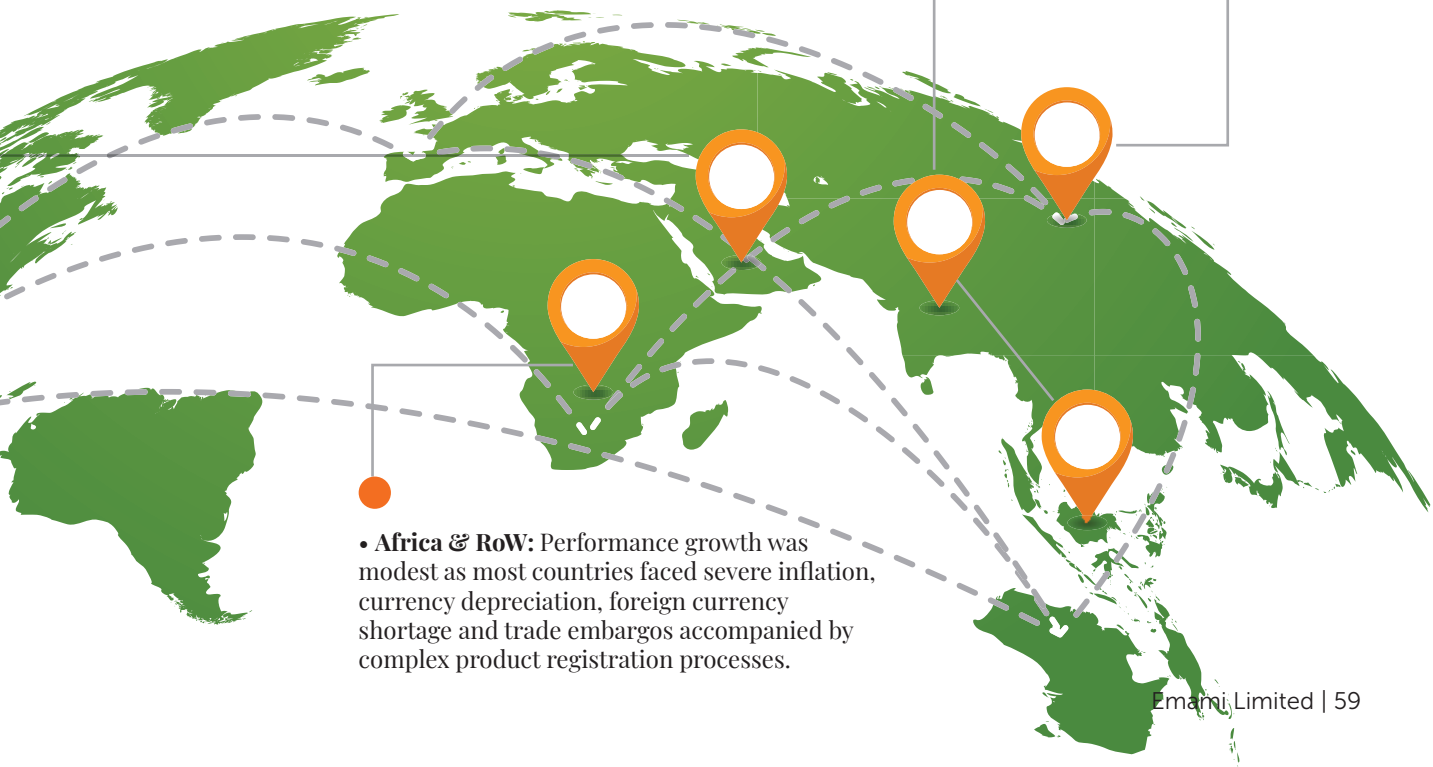
Global manufacturing units
Bangladesh
Sri Lanka (3P)

Annual growth
14%



• **SAARC & South East Asia:** Performance in this large contributing region was flat; the Bangladesh business declined due to lower than expected revenues in certain brands and categories as well as strategic inventory correction. However, secondary sales registered satisfactory growth.

• **CIS & EU:** Performance reported a significant increase even as Russia, the largest contributing country, continued to be in turmoil. Some recent brand extensions were well received by the trade and present attractive opportunities.



• **Africa & RoW:** Performance growth was modest as most countries faced severe inflation, currency depreciation, foreign currency shortage and trade embargos accompanied by complex product registration processes.

INNOVATING FOR THE FUTURE

THERE ARE MORE PATIENTS SEEKING DOCTORS WHO PRESCRIBE AYURVEDIC REMEDIES. THERE ARE MORE CONSUMERS WHO SEEK TO BUY AYURVEDIC PRODUCTS.



So what accounts for the rebound of a stream of learning that had for long been dismissed as a fad? What accounts for a number of forward-looking products and brands being launched around this ancient wisdom? Why is chemical-free the new normal?

Let us explore some things that have happened over the last decade-and-a-half that has retrieved this space from respectful distance to strategic centricity.

One, even as the consumer wished to buy ayurvedic products, products were unavailable. They are now more accessible and available than ever.

Two, even as ayurvedic principles were proven, the investments going in research were limited. More investments are being made in ayurvedic research today in terms of infrastructure and people.

Emami's decisive role

The one company to have played a decisive role in enhancing ayurveda's visibility has been Emami.

In the last five years, Emami invested >₹100 crore in its research. This accounted for ~1% of its revenues during this period.

During the year under review, Emami focused on finding various herbal solutions based on contemporary technologies and enzymatic bio-mechanisms. These addressed problems pertaining to skin pigmentation (spots, blemishes and marks), hairfall, deposition systems for enhancing delivery of cleansing systems, physiological gender differences (skin and hair) and pain management (receptors, mimicking agents, inhibitory molecules, synergists and catalysts).

IN THE LAST FIVE YEARS, EMAMI INVESTED >₹100 CRORE IN ITS RESEARCH. THIS ACCOUNTED FOR ~1% OF ITS REVENUES DURING THIS PERIOD.

Emami activated product performance and personal care clinical testing for new products in the last few years.

Contemporary solutions

The Company designed contemporary product solutions using activated release technologies with the objective to enrich consumer habits:

- A new-gen waterless cleansing technology in the development of deep cleansing facial skin without water use. The benefits: instant brightening, oil control, sweat removal with lasting freshness (obviating the need to splash one's face with water and rinsing it off).
- The use of sweat-triggered release of coolants in a talcum powder.
- A best-in-class deposition technology leveraged to deliver up to 9x better delivery of active ingredients.
- Longer hair colour retention by capitalising on an in-depth understanding of protein and polymer sciences.

• Development of high-end topical delivery systems by leveraging established formulations expertise based on ayurvedic active ingredient knowledge for attenuating symptoms.

Clinical studies

Multiple non-invasive clinical studies on human volunteers were conducted at the Company's new facility as well as several ISO and NABL-accredited clinical research centres. Products offering benefits like complexion lightening, oil control, UV protection, dark spot reduction, hair fall reduction and hair growth stimulation, among others, were clinically validated before launch.

Cost management

The Company's innovation team capitalised on the knowledge aggregated on excipients and active ingredients to optimise formulations and moderate costs without compromising quality. These initiatives generated sizeable savings and improved product efficacy.

New innovations in FY18

• Fair & Handsome Laser 12 Advanced Whitening and Multi Benefit Cream

• Navratna i-Cool Talc Dynamite

• Zandu Gel, Spray and Roll-On

• Emami Diamond Shine Hair Colour

• New variants of HE Deodorants

• HE On-the-Go Waterless Face Wash

• Boro Plus Healthy White Fairness Cream

• Boro Plus Zero Oil Zero Pimple Face Wash

Process breakthrough

One of the major breakthroughs for the healthcare range research team was the modification of the Asav Arishta process. This helped the Company introduce a sugar-free variant of Pancharista. The team successfully created sugar-free chyawanprash (Chyawanprashad and Kesari Jivan).

Alliances

The Company strengthened alliances with academia to drive innovation. The Company collaborated with Institute of Bio-resources Sustainable Development (IBSD) at Imphal for the cultivation of endangered plants. The government-funded project will empower Emami to source two plants from this project.

154
EMAMI'S R&D TEAM STRENGTH

~1%
R&D SPEND AS A PROPORTION OF TOTAL REVENUES (FY18)

6
PATENTS APPLIED

1
PATENTS REGISTERED





Growing together

As a responsible corporate citizen, Emami transforms lives for the better - 'learn from the community', 'plan with the community' and 'work with the community'.

Touching 210,000+ lives

The Company's CSR engagement is driven through specific imperatives – programmes aligned with national and regional needs, focused engagement in select spaces marked by under-investment, partnerships with likeminded partners, and advancing model community development centres across a multi-state footprint.

Education

Padho India Padho

Emami recognises the importance of education in socio-economic development. The Company believes that each student should find his/her identity and life purpose. Emami provides holistic education to ~87,000 students across 47 schools in West Bengal, Karnataka and Kerala.

Objectives

- Ensure that no child has to discontinue schooling due to dearth of funds or lack of facilities
- Improve access to learning opportunities for students in the community
- Provide students with at least 12 years of schooling with appropriate learning outcomes
- Ensure quality education irrespective of student location and status
- Provide thought leadership through system development and policy advocacy
- Improve teaching and learning outcomes in schools (covering students, teachers and parents)

Activities

- Supported schools by providing computers, projectors, electrical fittings, water purifiers, furniture, stationery items and constructing or renovating classrooms and other facilities
- Empowered deserving students through scholarship material and academic support
- Commissioned after-school study centres for first-generation learners
- Improved learning outcomes through its *Padhenge Hum Padhane Ke Liye* initiative, a collaborative approach with teachers, students and other stakeholders
- Trained teachers in child psychology, teaching methodologies, class room management and case study analyses, among others
- Conducted motivational classes, career counselling and student grooming sessions.

Vocational education

Badthe Kadam

Emami counsels students on vocational training, enhancing their employability.

Objective

Channelise youth energies in the right direction to strengthen employability and nation-building.

Activities

- Commissioned 10 skill development centres across West Bengal, Karnataka and Kerala
- Provided courses in stitching, tailoring, beauty, wellness, retail management, computer application, spoken English and personality development, among others
- Generated positive impact across >10,000 people from marginalised pockets.



R.K. Goenka, Patron-CSR

Healthcare

Swasthya

Emami invested in community and stakeholder sensitisation of disease burden on individuals, families and communities. The mission is to democratise healthcare by providing equal access to essential healthcare services, accelerating social and economic inclusion.

Objectives

- Provide access to quality and affordable healthcare
- Leverage national rural/urban health mission resources to assist communities
- Increase health-seeking community behaviours

Activities

- Organised camps pan-India in collaboration with eminent cardiologists (screening >500 patients)
- Executed 'Prevention of Blindness through Cataract Surgery' programme, benefiting >14,000 individuals
- Conducted cataract surgeries on >600 patients; provided spectacles to ~7,000 patients
- Commissioned OPDs across community centres; touched >40,000 lives



Emami's skill development programmes empowering women to become self-sufficient

Sanitation:

Swachhata

Emami provides access to clean drinking water, hygiene and sanitation leading to basic healthcare. These are relevant interventions in countering the impact of contaminated water, limited access to toilets, consequent embarrassment and infection possibilities.

Objectives

- Ensure equitable access to health, water, sanitation and hygiene facilities.
- Inculcate good hygiene practices in homes and schools

Activities

- Constructed several toilets in girls' schools; provided them with running water
- Installed tube wells to provide clean drinking water



Providing prosthetic legs to the disabled

Women's empowerment:

Sukanya

The lack of opportunities for girls and women, violation of rights in general and violence against women affect gender equity in India.

Objectives

The Company is engaged in-empowering women and raising awareness on the importance of girl child education, adolescent health and the reproductive health of women.

Activities

- Promoted girl child education by providing financial aid and scholarships
- Promoted the use of sanitary napkins and free distribution among adolescent girls from marginalised communities
- Constructed and renovated toilets for girl students in schools ensuring proper hygiene and reducing dropouts / absenteeism.
- Addressed reproductive health challenges through consultations with qualified gynaecologists at Emami-run OPD clinics
- Empowered adolescent girls to become self-sufficient through skill development programmes

Socio-economic development

Jan Kalyan

Poverty is influenced by development indicators (poor health, illiteracy, poor sanitation facilities and low work opportunities), which render society sections vulnerable (especially indigenous communities). Emami believes that the socio-economic development of disadvantaged communities represents the bedrock of a sustainable society.

Objectives

- Providing relief material in the aftermath of natural disasters
- Rebuilding infrastructural facilities
- Ensuring the conservation of endangered birds and animals

Promoting cultural and social welfare activities.

Activities

- Rehabilitated ~250 individuals from the streets of Kolkata
- Arranged marriages for 101 couples from the Sunderbans and outer fringes of Kolkata
- Supported the conservation of the Greater Adjutant Stork (Hargila) in Assam



Health camps organised collaborating with eminent cardiologists



Srimad Jagadguru Shankaracharya Sri Raghaveshwara Bharati Swamiji

Growing the e-way

There are two things ubiquitous and everywhere in this world – God and Internet. The result is that the internet is transforming virtually everything – personal relationships, shopping habits and even societal norms. As a result, historians will have a term for the way the world has evolved: Before Internet and After Internet. This phenomenon is transforming India's FMCG sector as well.

INDIA'S INTERNET USER BASE IS POISED TO GROW

390 MILLION	650 MILLION
IN 2016	*IN 2020E*

URBAN FEMALE INTERNET USER BASE SET TO EXPAND

31%	40%
IN 2016	*IN 2020E*

INDIA'S DIGITAL DIVIDE EXPECTED TO CORRECT

IN 2016

67% URBAN	33% RURAL

IN 2020E

52% URBAN	48% RURAL

MORE INDIANS TO MAKE INTERNET-BASED PURCHASE DECISIONS

IN 2016

50% 0-25 YEARS	50% 25 + YEARS

IN 2020E

35% 0-25 YEARS	65% 25 + YEARS

3x growth in online video users
(seeking 3Vs — video, vernacular content and views)

Video content evolving from entertainment to information, eating into traditional channel time share

90 minutes
TIME SPENT BY URBAN INTERNET USERS ON DIGITAL CHANNELS DAILY – AN INCREASE OF 25% IN TWO YEARS

3x
GROWTH IN THE NUMBER OF SEARCHES FOR 'HOW-TO' VIDEOS IN 2016

Vernacular content increasingly becoming important

10x
GROWTH IN VERNACULAR SEARCHES

2x
GROWTH IN VERNACULAR CONTENT ON YOUTUBE

5x
GROWTH IN HINDI CONTENT OVER ENGLISH IN TWO YEARS

Certain online content producers gaining in trust. Views of 'advocates' (credible influencers) being increasingly leveraged.

~₹45 BILLION

~40%
OF FMCG CONSUMPTION WILL BE DIGITALLY INFLUENCED BY 2020

Digital opportunities

DIGITAL INFLUENCE
Using internet for 'online window shopping'

E-COMMERCE
Using internet for making actual purchases

- ~10% of affluent Indian households will account for ~60% of digitally-influenced FMCG expenditures by 2020.
- Urban consumers with digital access spending twice as much as offline consumers.
- The extent of digital influence could vary significantly; under-penetrated categories, problem-solving categories and herbal categories could grow faster.

The e-commerce FMCG segment could become a US$5-6 billion market (~5% of the branded FMCG market) by 2020 - from ~US$0.6 billion, 2016

- Penetration varies by category – high for nutraceuticals and colour cosmetics but low for dairy products and confectioneries.
- Urban users with digital age of more than four years spend 1.6x the time spent by those with a digital age of one or two years.
- E-commerce will not be limited to just 'selling products' but extend to 'offering experiences' to make customers their brand ambassadors. Intuitive interfaces that hasten product discovery and offer secure transactions could catalyse digital offtake.

ROLLING WITH THE **CHANGES**

WITH THE DIGITAL MEDIA EMERGING AS A KEY DEMAND DRIVER IN THE FMCG LANDSCAPE, EMAMI IS FOCUSING ON THIS MEDIUM AS A SPRINGBOARD FOR SUSTAINABLE GROWTH.



Did you know?
82% of the online shopping queries were made through mobile phones in India in 2017

Prepare yourself for a big number: the internet could influence US$11 billion of India's FMCG sales for beauty and hygiene products by 2020.

Then take into consideration the fact that this could account for two-thirds of all beauty and hygiene sales of US$17 billion in 2020.

It is expected that 130 million Indians would buy beauty and hygiene products online by 2020, making the internet not just another social phenomenon but a robust revenue driver – accounting for 20% of estimated total sales of US$ 3 billion.

Here is why this pace is becoming compelling: the number of online shoppers in India is expected to grow, reaching 250 million, which could be 40% of all India's internet users by 2020.

Emami recognises that there is every possibility of the internet becoming the *kirana* store of the future. In cognisance of these macroeconomic realities, Emami undertook the following initiatives:

Key online platforms where Emami's products are available

amazon | Flipkart | GROFERS | bigbasket | paytm mall | purplle



E-commerce

Modern retail growth could exceed traditional retail; growth of specific internet categories (health and wellness) could be even higher. Emami recognised this divergence early: strengthening its presence on major e-commerce platforms (Amazon, Flipkart, Big Basket, Grofers and Purplle, among others) coupled with platform-specific packaging combinations. The result is that in FY18, the Company's revenues from e-commerce platforms grew 39%. Besides, its stake in The Man Company, which offered a proprietary range of premium men's grooming products, helped Emami establish a headstart in an under-penetrated segment on the online platform.

Did you know?

- E-commerce market in India could cross US$50 billion in value in 2018 compared to US$38.5 billion in 2017

Digital campaigns

HE: What's a drone got to do with a face? As it turns out, a lot. To create an impactful digital marketing campaign for its Waterless Face Wash, Emami launched a campaign designed around an imaginative drone-operated product ('Flying Basin'). The promotion said that this service was available, which would be just the right thing for face cleansing and coupled this with a microsite that facilitated product booking. The campaign was launched on the eve of 1 April 2017 addressing a young target audience. The catch lay at the end of the campaign: 'You don't need a flying basin to wash your face', which was communicated to >5,000 confused would-be buyers of the 'flying basin'. The message suggested that people could simply use the HE Waterless Face Wash anytime, anywhere and look fresh – with no need for a 'flying basin'. This is where the surprise comes in: the campaign reached >6.5 million people, garnered >2.5 million views, was featured by NDTV in its 'creative pick of the week' segment and was covered by various digital publications (Ad Age, The Drum and Social Samosa, among others). The message: Emami possesses the capability to create curiosity with as much competence as it does in creating products from scratch, finally winning the Abby Awards.

Navratna: Amitabh Bachchan as an old man suffering from indigestion? Check. Amitabh Bachchan auditioning for *Raavan's* role in a *ramleela* play? Check. Amitabh Bachchan as an Acapella performer? Check. Navratna Oil launched India's biggest movie icon in this unprecedented avatar where he crooned the iconic *Sar Jo Tera Chakraye* from Pyaasa in an acapella strain. Big B lent his baritone voice for this experimental campaign for the first time in his career. Created by Leo Burnett Orchard and directed by Nitesh Tiwari of Dangal fame, the Navratna jingle reported ~1 million views on YouTube.

Fair and Handsome: Emami built on this successful campaign to address a wider audience. The Company engaged Cyrus Broacha to develop digital content under the 'Fair and Handsome – The Man Code' label across Facebook, YouTube and Twitter. A series of engaging videos with tongue-in-cheek humour helped bring alive the macho man's take on life's challenges.

Emami is present across all key digital arenas

- Microsites
- Video sharing websites
- Social media
- Microblogging sites
- Mobile apps



Diamond Shine Luxury Crème Hair Colour
Created by renowned international and Indian hair colour experts. It's superior formulation ensures that the hair colour lasts 2x longer.

BoroPlus Healthy White Fairness Cream
Developed by leading American and Indian skin experts using orange peel extracts and saffron amongst 21 Ayurvedic herbs to repair and heal damage inside skin revealing healthy fairness.





NEW LAUNCHES IN FY18

Enriched with Diamond Serum that gives your hair amazing Shine, it has 11 ayurvedic herbs and conditioners to protect and nourish your hair. The no-ammonia formula ensures 100% grey coverage.



Zandu Kesari Jivan Sugarfree
A health supplement filled with the goodness of kesar, fresh amla, exotic herbs and spices not only making one physically strong but also keeping the youthful vigour intact.



Zandu Chyavanprashad

Ayurvedic Sugar free revitaliser for diabetics and pre-diabetics



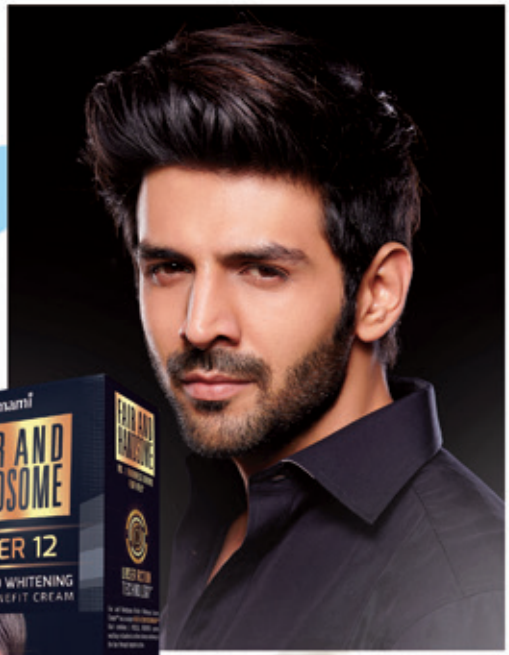
BoroPlus Zero Oil Zero Pimple Face Wash

Co-created by Australian and Indian herbal skin experts, combining Multani Mitti, Neem and the proven herbal antiseptic goodness of BoroPlus to give clinically proven results.



Zandu Pancharishta Sugarfree

Sugar-free variant of Ayurvedic Digestive Tonic Zandu Pancharishta, building digestive immunity and reducing the recurrence of digestive problems like acidity, gas, indigestion, flatulence and constipation.





Fair and Handsome Laser 12 Advanced Whitening and Multi Benefit Cream

A premium and pioneering formulation, designed for men's tough skin with a unique Laser Action Technology that helps transform the face, delivering 12 powerful benefits.

Management discussion **and analysis**



Senior management team

Standing (L to R): Rana Banerjee, Vivek Dhir, Madan Pandey, N H Bhansali, Venkata Rao Damera, Dhiraj Agarwal, Mohan Panchabhai, Nihar Ranjan Ghosh

Sitting (L to R): Punita Kalra, Dr CK Katiyar

Global economic overview

In 2017, a decade after the global economy spiralled into a meltdown, a revival is visible. Consider the realities: Every major economy is expanding, a wave of growth is creating jobs and enhancing prosperity. This reality is marked by ongoing growth in the eurozone, some growth in Japan, a revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, a good 60 bps higher than the previous year.

Crude oil prices increased in 2017, despite a further rebound in American rig counts and growing efficiency gains in shale oil production. In 2017, oil prices recovered in June and hovered ~US$60 per barrel. Metal prices rose sharply, on the back of China's strong demand-supply restrictions. Agricultural commodity prices, which stabilised in 2017, are anticipated to make only marginal gains in 2018 as global stocks remain at multi-year highs.

Global economic growth in the past five years

Year	2014	2015	2016	2017 (E)	2018 (F)	2019 (F)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

Source: World Economic Outlook, January 2018 (e: estimated f: forecasted)

The US: The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by a government spending spillover coupled with US$1.5 trillion worth of tax cuts, stimulating investments. Private consumption growth continued to be robust despite modest real income gains and moderate wage growth, as personal savings rate declined.

Eurozone: The eurozone experienced the upside arising out of cheap money provided by the Central Bank. In 2017, Euro zone is estimated to grow 2.4% compared to 1.8% in 2016, the broad-based growth visible in all eurozone economies and sectors. Unemployment levels declined in almost all economies. *(Source: WEO January 2018)*

China: China's growth estimated at 6.8% in 2017 up from a 26-year (6.7%) low in 2016, and beating the government's target of 6.5%. China witnessed in Q4 a growth rate of 6.8%, which remain unchanged from Q3. This was a result of tighter monetary and financial policies, as well as slower real estate and infrastructure investments. Consumption should outpace investment and demand for services should remain strong (52% of economic output). China's exports rose by 6.9% from the previous year to $188.98 billion in October 2017. In 2018, the Chinese economy is projected to grow at a rate of 6.6%. *(Source: WEO, NBS data)*

Emerging Asia: The GDP of emerging Asian nations is estimated at 6.4% in 2017, unchanged from 2016, even as growth in ASEAN and China is steeper following trade rebound and domestic consumption; India's growth is expected to nudge downward as a result of taxation and monetary reforms. The region is being transformed by technologies and the internet of things, strengthening the digital economy. Cambodia, Laos and Myanmar are projected to grow the fastest in the ASEAN, while Philippines and Vietnam are expected to lead growth in the ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam). The region is being driven by increasing infrastructural spendings and stabilising economies.

GCC: Being oil economies, GCC countries have been deeply affected by the recent oil price drop (~60% since 2013), causing macroeconomic instabilities that have hindered job creation and slowed growth. The GDP growth across the region remained subdued at 1.8% in 2017 despite efforts to boost the non-oil private sector economic activities amid a plethora of fiscal consolidation measures. *(Source: World Bank)*





Emami's corporate office, Kolkata

Russia: The economy exited a two-year long recession, thanks to an effective governmental policy response and deployment of robust buffers. In 2017, Russia was estimated to grow at a rate of 1.9% following a negative growth of 0.6% in 2016. In 2018, Russia's GDP growth is projected to stay at 1.8%. *(Source: MOMR)*

Brazil: In 2017, Brazil estimatedly grew at 1.1% following a deceleration of 3.5% in 2016. Improving demand, higher commodity prices and robust agricultural output boosted overseas sales in Q3.

Outlook

The outlook for advanced economies has improved, notably in the eurozone, but in many countries inflation remains weak, indicating that prospects of GDP growth per capita are being held back by weak productivity levels and rising dependency ratios. Prospects for many emerging markets and developing economies in sub-Saharan Africa, the Middle East, and Latin America remain lacklustre, with stagnating per capita incomes. Fuel exporters have been hit hard by the protracted adjustment to lower commodity revenues. Global growth forecasts for 2018 and 2019 have been revised upward by 20 bps to 3.9%, reflecting improved momentum and impact of tax policy changes in the US. *(Source: WEO, IMF)*

Indian economic overview

After registering a GDP growth of >7% for the third successive year in FY17, the Indian economy headed for slower growth (estimated 6.7%) in FY18. This was lower than the range (6.75%) projected based on recent developments. Nevertheless, GDP growth averaged 7.3% for the period between FY15 and FY18, the highest among major economies. This growth was accompanied by lower inflation, improved current account balance and reduction in the fiscal deficit-to-GDP ratio. In addition to GST introduction, the year was marked by significant steps being taken towards resolving problems associated with the rising NPA levels and FDI liberalisation, among others. Export growth strengthened in FY18 with foreign exchange reserves growing to US$ 414 billion as on 12th January 2018. Average crude oil prices rose by ~14% (mid-January 2018) vis-à-vis FY17. Going by recent trends, average crude oil prices could remain in the vicinity of US$ 56-57 per barrel and rise by 10-15% in FY19. Some of these factors could dampen GDP growth in 2018. Although with global growth likely to improve moderately in 2018, expectations of the GST regime stabilising and investment levels recovering coupled with the decisive structural reforms being undertaken, among others, could escalate growth. Various reforms undertaken by the Government of India improved India's ranking in the World Bank's Ease of Doing Business Index (from 130 in 2017 to 100 in 2018). *(Source: Economic Survey FY18)*

Inflation and monetary policy: Average retail inflation, measured in terms of consumer price index in FY18 (April – December) stood at 3.3%. Average wholesale price index inflation in FY18 (April – December) stood at 2.9% compared to 1.7% in FY17. The RBI cut the repo rate by 25 bps to 6% in August 2017.

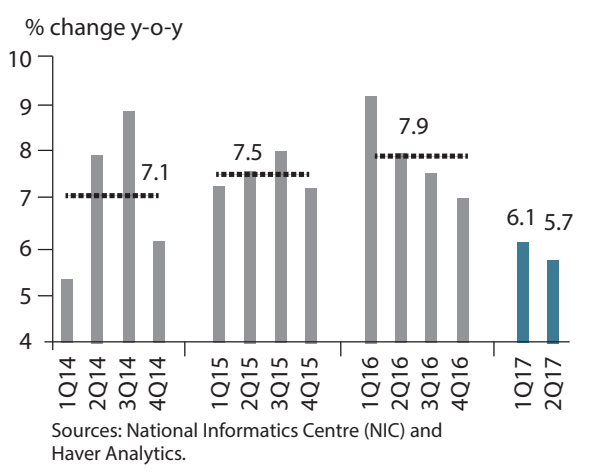
After registering a GDP growth of >7% for the third successive year in FY17, the Indian economy headed for slower growth (estimated 6.7%) in FY18

External sector: The current account deficit declined to ~1.8% of the GDP in H1 of FY2018. During April-December 2017, trade deficit increased by 46.4% over the corresponding period of the previous year. During April-December 2017, exports grew by 12.1% to US$ 223.5 billion, while imports increased by 21.8% to US$ 338.4 billion. Private transfer receipts, mostly comprising remittances from Indians abroad, increased by 10% to US$ 33.5 billion in H1 of FY18.

Tax base: The number of indirect taxpayers in India grew by 50% to 9.8 million unique GST registrants by December 2017. India's internal trade in goods and services (excluding non-GST goods and services) at 60% was substantially higher than the estimates announced in the previous year's economic survey.

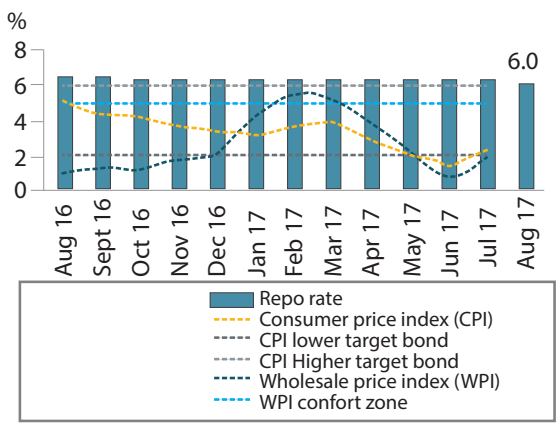
Fiscal deficit: The Indian Government achieved a fiscal deficit of 3.2% of GDP for FY18. The fiscal deficit during April-November 2017 stood at 112% of the budgeted expenditure compared to 85.8% during the corresponding period of the previous year. Revenue and fiscal deficits of states as a percentage of the corresponding budget were lower than the estimated levels for FY18.

India's GDP growth



Sources: National Informatics Centre (NIC) and Haver Analytics.

Indian inflation versus repo rate



Sources: Ministry of Commerce and Industry, Reserve bank of India and Haver Analytics

Financial health indicators

	2013	2014	2015	2016	2017	2018
GDP (US$ trillion)	1.92	2.04	2.11	2.26	2.4	2.6
Real GDP growth (%)	6.6	7.2	7.6	7.6	7.1	7.4
Inflation (%)	10.9	6.4	5.9	5.0	4.9	4.3
Exchange rate against the dollar	58.6	61.0	64.1	67.2	64.6	65.1

(Source: IMF, Euromonitor) (p: projected)

The Indian advantage

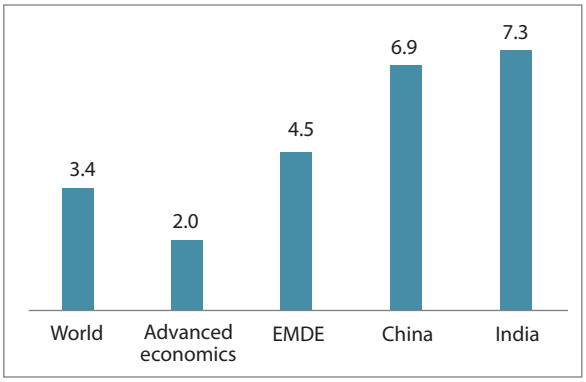
India is the world's seventh-largest economy, sitting between France and Italy and growing faster than any other large economy except China's. By 2050, India's economy is projected to be the world's second-largest (behind China). India is home to 1.34 billion people – 18% of the world's population and expected to overtake China as the world's most populous country by 2024.

The newly-published 2017 edition of the World Economic Forum's Global Competitiveness Report indicates that India now ranks an impressive 23rd in the Global Competitiveness Index for enhanced public spending efficiency. The newly-introduced GST is expected to boost India's tax collection efficiency. Demonetisation increased digital transactions, which are easier to track and tax. Besides, India reported improvements in internet bandwidth per user, mobile phone and broadband subscriptions as well as internet access.

Key government initiatives

- **Bank recapitalisation scheme:** The Central Government announced a capital infusion of ₹2.1 lac crore in public sector banks. The measure entailed a budgetary allocation of ₹76,000 crore by the Central Government, while the remaining amount is to be raised by the sale of recapitalisation bonds. *(Source: KPMG)*
- **Expanding road network:** To boost India's road infrastructure and jobs, the Indian Government announced a ₹6.9 lac crore investment outlay to construct 83,677 kilometres of road network over five years. The ambitious programme is expected to generate 14.2 crore person-day jobs for the country. *(Source: KPMG)*
- **Improving business ecosystem:** The country was ranked at the 100th position in the World Bank's Ease of Doing Business Index in 2018, registering an improvement of 30 places. The jump was a result of the Central Government's pro-reform agenda, comprising the passing of the Insolvency and Bankruptcy Code, simplification of the tax computation and merging of applications for PAN and TAN. In addition, Aadhaar-based identification could help overcome regulatory challenges. *(Source: KPMG)*
- **Goods and Services Tax:** The Government of India overhauled the indirect tax regime and launched the GST in July 2017 to create a unified market. Under this regime, various goods and services are to be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax). To reduce the short-term inflation resulting from the introduction of the GST, the GST Council cut tax rates on more than 250 goods and services by moving them to lower tax slabs. Post-GST implementation, India's tax net expanded, reflected in a 50% increase in unique indirect taxpayers. *(Source: KPMG)*

Average GDP growth between 2014 and 2017 (%)



Sources: Based on IMF's World Economic Outlook Database (October 2017)

India versus China GDP growth (%)

Year	India	China
2013-14	6.6	7.8
2014-15	7.2	7.3
2015-16	7.9	6.9
2016-17	7.1	6.5
2017-18	6.7	6.8

Outlook

In its World Economic Outlook Update, the IMF estimated that the Indian economy would grow by 7.8% in 2019, making it the world's fastest-growing economy in 2018 and 2019. This projection is in line with CSO estimates, which pegged GDP growth at 6.5% during this fiscal. Strong private consumption is expected to support economic activity. Private investment is expected to revive as India's corporate sector adjusts to the GST. Infrastructure spending will also increase and help mitigate the risks faced by private sector Balance Sheets, with help from the RBI.

Over the medium-term, GST is expected to catalyse economic activity and fiscal sustainability by reducing compliance costs across multiple state tax systems, drawing informal activity into the formal sector and expanding the tax base. The recent recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit to the private sector and spur investment. *(Source: IMF, World Bank)*

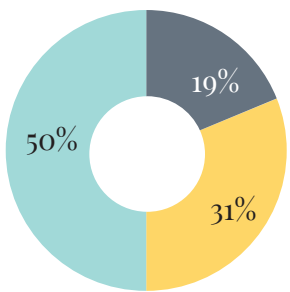
FMCG sector in India

India is at the cusp of a FMCG S-curve with significant growth transpiring over the coming decade. Growth accelerated in 2016 over the previous two years, with 18 of the 22 categories recording an uptick driven by the rural markets.

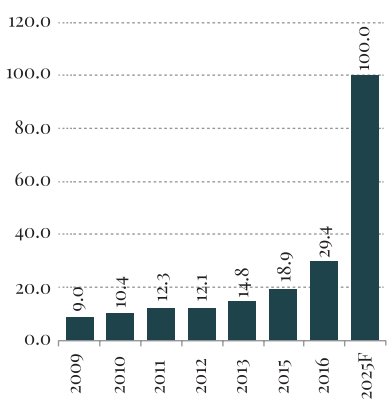
In 2017, India's FMCG industry grew at a snail's pace even as rural growth stood at 1.7x of the urban. The FMCG sector grew from US$ 31.6 billion in 2011 to US$ 49 billion in 2016 (sector expected to grow at a CAGR of 20.6% to US$ 103.7 billion by 2020). The rural market is a key contributor to India's FMCG growth. Consider this: Rural India spent US$26 billion on 'looking better' in 2017, with 64% of spending on apparel and footwear, followed by 23% on personal care and 9% on jewelry.

Online portals are expected to play a key role in helping FMCG companies enter the hinterlands through cheaper and convenient access. Growing awareness, easier access and changing lifestyles are key consumption growth drivers. A focus on agriculture, MSMEs, education, healthcare, infrastructure creation and employment in Union Budget FY19 is expected to catalyse India's FMCG sector. *(Source: CII, Bain & Company, IBEF, Goldman Sachs)*

The Indian FMCG sector



Rural FMCG market (US$ billion)



[Source: IBEF] (f – forecasted)



Michael Porter's five force framework analysis

Threat of substitutes (high)

- Multiple brands
- Narrow product differentiation under different brands
- Aggressive price wars

Bargaining power of suppliers (low)

- Larger FMCG companies are able to dictate the price through local sourcing from a fragmented group of key commodity suppliers

Competitive rivalry (high)

- Private label brands by retailers are priced at a discount limiting competition from weak brands
- Highly fragmented industry with multiple MNCs entering the market

Bargaining power of buyers (high)

- Low switching cost reduced brand loyalty
- Strong influence of marketing strategies
- Availability of me-too or alternatives

Threat of new entrants (medium)

- Substantial investments required in setting up distribution network and promoting brands
- Aggressive spending on advertisements

Beauty and personal care segment

The beauty and personal care segment is one of the fastest-growing retail segments in India. The Indian market, traditionally a stronghold of a few major players, has witnessed a number of global entrants and the emergence of several new brands in the last two decades. The industry is dynamic, attractive, innovative and fast-paced. Shorter life cycles, varying climatic conditions and changing trends are inspiring manufacturing, packaging and marketing innovations. The domestic market for personal care products is projected to grow at a CAGR of ~22% between 2017 and 2020. Currently, India accounts for a share of >1% of the total global personal care, cosmetics and cosmeceutical market and is expected to grow significantly. *(Source: ASSOCHAM)*

Growth drivers

• **Bigger population, stronger income and higher demand:** The country is reporting an annual population growth of 1.1% and is expected to emerge as the most populous country in the world by 2024. Nearly half of India's population is under the age of 25 and two-thirds are less than 35. India is expected to have the world's largest workforce by 2027, with a billion people aged between 15 and 64. The country is witnessing strong growth in per capita incomes, increasing from US$945.9 in FY12 to US$1,538.5 in FY17. The IMF expects nominal per capita incomes to grow at a CAGR of 4.94% between 2010 and 2019. With the population increasing and per capita incomes growing, consumer demand is expected to grow exponentially in the coming years.

• **Demand for specialised products:** Data suggests that there is a disproportionate focus on the face (excluding the staple fare of toilet soaps) in the personal care category. Hair and face care products dominate >50% the market. Growth is now being fuelled by products catering to body care: specialised dermatological applications, moisturisers, and specialised facial applications (face washes and lip balms). *(Source: Nielsen)*

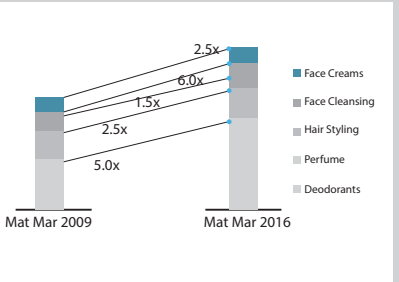
• **The 'other' segment:** The beauty industry was largely woven around women users, a reality that is transforming with the emergence of the male grooming segment. The sale of men's face creams has doubled while the use of face cleansing products among men surged by 60x between 2009 and 2016. Growth in the category is driven by a growing consumer confidence and career competitiveness levels. *(Source: Nielsen)*

• **The GST game-changer:** The GST has been a game-changer for the Indian economy and the FMCG sector in particular. In the pre-GST period, FMCG products were taxed at 22-24%. Following the implementation of the GST, this declined to 5-18%. Logistics expenses declined from 2-7% of the total cost to 1.5% (with input tax credit benefits). The earlier system required FMCG companies to set up warehouses in low-tax regions to capitalise on the different tax rates across states. Following the implementation of a single tax system, companies can build warehouses at strategic locations to rationalise logistics cost and turnaround times. Besides, anti-profiteering provisions state that any reduction in the rate of tax or any supply of goods or services or the benefit of input tax credit shall be passed through a commensurate reduction in prices. *(Source: IBEF)*

• **Ayurveda to the fore:** The AYUSH Ministry expects a 3x increase in the ayurvedic products market size – from US$2.5 billion currently to US$8 billion by 2022. Sales of personal care products made of natural, herbal and ayurvedic ingredients, the so-called 'natural' category, are growing by 1.7x (as fast as the overall market). The category comprises 41% of the Indian personal care products market, valued at ₹18,500 crore. Ayurvedic products reach 77% of Indian homes (69%, two years ago). The growth is being driven by 'rest of urban' towns comprising Tier-II and III cities. The category grew by 9% in value and 8.4% in the metros. *(Source: Nielsen)*

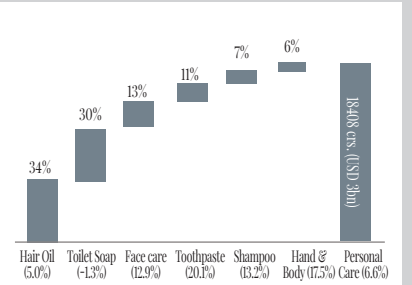
• **Increasing R&D activities:** Large FMCG players are investing in R&D to bring out innovative cosmetics and cosmeceuticals like hypoallergenic creams with minimal health impact. Cosmeceuticals generally enjoy lower pesticide residues, making them an attractive choice for consumers. *(Source: ASSOCHAM)*

Male grooming segment



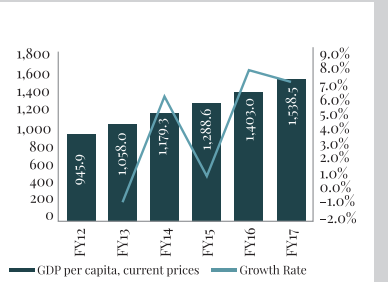
[Source: Nielsen]

Ayurvedic sector – category-wise breakdown



[Source: Nielsen]

India's nominal per capita income (US$)



[Source: IBEF]

Growing rural prosperity

• **Wages:** The growth in nominal rural wages remained stable at 6-6.5% in FY17 and the first four months of FY18 owing to a sharp fall in inflation and real rural wages. After remaining flat in H1 FY17, growth improved to 3.3% in H2 FY17 and 4.8% during April-July 2017, the fastest in four years. The sustained improvement in real rural wages catalysed rural demand.

• **Direct benefit transfers:** Transfer of governmental subsidies and payments directly into beneficiary bank accounts helped plug systemic leakages. The number of schemes covered under DBT increased from 59 in FY16 to 140 in FY17 and 412 in FY18.

• **MSPs**: The Central Government announced MSPs for *rabi* crops in October 2017. On a simple average basis, MSP hike for *rabi* crops stood at 8.3% for FY18. Although this is lower than the 11.3% hike in FY17, it is higher than the average 7.1% hike across the past five years. Importantly, the MSP for wheat, which is the most-procured *rabi* crop, increased by 6.8% in FY18, the fastest in six years. With the Central Government announcing MSPs around at least 1.5x of farm costs, earnings are expected to strengthen.



• **Farm loan waivers:** A number of State Governments announced farm credit waivers. This is expected to enhance farmer cash flows and rural demand.

Government initiatives

• The Government of India's decision to allow 100%-FDI in online retail of goods and services through the automatic route has provided clarity to the existing e-commerce companies operating in India.

• With the demand for skilled labour growing, the Central Government plans to train 500 million people by 2022, encouraging private entrepreneurs to invest.

• The Government of India drafted a new Consumer Protection Bill simplifying and hastening accessible and affordable redressal of issues.

Budgetary provisions

• Announced a food subsidy at ₹1.69 trillion and fertiliser subsidy of ₹701 billion

• Reduced corporate tax to 25% for companies with a turnover of up to ₹2.5 billion

• Allocated up to ₹11 trillion credit for agriculture

• Increased MSP of all crops to at least 1.5x of production costs

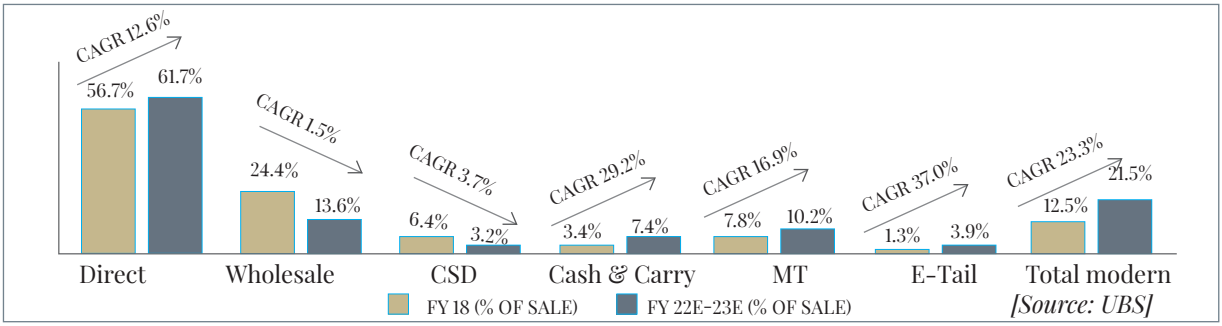
• Liberalised export of agriculture commodities

• Provided 100% tax deduction for the first five years to companies registered as farmer-producer companies (turnover ₹1 billion and above)

The evolution of the distribution channel in India

With the implementation of the demonetisation and the GST, the Indian distribution system is undergoing a structural shift. Consequently, the modern trade segment is expected to grow the fastest, increasing from 12.5% of overall total sales in FY18 to 21.5% in FY22-23. It also indicates that the direct distribution channel will remain the most important (56.7% in FY18 to 61.7% in FY22-23), while the wholesale distribution channel is pegged to decline from 24.4% to 13.6%.

The evolution of the Indian consumer distribution framework



[Source: UBS]

Outlook

Despite the ripple effects of demonetisation and the GST implementation, the Indian FMCG sector reported steady growth. The modern retail format reported significant growth while the rural market witnessed higher growth rates than its urban counterpart. With the Government of India increasing the rural outlay in the Union Budget FY19, these growth levels are expected to sustain.

The size of the Indian middle-class is expected to grow at a CAGR of 10.8%, doubling by 2020 – a key growth driver for the Indian FMCG industry. The FMCG sector is expected to reach US$103 billion by 2020 with ~40% of the offtake being driven digitally by 2020 (>650 million internet users).

A large proportion of the new internet users could come from non-metros due to increased smartphone penetration. This growing consumption expenditure should allow the sector to grow to US$3,600 billion by 2020 from US$ 1,595 billion in 2016. *(Source: Google India, BCG)*

SCOT analysis of the Indian FMCG industry

Strengths	Challenges
• Low operational costs	• Low entry barriers
• Deep distribution network in both urban and rural markets	• Growing crude prices
• Established brands	• Competitive pricing
• Diverse offerings	• Low brand loyalty
Opportunities	**Threats**
• Growing focus on enhancing rural incomes	• New entrants especially from the overseas market
• Increasing premiumisation	• Growing A&P spends by new entrants/ competition
• Growing smartphone penetration	
• Rising share of organised retail	
• Liberalising retail FDI norms	
• Large domestic market	
• GST implementation	



The compelling case of the Indian FMCG industry

Population

India has the 2nd largest population in the world

India is adding close to 15 million people every year – the largest in the world

India is set to overtake China to be the most populous country in the world by 2024

More than half of the population is under 25 years of age; two-thirds are less than 35 years

India is expected to to have the world's largest workforce by 2027, with a billion people aged between 15 and 64 years

Growing affluence

Per capita income increased from US$945.9 in FY12 to US$1,538.5 in FY17 to US$1,728 in FY18

The IMF expects a CAGR of 4.94% in nominal per capita income between 2010 and 2019.

The consumption expenditure is expected to reach US$3600 bn by 2020 from US$ 1595 bn in 2016

Rural

India's per capita GDP in rural regions has grown at a CAGR of 6.2% since 2000.

Budget FY19 focuses on enhancing rural income, thus driving consumption

The rural FMCG market is expected to emerge at US$100 bn by 2025 (US$29.4 bn in 2016)

Modern trade

In 2015, market size of the organised FMCG sector was 9% of the overall organised retail market and is expected to reach 30% by 2020.

Modern retail is expected to triple its growth from US$60 bn in 2015 to US$180 bn in 2020.

TV coverage

Until the early Nineties, India had only one TV channel

Subsequent channel growth to hundreds enhanced advertising exposure

This exposure catalysed consumer aspirations

US$ 49 bn
Size of Indian FMCG industry in FY17

US$ 103 bn
Size of Indian FMCG industry 2020

Growth of e-commerce

Affordable internet and increasing smartphone penetration is driving e-commerce.

India to have 530 million smartphone users in 2018, second to China.

It is estimated that 1 in every 3 FMCG shoppers go online first and then visit the stores to purchase them

The e-commerce market is expected to grow from US$13.6 bn in 2014 to US$19.7 bn in 2015 to US$38.5 bn at the end of 2017. The sector is expected to US$50 bn by the end of 2018

Close to 40% of the Indian FMCG market in 2020 to be driven by digital medium.

Strong potential

Penetration of Men's fairness cream at 4%

Penetration of deodorants at 8%

Penetration of facewash at 8%

Penetration of ayurvedic oil at 9%

Penetration of cooling oil at 16%

Penetration of antiseptic creams at 27%

Penetration of balms at 29%

Sachetisation

Earlier, large product packaging restricted market reach and use

The industry made large product configurations smaller

Smaller packaged sizes enhanced affordability

Non-users became intermittent users

Product market sizes increased

The FMCG companies could carve out a disproportionately larger market share

Aspirations

For long, Indian consumers were content with little

Liberalisation, globalisation and income growth changed this

The Indian began to catch up with the global consumption average

Consumption increased and widened

FMCG industry productised and promoted aggressively

Drivers of our business

Sales and distribution

Number of outlets: 4mn+
Number of direct outlets: 8.5 lac

Distribution primarily deals with ensuring availability of all listed products or SKUs across all the relevant trade channels. The distribution mechanism acts like an 'internal' customer who shifts the goods from the organisation to the seller at a 'transfer price'. Based on this understanding, Emami worked tirelessly towards creating and sustaining a distribution network that promises long-term sustenance and surplus growth of the business.

Highlights, FY18

Increased direct coverage by 1.2 lac outlets

- Expanded the direct distribution channel across urban markets to reduce dependence on the wholesale channel
- Added ~1 lac retail stores in the top metro and 10-lac population towns
- Extended coverage from 12,000 villages in FY17 to ~25,000 villages with a population of >5,000, touching an additional 1 lac outlets
- Added ~500 members to its sales force to improve direct coverage and enhance execution capabilities at points of sale

Sharpened focus on the modern trade channels as a key growth driver

- Modern trade contribution to revenues improved 150 bps over the previous year aided by accelerated organic growth and improved performance
- Launched exclusive packs for the modern trade channel to drive business
- Made focused investments to drive its e-commerce presence

Launched a channel engagement programme to drive results

- Introduced target-based incentives for leading retailers and wholesalers
- Introduced incentives for distributors linked to performance

Rolled out SAP-enabled handheld devices for the entire urban sales force to capture real-time data and strengthen decision-making

- Generated superior tracking and driving of the sales force's working metrics
- Strengthened right-selling to stores with clearly defined assortment and quantity

Built a data analytics tool to enhance sales team capability

- Conducted the analysis of past trends to predict store-level potential and correspondingly build a sales plan
- Empowered the sales team to take quick and accurate decisions
- Improved operational efficiency to enhance productivity

Outlook

Strengthen direct coverage in select high contributing states through a greater presence in 3,000+ population towns

Create a 'build-a-shopper' approach

- Build cross-functional team capability on shopper marketing
- Shopper research to identify key shopper insights
- Implement shopper marketing plans and initiatives

Drive the efficiency of trade spends through optimised margins structure, scheme rationalisation and volume growth agenda

Accelerate growth in modern trade and emerging channels

- Focus on joint business planning with all key modern trade partners
- Improve fill rates and strengthen supply processes
- Introduce special packs focused on the modern trade shopper
- Strengthen e-commerce revenues through strategic investments



Abhoypur Unit, Assam



Assam CM Shri Sarbananda Sonowal along with Shri R.S. Agarwal & Shri R.S. Goenka and other dignitaries inaugurating the Pacharia Plant

Operations

Emami has eight Indian units and one international unit in Bangladesh (added to a number of outsourcing domestic units and one outsourcing unit in Sri Lanka).

Highlights, FY18

- Commissioned the ₹300+ cr Pacharia plant fully securing fiscal benefits for ten years. The international-standard fully-automated plant was aligned with GMP guidelines
- Upgraded Zandu plants to manufacture ayurveda products and segregated them into divisions (solid dosage and liquid dosage plants)
- Zandu units received WHO-GMP certification, which facilitated international trade in pharmaceutical and ayurvedic products
- Launched a third party unit in Sri Lanka to manufacture country-specific products.
- Leveraged low-cost automation that increased production efficiency and moderated costs

Outlook

The Company will focus on employee skill development to increase operational efficiencies; it will automate to control wastage and costs.

Raw material management

In a business that demands diverse and seasonal procurement, the importance of prudent and efficient resource mobilisation cannot be over-stressed. Consider the ongoing challenges: one, the cost of raw materials keeps changing, making it imperative to continuously track them; two, there is always a premium on the need to discover superior raw material alternatives that can perform better and be lower in price; three, there is always a need to buy from locations that result in the lowest freight; four, there is a need to buy from dependable vendors who deliver the best quality.
These initiatives helped strengthen Emami's raw material management:

- Deployed a strong raw material management team for sourcing quality raw materials at the best prices
- Followed stringent quality parameters to identify robust suppliers and source materials
- Developed a strong base of domestic and global vendors
- Appraised value chain dynamics to optimise raw material procurement costs.

Highlights, FY18

- Redefined its portfolio and criticality grid analysis parameters, accessed products locally, made an extensive use of the reverse auction tool and engaged vendors using the bi-colour cube technology
- Collaborated with a market research firm to derive forecasts or predictive market analysis related to key spends, which helped strategise sourcing and address market volatility
- Remapped core capabilities of employee responsible for buying raw and packaging materials, honing their negotiation and supplier relationship management skills
- Reduced headcount and enhanced spending efficiency over the long-term

Outlook

The Company plans to digitalise its cost management process and ensure that its sourcing strategies are analytics-driven, reducing downtimes and procure materials competitively.

Packaging

Emami is respected for attracting customers through differentiated packaging. The Company offered products in attractive PET packages at a time when tin tubes were fashionable. It pioneered smaller sachets in the cool oil segment when competitors continued to trust unwieldy packaging options. Emami revolutionised the market by launching Mentho Plus balm in dibbis. In doing so, it not only serviced existing consumers but also created newer ones. During the fiscal gone by, Emami successfully introduced multiple packaging innovations that immediately caught the attention of consumers and catalysed topline growth.

Highlights, FY18

- Initiated a packaging innovation 'roadshow' to showcase pioneering packaging technologies
- Created a structured platform for teams to undertake market visits
- Created a cohesive database for storing insights, trends and ideas related to packaging which could be leveraged for cross-category projects
- Re-introduced Packinnova, a magazine that helped key stakeholders stay abreast of emerging packaging trends
- Undertook efforts to ensure compliance with changing regulations
- Upgraded packaging testing labs to enhance testing capabilities, bolster processes and execute faster delivery
- Saved a substantial amount on the procurement of packaging materials by fine-tuning processes and tweaking specifications without affecting consumer experience
- Saved ~100 tonnes of plastic and ~100 tonnes paper, reducing Emami's impact on the environment

Outlook

Going forward, Emami will continue to drive innovation, enhance process excellence, optimise costs and hone skills of organisational members.

Research and development

Emami invested in building strong research and development capabilities to drive new product development and enhance process efficiency. The research and development team worked closely with the branding team to understand consumer trends and create relevant offerings addressing preferences of contemporary consumers.

Highlights, FY18

- Kick-started a project in collaboration with the Institute of Bio-resources Sustainable Development, Imphal, to cultivate endangered plants *(chirata and valerian)*
- Created a range of sugar-free products for diabetics at its best-in-class R&D facility
- Developed a sugar-free version of *Asava Arishtas*, using proprietary technologies

Outlook

The R&D team will continue seeking opportunities by identifying niches and white spaces by introducing next-generation ayurvedic products in the women's **and child care segments.**

Quality management

The Company's quality assurance team monitors incoming raw material quality; it checks final products to ensure quality consistency. To forge strong ties with consumers, the Company set up a dedicated customer care centre to resolve complaints, address queries and source feedback. Emami established multiple communication channels (phone, e-mail and post) and displayed relevant details on product packs.

Highlights, FY18

- Captured the needs of consumers during product launches and made packaging changes to deliver a superior experience.
- Reviewed and implemented new product standards and quality defect matrices based on consumer acceptance behaviour.
- Strengthened systems, processes and controls by introducing change management and deviation management methodologies from product innovation to delivery.
- Reassessed and reviewed product/ packaging designs and technical standards by using cross-functional teams.
- Improved response management to retain consumers longer.



Proceedings of the Emami's 34th Annual General Meeting



Logistics management

When done right, the FMCG business can be one of the most profitable; it can conversely turn into losses as a number of products have limited shelf life as consumers prefer freshly produced stock. The focus of Emami's supply chain management is to ensure that the right SKUs are available in the right quantities at the right place at the right time.

Highlights, FY18

- Optimised logistics costs by reducing unwanted movement
- Invited several transporters to bid for freight, widening the base of vendors
- Conducted month-wise sales and operational planning meetings to address emerging demand
- Commenced the monitoring of seasonal products manufactured a month before the season to moderate inventory to half

Outlook

The Company is shifting to a platform where the production and supply planning would be based on real market demand. Emami is joining hands with a renowned consultancy firm to develop a tool to access secondary market data and deeper demand-supply dynamics better.

Information technology

The FMCG industry has always been dependent on technology to glean insights into customer behaviour and preferences. The industry views IT as a necessary business enabler embracing digitisation to create engaging experiences 'customers. With the aim to leverage digital technologies and analytics to derive granular insights into customer preferences and deliver superior products and customer experience, Emami undertook decisive steps.

Highlights, FY18

- Embarked on the execution of a transformational IT plan by leveraging cutting-edge technologies. The core business infrastructure migrated to a new cutting-edge platform
- Automated a number of processes (product costing and profitability analyses) resulting in real-time decision-making
- Strengthened the IT platform to enhance distribution efficiency
- Deployed a first-of-its-kind centralised sales force automation solution to transmit the right information at the right time across the country
- Created a basic reporting, analytics and dash-board infrastructure for new-age predictive analytics
- Started developing an 'intelligent' engine using digital technologies to supply algorithmic inputs to sales professionals
- Began building a digital platform connecting all operational aspects (AI, machine learning and IoT) to enhance qualitative consistency, foster product innovation and enhance consumer engagement
- Created a comprehensive security roadmap to strengthen controls

Outlook

Emami prioritises IT security and controls for safeguarding the business, and a comprehensive security roadmap is under progress to strengthen the next level of IT security for risk free business operations.

Human resource management

Emami drives excellence by facilitating the development of organisational capabilities and building a talent pool aiming to exceed growth aspirations. During the fiscal gone by, the human resources department aligned the following areas with overall business strategy:

• **Creating operation excellence:** The Company undertook decisive steps to make processes more effective, simpler and up-to-date. By developing a keen understanding of the needs of employees and improvising processes, Emami's HR department enhanced impact. The Company entrusted the HR department with the responsibility of ensuring that core operational aspects, were handled in a manner that did not undermine strategic aims.

• **Building the talent system:** With Emami witnessing a steady influx of talent, it became imperative to energise and engage with it. Linkages between organisational, functional and individual goals were strengthened through a robust performance management system. Detailed discussions were held with functional heads to plug gaps through a keen emphasis on 'action planning' and carrying out follow-up exercises. Leadership development continued to be one of the thrust areas during in FY18.

• **Creating a culture of engagement:** Emami focuses on building capabilities and recruiting talented personnel. Routine workshops and training seminars held in collaboration with business partners not only enabled cross-functional operations but also brought personnel up-to-speed with new technologies and innovations. To make Emami a 'Great Place to Work', the HR department focused on creating a workplace where engagement and excellence catalysed entrepreneurship and outperformance.

Highlights, FY18

• **Digital enablement:** The introduction of SAP SuccessFactors helped unleash the full potential of Emami's people. This integrated, cloud-based HR software allowed the employees to make income tax declarations, claim various medical reimbursements and travel allowances, issue pay slips, and access PF-related information, among others.

• **New practices:** In its continued endeavour to adopt best-in-class practices, practices like flexi-timings and half-day leaves were introduced. Sabbaticals for higher education were introduced. Term insurance policies were also arranged for employees across all levels

• **Ensuring effective hiring:** A structured, qualitative campus recruitment strategy (inventory, bench, multi-level and functional) was created to ensure that the Company recruited the right talent.

• **Aligning scorecards:** Alignment of organisational scorecards with business functional and individual scorecards was carried out following structured discussions. The entire process was validated by an external agency to ensure objectivity.

• **Building capabilities:** LCBP aimed to help prospective leaders navigate their way to success by instilling values that the organisation holds dear, developing leadership skills (learn-explore-deliver). A three-day leadership workshop for GMs, a part of the manufacturing division, was organised in collaboration with iLead. The organisation's dependence on their proficiencies was highlighted so that they felt confident while leading their teams as well as themselves. An experiential workshop on sales leadership empowered the sales team personnel to address the incipient changes in the marketplace.

• **Creating a 'Great Place to Work':** For the first time ever, Emami participated in a survey conducted by the Great Place to Work® Institute. This assessment helped Emami in gaining access to actionable insights and recommendations.

• **Prevention of sexual harassment:** To ensure absolute workplace safety for women, the tenets laid down under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, were transmitted digitally across employees.

International Business

Emami is present in more than 60 countries. The Company has a strong presence in GCC countries, Bangladesh, Russia and other South Asian nations. A number of products enjoy market leadership across different countries. For ease of servicing the international market, the Company commissioned its first-ever international manufacturing unit in Bangladesh. During FY18, the Company entered into a tie-up with a Sri Lankan company to outsource the manufacture of Emami products.

Highlights, FY18

• Reported a growth of 14% by value and 13% by volume over FY17, after a year of geopolitical tension had affected GCC offtake

• Introduced BoroPlus in a lip balm format in CIS nations to leverage brand popularity

• Rolled out Kesh King in Bangladesh and test-marketed it in Nepal and the UAE, among others, broadening the brand's footprint outside India

• Set up a distribution team in Pakistan and extended from a single-distributor to multiple-distributor model

• Reported encouraging acceptance rates in South East Asia

• Deployed bigger teams in the Latin American and North African markets and deepened its distribution network in Ukraine and strengthened the core sales team in Bangladesh

Outlook

Going ahead, the Company will strengthen its presence in the existing markets of its presence and focus on setting up localised manufacturing centres.

Financial review

Based on consolidated financials

Key performance metrics

₹ crore

Parameters	2016-17	2017-18
Revenue from Operations*	2,689.1	2,823.4
Reported Revenue	2527.7	2540.8
EBIDTA	759.1	719.4
PBT	423.6	393.8
PAT	340.4	307.1
Cash Profits	649.0	618.0

** Like to Like Revenue Growth (i.e. including GST/VAT)*

Analysis of the profit and loss statement

Revenues: The revenues from operations of the Company reported growth (including GST/VAT) of 5.0%. The growth slowed during the year primarily due to the implementation of the Goods and Services Tax. Other income accounted for 0.76% of the revenues. Other income as a proportion of net profit stood at 6.3% in FY18 against 9.1% in FY17.

Expenses: Total expenses of the Company increased 3.0% from ₹1,768.61 crore in FY17 to ₹1,821.39 crore in FY18 on account of an increase in A&P spends and staff costs. Cost of goods sold, comprising 32.3% of the Company's revenues in FY18 (32.9% in FY17), decreased by 1.3% from ₹830.6 crore in FY17 to ₹820.1 crore in FY18 despite an increase in the price of key raw materials like menthol and vegetable oils. Employees' expenses, comprising 10.0% of the total revenues, increased by 9.0% from ₹233.6 crore in FY17 to ₹254.7 crore in FY18.

Margins: Despite low sales growth, strong cost control helped the Company protect margins during the year under review. While Gross Margins increased 60 basis points, EBIDTA margin declined 170 basis points from 30.03% in FY17 to 28.32% due to sustained investments in new launches, which increased 5.5x (to ₹62.7 crore) during the year under review.

Analysis of the Balance Sheet

Sources of funds

Capital employed: The capital employed of the Company increased 4.3% from ₹2,257.2 crore as on 31st March 2017 to ₹2,354.8 as on 31st March 2018. Return on capital employed stood at 26.30% in FY18.

The net worth of the Company increased 14.76% from ₹1,754.70 crore as on 31st March 2017 to ₹2,013.61 crore as on 31st March 2018.

Long-term debt-equity ratio of the Company stood at 0.16 in FY18 compared to 0.27 in FY17. Net loan reduced by ₹271 crore despite capex of ₹131 crore.

Finance cost: Finance costs of the Company decreased 40.9% from ₹58.01 in FY17 to ₹34.31 in FY18 due to repayment of liabilities. The Company's interest cover stood at a comfortable 20.97x in FY18 (13.09x in FY17), reflecting a comfort in servicing interest outflow.

Applications of funds

Fixed assets (gross) of the Company increased 5.14% from ₹2,572.88 crore as on 31st March 2017 to ₹2,705.15 crore as on 31st March 2018 largely owing to capex in the new Pacharia plant. Depreciation on tangible assets increased 43.5 % from ₹46.89 crore in FY17 to ₹67.28 crore in FY18.

Investments

Non-current investments of the Company increased from ₹94.36 crore as on 31st March 2017 to ₹185.53 crore as on 31st March 2018 due to increase in fair valuation.

Working capital management

- Current assets of the Company increased 58.9% from ₹440.92 crore as on 31st March 2017 to ₹700.76 crore as on 31st March 2018 owing to growing scale of international business. Current ratio and quick ratio stood at 0.98 and 0.71 respectively in FY18 against 0.56 and 0.33 in FY17.
- Inventories including raw materials, work in progress and finished goods, among others, increased 8.3% from ₹17,915.56 crore as on 31st March 2017 to ₹19,395.48 crore as on 31st March 2018. Inventory stood at 28 days of turnover equivalent in FY18.
- Growing international business volumes resulted in an increase of 60.7% in trade receivables from ₹97.01 crore as on 31st March 2017 to ₹155.89 crore as on 31st March 2018. The Company contained debtors' cycle within 22 days of turnover equivalent in FY18.
- Cash and bank balances of the Company increased 58.9% from ₹50.05 crore as on 31st March 2017 to ₹79.51 crore as on 31st March 2018

Key performance ratios

	2016-17	2017-18
Debt-equity ratio (x)	0.27	0.16
ROCE(on cash profit) (%)	28.75	26.30
ROE(on cash profit) (%)	36.99	30.75
Interest cover(x)	13.09	20.97

Managing risks **at Emami**

Emami institutionalised a strong risk management process. The risk management process at Emami revolves around establishing a context, identifying key risks, undertaking mitigation measures, monitoring their impact and preparing reports. Emami's risk management team regularly evaluated risks, prioritised them and worked on mitigating them. While defining and developing a formalised risk management process, leading risk management standards and practices were taken into account.

Strategic Relevance

1	Effective and efficient growth
2	Consistent value-creation
3	Credibility and trust
4	Motivated team

Risk management framework of the Company

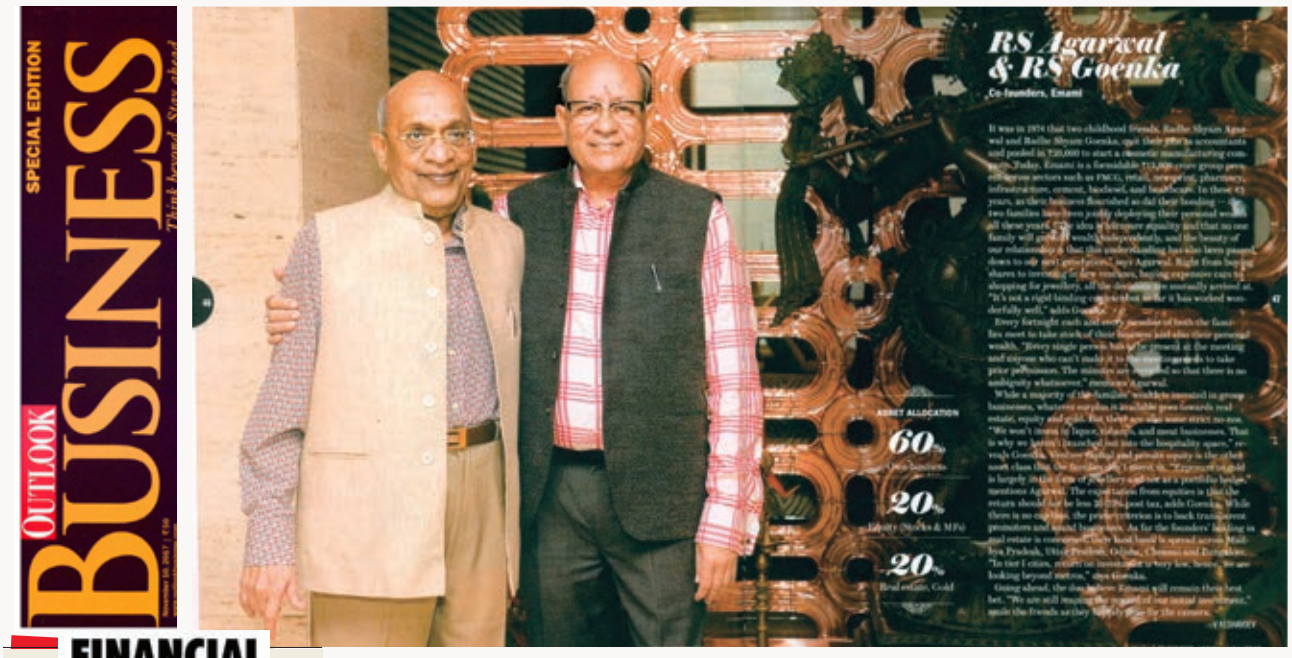


Key risks and their management

Key risks	Impact	Mitigation measures	Developments in FY18
Economy Slowdown in economic activity 1 2	• Slowdown in consumer offtake	• Put its faith on the Indian economy – the 7th largest-economy and one of the fastest-growing economies in the world.	• The Indian economy reported a growth rate of 6.75% • Per capita incomes reported a 8.3% growth over FY17
Industry downturn Slowdown in the FMCG industry 1 2 3	• Decline in product offtake • Decelerated revenue growth	• Created a balanced portfolio of 'necessary' and 'discretionary' products. • Identified unaddressed needs and developed new products rather than launching 'me too' variants.	Emami reported 'like to like' revenue growth (including GST/ VAT) of 5% during FY18
Climate risk Unfavourable climate conditions 1 2 3	• Decline in product offtake • Decelerated revenue growth	• Reduced dependence on seasonal products • Launched a number of products aimed at addressing lifestyle ailments.	The Company launched a number of products unaffected by seasonality by entering categories like light hair oils, Ayurvedic medicinal oils, face wash and deodorants
Foreign currency Volatile forex movement 1 2	• Dented profitability	• Hedged itself against to protect receivables	By successfully hedging against foreign currency, the Company made foreign exchange gains amounting to Rs. 1.8 cr in FY18

Key risks	Impact	Mitigation measures	Developments in FY18
Regulatory Non-compliance with established laws and regulations 1 2 3 4	• Adverse impact on brand equity and corporate governance	• Provided periodic training to refresh employee understanding of corporate governance mandates. • Imposed internal control by making the respective departments accountable.	These commitment to ethical business practices are implemented through the following policies of the Company: • Policy on Ethics, Transparency and Accountability • Code of Conduct. • Whistle Blower Policy These policies set standards which not only meet the requirements of applicable legislations but go beyond in many areas of its functioning.
Acquisition Failure to deliver value from acquisitions 1 2 3	• Inability to meet business targets • Decline in customer faith • Significant strain on financials	• Emami's success can be derived from the fact that it has identified likely champions owned by competing companies and acquired them. • Enhanced product formulation, packaging and branding spends to catalyse offtake.	Forayed into the fast growing Online Male Grooming segment by agreeing to acquire 30% equity stake in Helios Lifestyle Pvt. Ltd. with an option to buy further at agreed valuation parameters. Also forayed in the growing Professional Salon segment by making a strategic investment in Brillare Science Pvt Ltd.
Raw material High-priced raw materials and interrupted supplies 1 2 3 4	• Interrupted operations • Inability to replenish shelves on time • Reduced credibility	• Appointed multiple vendors for raw material sourcing. • Utilised reverse auction to enjoy the benefits of better pricing.	Raw material cost as a proportion of sales was 32.3% against 32.9% in FY17 despite a significant increase in cost of menthol
Research and development Inability to introduce new products 1 2 3 4	• Products may lose market relevance over time • Long-term brand value erosion	• Entered mainstream categories and launched more than 30 new products and extensions in the last five years.	Launched Fair and Handsome Laser12, Diamond Shine Crème Hair Colour, BoroPlus Zero Oil Zero Pimple Face Wash, BoroPlus Healthy White Fairness Cream, Zandu Gel, Zandu Spray, Zandu Roll On and sugar-free variants of Zandu Chyawanprash, Zandu Kesari Jivan and Zandu Pancharishta
Human capital Inability to attract and retain manpower 1 2 3 4	• Adverse impact on long-term corporate sustainability	• Attracted talent from across the country. • Defined career plans to retain talent. • Offered one of the best compensation packages in the industry. • Trained employees regularly to update skills.	Emami participated in a survey conducted by the Great Place to Work® Institute. The Company gained access to actionable insights and recommendations. A workshop looked into areas that demanded the attention of the senior leadership.
Finance Inability to avail adequate and low-cost funds 1 2 3 4	• Inability to fund expansions • Bottomline adversely impacted	Rated (by CARE & CRISIL) A1+ (highest rating) for short-term borrowings, signifying highest safety; and AA+ for long-term borrowings	•Repaid Rs. 270 crore of long-term debt, reducing interest costs by 41%

Emami *making headlines*









THE ECONOMIC TIMES

'We Want to Grow Our Int'l Business'

FMCG CO EMAMI IS CONFIDENT OF DELIVERING AT LEAST 15% GROWTH IN NEXT 3 YEARS AND WANTS 40-50% OF ITS REVENUE FROM FOREIGN MARKETS



"Our objective is to grow faster than the industry"

'Emami is Deeply Rooted in Indian Households, MNCs are No Threat'



Q&A

In an interview to ET Now, Mohan Goenka, director, Emami said the company is very aggressive on new launches and that men's grooming, and Ayurveda have future growth. have always been niche and our strategy since beginning has been focussed on the ayurvedic categories. Ayurveda mostly falls into the niche categories, it is never mainstream.

ayurveda is the next growth.

How have you managed to make your mark in a space dominated by foreign players?

Emami has a long history we started in 1974 it is a brand which indi-

Emami Enters Salon Space with Brillare Science Stake

Our Bureau

Ahmedabad: FMCG major Emami has entered into an agreement with Ahmedabad-based startup Brillare Science to pick up a 26% stake in the company on the basis of the future performance of the entity. Started in 2009, Brillare Science produces professional beauty care products. This investment marks Emami's first foray into the professional salon segment.



Emami Spends 17.5% Revenue on Ads, Promos

NEW DELHI FMCG major Emami spent ₹443 crore on advertising and promotions last fiscal despite demonetisation, with over 27 brand ambassadors from Bollywood icons Amitabh Bachchan and Shah Rukh Khan to sports celebs endorsing its products. About 17.5% of Emami's total revenue was spent on brand building in 2016-17, unlike other FMCG makers which had pruned their ad campaigns following demonetisation.

Emami Set for a Makeover, to Sport Premium Look

Co to create a new pricey brand and introduce costlier variants of best-selling products to premiumise the brand architecture

Writankar Mukherjee
@timesgroup.com

Kolkata: Emami, the four-decade-old consumer goods company that leads the Indian market in categories such as fairness creams for men, is seeking to create a new pricey brand, and introduce costlier variants of its best-selling products as part of a strategy to premiumise the brand architecture.

The Kolkata-based company, with a product range as diverse as skin creams, fairness solutions, hair oils, pain relievers, and traditional health tonics, wants to establish a premium brand distinct from the mother brand Emami. "Once we finalise it internally, we will rope in a consultant to draw up the finer blueprint. These products will not be launched this year," Emami executive Harsha V Agarwal told ET. The new brand, however, will be built around natural products.

The move coincides with the company's decision to focus on its existing big brands, leading to the withdrawal from the feminine hygiene market that Emami had entered by acquiring the 'She Comfort' brand three years ago. Agarwal said the company will also aim at premiumising its five main brands — Navratna, Zandu, Fair and Handsome, Boroplus, and Kesh King — that together account for more than 80% of revenue.



Emami's latest plans to overhaul the brand architecture have a parallel in the 2001-02 strategy of the then Hindustan Lever, which sought to allocate disproportionate resources to what it described as power brands, while either exiting or relegating those that did not offer significant scope.

Emami has already rolled out a premium variant of talcum powder under the Navratna brand, and more such product extensions are underway. "The product extensions will be priced 20-30% more than the original product, but will also offer value benefit to consumers," Agarwal said.

To provide the organizational underpinnings for the growth strategy, Emami has also recently roped in senior executives from the industry. Madan Pandey has joined as the Sales President from Marico, where he was the country manager for Vietnam; Kaushik Gupta, senior vice president of marketing for international business, has joined from GSK's UK operation, while Rana Banerjee, president for the healthcare division, has joined from Dabur India, where he was the marketing head. Nihar Ranjan Ghosh has joined as president of HR from Spencer's Retail, and Ashok Bhattacharya is the new president of sales for the international business.

Entrepreneur

GROWTH

WHEN FRIENDS BECOME FAMILY





"THERE WERE OPPORTUNITIES IN MY PATH TO JOIN THE COMPANY. HOWEVER, MY FATHER

THE TIMES OF INDIA

Emami unveils its biggest mfg plant

Pranjal Baruah | TNN

Guwahati: Home-grown FMCG major Emami Ltd on Tuesday inaugurated its third manufacturing unit in Assam. The new plant, which is Emami's largest production facility in India, will generate direct employment for 1,000 youth, said R S Agarwal and R S Goenka, joint chairmen of the diversified Kolkata-based company.



Emami plant launch in Assam

Speaking at the inauguration, Assam chief minister Sarbananda Sonowal said the state is ready for a big industrial push. Sonowal said the state government is willing to offer all possible help in setting up businesses in the state.

The company already has two manufacturing units at Abhayapur and Amingaon in Assam. Set up over 54 acres at Pachar in near Guwahati, the new plant has a total planned floor area of over 50,000 square metre and has the capacity to produce 1.1 lakh MT annual personal care and healthcare items. While the total production capacity of the company in India is at present 1.61 lakh MT per annum, the new Rs 300-cr unit will increase the same to 2.71 lakh MT, a company release said. The number of total production units of Emami group has risen to eight. It has one overseas unit in Bangladesh.

The FMCG giant, which is looking at inorganic opportunities in the ayurvedic segment in India as well as abroad, is hoping that its growth would come from "core brands and brand extensions" in the space. "In the ayurvedic business, our growth will come from core brands. It could also come from brand extensions," CFO N H Bhansali told reporters here.



Directors' Report

Dear Shareholders,

It gives me great pleasure to share with you the performance of your company along with audited accounts for the financial year ended March 31, 2018.

1. Performance highlights

It was yet another difficult year for the company. Domestic demand continued to be sluggish in the first half due to trade disruption followed by GST implementation which has recovered gradually and is improving consistently. Subdued growth and geo-political uncertainties also impacted the global business. The year 2017-18 was therefore marked with volatility and disruptions. Your company however continued to perform consistently well in these challenging times and deliver better results. With sales at ₹2541 crores , Emami has registered an overall growth of 0.5 %in the turnover. EBIDTA at ₹719.4 Crores has also grown by -5.2% over previous year.

While all the power brands have performed satisfactorily, new Launches viz. Fair & Handsome facewash, 7 oils in 1, HE Deodorant, Emami Diamond Shine hair colour etc. have also performed well. In order to strengthen its market, the company continued to spend aggressively on advertisements and brand building. Steps have also been taken to improve the distribution and increase rural reach. Besides, efficiency improvement and cost optimisation have been followed vigorously across all the

functions of the organisation. Further, manufacturing capacity has been augmented by setting up a state of the art mega project at Pachoria in Guwahati, Assam at the planned outlay of around ₹300 Crores over a period of last 18 months The unit has already commenced operations in February, 2017.

With implementation of GST and regularization of formal economy coupled with initiatives taken by the government to improve infrastructure, agriculture and industry across all segments, significant consumer growth is expected in the times to come. Emami is poised to take full benefit of this emerging opportunity.

Financial Results

(₹ lac)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017–18	2016–17
Operating income	2,36,427	2,34,128	2,54,083	2,52,774
Profit before interest, depreciation and taxation	72,772	78,420	73,894	79,021
Interest	3,317	5,762	3,431	5,801
Depreciation and amortisation	30,531	30,467	31,086	30,858
Profit before taxation	38,924	42,191	39,377	42,362
Less: Provision for taxation				
- Current tax	6,565	7,524	7,275	8,394
- Deferred tax (net)	7	1,363	-49	1,299
- Provision for taxation of earlier years	-	68	-	68
- MAT Credit Entitlement	1400	-1,400	1400	-1,400
Profit after taxation	30,952	34,637	30,751	34,001
Share of minority interest	-	-	-84	-41
Profit after minority interest	30,952	34,637	30,835	34,042
Share of Profit/(loss) of associate	-	-	-121	-
Cash profit	61,482	65,104	61,800	64,900
Balance brought forward	42,148	30,996	46,404	35,986
Profit available for appropriation	73100	65,633	77,118	70,028
Appropriation				
Debenture redemption reserve	-	-	-	-
General reserve	-	-	-	-
Interim dividend	-	3,972	-	3,972
Final dividend	11,916	15,888	11,916	15,887
Corporate dividend tax	2,298	3,683	2,298	3,683
Adjustment on account of change in Non controlling Interest	-	-	-	140
Remeasurement of net defined benefit plans (net of tax)	(196)	(58)	(173)	(58)
Balance carried forward	59,082	42,148	63,077	46,404
	73,100	**65,633**	**77,118**	**70,028**

2. Changes in the nature of business, if any

There has been no change in the nature of business of the Company during the financial year 2017-18.

3. Dividend

Your Directors are pleased to recommend a dividend of ₹7 per share (700% on the Company's share capital). The dividend is subject to approval of shareholders at the ensuing Annual General Meeting. The dividend, if approved, will be paid to members whose names appear in the Register of Members on the record date to be fixed by Share Transfer Committee as authorised by the Board. With respect to the shares held in dematerialised form, it would be paid to the members whose names are furnished by NSDL and CDSL as owners on the said date. The total dividend outgo for the financial year ended March 31, 2018 would amount to ₹191.54 crore including the dividend distribution tax. The dividend pay out ratio works out to 61.90%. The Dividend is recommended as per Dividend Distribution Policy of the company.

4. Transfer to reserve

Your Directors do not propose to transfer any amount to the general reserve.

5. Material changes and commitments

No material changes and commitments have occurred from the date of close of the financial year till the date of this Report, which might affect the financial position of the Company.

6. Share capital

During the year under review the Company has not altered its share capital.

7. Bonus

The Board of Directors of your Company has recommended in its meeting held on 3rd May, 2018 the issue of bonus shares in ratio of 1:1, i.e., one equity share for every 1 existing equity shares subject to the approval of members. The approval of the members is being sought through a postal ballot process. The bonus shares shall be allotted to the members as on the record date to be announced after the approval of bonus issue by members. The bonus shares shall be eligible for dividend that may be declared for the financial year 2018-19 and thereafter.

8. Internal control systems and their adequacy

Your Company has in place, an adequate system of internal controls commensurate with its size, requirements and the nature of operations. These systems are designed keeping in view the nature of activities carried out at each location and various business operations.

Your Company's in-house internal audit department carries out internal audits at all manufacturing locations, offices and sales depots across all locations of the country. Their objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance with the Companies Act, 2013, SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) and corporate policies.

Shri Manoj Agarwal, Chief Risk Officer and Senior Vice President - Audit &Controls, acts as the Internal Auditor of the Company under Section 138 of the Companies Act, 2013.

A summary of all significant findings by the audit department along with the follow-up actions undertaken thereafter is placed before the Audit Committee for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and keeps the Board of Directors informed about its major observations, from time to time. Your Company's internal audit department and risk management system have been accredited with ISO 9001:2015 and ISO 31000:2009 certifications, respectively.

9. Internal financial controls

The Company has in place adequate financial controls commensurate with its size, scale and complexity of its operations. The Company has in place policies and procedures required to properly and efficiently conduct its business, safeguard its assets, detect frauds and errors, maintain accuracy and completeness of accounting records and prepare financial records in a timely and reliable manner.

10. Subsidiary companies, joint ventures and associate companies

A. Subsidiary Companies

Pursuant to Section 134 of the Companies Act 2013 and Rule 8(1) of the Companies (Accounts) Rules 2014, the report on performance and financial position of subsidiaries included in the Consolidated Financial Statements of the Company . The Company is having a policy on determining materiality of subsidiary which is available at www.emamiltd.in/investor-

info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf. As of March 31, 2018, your Company has the following subsidiary companies:

i) Emami Bangladesh Ltd., wholly-owned subsidiary of Emami Limited

ii) Emami International FZE, wholly-owned subsidiary of Emami Limited

iii) Emami Overseas FZE, UAE, wholly-owned subsidiary of Emami International FZE

iv) Pharma Derm S A E Co, Egypt, 90.60% subsidiary of Emami Overseas FZE

v) Fravin Pty. Ltd., Australia, 85% subsidiary of Emami International FZE

vi) Greenlab Organics Ltd., Australia, a subsidiary of Fravin Pty. Ltd.

vii) Diamond Bio-tech Laboratories Pty. Ltd., Australia, a subsidiary of Fravin Pty. Ltd.

viii) Abache Pty Ltd, Australia, a subsidiary of Diamond Bio-tech Laboratories Pty. Ltd.

ix) Emami Indo Lanka (Pvt) Ltd., Sri Lanka a wholly-owned subsidiary of Emami Limited (w.e.f. 03.07.2017)

In compliance with IND-AS-110, your Company has prepared its consolidated financial statements, which forms part of this annual report. Pursuant to the provisions of Section 129(3) of Companies Act, 2013, a separate statement containing the salient features of the subsidiary companies in the prescribed form AOC#1 is a part of the consolidated financial statements. The accounts of the subsidiary companies will be available to any member seeking such information at any point of time. The financial statements of the Company along with the accounts of the subsidiaries will be available at the website of the Company, www.emamiltd.in, and kept open for inspection at the registered office of the Company.

Brief financials and operations of subsidiary companies are given hereunder:

Emami Bangladesh Ltd.

Emami Bangladesh Ltd., a wholly-owned subsidiary of Emami Limited, was incorporated on November 25, 2004 under the Companies Act of Bangladesh. It is engaged in the manufacture, import and sale of cosmetics and ayurvedic medicines from its manufacturing unit in Dhaka. During the financial year ended March 31, 2018, the Company clocked revenues worth ₹8884 lacs (previous year ₹10710 lacs) and profit after tax of ₹1265 lacs (previous year ₹1548 lacs).

Emami International FZE

Emami International FZE, a wholly-owned subsidiary of Emami Limited, was incorporated on November 12, 2005 in the Hamriyah Free Zone, Sharjah, the UAE and is governed by the rules and regulations laid down by the Hamriyah Free Zone Authority. It is engaged in the business of purchasing and selling cosmetics and *ayurvedic* medicines.

During the financial year ended March 31, 2018, the Company clocked revenues worth ₹17430 lacs (previous year ₹14971 lacs) and profit after tax of ₹(339) lacs (previous year ₹(198) lacs).

Emami Overseas FZE

Emami Overseas FZE, a wholly-owned subsidiary of Emami International FZE, was incorporated on November 25, 2010. It is the holding company of Pharma Derm S. A. E. Co. in Egypt.

During the financial year ended March 31, 2018, the Company recorded revenues worth Nil (previous year: nil) but due to other income the profit of the company is ₹804 lacs (previous year loss of ₹10 lacs).

Pharma Derm S. A. E. Co.

Pharma Derm S. A. E. Co. is a 90.60%subsidiary of Emami Overseas FZE and was registered on September 6, 1998 under the relevant Companies Act of Egypt.

The Company was set up so as to manufacture pharmaceuticals, disinfectants, cosmetics, chemicals, among others. The management of the Company was taken over by Emami Overseas FZE in FY2010-11 and the Company has not yet commenced operations due to volatile market conditions.

During the financial year ended March 31, 2018, the Company has business activities and recorded revenues worth ₹326 Lacs (previous year ₹164 Lacs) and profit after tax of ₹(529) lacs (previous year ₹(0.40) lacs).

Fravin Pty. Ltd.

Fravin Pty. Ltd. (Australia based subsidiary) is a 85%of Emami International FZE, was promoted

by leading trichologist and internationally-renowned coiffeur, Peter Francis. With major strengths in research, development and manufacture of natural and organic personal care products, Fravin is a recipient of various prestigious awards in recognition of its qualitative excellence. Fravin, together with its group companies, manufactures a full range of hair care and skin care products certified by various certification bodies in Australia and United states such as the Australian Certified Organic and the United States Department of Agriculture, to name a few.

During the financial year ended March 31, 2018, the Company clocked revenues worth ₹147 lacs (previous year: ₹140 lacs) and Profit/(loss) after tax of ₹(251) lacs (previous year loss of ₹(324) lacs).

Diamond Bio Tech Laboratories Pty. Ltd.

Diamond Bio Tech Laboratories Pty. Ltd., an Australia-based subsidiary of Fravin, is involved in the export of organic products.

During the financial year ended March 31, 2018, the Company recorded Nil revenues (previous year: nil) and Profit after tax of ₹(20) lacs (previous year loss of ₹(31) lacs).

Greenlab Organics Limited

Greenlab Organics Limited UK, a UK-based subsidiary of Fravin Pty. Ltd., is involved in registration of brands and related activities. However, it is yet to commence operations.

Abache Pty. Ltd.

Abache Pty. Ltd., a subsidiary of Diamond Bio-Tech Laboratories Pty. Ltd., Abache has several personal care products in its portfolio. Abache was awarded the first place in the 'Green Formulations' category at the Sustainable Beauty Awards 2014 held in Paris.

During the financial year ended March 31, 2018, the Company earned Nil revenues (previous year ₹39 lacs) and Profit after tax of ₹(12) lacs (previous year loss of ₹(35) lacs).

Emami Indo Lanka (Pvt) Ltd.

Emami Indo Lanka (Pvt) Ltd., Sri Lanka a wholly-owned subsidiary (WOS) of Emami Limited. Sri Lanka is a potential FMCG market. With an objective of having third-party manufacturing facility there for launching of some of the company's products, a WOS company has been established on 3rd July 2017.

During the period ended March 31, 2018, the Company earned revenues of ₹402 Lacs and Profit/(loss) after tax of ₹(35) Lacs.

B. Joint ventures and associate companies

The Company has made strategic investment in Helios Life Style Private Limited (Helios), a company engaged in online male grooming segment. The Company has subscribed equity shares representing 20.45% of the share capital of Helios during the year under review.

During the Financial year ended March 31, 2018, the Helios has earned revenues of ₹172 Lacs and Profit/(loss) after tax of ₹(121) Lacs.

11. Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

12. Non-convertible debentures

The Company issued, listed redeemable non-convertible debentures worth ₹300 crore and same have been redeemed during the financial year 2017-18.

13. Consolidated financial statements

The consolidated financial statements, prepared in accordance with IND AS 110– consolidated financial statements, form part of this Report. The net worth of the consolidated entity as on March 31, 2018, stood at ₹201362 lacs as against ₹175469 lacs at the end of the previous year.

14. Secretarial Standards of ICSI

The Ministry of Corporate Affairs has mandated SS-1, SS-2 and SS-3 with respect to board meetings, general meetings and payment of dividend respectively. The Company is in compliance with the same.

15. Auditors and Auditors' Reports

Statutory audit

Your Company's Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm registration No 301003E/E300005), were appointed as the Statutory Auditors from the conclusion of this 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company

subject to ratification by members every year. The Company has received a certificate from the Auditor under section 141 of the Companies Act 2013 to the effect that they are eligible to continue as Statutory Auditors of the Company.

Secretarial audit

Pursuant to the provisions of Section 204 of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s MKB & Associates, Practicing Company Secretaries, as its secretarial auditor to undertake the secretarial audit for FY 2017-18. The secretarial audit report certified by the secretarial auditors, in the specified form MR-3 is annexed herewith and forms part of this report (Annexure I). The secretarial audit report does not contain any qualifications, reservations or adverse remarks.

Cost auditor

Your Company's cost accountants, M/s. V.K. Jain & Co., were appointed by the Board of Directors at its meeting held on May 4, 2017 to audit the cost accounting records, as may be applicable to the Company for the FY 2017-18 and their remuneration has been approved at the previous Annual General Meeting.

M./S V. K. Jain & Co, have been reappointed as cost auditors for the financial year 2018-19 as required under the Companies Act 2013 and the remuneration payable to the cost auditors is required to be placed before the members in the ensuing annual general meeting (AGM) for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to them is included in the notice convening the AGM. The Board recommends the same for approval by members at the ensuing AGM.

16. Conservation energy, technology and foreign exchange outgo

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with the provisions of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is annexed herewith and forms part of this Report. (Annexure II)

17. Extract of Annual Returns

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the annual return in form MGT 9 is annexed herewith and forms part of this Report. (Annexure III)

18. Corporate social responsibility

Corporate social responsibility forms an integral part of your Company's business activities. Your Company is a responsible corporate citizen, supporting activities which benefit the society as a whole. The Company carries out its corporate social responsibility initiatives not just in letter but also in spirit and thus has touched thousands of lives across India. The Company has duly fulfilled its CSR obligations for FY 2017-18.

In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate social Responsibility Policy) Rules, 2014, the Company has adopted a CSR policy which is available at: http://www.emamiltd.in/ holisticliving/pdf / Corporate Social Responsibility Policy of EmamiLtd. pdf

The Annual Report on CSR expenditures for the FY 2017-18 is annexed herewith and forms part of this report. (Annexure IV).

19. Directors and key managerial personnel

In accordance with provisions of Section 152 of the Act read with Rules made thereunder, Shri H.V. Agarwal (DIN 00150089), Smt. Priti A Sureka (DIN 00319256) and Shri Prashant Goenka (00703389) are liable to retire by rotation at the 35th AGM and being eligible, offer them selves for reappointment.

At the 34th Annual General Meeting of the Company held on 2nd August 2017, the Shareholders have reappointed Shri R.S. Agarwal as an Executive Chairman of the Company for a period of five years w.e.f. April 1, 2017 and Shri R.S. Goenka, as Whole-time Director of the Company upon completion of his existing term on November 7, 2017 for a period therefrom till March 31, 2022.

Independent Directors namely, Shri K. N. Memani, Shri Y. P. Trivedi, Shri M. D. Mallya, Shri S. B. Ganguly, Shri P.K. Khaitan and Shri Amit Kiran Deb were reappointed as Independent Directors of the Company for the another term of five years effective from the 34th Annual General Meeting of the Company.

Shri C. K. Dhanuka was appointed as an Independent Director of the Company for a term of five years at the 34th AGM of the Company.

Shri Sajjan Bhajanka, ceased to be Director effective from 2nd August 2017 upon completion of his term of appointment as an Independent Director.

The Company has received declarations from all the Independent Directors that they meet the criteria of independence as prescribed in the Companies Act and SEBI Listing Regulations, 2015.

None of the Directors of the Company is disqualified for being appointed as Director, as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

A brief resume of the Directors proposed to be reappointed, is provided in the Notice of the Annual General Meeting forming part of the Annual report.

20. Business responsibility report

As required under Regulation 34 of SEBI Listing Regulations 2015, the Business Responsibility Report of the Company for the financial year ended March 31, 2018 is attached as part of the Annual Report.

21. Dividend Distribution Policy

The company has formulated a Dividend Distribution Policy which is disclosed in Annexure VI. The same is also displayed on the website of the Company, www.emamiltd.in/investor-info/pdf/Dividend_Distribution_Policy_Emamiltd.pdf.

22. Board induction, training and familiarization programme for Independent Directors

Prior to the appointment of an Independent Director, the Company sends a formal invitation along with a detailed note on the profile of the Company, the Board structure and other relevant information. At the time of appointment of the Director, a formal letter of appointment which *inter alia* explains the role, functions, and responsibilities expected of him/her as a Director of the Company is given. The Director is also explained in detail about the various compliances required from him/her as a Director under the various provisions of the Companies Act 2013, SEBI Listing Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct of the Company and other relevant regulations.

A Director, upon appointment, is formally inducted to the Board. In order to familiarise the Independent Directors about the various business drivers, they are updated through presentations at Board Meetings about the performance and Financials of the Company. They are also provided presentations/booklets about the business and operations of the Company.

The Directors are also updated on the changes in relevant corporate laws relating to their roles and responsibilities as Directors. The details of the Board familiarization programme for the Independent Directors can be accessed at: http://www.emamiltd.in/investor-info/pdf/EmamiLtdFamiliarizationProgrammeForIndependentDirectors.pdf

23. Performance evaluation

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder, Regulation 17(10) of and the SEBI Listing Regulations and the Guidance note on Board evaluation issued by SEBI vide its circular dated January 5, 2017, the Company has framed a policy for evaluating the annual performance of its Directors, Chairman, the Board as a whole, and the various Board Committees. The Nomination and Remuneration Committee of the Company has laid down parameters for performance evaluation in the policy, they include:

- Attendance
- Preparedness for the meeting
- Staying updated on developments
- Active participation in meetings
- Constructive contributions/positive attributes
- Engaging with and challenging management team without being confrontational or obstructive
- Protection of stakeholder interests
- Contribution to strategic planning
- Carrying out responsibilities as per the code of conduct

The Board also evaluated the performance of each of the Directors, the Chairman, the Board as whole and all committees of the Board. The process of evaluation is carried out in accordance with the Board Evaluation Policy of the Company and as per criteria suggested by SEBI vide circular dated 5th January 2017.

24. Number of meetings of the Board

The Board of Directors held four meetings during the year on May 4, 2017, August 2, 2018, October 25, 2017 and January 29, 2018. The maximum time gap between any two meetings was less than 120 days as stipulated under SEBI's Listing Requirements, 2015. The details of Board Meetings held and attendance of Directors are provided in the Report on Corporate Governance forming part of this report.

25. Separate meeting of Independent Directors

Details of the separate meeting of the Independent Directors held and attendance of Independent Directors therein are provided in the Report on Corporate Governance forming part of this report.

26. Committees of the Board

The Company has constituted/reconstituted various Board level committees in accordance with the requirements of Companies Act 2013. The Board has the following committees as under:

I. Audit Committee
II. Nomination and Remuneration Committee
III. Share Transfer Committee
IV. Stakeholders Relationship Committee
V. Finance Committee
VI. Corporate Governance Committee
VII. Corporate Social Responsibility Committee
VIII. Risk Management committee

Details of all the above Committees along with composition and meetings held during the year under review are provided in the Report on Corporate Governance forming part of this report.

27. Whistleblower policy

The Company has established an effective whistle blower policy (vigil mechanism) and procedures for its Directors and employees; details of which are provided in the Report on Corporate Governance which forms part of this report. The policy on vigil mechanism may be accessed on the Company's website at: http://www.emamiltd.in/investor-info/pdf/WhistleBlowerPolicyEmami.pdf.

28. Remuneration policy

The remuneration policy of the Company aims to attract, retain and motivate qualified people at the executive and at the board levels. The remuneration policy seeks to employ people who not only fulfil the eligibility criteria but also have the attributes needed to fit into the corporate culture of the Company. The remuneration policy also seeks to provide well-balanced and performance-related compensation packages, taking into account shareholder interests, industry standards and relevant regulations.

The remuneration policy ensures that the remuneration to the directors, key managerial personnel and the senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. The remuneration policy is consistent with the 'pay-for-performance' principle.

The Company's policy on remuneration and appointment of Board members as mentioned in the Remuneration Policy have been disclosed at the company's website http://www.emamiltd.in/investor-info/index.php#Compliance and annexed the Directors' Report which forms part of the Annual Report (Annexure VII).

29. Related party transactions

All related party transactions entered into by the Company during the financial year were at arm's length. During the year the Audit Committee had granted an omnibus approval for transactions which were repetitive in nature for one financial year and all such omnibus approvals were reviewed by the Audit Committee on a quarterly basis. No material contracts or arrangements with related parties were entered into during the year under review. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for the necessary review and approval. Your Company's policy on related party transactions, as approved by the Board, can be accessed at: http://www.emamiltd.in/investorinfo/pdf/

The Company has developed and adopted relevant SOPs for the purpose of monitoring and controlling such transactions.

30. Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments made by the Company pursuant to section 186 of the Companies Act 2013 are given in the notes to financial statements. During the year, the company has granted loans, guarantee and investment in its wholly owned subsidiary(ies) for

their business purpose. The company has also subscribed securities of other bodies corporate as strategic investors and the said bodies corporate have issued the said securities for their business purpose.

31. Particulars of employees and managerial remuneration

The information of employees and managerial remuneration, as required under Section 197(2) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and other details are annexed herewith and forms part of this report.(Annexure V)

32. Management discussion and analysis and Corporate Governance Report

As per Regulation 34(3) read with schedule V of the SEBI Listing Regulations 2015, Management Discussion Analysis, Corporate Governance Practices followed by your Company, together with a certificate from the Company's auditors confirming compliance of conditions of Corporate Governance are an integral part of this report.

33. Risk management system

The Company has developed and implemented a risk management policy which is periodically reviewed by the management. Such system also complies with the requirements of ISO 31000: 2015 norms.

In accordance with Regulation 21 of SEBI Listing Regulations, 2015, the enterprise risk management policy of the Company, which has been duly approved by the Board, is reviewed by the Risk Management Committee, Audit Committee and the Board on a quarterly basis. The risk management process encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to key business objectives. Besides exploiting the business opportunities, the risk management process seeks to minimise adverse impacts of risk to key business objectives.

34. Prevention of sexual harassment at workplace

Your Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero-tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action.

The Company has established a policy against sexual harassment for its employees. The policy allows every employee to freely report any such act and prompt action will be taken thereon. The policy lays down severe punishment for any such act. Further, your Directors state that during the year under review, there were no cases of sexual harassment reported to the Company pursuant to the sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

35. Details of significant and material orders passed by regulators/courts/tribunals

There was no instance of any material order passed by any regulators/courts/tribunals impacting the *going concern* status of the Company.

36. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility statement, the Directors confirm that:

I. In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and no material departures have been made therefrom.

II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date.

III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

IV. The annual accounts were prepared on a *going concern* basis.

V. The Directors have laid down effective internal financial controls to consistently monitor the affairs of the company and that such internal financial controls were adequate and operating effectively.

VI. The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and the same are adequate and operating effectively.

37. Awards and accolades

During the year under review, the Company has witnessed many successes, some of which are listed as under:

Corporate Awards and Rankings

- Ranked as the 94th MOST VALUABLE COMPANIES in the BT 500 list of 2017.
- Proud recipient of "MODI- Making of Developed India" Award for achieving excellence in export under the category of "Excellence in Global Reach Company of the Year", presented by ET NOW.
- 6th edition of ET Bengal Corporate Awards (ETBCA) awarded 'BEST FINANCIAL PERFORMANCE - 2018' in the ₹1000+ crore category.
- ET 500 2017 featured the company among the companies that turned out to be multi baggers in the past decade, those that generated the highest return on equity and had the best cash flows.

Brands and Marketing awards

- Boroplus and Zandu have been ranked 49th and 90th position, up from the 54th and 100th ranks of last year, in the "Top 100 Most Trusted Brands" of the Brand Equity Survey 2017 of The Economic Times.
  - Boroplus has bagged the 11th position in the Personal Care sub-category, notching up from last year's rank of 14th.
  - The Survey has also featured ZANDU in the 90th rank which bettered its position by 10 ranks in the overall ranking and has been featured in 8th in the sub category of OTC brands.
- HE Flying Basin Campaign was awarded Bronze in the Digital Category for the Best Social Media Campaign (Co-Creation / Crowd Sourcing / Response) at the Prestigious – ABBY AWARDS, the highest award in Indian Advertising.
- Navratna is the proud recipient of Silver Trophy for Special Categories – Activation at "Outdoor Advertising Awards – 2017" for its "Sukun Ka Safar" brand activation at Ujjain Kumbh Mela.
- Brand Navratna wins 2 prestigious awards 'FLAME AWARDS ASIA 2017 – GOLD AND SILVER TROPHY' in two categories of 'Promotion & Activation Campaign' and 'Integrated & Social Development' respectively for its " Navratna Oil – Sukun Ka Safar' at Ujjain Kumbh Mela".

Individual recognitions

- Forbes India 2017 ranks Shri. R. S. Agarwal and Shri. R. S. Goenka at the 90th position in its Top 100 Rich List.
- Shri. N H Bhansali, CEO – Finance, Strategy & Business Development and CFO, awarded the Best CFO Award for Sustained Wealth Creation in Mid-Cap segment by the YES Bank- BW Business world CFO Awards 2017.

38. Acknowledgements

Your Directors would like to acknowledge and place on record their sincere appreciation of all stakeholders – shareholders, bankers, dealers, vendors and other business partners for the excellent support received from them during the year under review. Your Directors recognise and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

For and on behalf of the Board

Place: Kolkata
Date: May 3, 2018

R.S. Agarwal
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
EMAMI LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EMAMI LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

   a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011

   b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

   e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008

   f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

   g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

   h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/

trading companies, the following laws/acts are also, inter alia, applicable to the Company:

a) Medicinal and Toilet Preparation Act;
b) The Legal Metrology Act, 2009;
c) Drugs & Cosmetics Act and Rules thereunder;
d) Indian Boiler Act, 1923

We have also examined compliance with the applicable clauses of the following:

a) Secretarial Standards issued by The Institute of Company Secretaries of India.
b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are no specific events/actions which have any major bearing on the Company's affairs.

This report is to be read with our letter of even date which is annexed as Annexure – I which forms an integral part of this report.

For MKB & Associates
Company Secretaries

Manoj Kumar Banthia
[Partner]
ACS No. 11470
COP No. 7596
FRN: P2010WB042700

Date: 2nd May, 2018
Place: Kolkata

ANNEXURE- I

To
The Members,
EMAMI LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MKB & Associates
Company Secretaries

Manoj Kumar Banthia
[Partner]
ACS No. 11470
COP No. 7596
FRN: P2010WB042700

Date: 2nd May, 2018
Place: Kolkata

ANNEXURE-II

STATEMENT OF PARTICULARS UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

1. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

The power consumption of the Company as a percentage of the total turnover comes to an eligible percent. The efforts of the company are aimed to minimize energy consumption in spite of the rapid increase in operations of the company.

B. STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY

As the energy consumption to total turnover is very minimal, use of alternate source of energy is presently not required.

C. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

As the energy consumption to total turnover is very minimal, investment in Energy Conservation Equipment's is presently not required.

2. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A. EFFORTS IN BRIEF TOWARDS TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has always been aware of the latest technological developments and adapted them to make products more cost-effective and to attain high levels of quality.

B. BENEFITS DERIVED

1. The benefits derived by the Company for such adaptation have been evident in reducing cost, improving packaging, upgrading existing products and developing new products. Thus, it helped the Company to satisfy consumer needs and business requirements.
2. Future plan of action: Emphasis will continue to be laid on innovative products keeping in view the need and taste of consumers, innovative packaging and adoption of latest technology and know-how to make products more cost-effective as well as of high quality.

C. IMPORTED TECHNOLOGY

Technology imported	: None
Year of import	: Not applicable
Has technology been fully absorbed?	: Not applicable

D. RESEARCH & DEVELOPMENT

1. The R&D activities of the Company are specifically focused on developing new products and improving existing products and analytical methods.
2. The result of such dedicated research work is the constant and innovative expansion in the range of products and achieving greater levels of quality by improved consumption of raw materials and reduction in wastage.
3. The Company's efforts are directed towards creating value-added products and packs for all consumer segments. It is focused on innovative packaging to achieve consumer appeal as well as providing convenience to consumers.
4. The Company's future plan includes putting greater emphasis on Ayurveda science to deliver innovative and effective products.

5. Expenditure in R&D:

	₹ In Lacs
Capital	87.92
Recurring	2236.39
Total	2324.31
R&D as a percentage of total turnover	0.98%

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Activity relating to exports: Initiatives were taken to increase exports, development of new export markets for products, and export plans

Total export in foreign exchange for the financial year 2017-18 was ₹9,844.76 lacs. In order to expand overseas business, the Company registered its various brands in a number of countries apart from obtaining registration of respective products from the statutory authorities in those countries. The Company has also undertaken extensive marketing and advertising campaigns overseas to increase its exports business.

B. The total foreign exchange used during the year by the Company is apportioned under the following heads:

	₹ In Lacs
Raw materials	3018.25
Capital goods	409.61
Professional fees	374.71
Others	199.06
Total	**4001.63**

C. Foreign exchange earnings during the year

	₹ In Lacs
Export of goods on FOB basis	9844.76
Dividend	629.93
Royalty	154.25
Total	**10628.94**

ANNEXURE-III

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN:- L63993WB1983PLC036030

Registration Date: 11/03/1983

Name of the Company: Emami Limited

Category / Sub-Category of the Company: Company Limited by Shares

Address of the Registered office and contact details: 687, Anandapur, E M Bypass, Emami Tower, Kolkata – 700107, West Bengal, India
Contact - +91 33 6133 6264, Fax - +91 33 6613 6600

Whether listed company : Yes

Name, Address and Contact details of Registrar and Transfer Agent, if any:
Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th floor Kolkata 700001, West Bengal, India.
Tel: +91 33 2248 2248

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Ayurvedic Medicinal Products	21003	74.07%
2	Cosmetic & Toiletries	20237	23.67%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Emami Bangladesh Limited, Bangladesh Aqua Towers, Mohakhali C/A, 6th Level, Dhaka - 1212 Bangladesh	N.A.	Subsidiary of Emami Limited	100%	2(87)
2	Emami International FZE, UAE Leased Office Building - 20, Office No - 20G-07, P O Box - 42685 Hamriyah Free Zone, Sharjah, UAE	N.A.	Subsidiary of Emami Limited	100%	2(87)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
3	Emami Overseas FZE, UAE Leased Office Building - 20 Office No - 20G-07, P O Box - 42685, Hamriyah Free Zone, Sharjah, UAE	N.A.	Subsidiary of Emami International FZE	100%	2(87)
4	PharmaDerm S A E Co, UAE New Borg El Arab Industrial City, 3rd Zone, Part No. 5, Block 11, Alexandria, Egypt	N.A.	Subsidiary of Emami Overseas FZE	90.60%	2(87)
5	Fravin Pty. Ltd., Australia C/o Inventure Adam & Rogers Pty. Ltd. Level 1, 214 Greenhill Road, Eastwood SA 5063, Australia	N.A.	Subsidiary of Emami International FZE	85.00%	2(87)
6	Greenlab Organics Ltd. 10 John Street, London, WC1N 2EB	N.A.	Subsidiary of Fravin Pty. Ltd.	100%	2(87)
7	Diamond Bio-tech Laboratories Pty. Ltd. C/o Inventure Adam & Rogers Pty. Ltd. Level 1, 214 Greenhill Road, Eastwood SA 5063, Australia	N.A.	Subsidiary of Fravin Pty. Ltd.	100%	2(87)
8	Abache Pty. Ltd., Australia C/o Inventure Adam & Rogers Pty. Ltd. Level 1, 214 Greenhill Road, Eastwood SA 5063, Australia	N.A.	Subsidiary of Diamond Bio-Tech Laboratories Pty. Ltd.	100%	2(87)
9	Emami Indo Lanka Pvt Ltd, Srilanka No. 200, Lukmanjee Square, Colombo-14, Srilanka	N.A.	Subsidiary of Emami Limited	100%	2(87)
10	Helios Lifestyle Pvt Ltd, India Spazedge Tower, Tower-B, office No. 522-526 Sector-47, Sohna Road, Gurgaon-122001	U2429HR2013PTC04437	Associate Company	20.45%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2017]				No of Shares held at the end of the year [As on 31/Mar/2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	20285971	-	20285971	8.9378	20285971	-	20285971	8.9378	-
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	140122471	-	140122471	61.7368	140122471	-	140122471	61.7368	-
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	**160408442**	**-**	**160408442**	**70.6746**	**160408442**	**-**	**160408442**	**70.6746**	**-**
(2) Foreign									
a) NRIs - Individuals	4680413	-	4680413	2.0622	4680413	-	4680413	2.0622	-
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	**4680413**	**-**	**4680413**	**2.0622**	**4680413**	**-**	**4680413**	**2.0622**	**-**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	165088855	-	165088855	72.7368	165088855	-	165088855	72.7368	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	6072371	-	6072371	2.6754	11861919	-	11861919	5.2263	2.5509
b) Banks/FI	145555	168	145723	0.0642	114289	-	114289	0.0504	-0.0138
c)Central Govt	-	-	-	-	70301	-	70301	0.0310	0.0310
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	5580542	-	5580542	2.4587	2623	-	2623	0.0012	-2.4575
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds	-	-	-	-	390751	-	390751	0.1722	0.1722
Foreign Portfolio Investors	29829519	-	29829519	13.1426	29641973	-	29641973	13.0600	-0.0826
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	**41627987**	**168**	**41628155**	**18.3409**	**42081856**	**-**	**42081856**	**18.5411**	**0.2002**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	10091239	4116	10095355	4.4479	9821059	3948	9825007	4.3288	-0.1191
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	8436637	863637	9300274	4.0976	8217846	730625	8948471	3.9426	-0.1550
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
c) Others (Specify)									
Non Resident Indians	507589	420	508009	0.2238	542342	168	542510	0.2390	0.0152

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2017]				No of Shares held at the end of the year [As on 31/Mar/2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals	-	-	-	-	110	-	110	-	-
Clearing Members	205842	-	205842	0.0907	128311	-	128311	0.0565	-0.0342
Trusts	131308	-	131308	0.0579	348455	-	348455	0.1535	0.0956
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	5621	-	5621	0.0025	4044	-	4044	0.0018	-0.0007
Employee Trusts									
Domestic Corporate Unclaimed Shares Account	-	4200	4200	0.0019	-	-	-	-	-0.0019
Investor Education and Protection Fund Authority									
Sub-total(B)(2):-	**19378236**	**872373**	**20250609**	**8.9223**	**19062167**	**734741**	**19796908**	**8.7222**	**-0.2001**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**61006223**	**872541**	**61878764**	**27.2632**	**61144023**	**734741**	**61878764**	**27.2633**	**0.0001**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**226095078**	**872541**	**226967619**	**100.0000**	**226232878**	**734741**	**226967619**	**100.0000**	**-**

ii) Shareholding of Promoters and Promoter Group

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2017]			Shareholding at the end of the year [As on 31/Mar/2018]			% change in shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Diwakar Viniyog Private Limited	33771887	14.8796	38.0816	33771887	14.8796	61.1095	-
2	Suntrack Commerce Private Limited	33136016	14.5994	43.8451	33136016	14.5994	44.0344	-
3	Bhanu Vyapaar Private Limited	27791381	12.2446	40.3809	27791381	12.2446	56.8697	-
4	Raviraj Viniyog Private Limited	13886007	6.1181	24.3338	13886007	6.1181	31.9746	-
5	Prabhakar Viniyog Private Limited	13199961	5.8158	19.1667	13199961	5.8158	20.6819	-
6	Suraj Viniyog Private Limited	12957139	5.7088	23.8942	12957139	5.7088	32.0287	-
7	Tmt Viniyogan Limited	4866580	2.1442	25.8703	4866580	2.1442	36.4733	-
8	Amitabh Goenka	3785748	1.6680	-	3785748	1.6680	44.9053	-
9	Priti Sureka	3410000	1.5024	-	3410000	1.5024	-	-
10	Rohin Raj Sureka	1750000	0.7710	-	1750000	0.7710	-	-
11	Aditya Vardhan Agarwal	1232334	0.5430	-	1232334	0.5430	-	-
12	Usha Agarwal	836548	0.3686	-	836548	0.3686	-	-
13	Rajkumar Goenka	712750	0.3140	-	773982	0.3410	-	0.0270
14	Avishi Sureka	700000	0.3084	-	700000	0.3084	-	-
15	Radheshyam Goenka	683638	0.3012	-	683638	0.3012	-	-
16	Saswat Goenka	565000	0.2489	-	565000	0.2489	-	-
17	Vibhash Vardhan Agarwal	536739	0.2365	-	536739	0.2365	-	-
18	Vihan Vardhan Agarwal	536000	0.2362	-	536000	0.2362	-	-
19	Harsha Vardhan Agarwal	535133	0.2358	-	535133	0.2358	-	-
20	Sachin Goenka	534500	0.2355	-	534500	0.2355	-	-
21	Advay Goenka	502000	0.2212	-	502000	0.2212	-	-
22	Saroj Goenka	482620	0.2126	-	482620	0.2126	-	-
23	Emami Paper Mills Ltd	466500	0.2055	-	466500	0.2055	-	-
24	Indu Goenka	459850	0.2026	-	459850	0.2026	-	-
25	Ritu Goenka	452465	0.1994	-	452465	0.1994	-	-
26	Radheshyam Agarwal	439500	0.1936	-	439500	0.1936	-	-
27	Chikky Goenka	305850	0.1348	-	305850	0.1348	-	-
28	Reyansh Goenka	303875	0.1339	-	303875	0.1339	-	-
29	Devarsh Goenka	303875	0.1339	-	303875	0.1339	-	-
30	Manan Goenka	282500	0.1245	-	282500	0.1245	-	-

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2017]			Shareholding at the end of the year [As on 31/Mar/2018]			% change in shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
31	Nikunj Goenka	282500	0.1245	-	282500	0.1245	-	-
32	Darsh Goenka	282500	0.1245	-	282500	0.1245	-	-
33	Shruti Goenka	273065	0.1203	-	273065	0.1203	-	-
34	Nimisha Goenka	247000	0.1088	-	247000	0.1088	-	-
35	Manish Goenka	246098	0.1084	-	246098	0.1084	-	-
36	Jyoti Agarwal	244000	0.1075	-	244000	0.1075	-	-
37	Vidhishree Agarwal	240000	0.1057	-	240000	0.1057	-	-
38	Vidula Agarwal	240000	0.1057	-	240000	0.1057	-	-
39	Shreya Goenka	240000	0.1057	-	240000	0.1057	-	-
40	Jayant Goenka	232127	0.1023	-	232127	0.1023	-	-
41	Sobhna Agarwal	225000	0.0991	-	225000	0.0991	-	-
42	Mansi Agarwal	225000	0.0991	-	225000	0.0991	-	-
43	Santosh Goenka	198120	0.0873	-	198120	0.0873	-	-
44	Rashmi Goenka	185700	0.0818	-	185700	0.0818	-	-
45	Sushil Kumar Goenka	179250	0.0790	-	179250	0.0790	-	-
46	Rachana Goenka	158850	0.0700	-	158850	0.0700	-	-
47	Richa Agarwal	145861	0.0643	-	145861	0.0643	-	-
48	Mohan Goenka	130950	0.0577	-	130950	0.0577	-	-
49	Jyoti Goenka	124388	0.0548	-	124388	0.0548	-	-
50	Yogesh Goenka	122700	0.0541	-	122700	0.0541	-	-
51	Reha Goenka	120000	0.0529	-	120000	0.0529	-	-
52	Rachna Bagaria	105000	0.0463	-	105000	0.0463	-	-
53	Aditya Vardhan Agarwal	102139	0.0450	-	102139	0.0450	-	-
54	Prashant Goenka	95000	0.0419	-	95000	0.0419	-	-
55	Smriti Agarwal	89000	0.0392	-	89000	0.0392	-	-
56	Mohan Goenka	87000	0.0383	-	87000	0.0383	-	-
57	Manish Goenka	87000	0.0383	-	87000	0.0383	-	-
58	Sushil Kumar Goenka	87000	0.0383	-	87000	0.0383	-	-
59	Harsh Vardhan Agarwal	86000	0.0379	-	86000	0.0379	-	-
60	Puja Goenka	84699	0.0373	-	84699	0.0373	-	-
61	Ashish Goenka	65000	0.0286	-	65000	0.0286	-	-
62	Epl Securities Ltd	42000	0.0185	-	42000	0.0185	-	-
63	Laxmi Devi Bajoria	39000	0.0172	-	39000	0.0172	-	-
64	Jayant Goenka	37000	0.0163	-	37000	0.0163	-	-
65	Amitabh Goenka	37000	0.0163	-	37000	0.0163	-	-
66	Prashant Goenka	37000	0.0163	-	37000	0.0163	-	-
67	Ashish Goenka	37000	0.0163	-	37000	0.0163	-	-
68	Madan Lal Agarwal	30000	0.0132	-	30000	0.0132	-	-
69	Pradeep Agarwal	20575	0.0091	-	20575	0.0091	-	-
70	Kusum Agarwal	18900	0.0083	-	18900	0.0083	-	-
71	Sangita Agarwal	13000	0.0057	-	13000	0.0057	-	-
72	Divya Agarwal	13000	0.0057	-	13000	0.0057	-	-
73	Shubham Agarwal	12230	0.0054	-	12230	0.0054	-	-
74	Abhishek Agarwal	12000	0.0053	-	12000	0.0053	-	-
75	Dhiraj Agarwal	8375	0.0037	-	8375	0.0037	-	-
76	Emami Frank Ross Limited	5000	0.0022	-	5000	0.0022	-	-
77	Vishal Agarwal	4100	0.0018	-	4100	0.0018	-	-
78	Sumangal Agarwal	4100	0.0018	-	4100	0.0018	-	-
79	Meena Goenka	61232	0.0270	-	-	-	-	-0.0270
	TOTAL	**165088855**	**72.7367**	**29.6058**	**165088855**	**72.7367**	**39.8749**	**10.2691**

iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	There is no change in promoters' shareholding during the period April 1, 2017 to March 31, 2018 except inter - se transfer			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Name With PAN	Particulars	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NOMURA INDIA INVESTMENT FUND MOTHER FUND (PAN : AAAAN3240L)	01/04/17	2199090	0.9689		
		28/04/2017 - Transfer	357293	0.1574	2556383	1.1263
		25/08/2017 - Transfer	521582	0.2298	3077965	1.3561
		01/09/2017 - Transfer	322468	0.1421	3400433	1.4982
		10/11/2017 - Transfer	213000	0.0938	3613433	1.5920
		05/01/2018 - Transfer	25000	0.0110	3638433	1.6031
		31/03/18	3638433	1.6031	3638433	1.6031
2	HDFC SL SHAREHOLDERS SOLVENCY MARGIN ACCOUNT (PAN AAACH8755L)	01/04/17	1103583	0.4862		
		07/04/2017 - Transfer	26197	0.0115	1129780	0.4978
		14/04/2017 - Transfer	-332	0.0001	1129448	0.4976
		21/04/2017 - Transfer	-82	-	1129366	0.4976
		28/04/2017 - Transfer	-623	0.0003	1128743	0.4973
		12/05/2017 - Transfer	100	-	1128843	0.4974
		19/05/2017 - Transfer	-200	0.0001	1128643	0.4973
		02/06/2017 - Transfer	-50	-	1128593	0.4972
		09/06/2017 - Transfer	250	0.0001	1128843	0.4974
		23/06/2017 - Transfer	-11	-	1128832	0.4974
		30/06/2017 - Transfer	2226	0.0010	1131058	0.4983
		14/07/2017 - Transfer	25326	0.0112	1156384	0.5095
		21/07/2017 - Transfer	168	0.0001	1156552	0.5096
		04/08/2017 - Transfer	6748	0.0030	1163300	0.5125
		25/08/2017 - Transfer	850	0.0004	1164150	0.5129
		01/09/2017 - Transfer	41797	0.0184	1205947	0.5313
		08/09/2017 - Transfer	100	-	1206047	0.5314
		15/09/2017 - Transfer	200	0.0001	1206247	0.5315
		22/09/2017 - Transfer	671	0.0003	1206918	0.5318
		30/09/2017 - Transfer	-200	0.0001	1206718	0.5317
		27/10/2017 - Transfer	-1089	0.0005	1205629	0.5312
		03/11/2017 - Transfer	-9455	0.0042	1196174	0.5270
		10/11/2017 - Transfer	-2787	0.0012	1193387	0.5258
		22/12/2017 - Transfer	34836	0.0153	1228223	0.5411
		29/12/2017 - Transfer	14506	0.0064	1242729	0.5475
		05/01/2018 - Transfer	25000	0.0110	1267729	0.5586
		23/02/2018 - Transfer	25000	0.0110	1292729	0.5696
		09/03/2018 - Transfer	-450	0.0002	1292279	0.5694
		31/03/18	1292279	0.5694	1292279	0.5694
3	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND (PAN AAACT6074A)	01/04/17	1030578	0.4541		
		12/05/2017 - Transfer	44792	0.0197	1075370	0.4738
		19/05/2017 - Transfer	29741	0.0131	1105111	0.4869

Sl No	Name With PAN	Particulars	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		30/06/2017 - Transfer	-59836	0.0264	1045275	0.4605
		07/07/2017 - Transfer	-90270	0.0398	955005	0.4208
		14/07/2017 - Transfer	-225176	0.0992	729829	0.3216
		21/07/2017 - Transfer	-178783	0.0788	551046	0.2428
		04/08/2017 - Transfer	-66879	0.0295	484167	0.2133
		18/08/2017 - Transfer	-268431	0.1183	215736	0.0951
		25/08/2017 - Transfer	-215736	0.0951	-	-
		31/03/18	-	-	-	-
4	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE ADVANTAG (PAN AAATB0102C)	01/04/17	2245521	0.9894		
		07/04/2017 - Transfer	644000	0.2837	2889521	1.2731
		14/04/2017 - Transfer	-5000	0.0022	2884521	1.2709
		28/04/2017 - Transfer	-1700	0.0007	2882821	1.2701
		12/05/2017 - Transfer	-7000	0.0031	2875821	1.2671
		02/06/2017 - Transfer	-1800	0.0008	2874021	1.2663
		07/07/2017 - Transfer	60000	0.0264	2934021	1.2927
		11/08/2017 - Transfer	227000	0.1000	3161021	1.3927
		18/08/2017 - Transfer	72079	0.0318	3233100	1.4245
		01/09/2017 - Transfer	3200	0.0014	3236300	1.4259
		08/09/2017 - Transfer	1450	0.0006	3237750	1.4265
		01/12/2017 - Transfer	-105650	0.0465	3132100	1.3800
		08/12/2017 - Transfer	15000	0.0066	3147100	1.3866
		05/01/2018 - Transfer	101710	0.0448	3248810	1.4314
		19/01/2018 - Transfer	-5800	0.0026	3243010	1.4288
		02/02/2018 - Transfer	42300	0.0186	3285310	1.4475
		09/02/2018 - Transfer	33815	0.0149	3319125	1.4624
		23/02/2018 - Transfer	126849	0.0559	3445974	1.5183
		02/03/2018 - Transfer	8900	0.0039	3454874	1.5222
		23/03/2018 - Transfer	-34683	0.0153	3420191	1.5069
		30/03/2018 - Transfer	-151000	0.0665	3269191	1.4404
		31/03/18	3269191	1.4404	3269191	1.4404
5	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA PRUDENCE FUND * (PAN AAATC4460E)	01/04/17	339275	0.1495		
		07/04/2017 - Transfer	61425	0.0271	400700	0.1765
		14/04/2017 - Transfer	25000	0.0110	425700	0.1876
		26/05/2017 - Transfer	37419	0.0165	463119	0.2040
		02/06/2017 - Transfer	26600	0.0117	489719	0.2158
		09/06/2017 - Transfer	179268	0.0790	668987	0.2947
		16/06/2017 - Transfer	100000	0.0441	768987	0.3388
		23/06/2017 - Transfer	12545	0.0055	781532	0.3443
		30/06/2017 - Transfer	7455	0.0033	788987	0.3476
		07/07/2017 - Transfer	32600	0.0144	821587	0.3620
		27/10/2017 - Transfer	112900	0.0497	934487	0.4117
		24/11/2017 - Transfer	60913	0.0268	995400	0.4386
		01/12/2017 - Transfer	103900	0.0458	1099300	0.4843
		15/12/2017 - Transfer	10000	0.0044	1109300	0.4887
		22/12/2017 - Transfer	53000	0.0234	1162300	0.5121
		19/01/2018 - Transfer	81400	0.0359	1243700	0.5480
		02/02/2018 - Transfer	150800	0.0664	1394500	0.6144
		09/02/2018 - Transfer	99350	0.0438	1493850	0.6582
		09/03/2018 - Transfer	67076	0.0296	1560926	0.6877
		16/03/2018 - Transfer	10007	0.0044	1570933	0.6921
		31/03/18	1570933	0.6921	1570933	0.6921
6	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP (AAATS2554B)	01/04/17	1417	0.0006		
		07/04/2017 - Transfer	6129	0.0027	7546	0.0033

Sl No	Name With PAN	Particulars	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		19/05/2017 - Transfer	31	-	7577	0.0033
		02/06/2017 - Transfer	29	-	7606	0.0034
		09/06/2017 - Transfer	272432	0.1200	280038	0.1234
		16/06/2017 - Transfer	660094	0.2908	940132	0.4142
		30/06/2017 - Transfer	-116	0.0001	940016	0.4142
		07/07/2017 - Transfer	29	-	940045	0.4142
		14/07/2017 - Transfer	13997	0.0062	954042	0.4203
		21/07/2017 - Transfer	23115	0.0102	977157	0.4305
		25/08/2017 - Transfer	24	-	977181	0.4305
		15/09/2017 - Transfer	5436	0.0024	982617	0.4329
		30/09/2017 - Transfer	5000	0.0022	987617	0.4351
		06/10/2017 - Transfer	102	-	987719	0.4352
		24/11/2017 - Transfer	72	-	987791	0.4352
		01/12/2017 - Transfer	894	0.0004	988685	0.4356
		05/01/2018 - Transfer	-168	0.0001	988517	0.4355
		31/03/18	988517	0.4355	988517	0.4355
7	UTI - BLUECHIP FLEXICAP FUND * (PAN AAATU1088L)	01/04/17	707738	0.3118		
		12/05/2017 - Transfer	21109	0.0093	728847	0.3211
		02/06/2017 - Transfer	-3574	0.0016	725273	0.3195
		23/06/2017 - Transfer	62057	0.0273	787330	0.3469
		07/07/2017 - Transfer	39036	0.0172	826366	0.3641
		11/08/2017 - Transfer	5198	0.0023	831564	0.3664
		01/09/2017 - Transfer	-684	0.0003	830880	0.3661
		08/09/2017 - Transfer	-72	-	830808	0.3660
		15/09/2017 - Transfer	109563	0.0483	940371	0.4143
		22/09/2017 - Transfer	101763	0.0448	1042134	0.4592
		30/09/2017 - Transfer	76452	0.0337	1118586	0.4928
		06/10/2017 - Transfer	94140	0.0415	1212726	0.5343
		13/10/2017 - Transfer	56500	0.0249	1269226	0.5592
		20/10/2017 - Transfer	46274	0.0204	1315500	0.5796
		27/10/2017 - Transfer	-78	-	1315422	0.5796
		03/11/2017 - Transfer	14398	0.0063	1329820	0.5859
		10/11/2017 - Transfer	-52	-	1329768	0.5859
		24/11/2017 - Transfer	8079	0.0036	1337847	0.5894
		01/12/2017 - Transfer	582922	0.2568	1920769	0.8463
		08/12/2017 - Transfer	235437	0.1037	2156206	0.9500
		15/12/2017 - Transfer	8153	0.0036	2164359	0.9536
		22/12/2017 - Transfer	14473	0.0064	2178832	0.9600
		29/12/2017 - Transfer	-108	-	2178724	0.9599
		05/01/2018 - Transfer	-1881	0.0008	2176843	0.9591
		12/01/2018 - Transfer	55961	0.0247	2232804	0.9838
		19/01/2018 - Transfer	9975	0.0044	2242779	0.9881
		26/01/2018 - Transfer	42280	0.0186	2285059	1.0068
		02/02/2018 - Transfer	50446	0.0222	2335505	1.0290
		09/02/2018 - Transfer	33252	0.0147	2368757	1.0437
		16/02/2018 - Transfer	13717	0.0060	2382474	1.0497
		23/02/2018 - Transfer	40994	0.0181	2423468	1.0678
		02/03/2018 - Transfer	75271	0.0332	2498739	1.1009
		09/03/2018 - Transfer	27977	0.0123	2526716	1.1132
		16/03/2018 - Transfer	27035	0.0119	2553751	1.1252
		23/03/2018 - Transfer	12376	0.0055	2566127	1.1306
		30/03/2018 - Transfer	13260	0.0058	2579387	1.1365
		31/03/18	2579387	1.1365	2579387	1.1365
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQ (PAN AAATY0918K)	01/04/17	910833	0.4013		
		07/04/2017 - Transfer	11881	0.0052	922714	0.4065

Sl No	Name With PAN	Particulars	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		28/04/2017 - Transfer	1090	0.0005	923804	0.4070
		05/05/2017 - Transfer	8720	0.0038	932524	0.4109
		12/05/2017 - Transfer	2725	0.0012	935249	0.4121
		19/05/2017 - Transfer	5886	0.0026	941135	0.4147
		02/06/2017 - Transfer	2398	0.0011	943533	0.4157
		07/07/2017 - Transfer	3815	0.0017	947348	0.4174
		14/07/2017 - Transfer	2725	0.0012	950073	0.4186
		04/08/2017 - Transfer	2398	0.0011	952471	0.4197
		11/08/2017 - Transfer	3161	0.0014	955632	0.4210
		01/09/2017 - Transfer	5184	0.0023	960816	0.4233
		08/09/2017 - Transfer	7344	0.0032	968160	0.4266
		15/09/2017 - Transfer	6624	0.0029	974784	0.4295
		06/10/2017 - Transfer	4320	0.0019	979104	0.4314
		13/10/2017 - Transfer	4464	0.0020	983568	0.4334
		20/10/2017 - Transfer	3312	0.0015	986880	0.4348
		27/10/2017 - Transfer	3024	0.0013	989904	0.4361
		22/12/2017 - Transfer	-1274	0.0006	988630	0.4356
		26/01/2018 - Transfer	4606	0.0020	993236	0.4376
		02/02/2018 - Transfer	4116	0.0018	997352	0.4394
		30/03/2018 - Transfer	-5500	0.0024	991852	0.4370
		31/03/18	991852	0.4370	991852	0.4370
9	ABERDEEN GLOBAL INDIAN EQUITY LIMITED (PAN AABCP2263L)	01/04/17	2020000	0.8900		
		13/10/2017 - Transfer	371835	0.1638	2391835	1.0538
		20/10/2017 - Transfer	28165	0.0124	2420000	1.0662
		19/01/2018 - Transfer	-88927	0.0392	2331073	1.0271
		26/01/2018 - Transfer	-2278	0.0010	2328795	1.0260
		31/03/18	2328795	1.0260	2328795	1.0260
10	"SMALLCAP WORLD FUND, INC # (PAN AABCS3581L)"	01/04/17	1513000	0.6666		
		07/04/2017 - Transfer	-233290	0.1028	1279710	0.5638
		14/04/2017 - Transfer	-90083	0.0397	1189627	0.5241
		21/04/2017 - Transfer	-62272	0.0274	1127355	0.4967
		28/04/2017 - Transfer	-1127355	0.4967	-	-
		31/03/18	-	-	-	-
11	MATTHEWS INDIA FUND (PAN AABTM6157F)	01/04/17	2665122	1.1742		
		13/10/2017 - Transfer	-82337	0.0363	2582785	1.1380
		20/10/2017 - Transfer	-217663	0.0959	2365122	1.0421
		27/10/2017 - Transfer	-115000	0.0507	2250122	0.9914
		31/03/18	2250122	0.9914	2250122	0.9914
12	SBI ETF NIFTY NEXT 50 # (PAN AABTS6407Q)	01/04/17	1186611	0.5228		
		07/04/2017 - Transfer	-446351	0.1967	740260	0.3262
		14/04/2017 - Transfer	1	-	740261	0.3262
		28/04/2017 - Transfer	1	-	740262	0.3262
		05/05/2017 - Transfer	37	-	740299	0.3262
		12/05/2017 - Transfer	480	0.0002	740779	0.3264
		19/05/2017 - Transfer	445	0.0002	741224	0.3266
		26/05/2017 - Transfer	445	0.0002	741669	0.3268
		02/06/2017 - Transfer	18	-	741687	0.3268
		09/06/2017 - Transfer	39	-	741726	0.3268
		07/07/2017 - Transfer	2	-	741728	0.3268
		21/07/2017 - Transfer	2	-	741730	0.3268
		18/08/2017 - Transfer	2	-	741732	0.3268
		25/08/2017 - Transfer	38	-	741770	0.3268
		01/09/2017 - Transfer	38	-	741808	0.3268
		30/09/2017 - Transfer	-1392	0.0006	740416	0.3262

Sl No	Name With PAN	Particulars	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		06/10/2017 - Transfer	28	-	740444	0.3262
		13/10/2017 - Transfer	3	-	740447	0.3262
		27/10/2017 - Transfer	-1	-	740446	0.3262
		03/11/2017 - Transfer	401	0.0002	740847	0.3264
		10/11/2017 - Transfer	-25	-	740822	0.3264
		17/11/2017 - Transfer	-40874	0.0180	699948	0.3084
		01/12/2017 - Transfer	-298993	0.1317	400955	0.1767
		15/12/2017 - Transfer	26	-	400981	0.1767
		29/12/2017 - Transfer	-17	-	400964	0.1767
		19/01/2018 - Transfer	-3	-	400961	0.1767
		02/02/2018 - Transfer	48	-	401009	0.1767
		09/02/2018 - Transfer	-399975	0.1762	1034	0.0005
		09/03/2018 - Transfer	23	-	1057	0.0005
		31/03/18	1057	0.0005	1057	0.0005
13	J O HAMBRO CAPITAL MANAGEMENT UMBRELLA FUND PLC J O HAMBRO CAPITAL MANAGEMENT AS # (PAN AACCJ1624Q)	01/04/17	1218551	0.5369		
		07/04/2017 - Transfer	-5843	0.0026	1212708	0.5343
		19/05/2017 - Transfer	21595	0.0095	1234303	0.5438
		09/06/2017 - Transfer	-39914	0.0176	1194389	0.5262
		16/06/2017 - Transfer	-8082	0.0036	1186307	0.5227
		14/07/2017 - Transfer	-3842	0.0017	1182465	0.5210
		01/09/2017 - Transfer	-2927	0.0013	1179538	0.5197
		08/09/2017 - Transfer	-585	0.0003	1178953	0.5194
		13/10/2017 - Transfer	-7300	0.0032	1171653	0.5162
		20/10/2017 - Transfer	-14710	0.0065	1156943	0.5097
		17/11/2017 - Transfer	-5240	0.0023	1151703	0.5074
		15/12/2017 - Transfer	-4674	0.0021	1147029	0.5054
		22/12/2017 - Transfer	-5160	0.0023	1141869	0.5031
		29/12/2017 - Transfer	-8107	0.0036	1133762	0.4995
		05/01/2018 - Transfer	-11521	0.0051	1122241	0.4944
		12/01/2018 - Transfer	-25366	0.0112	1096875	0.4833
		19/01/2018 - Transfer	-19907	0.0088	1076968	0.4745
		02/02/2018 - Transfer	-79724	0.0351	997244	0.4394
		09/02/2018 - Transfer	-39714	0.0175	957530	0.4219
		16/02/2018 - Transfer	-57802	0.0255	899728	0.3964
		23/02/2018 - Transfer	-116811	0.0515	782917	0.3449
		09/03/2018 - Transfer	-2904	0.0013	780013	0.3437
		16/03/2018 - Transfer	-85081	0.0375	694932	0.3062
		23/03/2018 - Transfer	-68479	0.0302	626453	0.2760
		30/03/2018 - Transfer	-21553	0.0095	604900	0.2665
		31/03/18	604900	0.2665	604900	0.2665
14	BMO EMERGING MARKETS FUND # (PAN AACTB0387P)	01/04/17	1156809	0.5097		
		23/06/2017 - Transfer	-17021	0.0075	1139788	0.5022
		30/06/2017 - Transfer	-135448	0.0597	1004340	0.4425
		07/07/2017 - Transfer	-180334	0.0795	824006	0.3631
		01/12/2017 - Transfer	-39396	0.0174	784610	0.3457
		08/12/2017 - Transfer	-12123	0.0053	772487	0.3404
		22/12/2017 - Transfer	-122616	0.0540	649871	0.2863
		29/12/2017 - Transfer	-3225	0.0014	646646	0.2849
		05/01/2018 - Transfer	-17019	0.0075	629627	0.2774
		31/03/18	629627	0.2774	629627	0.2774
15	MIRAE ASSET EMERGING BLUECHIP FUND * (PAN AACTM0203B)	01/04/17	729332	0.3213		
		28/04/2017 - Transfer	77500	0.0341	806832	0.3555
		05/05/2017 - Transfer	80000	0.0352	886832	0.3907

Sl No	Name With PAN	Particulars	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		12/05/2017 - Transfer	30000	0.0132	916832	0.4039
		26/05/2017 - Transfer	12000	0.0053	928832	0.4092
		23/06/2017 - Transfer	65000	0.0286	993832	0.4379
		07/07/2017 - Transfer	28000	0.0123	1021832	0.4502
		04/08/2017 - Transfer	116000	0.0511	1137832	0.5013
		11/08/2017 - Transfer	30000	0.0132	1167832	0.5145
		18/08/2017 - Transfer	-30000	0.0132	1137832	0.5013
		15/09/2017 - Transfer	-4000	0.0018	1133832	0.4996
		19/01/2018 - Transfer	-5000	0.0022	1128832	0.4974
		09/02/2018 - Transfer	10000	0.0044	1138832	0.5018
		23/02/2018 - Transfer	56000	0.0247	1194832	0.5264
		16/03/2018 - Transfer	8000	0.0035	1202832	0.5300
		31/03/18	1202832	0.5300	1202832	0.5300
16	KOTAK FUNDS - INDIA MIDCAP FUND * (PAN AAGCK4148L)	01/04/17	-	-		
		07/04/2017 - Transfer	8570	0.0038	8570	0.0038
		14/04/2017 - Transfer	9760	0.0043	18330	0.0081
		09/06/2017 - Transfer	2219	0.0010	20549	0.0091
		16/06/2017 - Transfer	4406	0.0019	24955	0.0110
		10/11/2017 - Transfer	50358	0.0222	75313	0.0332
		01/12/2017 - Transfer	50797	0.0224	126110	0.0556
		15/12/2017 - Transfer	305	0.0001	126415	0.0557
		19/01/2018 - Transfer	940000	0.4142	1066415	0.4699
		26/01/2018 - Transfer	50000	0.0220	1116415	0.4919
		02/02/2018 - Transfer	122882	0.0541	1239297	0.5460
		09/02/2018 - Transfer	60323	0.0266	1299620	0.5726
		16/02/2018 - Transfer	3538	0.0016	1303158	0.5742
		02/03/2018 - Transfer	24155	0.0106	1327313	0.5848
		16/03/2018 - Transfer	64348	0.0284	1391661	0.6132
		23/03/2018 - Transfer	15000	0.0066	1406661	0.6198
		31/03/18	1406661	0.6198	1406661	0.6198
17	"Avees Trading And Finance Private Limited (PAN AAYFS5476N)"	01/04/17	5823391	2.5657		
		28/07/2017 - Transfer	-200000	0.0881	5623391	2.4776
		01/09/2017 - Transfer	-350000	0.1542	5273391	2.3234
		10/11/2017 - Transfer	-350000	0.1542	4923391	2.1692
		24/11/2017 - Transfer	-60000	0.0264	4863391	2.1428
		19/01/2018 - Transfer	43500	0.0192	4906891	2.1619
		31/03/18	4906891	2.1619	4906891	2.1619

* Not in the list of Top 10 shareholders as on 01/04/2017 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.

v) Shareholding of Directors and Key Managerial Personnel

Sl No	Name	Particulars	No. of shares	% of total shares	Cumulative Shareholding during the year	
					No. of shares	% of total shares
1	Shri R. S. Agarwal	At the beginning of the year	439500	0.1936		
		At the end of the year			439500	0.1936
2	Shri R. S. Goenka	At the beginning of the year	683638	0.3012		
		At the end of the year			683638	0.3012
3	Shri K. N. Memani	At the beginning of the year			NIL	
		At the end of the year			NIL	
4	Shri Y.P. Trivedi	At the beginning of the year			NIL	
		At the end of the year			NIL	
5	Shri P. K. Khaitan	At the beginning of the year			NIL	
		At the end of the year			NIL	
6	Shri M. D. Mallya	At the beginning of the year			NIL	
		At the end of the year			NIL	
7	Shri Amit Kiran Deb	At the beginning of the year			NIL	
		At the end of the year			NIL	
8	Shri S. B. Ganguly	At the beginning of the year			NIL	
		At the end of the year			NIL	
9	Shri C. K . Dhanuka	At the beginning of the year			NIL	
		At the end of the year			NIL	
10	Smt. Rama Bijapurkar	At the beginning of the year			NIL	
		At the end of the year			NIL	
11	Shri S. K. Goenka	At the beginning of the year	179250	0.0790		
		At the end of the year			179250	0.0790
12	Shri Mohan Goenka	At the beginning of the year	130950	0.0577		
		At the end of the year			130950	0.0577
13	Shri A. V. Agarwal	At the beginning of the year	1232334	0.5430		
		At the end of the year			1232334	0.5430
14	Shri H. V. Agarwal	At the beginning of the year	535133	0.2358		
		At the end of the year			535133	0.2358
15	Shri Prashant Goenka	At the beginning of the year	95000	0.0419		
		At the end of the year			95000	0.0419
16	Smt. Priti A Sureka	At the beginning of the year	3410000	1.5024		
		At the end of the year			3410000	1.5024
17	Shri N. H. Bhansali	At the beginning of the year	33738	0.0149		
		At the end of the year			33738	0.0149
18	Shri A. K. Joshi	At the beginning of the year	900	0.0004		
		At the end of the year			900	0.0004

vi) Indebtedness

₹ in Lacs

	Secured Loans excluding deposits		Unsecured Loans	Deposits	Total
	Term Loan	Cash credit			
Indebtedness at the beginning of the financial year					
i) Principal Amount	-	2,490.31	10,980.00	1,167.93	13,470.31
ii) Interest due but not paid			0.45		0.45
iii) Interest accrued but not due					-
Total (i+ii+iii)	**-**	**2,490.31**	**10,980.45**	**1,167.93**	**13,470.76**
Change in Indebtedness during the financial year					
- Addition	-	3,800.00	2,45,000.00	186.66	2,48,986.66
- Reduction	-	507.93	2,33,825.44	519.66	2,34,853.03
Net Change	**-**	**3,292.07**	**11,174.56**	**-**	**14,133.63**
Indebtedness at the end of the financial year					
i) Principal Amount	-	5,782.38	22,154.56	834.93	28,771.87
ii) Interest due but not paid			8.03		8.03
iii) Interest accrued but not due	-	9.63			9.63
Total (i+ii+iii)	**-**	**5,792.01**	**22,162.59**	**834.93**	**28,789.53**

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

₹ in Lacs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager							Total
	Executive Directors	Shri R.S. Agarwal	Shri R.S. Goenka	Shri S.K. Goenka	Shri Mohan Goenka	Shri H. V. Agarwal	Smt. Priti A Sureka	Shri Prashant Goenka	
1	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	300.00	300.00	92.00	72.00	72.00	57.00	42.00	**935.00**
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.48	0.40	0.22	2.56	0.40	0.40	0.40	**4.86**
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961					-			**-**
2	Stock Option	-	-	-	-	-	-	-	**-**
3	Sweat Equity	-	-	-	-	-	-	-	**-**
4	Commission	250.00	250.00						**500.00**
	- as % of profit	-	-	-	-	-	-	-	**-**
	- others, specify...	-	-	-	-	-	-	-	**-**
5	Others, please specify	36.00	36.00	11.04	8.64	8.64	6.84	5.04	**112.20**
	Total (A)	**586.48**	**586.40**	**103.26**	**83.20**	**81.04**	**64.24**	**47.44**	**1,552.06**

B. Remuneration to other directors

₹ in Lacs

Sl. No.	Independent / Non Executive (*) Directors	Name of Directors										Total
	Particulars of Remuneration	Shri K.N. Memani	Shri Y.P. Trivedi	Shri P. K. Khaitan	Shri M. D. Mallya	Shri S. B. Ganguly	Shri Sajjan Bhajanka	Shri Amit Kiran Deb	Smt Rama Bijapurkar	Shri A. V. Agarwal*	Shri C. K. Dhanuka	
1	Fee for attending Board / Committee meetings	2.25	2.50	1.75	2.25	4.70	1.55	5.60	1.00	4.50	2.55	**28.65**
2	Commission	7.50	4.50	4.50	4.50	4.50	-	4.50	84.25	-	2.50	**116.75**
3	Others, please specify	-	-	-	-	-	-	-	-	-	-	**-**
	Total (B)	**9.75**	**7.00**	**6.25**	**6.75**	**9.20**	**1.55**	**10.10**	**85.25**	**4.50**	**5.05**	**145.40**
Total Managerial Remuneration (A)+(B)												**1,697.46**
Overall Ceiling as per the Act												**5,319.40**

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / WTD / MANAGER

₹ in Lacs

Sl No	Particulars of Remuneration	Name of KMP		Total
		Shri A. K. Joshi	Shri N. H. Bhansali	
		Company Secretary	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43.12	217.79	260.91
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	-	0.32
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
6	**Total**	**43.44**	**217.79**	**261.23**

viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

ANNEXURE-IV

ANNUAL REPORT ON CSR ACTIVITIES

A brief outline of the policy for undertaking the CSR activities of the company includes the following:

- Promoting Healthcare, water and sanitation programmes ;
- Promoting education, enhancing vocational skills and livelihood enhancement projects;
- Rural development, social upliftment programmes and promotion of art and Culture.

These projects are in accordance with Schedule VII of the Companies Act, 2013. The aforesaid projects have been carried out by the Company directly and/or through implementing agencies.

Details of Composition of CSR Committee has been mentioned in the Corporate Governance Report which form part of the Director's Report.

Average Net Profit for the three previous Financial years: ₹46,011 lacs

Prescribed CSR Expenditure: ₹921 lacs

Total amount spent in the Financial Year 2017-18: ₹962.11 lacs

Emami CSR Expenditure 2017-2018

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered #	Projects or Program	Amount spent on Projects or programs (1) Local area or other (2) Specify the State and District where projects or program was undertaken	Amount outlay (budget) Project or Program wise	Amount spent on the projects or programs* 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the reporting period.	Direct or through implementing agency
1	Promoting Educatioan, Vocational Training and Skill Development.		Infrastructure support to schools, colleges , institutions	Haripal (Hooghly), Puncha(Purulia) , Abhoypur, Kamroop, Assam, BT Road & Kalakar street(Kolkata) West Bengal, Karnataka, Kerela, Bilwara (Rajasthan)	593.00	351.85	351.85	Directly by Units, Emami Foundation, Dharma Chakra Trust, Pratiksha Foundation (Rajasthan), Manbhum Laulara Vikash Manch (Purulia)
			Scholarship/Assistance to students and Education Support Program	BT Road, Alipore, Kolkata; Bagnan Howrah Haripal Hoogly, West Bengal, Vapi, (Valsad, Gujarat) ; Panthnagar(Uttarakhand); Abhoypur, Amingaon, Pachoria Kamroop, Assam,Bilwara (Rajasthan); Mayavaram in Nagapattinam district of Tamilnadu; Badiadka in Kasaragod istrict, & Mujungavu in Kasaragod, District of Kerala; Uruvalu in Dakshin Kannada District; Muroor in Uttar Kannada District; Mysore in Mysore District; Hosanagar & Linganmakki in Shimoga district; Chadurahalli in Sagar Taluq, in the state of Karnataka of Uttara Kannada, (Karnataka)		250.91	250.91	Directly from Units, Emami Foundation; Friends of Tribal Society; Pratiksha Foundation (Rajasthan); Manovikas Kendra Rehabilitation & Research Institute; Alipore sarbojonin; Gramothan India Foundation
			Skill Development Program through Vocational Training Centres; Creating public awareness, Learning Enhancement Programs and other educational initiatives.	Haripal Hooghly, Kolkata, West Bengal, Panthnagar, Uttarakhand, Abhoypur, Kamroop, Assam, Dongari Palgarh Maharashtra, Kolkata, West Bengal; Patna Bihar; Lucknow Uttar Pradesh; Gurugram Harayana; Jaipur Rajasthan; Ahmedabad, Vapi Gujarat; Mumbai Maharastra		40.52	40.52	Directly from Units, Emami Foundation; , .
				Sub Total	**593**	**643.28**	**643.28**	
2	Social Upliftment		Eradicating hunger, poverty and malnutrition [Hunger Mitigation Program]	Parts of Kolkata, Suburbs, BT Rd, Kolkata, West Bengal, Abhaypur & Amingaon, (Kamrup, Assam) ; B T Rd, (Kolkata, West Bengal) ; Pantnagar, (Udham Singh Nagar district, Uttarakhand) ; Vapi, (Valsad, Gujarat) ; Dongari, (Palgarh District, Maharashtra) ; Masat, (Dadra & Nagar Haveli); ,	157	35.76	35.76	Directly from Units, Emami Foundation

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered #	Projects or Program	Amount spent on Projects or programs (1) Local area or other (2) Specify the State and District where projects or program was undertaken	Amount outlay (budget) Project or Program wise	Amount spent on the projects or programs* 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the reporting period.	Direct or through implementing agency
			Promoting Art & Culture by building Art & Dance Academy and supporting Social Infrastructure	Gulmohar Park, New Delhi; Pachoria Kamrup, Guwhati, Assam		47.42	47.42	Kalashram, New Delhi; Pacharia brahmin samaj; Uzantol gopla gosai community; Pach milanpur shiva community; Jowantol community; NABA YUBA MILAN SANGHA & Pach milanpur gopla mandir samittee
			Support to the under priviliged community through Distribution of Ayurvedic Items	Kakdwip, 24Pgs (S), West Bengal, Kolkata, West Bengal, Bhubaneswar, Odisha, Mumbai, Maharashtra, Guwahati Assam		41.85	41.85	Directly
			Rural Development Program- support, in building Cold Storage for better crop management	Khandapada district, Odisha, Mayavaram in Nagapattinam district of Tamilnadu; Badiadka in Kasaragod district, & Mujungavu in Kasaragod, District of Kerala; Uruvalu in Dakshin Kannada District; Muroor in Uttar Kannada District; Mysore in Mysore District; Hosanagar & Linganmakki in Shimoga district; Chadurahalli in Sagar Taluq, in the state of Karnataka of Uttara Kannada, (Karnataka)		48.5	48.5	Association For Active Social & Humanitarian Aid (Odisha), Gramothan India Foundation; Emami Foundation
			Disaster Management Program & Support during natural calamalities	Kolkata, West Bengal; Kampup, Assam, Mumbai Maharastra		14.6	14.6	Directly From Ho & Units, Emami Foundation HIVE India
			Animal Welfare and Environment Program	Amingaon, Kamroop, Assam		1.8	1.8	Amingaon Unit through Aaranyak
				Sub Total	**157**	**189.93**		
3	Promoting Health care, Water & Sanitation		Health Care Infrastructure Development Program	Kolkata , Haripal, Hooghly, West Bengal & at unit level	171	12.8	12.8	Directly, Emami Foundation, Sri Ramkrishna Matrimangal Pratisthan
			Promoting health Care activities through Clinics & Camps	Muktarambabu Street, Ananddham, CN Roy Road, Nonadanga, Khidirpore, Udayvilla BT Rd, Kolkata, Liluah, Howrah Aradhanadham, Haripal, Hoogly,		101.6	101.6	Emami Foundation OPD Clinics & Health Camps, SAAOL HEART CAMP by Dr. Bimal Chajjer.
			Water & Sanitation Program	Haripal, Hooghly B T Rd and Kolkata, Andul Howrah in West Bengal; Masat in Dadra & Nagar Haveli, Panthnagar in Uttarakhand, Dongari Palgarh dist in Maharastra.		14.53	14.53	Emami Units & Emami Foundation
				Sub Total	**171**	**128.93**		
				Total	**921**	**962.11**		

* All the expenditures are Direct Expenditures and no Overheads
# based on the Notification issued by the Ministry of Corporate affairs dated 27th February, 2014

RESPONSIBILITY STATEMENT

The Implementation and monitoring of Corporate Social Responsibilty (CSR) Policy, is in compliance with CSR objectives and policy of the company

sd/-
Shri R. S. Agarwal
Chairman
Emami Limited

sd/-
Shri Sushil Kr. Goenka
Chairman
CSR Committee

ANNEXURE V

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2017-18

Sr. No.	Name	Ratio
1	Shri R.S Agarwal	228.88: 1
2	Shri R. S. Goenka	228.88: 1
3	Shri S. K. Goenka	42.05 : 1
4	Shri Mohan Goenka	32.29 :1
5	Shri H. V. Agarwal	31.63: 1
6	Smt. Priti A Sureka	31.63: 1
7	Shri Prashant Goenka	31.63: 1

(ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in Financial Year 2017-18:

₹ In Lacs

Sr. No.	Name	Designation	2016-2017	2017-2018	% Increase
1	Shri R.S. Agarwal	Executive Chairman	586.40	586.40	-
2	Shri R. S. Goenka	Whole Time Director	586.40	586.40	-
3	Shri S. K. Goenka	Managing Director	103.26	107.74	4.34%
4	Shri Mohan Goenka	Whole Time Director	82.72	82.72	-
5	Shri H. V. Agarwal	Whole Time Director	81.04	81.04	-
6	Smt. Priti A Sureka	Whole Time Director	64.24	81.04	26.15%
7	Shri Prashant Goenka	Whole Time Director	47.44	81.04	70.83%
8	Shri N. H Bhansali	CEO - Finance, Strategy & Business Development & CFO	199.09	217.79	9.39%
9	Shri A. K. Joshi	Company Secretary & VP - Legal	42.29	43.44	2.72%

(iii) Number of permanent employees on the rolls of company as on March 31, 2018 : 3292

(iv) Explanation on the relationship between average increase in remuneration and company performance

The remuneration policy of the Company is to provide competitive compensation that has a strong link to the principle of 'pay-for-performance.' Every year, the salary increments for the various employees of the Company are based on the basis of individual performances, performance of the company, industry standards as well as overall business affordability. Salary increases during the year were in line with Company's performance as well as individual performance.

(v) The Market Capitalisation of the Company on March 31, 2018 was ₹24,24,014.17 Lacs as compared to ₹23,94,508.38 Lacs as on March 31, 2017; an increase of 1.23%. The price earning ratio of the Company was 79.00 as on March 31, 2018 and was 72.11 on March 31, 2017.

The closing share price of the Company on BSE on March 31, 2018 being ₹1069/- per equity share of face value of Re. 1/- each has grown 39.48 times since the last public issue made in the year 2005 (Price on March 23, 2005 being ₹81.25 and the Adjusted price being ₹27.08 on account of bonus issue and split of shares).

(vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 7.44% whereas the increase in the managerial remuneration was 9.92%. The average increase every year is an outcome of the Company's performance as against its peer group companies and standard industry practices aligned with the Remuneration Policy of the Company.

Statement of particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2018.

Sl. No., Name, Designation, Remuneration (in ₹), Nature of Employment, Experience (in Years), Qualification, Date of Commencement of employment, Age, Previous Employment, Position of Last Employment, % of Equity Shares held in the Company, Whether relative of any Director.

1. Shri R.S Agarwal, Executive Chairman, 58639600, Contractual, 48, FCA, FCS, M.Com, LLB, 03.05.1994, 72, HGI Industries Ltd., President & Secretary, 0.34, Father of Shri H. V. Agarwal, Shri A.V. Agarwal & Smt. Priti A. Sureka; 2. Shri R. S. Goenka, Whole -Time Director, 58639600, Contractual, 48, B Com, M.Com, 08.11.2012, 71, Emami Paper Mills Ltd., Executive Chairman, 0.25, Father of Shri Mohan Goenka and Brother of Shri S. K. Goenka; 3. Shri S. K. Goenka, Managing Director, 10773600, Contractual, 38, B.Com, 17.05.1994, 61, Not applicable, Not applicable, 0.08, Brother of Shri R. S. Goenka; 4. Shri N. H. Bhansali, CEO - Finance, Strategy and Business Development & CFO, 21778592, Employee, 28, FCA, 01.11.2001, 52, Reliance Industries Ltd., Business Analyst, 0.01, -; 5. Smt. Punita Kalra, CEO - R&D & Innovation, 30765943, Employee, 20, Masters in Pharmaceutical Sciences, 01.04.2010, 46, Hindustan Unilever Ltd., Product Technology Group Head Skin Care, Skin Regional Technology Centre, -, -; 6. Shri C. K. Katiyar, CEO - Technical (HC), 21450741, Employee, 35, PHD, 01.11.2012, 64, Dabur India Ltd., Vice President & Head (R&D), -, -; 7. Shri Mohan Rajabhau Panchabhai, COO – Operations, 17016245, Employee, 32, BE, 09.06.2014, 55, Hindustan Unilever Ltd., Head Of Innovation, Technology & Planning, -, -; 8. Shri Madan Mohan Pandey, President-Sales, 18423020, Employee, 19, BE, PGDM, 22.12.2015, 46, Marico Ltd., Head Sales, Supply chain and Business development- South East Asia, -, -; 9. Shri Pradeep Kumar Pandey, Vice President - Packaging, 12549456, Employee, 21, PGD In Packaging Technology, Management in Material Science, 05.09.2015, 47, Procter & Gamble, First Level Section Manager, -, -; 10. Shri Nihar Ranjan Ghosh, President –HR, 10443973, Employee, 33, Master of Social Work, 16.08.2016, 56, RP-SG GROUP, Executive Director –HR; 11. Shri Rana Banerji, President –HCD, 12592787, Employee, 23, MBA, 02.01.2017, 52, Dabur India Ltd., Head of the Marketing; 12. Ashok Bhattacharya, President - International Sales, 10004272, Employee, 23, MBA, 01.03.2017, 48, JAPFA – Singapore, Vice President - Consumer Business; 13. Vivek Dhir*, CEO – IMD, 4734106, Employee, 24, MBA, 15.01.2018, 49, Dabur International Ltd., Chief Marketing Officer; 14. Venkata Rao Damera*, President- IT, 8343596, Employee, 19, MCA, 04.07.2017, 46, Godfrey Phillips India Limited, Chief Information Officer and Group Digital Head.; 15. Vivek Prakash Gupta*, Vice President - Sales HCD, 6165981, Employee, 19, PGDBM, 07.08.2017, 41, Hindustan Coca Cola Beverages Pvt Ltd, AVP- Commercial; 16. Shri K. S. Arun Kumar*, President – IT, 10268565, Employee, 35, MBA, 07.10.2013, 53, Hindustan Unilever Ltd., IT Director, -, -.

* Employees who were employed for part of the financial year

Note: None of the employees mentioned above employed throughout the financial year or part thereof, was in receipt of remuneration in that year which in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself/herself along with his/her spouse and dependent children, not less than 2% of the equity shares of the company.

ANNEXURE VI

DIVIDEND DISTRIBUTIION POLICY

1. Purpose & Background

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions contained in Companies Act, 2013 read with the applicable Rules, regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as applicable from time to time. However,this document does not solicit investments in the Company's equity shares.

2. Dividend

Dividend is the payment made by the company to its shareholders out of the profit made by the company in proportion to the equity capital they hold, dividend included Interim Dividends.

3. Parameters for declaration of Dividend

The Board of Directors of the Company shall consider the following parameters for declaration of dividend:- .

Financial parameters (internal factors)

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and/ or new businesses
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends

External Factor

- Prevailing legal requirements
- Regulatory conditions or restrictions laid down under the applicable laws including tax laws.
- Dividend pay-out ratio of companies in the same industry.

4. Circumstances under which the shareholders may or may not expect Dividend

- If the Company undertakes or proposes to undertake a significant expansion of project/ acquisitions of business/brand/company or joint ventures requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it proposes to utilise surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

5. Utilization of retained earnings

The retained earning after declaration of the dividend if any, shall be utilised in the manner as considered appropriate by the Board and subject to the applicable laws.

6. Parameters adopted with regard to various classes of shares:

Since the company has issued only one class of equity shares with equal voting rights, all the members of the company are entitled to the same dividend per share.

7. Review

The Chairman and Managing Director are individually authorised to make alterations in the policy if required from time to time. In case of any amendment(s), clarification(s) circular etc. issued by relevant authorities not being consistent to the provisions laid down under this policy then such amendment, clarification, circular etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment, clarification, circular etc.

ANNEXURE VII

REMUNERATION POLICY FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

1. Preamble

1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "**Executives**"). The expression ''senior management'' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors.

1.2 In terms of Section 178 of the Companies Act, 2013 which has been made effective from April 1, 2014 by the Central Government vide notification no. S.O. 902(E) issued on March 26, 2014, this Remuneration Policy ("the Policy") is being framed and formulated for laying down criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.

1.3 The policy will be reviewed by the Nomination and Remuneration Committee of the Board of Directors as and when required.

2. Aims & Objectives

2.1 The aims and objectives of this remuneration policy may be summarized as follows:

2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level.

2.1.2 The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

2.1.3 The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

2.1.4 The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Principles of remuneration

3.1 **Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

3.2 **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

3.3 **Internal equity:** The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

3.4 **External equity:** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

3.5 **Flexibility:** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

3.6 **Performance-Driven Remuneration:** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.

3.7 **Affordability and Sustainability:** The Company shall ensure that remuneration is affordable on a sustainable basis.

4 Nomination and Remuneration Committee

4.1 The Remuneration Committee of the Board of Directors has now been re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.

4.2 The Committee shall be responsible for:

4.2.1 Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;

4.2.2 Formulating criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.

4.2.3 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

4.3 The Committee shall:

4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;

4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;

4.3.3 obtain reliable, up-to-date information about remuneration in other companies;

4.3.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

4.4 Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:

4.4.1 Operate the Company's share option schemes (if any) or other incentives schemes (if any). It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);

4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors; and

4.4.3 review the terms of executive Directors' service contracts from time to time.

5 Procedure for selection and appointment of the Board Members

5.1 Board membership criteria

5.1.1 The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of Board Members for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

5.1.2 In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

5.1.3 Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

5.1.4 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

5.1.5 The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

5.2 Selection of Board Members/ extending invitation to a potential director to join the Board

5.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

5.2.2 The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

6 Procedure for selection and appointment of Executives other than Board Members:

6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;

6.2 The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;

6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

6.4 Meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;

6.5 Before the selection of KMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;

6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

7 Compensation Structure

7.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable

law. Keeping with evolving trends in industries and considering the time and efforts spent by specific non-executive directors and based on their participation, contribution and active role in the Board and strategic matters of the Company, the practice of paying differential commission will be considered by the Board.

7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The remuneration determined for MD/WTDs are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

8 Role of Independent Directors

8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval.

8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.

8.3 The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

9 Approval and publication

9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

9.2 This policy shall be hosted on the Company's website.

9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

10 Supplementary provisions

10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.

10.3 The right to interpret this Policy vests in the Board of Directors of the Company.



Corporate Governance Report

for the year ended March 31, 2018

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Emami firmly believes in adhering to established corporate governance practices in order to protect the interests of investors and ensure healthy growth of the Company. The Company stringently complies with the corporate governance practices as enumerated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {hereinafter referred to as the SEBI Listing Regulations}.

The Company lays a strong emphasis on ethical corporate citizenship and the establishment of good corporate culture. The corporate governance process and systems has gradually strengthened over the years. The objective of an effective Corporate Governance mechanism according to a global consensus entails long-term maximization of shareholders' value. Pursuant to this objective, the Company's management and employees have manufactured and marketed products which have created long-term sustainable value for consumers, shareholders, employees, business partners, the society and the economy as a whole. The Company at the same time ensures full compliance with regulatory disclosure requirements.

The Company further believes that the concept of corporate governance is founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company has always given its best efforts to uphold and nurture these core values across all operational aspects. As a means to this end, the Company formed a Board comprising reputed experts, and inducted persons of eminence as Independent Directors. These people contribute to corporate strategizing and provide external perspectives, wherever appropriate.

BOARD OF DIRECTORS

a. Introduction

The Board of Directors is the apex body that governs the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness besides ensuring that the long-term interests of stakeholders are being served. The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined in this regard.

The members of our Board are from diverse backgrounds with skills and experience in critical areas like taxation, finance, entrepreneurship, marketing, consumer behavior as well as legal and general management. Many of them have worked extensively in senior management positions in global corporations with a deep understanding of the Indian business environment. The Chairman, Managing Director and Whole-time Directors are assisted by the CEOs/CFO/senior managerial personnel in overseeing the functional matters of the Company.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with statutory as well as business requirements.

The Board Meetings are usually held at the registered office of the Company at Emami Tower, 687, Anandapur, E. M. Bypass, Kolkata- 700 107

b. Composition of the Board

The Board of Directors comprises professionals drawn from diverse fields, resulting in a wide range of skills and experience being brought to the Board. The Company's policy is to maintain an optimal combination of Executive and Non-Executive Directors. As on 31st March 2018, the Board comprised of an Executive Chairman, a Managing Director, five Executive Directors and nine Non-Executive Directors including eight Independent Directors. The Company has two women Directors on its Board. The Detailed profile of all the directors is available on the company's website www.emamiltd.in . The Company has complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) of the SEBI Listing Regulations with respect to the Composition of the Board.

The Composition of the Board and category of Directors are as under:

Name and Category of Directors			
Promoter Directors		Non-Executive Independent Directors	
1)	Shri R.S. Agarwal, Executive Chairman	1)	Shri K.N. Memani
2)	Shri R.S. Goenka, Whole time Director	2)	Shri Y.P. Trivedi
3)	Shri S.K. Goenka, Managing Director	3)	Shri P. K. Khaitan
4)	Shri Mohan Goenka, Whole time Director	4)	Shri M. D. Mallya
5)	Shri A.V.Agarwal, Non- Executive Director	5)	Shri C. K. Dhanuka(w.e.f 02.08.2017)
6)	Shri H.V.Agarwal, Whole time Director	6)	Shri S.B. Ganguly
7)	Smt. Priti A. Sureka, Whole time Director	7)	Shri Amit Kiran Deb
8)	Shri Prashant Goenka, Whole timeDirector	8)	Smt. Rama Bijapurkar

- Shri Sajjan Bhajanka ceased to be an Independent Director on expiry of his tenure on 2nd August 2017.

At the time of appointment, every Independent Director signs a declaration to confirm that he/she fulfills all the conditions for being an Independent Director as laid down under the law.

The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. While appointing/ reappointing any independent Directors/Non-Executive Directors on the Board, Nomination and Remuneration Committee (NR Committee) consider the criteria as laid down in the Companies Act,2013 and Regulation 16(1) (b) of SEBI Listing Regulations,2015. All the Independent Directors give a certificate confirming that they meet the independence criteria as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

c. Agenda papers distributed in advance

Agenda of the Meeting of Board of Directors/ committees are circulated among the Directors/ invitees; well in advance, in a structured format except unpublished price sensitive information. All material information is incorporated in the agenda papers to facilitate meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda and approval for the same is taken from the Board/committees as applicable. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

d. Directors' responsibilities

i. The principal responsibility of the Board is to oversee the management of the Company and in doing so serve the best interest of the Company and its stakeholders. These include:

- Reviewing and approving operating, financial and other corporate plans, strategies and objectives.
- Evaluating whether the corporate resources are used for the appropriate business purposes.
- Establishing a corporate environment that promotes timely and effective disclosures (including robust and appropriate control procedures and incentives), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations.
- Evaluating the performance of the Company.
- Attending the meetings of the Board, committees and shareholders.

ii. Exercise best business judgments: In discharging their fiduciary duties with care and loyalty, the Directors exercise their judgment to act in what they reasonably believe to be in the best interest of the Company and its stakeholders.

iii. Understand the Company and its business: The Directors have an obligation to remain informed about the Company and its business, including principal operational and financial objectives, strategies and plans.

iv. To establish effective systems: The Directors ensure that the effective systems are in place for periodic and timely reporting to the Board on matters concerning the Company.

e. The role of Company Secretary in the overall governance process

The Company Secretary plays a vital role in ensuring that Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and the senior management for effective decision-making at the meeting.

f. Compliance

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations primarily the Companies Act, 2013 read with the rules thereunder and SEBI Listing Regulations, 2015; besides preparing the agenda, the notes on the agenda and minutes of the meeting, among others. The Company Secretary establishes and regularly monitors the compliance mechanism in place to carry out effective and timely compliance of relevant laws, rules and regulations.

A composite report of statutory compliances of all applicable laws, rules and regulations among others along with the Certificates of Compliance duly signed by the respective heads of Department are placed before the Board on a quarterly basis. The Company has a dedicated team to monitor the compliance system and in turn is responsible for checking and reviewing the reports and preparing the Composite Compliance report. Based on the reports and certificates, a certificate of statutory compliances duly signed by the Managing

Director and the CEO Finance, Strategy & Business Development and the CFO is also placed before each Board Meeting held during the year under review.

The Audit Committee and the Board of Directors review the compliance reports of the laws applicable to the Company as well as instances of non–compliances, if any, together with their possible impacts on the business, if any. A strict internal audit system is also in place to monitor and certify the compliance system.

The Board also reviews compliances on a quarterly basis of subsidiary companies.

The Company has complied with all the mandatory requirements of SEBI Listing Regulations, 2015.

g. Risk management

The Company has a comprehensive ISO 31000:2015 certified Enterprise Risk Management System at work. The risk management system is periodically reviewed by the Risk Management Committee, Audit Committee, Corporate Governance Committee and the Board of Directors of the Company.

The Board has appointed Shri Manoj Agarwal, Sr. VP Audit & Control as the Chief Risk Officer.

h. Number of Board meetings and the Directors present therein

The Board of Directors held four meetings during the year on May 4, 2017, August 2, 2017, October 25, 2017 and January 29, 2018.

Details of board meetings held during the financial year and the number of Directors present

Sl. No.	Dates on which the Board Meetings were held	Total strength of the Board	No. of Directors present
1	May 4, 2017	16	15
2	August 2, 2017	16	10
3	October 25, 2017	16	12
4	January 29, 2018	16	14

The maximum time gap between any two meetings was less than 120 days as prescribed under regulation 17(2) of SEBI Listing Regulations, 2015. Video conferencing facilities are also used to facilitate Directors at other locations to participate in the Board Meetings.

i. Attendance of Directors at Board meetings, last Annual General Meeting, relationship with other Directors and number of Directorships held, Chairmanship or memberships of committees of each Director in various companies as at March 31, 2018

Details of Board Meetings held during the financial year and the number of Directors present:

Sl. No.	Name of Director & DIN	Position	Relationship with other Directors	Date of Joining	Number of Board meetings attended	Number of Directorships as on 31.03.2018*	Number of committee positions held**	Attendance at the last AGM
1	Shri R.S. Agarwal, DIN 00152996	Promoter Executive (Chairman) Director	Father of ShriA.V. Agarwal, ShriH.V. Agarwal &Smt. Priti A Sureka	03.05.94	4	6	None	Yes
2	Shri R.S. Goenka, DIN 00152880	Promoter Executive Director	Brother of ShriS.K. Goenka and father of ShriMohan Goenka	08.11.12^	3	8	Chairman-2 Member-2	No

Sl. No.	Name of Director & DIN	Position	Relationship with other Directors	Date of Joining	Number of Board meetings attended	Number of Directorships as on 31.03.2018*	Number of committee positions held**	Attendance at the last AGM
3	Shri S. K. Goenka, DIN 00149916	Promoter Executive (Managing Director)	Brother of ShriR.S. Goenka	17.05.95	3	5	Chairman-1 Member-2	No
4	Shri K.N. Memani, DIN 00020696	Non – Executive Independent Director	-	15.05.06	4	6	Chairman-3 Member-5	Yes
5	Shri Y.P. Trivedi, DIN 00001879	Non – Executive Independent Director	-	30.01.10	4	7	Chairman-5 Member-7	Yes
6	Shri P K Khaitan, DIN 00004821	Non- Executive Independent Director	-	24.06.13	3	10	Chairman-9 Member-15	No
7	Shri M. D. Mallya, DIN 01804955	Non- Executive Independent Director	-	20.01.14	4	10	Chairman-1 Member-5	Yes
8	Shri Sajjan Bhajanka#	Non- Executive Independent Director	-				Not applicable	No
9	Shri C. K. Dhanuka, DIN 00005684	Non – Executive Independent Director	-	02.08.17	2	17	Chairman-12 Member-19	No
10	Shri S.B. Ganguly, DIN 01838353	Non – Executive Independent Director	-	30.01.10	3	7	Chairman-4 Member-10	No
11	Shri Amit Kiran Deb, DIN 02107792	Non – Executive Independent Director	-	30.01.10	4	8	Chairman-2 Member-5	Yes
12	Smt. Rama Bijapurkar, DIN 00001835	Non Executive Independent Director-	-	01.09.15	2	8	Chairman-2 Member-3	Yes
13	Shri Mohan Goenka, DIN 00150034	Promoter Executive Director	Son of ShriR. S. Goenka	15.01.05	2	4	Chairman-1 Member-4	No

Sl. No.	Name of Director & DIN	Position	Relationship with other Directors	Date of Joining	Number of Board meetings attended	Number of Directorships as on 31.03.2018*	Number of committee positions held**	Attendance at the last AGM
14	Shri A. V. Agarwal, DIN 00149717	Promoter Non-Executive Director	Son of Shri R.S. Agarwal & brother of Shri H.V. Agarwal &Smt. Priti A Sureka	15.01.05	4	7	Chairman-2 Member-5	Yes
15	Shri H. V. Agarwal, DIN 00150089	Promoter Executive Director	Son of ShriR.S. Agarwal & Brother of Shri A.V. Agarwal &Smt. Priti A Sureka	15.01.05	4	7	Member-5	Yes
16	Smt. Priti A Sureka, DIN 00319256	Promoter Executive Director	Daughter of Shri R S Agarwal & Sister of Shri A.V. Agarwal &Shri H.V. Agarwal	30.01.10	3	6	Member-4	Yes
17	Shri Prashant Goenka, DIN 00703389	Promoter Executive Director	Nephew of Shri R.S. Goenka &Shri S.K.Goenka	20.01.14	1	5	Member-2	No

** Includes directorship in private limited companies, Section 8 Companies and other organisations.*
*** Committees also include non-statutory committees.*

Note: Shri Sajjan Bhajanka ceased to be an Independent Director with effect from 2nd August 2017 upon completion of his term as an Independent Director.

None of the Directors are members of more than ten board-level statutory committees or Chairman of more than five such Committees.
^ Shri R. S. Goenka has become Whole Time Director, before that he was Non-Executive Director from 3rd May 1994.

j. Information placed before the Board of Directors

The Company has complied with Part A of Schedule II of SEBI Listing Regulations, 2015 read with Regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

The following items are generally tabled for information and review of the Board:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Company's annual financial results, financial statements, Auditors' Report and Report;
- Formation/reconstitution, terms of references and minutes of Board Committees including Audit Committee
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Showcause, demand, prosecution notices and penalty notices which are materially important;

- Fatal or serious accidents, dangerous occurrences and material effluent discharge or pollution related problems;
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have been passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications for the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development on human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, among others;
- Sale of material nature of investment, subsidiaries and assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, among others;
- Financials and minutes of meetings of subsidiary companies;
- Appointment, remuneration and resignation of Director(s) and key managerial personnel;
- General notices of interest to the Directors including declaration of Independent Directors at the time of appointment/annually;
- Appointment of internal auditors, cost auditors and secretarial auditors;
- Secretarial audit report submitted by secretarial auditor;
- Certificate of statutory compliance certifying compliance with all laws as applicable to the Company;
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulation, 1996;
- Dividend declaration;
- Grant of loans and making investments of surplus funds;
- Transactions with related parties;
- Review of the risk management policy;
- Any other important or critical matter

The Board is presented with all the information under the above heads whenever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board meetings, or are tabled in the course of the Board meetings or meetings of the relevant committees. Functional heads are also called upon to provide additional inputs to the items being discussed by the Board/committee as and when required

k. Presentation by the management

Before putting on record the quarterly/annual financial results of the Company, a presentation is made before the Board on operations of the Company including performance of major brands, international businesses, initiatives taken for sales promotion and all other matters having impact on the business of the Company.

l. Succession plan

The Board of Directors has satisfied itself that plans are in place for orderly succession for outgoing members of the Board of Directors and Senior Management Personnel.

m. Training of Board members and familiarization programme for Independent Directors

At Emami, all the members of the Board of Directors are well- experienced professionals who are well acquainted with nature of industry, business model and other aspects of the Company.

At each of the Board Meeting, Board members are provided presentations containing details about the Company, FMCG business as whole, business model and new launches among others.

The Company arranges discussions / meetings on risks associated with the Company's business wherein experts are invited and mitigation plans are discussed with the Executive Directors, such discussion form of trainings enables them for better decision-making in discharging their responsibilities.

The Executive Directors were imparted training on the Companies Act, 2013, the SEBI Listing Regulations 2015, Direct & Indirect Taxation, among others.

During the year the Company has arranged a training session on the Companies (Amendment) Act, 2017 and Recommendation of Kotak Committee on Corporate Governance Committee and note on both the topics were circulated to the Board Members.

The relevant statutory changes/updates are discussed with the directors from time to time so that it helps them to make better and informed decisions.

All new Independent Directors inducted on the Board are given in a formal orientation.

The Company has initiated a familiarization programme for the Independent Directors as required under Regulation 25(7) of the SEBI Listing Regulations 2015.The details of the Familiarization programme can be accessed at: http://www.emamiltd.in/investor-info/pdf/EmamiLtdFamiliarizationProgrammeForIndependentDirectors.pdf

Independent Directors are regularly informed and updated on the business activities of the Company by providing them with the details of businesses of the Company as well as details of competitors, changes in relevant laws, their duties/responsibilities and liabilities as a Director. Such information enables the Independent Directors to be familiarized with the Company's operations and the industry at large. The Company had also organized factory visits for the Independent Directors as a part of the familiarization programme.

n. Whistleblower mechanism

The Company has a strong and effective whistleblower policy which aims to deter and detect actual or suspected, misconduct. It has been established to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place within the organization, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. Any employee may report such incident without fear to the Chairman of the audit committee or alternatively may report to Head – Internal Audit.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website www.emamiltd.in.

The Audit Committee is empowered to monitor the functioning of the mechanism. It reviews the status of complaints received under this policy. The Committee has, in its report, affirmed that no personnel have been denied access to the Audit Committee.

o. Criteria for selection of Directors

The selection process of Board members is dependent on several parameters. The Company recognizes and embraces the benefits of having a diverse Board and believes that it will enhance the quality of the decisions of the Board by utilizing their varied skills, qualifications, professional experience, gender, knowledge, among others, of the members of the Board, which is necessary for achieving sustainable and balanced growth of the Company.

The Nomination and Remuneration Committee, in consultation with the Chairman of the Board, suggests appointment of suitable professionals who may be inducted into the Board. Upon fulfilment of the parameters, the Directors are appointed.

p. Terms and conditions for appointment of Independent Directors

The terms and conditions of appointment of the Independent Directors are subject to the provisions of the applicable laws, including the Companies Act, 2013, SEBI Listing Regulations, 2015 along with the Articles of Association of the Company. Each Independent Director is issued a letter specifying the details of appointment at the time of joining. Every Independent Director signs a declaration to confirm that he/she fulfills all the conditions for being an Independent Director as laid down under the law.

q. Board diversity policy

The Company recognizes and embraces the benefits of having a diverse Board of Directors. The Company believes that increasing diversity at the Board level is an essential element in maintaining a competitive advantage in the complex business that it operates. It recognizes that a Board comprising of appropriately qualified people, with a broad range of experience relevant to the business of the Company, is important to achieve effective corporate governance and sustained commercial success.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors, and Women Directors. The composition of the Board is in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, SEBI Listing Regulations, 2015 and all other Statutory, Regulatory and Contractual obligations of the Company.

r. Board evaluation policy

The primary objective of the policy is to provide a framework and set standards for the evaluation of the Board as a whole and each Director individually. The Company aims to achieve a balance of merit, experience and skills on the Board. The policy is to assess and enhance the effectiveness of the Board as a whole. Individual members are assessed on their effective contribution and commitment to their role and responsibilities as Directors. The Board evaluation process is carried out by the Nomination and Remuneration Committee and can be available at http://www.emamiltd.in/investor-info/index.php#Compliance.

s. Post -meeting follow-up mechanism

The important decisions taken at the Board/ Board-level Committee meetings are promptly communicated to the concerned departments/ divisions. A report on the action taken on the decisions/suggestions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/committee for noting the same.

Code of conduct

The Company has its code of conduct for all the members of the Board including Independent Directors, Committees and employees working at the level of Heads of Departments. In compliance with SEBI Listing Regulations, 2015 and Companies Act, 2013 the code of conduct suitably lays down the duties of the Independent Director.

The said code is displayed on the Company's website, www.emamiltd.in, Under the Code; the Board has designated the Managing Director of the Company as Chief Executive Officer (CEO).

The CEO affirmed to the Board that the members of the Board and Committees and Heads of Departments have complied with the provisions of this Code. A declaration signed by the CEO in this regard is annexed at the end of this Report.

Committees of the Board

With an objective to have a more focused attention on various facets of business, better accountability and ensuring compliances, the Board has constituted under mentioned committees which complies with the requirements of the Companies Act, 2013 as well as SEBI Listing Regulations, 2015.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Share Transfer Committee
4. Stakeholders Relationship Committee
5. Finance Committee
6. Corporate Governance Committee
7. Corporate Social Responsibility Committee
8. Risk Management Committee

Each of these committees has been mandated to operate within a given framework. The details of composition of the above mentioned committees is available on the company's website www.emamiltd.in

1. Audit Committee

The Audit Committee was constituted by the Board of Directors on March 28, 2001.

The Audit Committee acts as the link between the statutory auditors, the internal auditors and the Board of Directors of the Company.

The terms of reference of the Audit Committee are as per the guidelines set out in Regulation 18 of the SEBI Listing Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/ regulatory compliances and safeguard of the assets of the Company.

The internal audit department governs its audit through modules/checklists to carry out process-wise audit and to ensure effective discharges of their duties and compliance with SEBI Listing Regulations, 2015. The Audit process being used by Internal Audit Department is also reviewed from time to time with a view to bring it in line with the regulatory framework.

The representatives of statutory auditors are permanent invitees to the audit committee meeting. The representative of the cost auditor is invited to attend the meeting of the audit committee when the cost audit report is tabled for discussion. The Managing Director, the

CEO- Finance, Strategy & Business Development &CFO and Sr. VP – Finance & IR attend the Audit Committee as special invitees.

As on March 31, 2018 the Audit Committee comprises four (4) Directors out of whom three (3) are Independent Directors.

Shri S.B. Ganguly, Chairman of the Committee, possesses vast and longstanding experience in corporate matters.

Shri R.S. Goenka has expertise in commercial and taxation matters; Shri Amit Kiran Deb, IAS and M.A. in Political Science was Chief Secretary to the Government of West Bengal; and Shri C. K. Dhanuka is a commerce graduate and well known industrialist and promoter of "Dhunseri Group of Companies".

*Shri Sajjan Bhajanka, a commerce graduate and an eminent industrialist with longstanding experience in corporate matters, ceased to be the member of the committee w.e.f. 02.08.2017 on completion of his term of appointment as an Independent Director.

Shri A. K. Joshi, Company Secretary and VP-Legal, is the Secretary of the Committee and Shri Manoj Agarwal is the Internal Auditor of the Company.

The Audit Committee held 4 (four) meetings during the year on May 4, 2017, August 1, 2017, October 25, 2017and January 29, 2018.

Shri S.B. Ganguly, Chairman of the Committee was duly present in Annual General Meeting held on August 2, 2017.

The gap between any two meetings did not exceed 120 days complying with the Companies Act, 2013 and provisions of SEBI Listing Regulations, 2015.

The functions of the committee include:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company including cost auditor of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related- party transactions;
  - Qualifications in the draft audit report; if any.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, among others), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence, performance and effectiveness of the audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors;
- Reviewing the functioning of the vigil mechanism and whistleblower mechanism;
- Approval of appointment of CFO (i.e., Chief Financial Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background among others of the candidate;
- Carrying out any other function mentioned in the terms of reference of the Audit Committee;
- Reviewing the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - appointment, removal and terms of remuneration of the chief internal auditor.

Composition of the Committee and attendance of the Members at the meetings held during the year:

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri S.B. Ganguly, Chairman	Independent	3
Shri R.S. Goenka	Promoter/ Executive Director	3
Shri Sajjan Bhajanka (Ceased w.e.f 02.08.17)	Independent	2
Shri Amit Kiran Deb	Independent	4
Shri C. K. Dhanuka (Inducted w.e.f 11.08.17)	Independent	2

2. Nomination and Remuneration Committee

The Committee was constituted by the Board on January 31, 2003 under the name of "Remuneration Committee" in terms of then prevailing provisions of the Listing Agreement and Companies Act. The Board at its meeting held on May 5, 2014, changed the nomenclature of the Committee to "Nomination and Remuneration Committee" to align it with the scope of functions in terms of Section 178 of the Companies Act, 2013.

The Committee comprises three (3) Independent Directors and Shri A.K. Joshi, Company Secretary and VP-Legal, as its Secretary.

Shri Sajjan Bhajanka Ceased to be member of the committee with effect from 2nd August 2017 upon completion of his term of appointment as an Independent Director of the Company.

The Committee held two (2) meetings during the year on May 4, 2017 and October 25, 2017.

Shri A. K. Deb, Chairman of the Committee was duly present at the Annual General Meeting held on August 2, 2017. The Company complies with the Regulation 19 of SEBI Listing Regulations, 2015 with respect to composition, role and responsibilities of Nomination and Remuneration Committee.

The functions of the Committee include:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend

to the Board a policy, relating to remuneration of the Directors, key managerial personnel and other employees.

- To formulate criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become a Director and who may be appointed in senior management.
- To evaluate, review and recommend to the Board, the remuneration of the Executive Directors, striking a balance between the performance and achievement.
- Whether to extend or continue the terms of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

Composition of the Committee and attendance of the Members at the meetings held during the year:

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri Amit Kiran Deb, Chairman	Independent	2
Shri S. B. Ganguly	Independent	2
Shri C. K. Dhanuka (Inducted w.e.f 11.08.17)	Independent	1
Shri Sajjan Bhajanka (Ceased to be a member on expiry of his term as Independent Director w.e.f 02.08.17)	Independent	1

REMUNERATION POLICY

Executive Directors

The Nomination and Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendations to the Board. The Board, based on the recommendations, decides the quantum of remuneration to be paid to Executive Directors, subject to approval by the shareholders in terms of the provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims to reward stellar performances on a periodical basis.

The Company has entered into agreement with each of the Executive Directors which may be terminated by either party by giving to the other party six months' notice of such termination.

Non-Executive Directors

The Non-Executive Directors are paid sitting fees of ₹50,000 (Rupees fifty thousand only) for attending Board meeting, ₹40,000 (Rupees forty thousand only) for attending Audit Committee meeting and ₹25,000 (Rupees twenty Five thousand only) for attending each of other Committee meetings including Separate Meeting of Independent Directors.

The aggregate sitting fees paid to Non-Executive Directors for the FY 2017-18 amounted to ₹28.65 lacs (excluding Service Tax/GST). The Non-Executive Directors are also reimbursed expenses incurred for attending the meeting.

In recognition of their contribution, the Non-Executive /Independent Directors are also entitled to receive Commission, as approved by the Board of Directors in terms of approval of members under Section 197 of the Companies Act, 2013.

Criteria for payment to Non-Executive Directors

The Non-Executive Directors bring with them significant professional expertise and substantial benefits through their rich experience in finance, legal, marketing, consumer behaviors and corporate strategy. Through their experience and knowledge, they safeguard the interest of investors by exercising an appropriate control at various levels. The Company has also inducted them in the various committees of the Board – audit committee, nomination and remuneration committee, stakeholder's relationship committee, finance committee, corporate governance committee, corporate social responsibility committee, share transfer committee and risk management committee.

Non-Executive Directors are paid sitting fees for attending the meetings of the Board within the prescribed limits and commission under Section 197 of the Companies Act, 2013. During the year under review upon the recommendation of the NR Committee, the Board has modified the Remuneration Policy which will allow the Company to consider paying differential commission to the Independent Directors as per inputs and guidance provided by them.

Performance evaluation criteria for Independent Directors

As per the provisions of SEBI Listing Regulations, the Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and the Board. The Committee formulates evaluation criteria for the Independent Directors which is broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Level of oversight; and
- Professional conduct and independence.

In terms of Section 134 of the Companies Act 2013, the Directors' Report also includes a statement indicating the process in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

Details of remuneration for the financial year 2017-18 (₹in lacs)

Sl. No	Name of Director	Sitting fees	Salary	Commission	Contribution to PF	Value of perquisites	Total
1	Shri R.S. Agarwal (Executive Chairman)	-	300.00	250.00	36.00	0.48	586.48
2	Shri R.S. Goenka (Whole Time Director)	-	300.00	250.00	36.00	0.40	586.40
3	Shri S.K. Goenka (Managing Director)	-	92.00	-	11.04	0.22	103.26
4	Shri K.N. Memani (Independent Director)	2.25	-	7.50	-	-	9.75
5	Shri Y.P. Trivedi (Independent Director)	2.50	-	4.50	-	-	7.00
6	Shri P. K. Khaitan (Independent director)	1.75	-	4.50	-	-	6.25
7	Shri M. D. Mallya (Independent Director)	2.25	-	4.50	-	-	6.75
8	Shri Sajjan Bhajanka (Independent Director) (Ceased w.e.f 02.08.17)	1.55	-	-	-	-	1.55
9	Shri C. K. Dhanuka (Independent Director) (Appointed in AGM held on 2.08.18)	2.55	-	2.50	-	-	5.05
10	Shri S.B. Ganguly (Independent Director)	4.70	-	4.50	-	-	9.20
11	Shri Amit Kiran Deb (Independent Director)	5.60	-	4.50	-	-	10.10
12	Smt. Rama Bijapurkar (Independent director)	1.00	-	84.25	-	-	85.25
13	Shri Mohan Goenka (Whole time Director)	-	72.00	-	8.64	2.56	83.20
14	Shri A. V. Agarwal (Non-Executive Director)	4.50	-	-	-	-	4.50
15	Shri H. V. Agarwal (Whole Time Director)	-	72.00	-	8.64	0.40	81.04
16	Smt. Priti A Sureka (Whole Time Director)	-	57.00	-	6.84	0.40	64.24
17	Shri Prashant Goenka (Whole Time Director)	-	42.00	-	5.04	0.40	47.44

Service contracts, notice period, severance fees:

Appointment of Whole time Directors is on contractual basis with the notice period of six months from either side, and there is no provision of payment of severance fees.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable

Shares held by the Non –Executive Directors as on 31st March, 2018

Sl. No.	Name of the Director	Category of Director	Number of shares
1	Shri K.N. Memani	Independent	Nil
2	Shri Y.P. Trivedi	Independent	Nil
3	Shri P.K. Khaitan	Independent	Nil
4	Shri M.D. Mallya	Independent	Nil
5	Shri C. K. Dhanuka	Independent	Nil
6	Shri Amit Kiran Deb	Independent	Nil
7	Shri S.B. Ganguly	Independent	Nil
8	Smt. Rama Bijapurkar	Independent	Nil
9	Shri A.V. Agarwal	Promoter Non-Executive	12,32,334
	TOTAL		**12,32,334**

There is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity other than receipt of sitting fees for the meetings of Board and its Committees and their shareholding, if any, in the Company.

3. Share Transfer Committee

The Share Transfer Committee was constituted on August 19, 2010.

The Share Transfer Committee comprises three (3) Executive Directors and one (1) Non-Executive Director. Shri A. K. Joshi, Company Secretary and VP-Legal, is the secretary of the Committee.

The Committee held twelve(12) meetings during the year on May 8, 2017, May 30, 2017, June 12, 2017, July 7, 2017, July 25, 2017, August 21, 2017, September 11, 2017, November 18, 2017, December 15, 2017, December 29, 2017, January 24, 2018 and February 12, 2018.

The functions of the committee include:

- Approval of transfer/transmission of securities of the Company;
- Overseeing of the performance of the registrar and share transfer agents of the Company;
- Redressal of shareholders' complaints relating to transfer of shares, non-receipt of annual reports and non-receipt of declared dividend, among others;
- Disposal of old stationeries of dividend warrants, among others;
- Issue of duplicate share certificates;
- Recommending upgradation measures for the standard of service to investors;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri Mohan Goenka, Chairman	Promoter Executive	12
Shri A. V. Agarwal	Promoter Non-Executive	7
Shri H. V. Agarwal	Promoter Executive	11
Smt. Priti A Sureka	Promoter Executive	6

4. Stakeholders' Relationship Committee

The stakeholders' relationship committee was constituted by the Board on August 19, 2010 under the name & style "Investors Grievance Committee" in terms of then prevailing provisions of the Listing Agreement. The Board at its meeting held on May 5, 2014 changed the nomenclature of the committee as Stakeholders Relationship Committee in line with the provisions of the Companies Act, 2013. The Company complies with provisions of Regulation 20 of SEBI Listing Regulations 2015

The stakeholders' relationship committee comprises two (2) Independent Directors and three (3) Promoter Executive Directors.

Shri A. K. Joshi, Company Secretary and VP - Legal, is the Secretary of the Committee.

The functions of the Committee include:

- Considering and resolving the grievances of security holders of the Company;
- Providing guidance for overall improvement in the quality of services to investors;
- Dissemination of factually correct information to investors and the public at large;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

The Committee held one (1) meeting during the year on January 29, 2018 wherein the Committee reviewed the status of Unclaimed Shares, Unclaimed Dividend of previous years and the system of providing Investors' services among others.

Composition and attendance of the Members at the meeting:

Members	Category of Director	Number of meetings attended
Shri C. K. Dhanuka, Chairman (Inducted w.e.f 11.08.17)	Independent	1
Shri S. B. Ganguly	Independent	1
Shri Mohan Goenka	Promoter Executive	1
Shri H. V. Agarwal	Promoter Executive	1
Shri Prashant Goenka (Inducted w.e.f 11.08.17)	Promoter Executive	-

The Company Secretary is the Compliance Officer as per the SEBI Listing Regulations, 2015.

During the year ended March 31, 2018, fifteen complaints were received from shareholders, all of which have been attended to/resolved as of date. Details of the complaints received and redressed are given below:

Nature of complaint	Pending as on 1st April 2017	Received during the year	Disposed during the year	Pending as on 31st March, 2018
1. Non-receipt of dividend	Nil	2	2	Nil
2.Non-receipt of share certificate	Nil	1	1	Nil
3. Non-receipt of annual report	Nil	11	11	Nil
Total	**Nil**	**14**	**14**	**Nil**

5. Finance Committee

The finance committee was constituted on May 28, 2008. Subsequently, the Board changed nomenclature of the committee as risk management and finance committee and assigned an additional responsibility of reviewing risk management aspects of the Company. However, in view of Regulation 21 of the SEBI Listing Regulations, 2015 a specific committee for risk management aspect was constituted by the Board on October 29, 2015 and the committee has now been renamed as finance committee.

The finance committee of the Board comprises six (6) Directors, five (5) of whom are Executive Directors and one (1) is Non-Executive Director. Shri A. K. Joshi, Company Secretary and VP-Legal, is the Secretary of the Committee.

The Committee held four (4) meetings during the year on May 11, 2017, October 30, 2017, December 7, 2017 and February 5, 2018.

The functions of the Committee include:

- Opening, modification and closure in operation of bank accounts;
- Reviewing and considering periodical budgets of the Company and approval of capital expenditures;
- Execution of powers of attorney for empowering executives and/or authorised representatives for business operations of the Company;
- Opening, modification and closure of trading and demat accounts required for securities, derivatives, foreign currency and all other options;
- Consideration of matters relating to participation in bids/tender/expression of interest and all other business alliances and joint ventures, among others, if any;
- Any other matters(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri R.S. Goenka, Chairman	Promoter Executive	4
Shri S.K. Goenka	Promoter Executive	3
Shri Mohan Goenka	Promoter Executive	3
Shri AdityaV. Agarwal	Promoter Non- Executive	3
Shri Harsha V. Agarwal	Promoter Executive	3
Smt. Priti A. Sureka	Promoter Executive	3

6. Corporate Governance Committee

The corporate governance committee was constituted by the Board on July 30, 2010.

The corporate governance committee comprises three (3) Non Executive /Independent Directors and one (1) Promoter Executive Director of the Company. Shri A. K. Joshi, Company Secretary and VP - Legal, is the Secretary of the Committee

The functions of the committee include

- Review of the best corporate governance practices;
- Review of compliance with corporate governance at all levels and providing suggestions for its furtherance wherever necessary;
- Enhancement of shareholders' value and protection of their interests;
- Building up of an environment of trust and confidence with an eye on corporate performance and accountability;
- Review of compliances under the Listing Regulations.

The committee held one (1) meeting during the year on January 29, 2018 and Shri S. B. Ganguly chaired the meeting.

The following reports were reviewed by the committee at the said meeting:

- Statutory compliance report;
- Compliance controls and audit methodology report and
- Auditing methodology report of the statutory auditors.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri S. B. Ganguly, Chairman	Independent	1
Shri R.S. Goenka	Promoter Executive	1
Shri Y. P. Trivedi	Independent	1
Shri Amit Kiran Deb	Independent	1

7. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on March 31, 2014.

The corporate social responsibility committee compromises of five (5) Promoter Executive Directors and one (1) Non Executive /Independent Director. Shri A.K. Joshi Company Secretary and VP-Legal, is the Secretary of the Committee.

The Committee is delegated and empowered to do the following:

- Formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the CSR activities to be undertaken by the Company as specified in the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor the expenses incurred as per the CSR policy of the Company from time to time;
- Any other matters as may be considered expedient by the members in furtherance of and to comply with the CSR policy of the Company.

The committee has held four (4) meetings during the year on May 4, 2017, August 1, 2017, October 25, 2017 and January 29, 2018.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri S. K. Goenka, Chairman	Promoter Executive	3
Shri Amit Kiran Deb	Independent	4
Shri Mohan Goenka	Promoter Executive	2
Shri Harsha V. Agarwal	Promoter Executive	4
Smt. Priti A Sureka	Promoter Executive	2
Shri Prashant Goenka (appointed as member w.e.f 11.08.17)	Promoter Executive	-

8. Risk Management Committee

In terms of Regulation 21 of the SEBI Listing Regulations, 2015, the Board has constituted a Risk Management Committee on October 29, 2015.

The risk management committee of the Board comprises six (6) Directors, five (5) of whom are Executive Directors and One (1) Non Executive / Independent Director. Shri A. K. Joshi, Company Secretary and VP-Legal, is the Secretary of the Committee.

The Committee held four (4) meetings during the year on May 4, 2017, August 1, 2017, October 25, 2017, and January 29, 2018.

The functions of the Committee include:

- Review and Monitoring of the Enterprise Risk Management System of the Company;
- Review and Monitoring of the Risk Mitigation plan of the Company;
- Any other matters(s) out of and incidental to these functions and such other acts assigned by the Board;

Composition, category of Directors and number of meetings attended:

Name of the Members	Category of Director	Number of Meetings attended
Shri R.S. Goenka, Chairman	Promoter Executive	3
Shri S. B. Ganguly	Independent	3
Shri S.K. Goenka	Promoter Executive	3
Shri Mohan Goenka	Promoter Executive	2
Shri Harsha V. Agarwal	Promoter Executive	4
Smt. Priti A. Sureka	Promoter Executive	3

Separate meeting of the Independent Directors

A separate meeting of Independent Directors was held on January 29, 2018 without presence of non-Independent Directors. In accordance with the Listing Regulations, 2015 the following matters were, inter alia reviewed and discussed in the meeting:

- Performance of Non-independent Directors and the Board of Directors as a whole
- Performance of the Chairman of the Company taking in to consideration the views of Executive and Non-Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Governance in subsidiary companies

The audit committee reviews the financial statements and investments made by the subsidiary companies. The Board reviews the Board meeting minutes and statement of all significant transactions and arrangements and compliances of the subsidiary companies.

The policy for determination of materiality of subsidiaries can be accessed at: http://www.emamiltd.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf

The Company does not have a material non-listed subsidiary.

The Company has complied with Regulation 24 of the SEBI Listing Regulations, 2015 with respect to the subsidiary companies.

As on March 31, 2018 the Company had the following non-listed overseas subsidiary Companies:

1. Emami Bangladesh Ltd, a wholly-owned subsidiary of Emami Limited
2. Emami International FZE, UAE a wholly-owned subsidiary of Emami Limited
3. Emami Overseas FZE , UAE a wholly-owned subsidiary of Emami International FZE
4. Pharma Derm S A E Co, Egypt, 90.59% subsidiary of Emami Overseas FZE
5. Fravin Pty. Ltd, Australia, 85% subsidiary of Emami International FZE
6. Greenlab Organics Ltd., UK, a wholly-owned subsidiary of Fravin Pty Ltd
7. Diamond Bio-tech Laboratories Pty. Ltd., Australia, a wholly-owned subsidiary of Fravin Pty Ltd
8. Abache Pty Ltd, Australia, a wholly-owned subsidiary of Diamond Bio-tech Laboratories Pty. Ltd.
9. Emami Indo Lanka (Pvt) Ltd., Sri Lanka a wholly-owned subsidiary of Emami Limited (w.e.f 03.07.2017)

DISCLOSURES

a. Related-party transactions

In accordance with relevant provisions of the Companies Act 2013 and SEBI Listing Regulations, 2015 the Company has formulated a policy on materiality of related party transactions and on dealings with related party transactions. The policy for Transactions with Related Parties can be accessed at: http://www.emamiltd.in/investorinfo/pdf/PolicyforTransactionswithRelatedParties.pdf

All related party transactions are approved by the audit committee prior to the transaction. Related party transactions of repetitive natures are approved by audit committee on omnibus basis for one financial year at a time. All transactions pursuant to omnibus approval are reviewed by the audit committee on a quarterly basis.

A confirmation as to compliance of related party transaction as per SEBI Listing Regulations is also sent along with quarterly compliance report on corporate governance.

There were no material significant related-party transactions and all contracts / agreements/ transactions entered into during the period with the related parties were carried out at arm's length at the fair market value.

Details of such transactions as per requirements of IND-AS-24 are disclosed in Note no. 3.50 to the audited accounts. A statement of these transactions was also placed before the Audit Committee and in the Board meetings from time to time.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has been no instance of any non-compliance.

c. Accounting treatment in preparation of financial statements

The Company followed the guidelines as laid down in the IND-AS, prescribed by the Institute of Chartered Accountants of India, for the preparation of the financial statements.

d. Risk management

The Company has framed a comprehensive enterprise risk management policy and a new risk register, not only to manage risks but also to minimize their impact. This policy is periodically reviewed by the management and the risk management committee in consultation with reputed and specialized consultants. The policy is updated as per requirements to ensure that the risks are properly dealt and mitigated. The Risk Management procedures are discussed and reviewed by the Risk Management Committee, Audit Committee and the Board of Directors every quarter.

e. Proceeds from public issues, right issues, preferential issues among others

The Company did not have any of the above issues during the year under review.

f. Management discussion and analysis report

The Company's annual report has a separate section for detailed management discussion and analysis.

g. Observance of the secretarial standards issued by the Institute of Company Secretaries of India (ICSI).

The ICSI has issued secretarial standards on board meetings, general meetings, payment of dividend,

maintenance of register and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal among others. The Ministry of Corporate Affairs has mandated SS-1, SS-2 and SS-3 with respect to board meetings, general meetings and payment of dividend respectively. The Company has complied with these three standards, besides voluntarily complying with the other standards.

h. Audit report for reconciliation of share capital:

A qualified practicing company secretary Mr. Raj Kumar Banthia, partner at M/s MKB & Associates, Company secretaries carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and the CSDL and the total issued and listed equity share capital. The audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

i. Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

j. Disclosure on Commodity price risks or foreign exchange risk and hedging activities

The Company is subject to market risk with respect to commodity price fluctuations in a wide range of materials which are drawn from the agriculture and petroleum value chains. The company hedges exposure to commodity risks through a judicious mix of long term contracts in seasonal items and strategic buying initiatives in other commodities. A robust framework and governance mechanism is in place to ensure that the Company is effectively safeguarded from the market volatility in terms of price and availability. A robust planning and strategy ensures that the Company's interests are protected despite volatility in commodity prices. As regards foreign exchange risks, keeping in view the position of rupee in the market vis-a-vis foreign currency, the Company has been taking forward cover for foreign currency exports and imports from time to time and with references to foreign currency borrowings, the loan are fully hedged at the time of inception itself as per the forex policy framework of the company.

General shareholders' information

Resignation /Appointment of Director

In accordance with provisions of Section 152 of the Act read with Rules made thereunder, Shri H. V. Agarwal (DIN 00150089), Smt. Priti A Sureka (DIN 00319256) and Shri Prashant Goenka (00703389) are liable to retire by rotation at the 35th AGM and being eligible, offer themselves for reappointment.

At the 34th Annual General Meeting of the Company held on 2nd August 2017, the Shareholders have reappointed Shri R.S. Agarwal as an Executive Chairman of the Company for a period of five years w.e.f. April 1, 2017 and Shri R.S. Goenka, as Whole-time Director of the Company upon completion of his existing term on November 7, 2017 for a period therefrom till March 31, 2022.

The Independent Directors namely, Shri K. N. Memani, Shri Y. P. Trivedi, Shri M. D. Mallya, Shri S. B. Ganguly, Shri P. K. Khaitan and Shri Amit Kiran Deb were reappointed as Independent Directors of the Company for the another term of five years effective from the 34th Annual General Meeting of the Company.

Shri C. K. Dhanuka was appointed as an Independent Director of the Company for a term of five years at the 34th AGM of the Company.

Shri Sajjan Bhajanka, ceased to be Director effective from 2nd August 2017 upon completion of his term of appointment as an Independent Director.

GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings and special resolutions passed therein are as follows:

For March 31, 2017 : Wednesday, August 2,2017 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11.30 am

Special resolutions transacted: 1. Approved reappointment of Shri K. N. Memani as an independent director for a term of five years. 2. Approved reappointment of Shri Y. P. Trivedi as an independent director for a term of five years. 3. Approved reappointment of Shri S. B. Ganguly as an independent director for a term of five years. 4. Approved reappointment of Shri A.

K. Deb as an independent director for a term of five years. 5. Approved reappointment of Shri P. K. Khaitan as an independent director for a term of five years. 6. Approved reappointment of Shri M. D. Mallya as an independent director for a term of five years. 7. Approved reappointment of Shri R. S. Agarwal as an executive chairman of the Company. 8. Approved reappointment of Shri R. S. Goenka as a Whole Time Director of the Company.

For March 31,2016: Wednesday, August 3,2016 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11.30 am

Special resolutions transacted: 1. Continuation of holding of office of Executive Chairman by Shri R.S. Agarwal (DIN 00152996) after attaining the age of 70 (Seventy) years. 2. Continuation of holding of office of Whole Time Director by Shri R.S. Goenka (DIN 00152880) upon attaining the age of 70 (Seventy) years.

For March 31,2015: Wednesday, August 5,2015 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11.30 am

Special resolutions transacted: 1. Offer and Issue of Unsecured Redeemable Non-Convertible Debentures ('NCDs') on private placement basis in one or more tranches up to a sum of ₹700 crore (Rupees Seven hundred crore only). 2. Authorisation for Borrowing up to a sum of ₹1,500 crore (Rupees fifteen hundred crore) under Section 180(1) (c) of the Companies Act 2013.

Whether any special resolution passed through postal ballot in the previous year: None

Person who conducted the postal ballot: Not applicable

Whether any special resolution is proposed to be conducted through postal ballot: Yes

At the Board Meeting held on 3rd May, 2018, the Board has recommended issue of Bonus Shares in proportion of 1 (one) equity share of ₹1/ each for every 1 (one) equity share held, subject to approval of the members of the Company. Approval of the shareholders has been sought by way of Special Resolution through Postal Ballot/ electronic voting (e-voting) pursuant to the provisions of section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Amendment Rules, 2015. The Board has appointed M/s MKB & Associates, Practising Company Secretaries as the scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner. Detail of voting etc will be provided in the Corporate Governance Report of the next Financial Year.

Details of resolutions passed through e-voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provided members the facility to exercise their right to vote on resolutions transacted at AGM by electronic means, provided by Central Depository Securities Limited (CDSL).

Green initiatives undertaken as per the directives of the Ministry of Corporate Affairs, Government of India

The Company as a responsible corporate citizen welcomes and supports the Green Initiatives taken by the Ministry of Corporate Affairs, Government of India by its circular, enabling electronic delivery of documents to the shareholders. The Company has already implemented to send the communication to the shareholders by electronic mode at their e-mail addresses registered with the depository/registrar and share transfer agent and all such communications were immediately uploaded at the Company's website. This helped in prompt delivery of documents avoiding loss in transit.

The Company had requested the shareholders to register their e-mail ids with the Registrar and Share Transfer agents of the Company or to their depository participants so as to enable the Company to use the same for serving documents to them electronically.

Consolidation of Folios and avoidance of multiple mailing

The members who are holding multiple folios are requested to consolidate their holding under single folio to avoid multiple mailing which will reduce cost and duplicity of efforts.

Code for prevention of Insider-Trading practices

As per the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company Secretary is the compliance officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, pre-clearance of trade, monitoring of trades and implementation of the code of conduct for trading in Company's securities under the overall supervision of the Board.

The Company has adopted a code of conduct for prevention of insider trading as well as a code of corporate disclosure practices. All the Directors on the Board, senior management at all locations and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this code. The Company has also formulated

code of practices and procedures for fair disclosure of unpublished price-sensitive information which is available on the Company's website www.emamiltd.in

Foreign Exchange Risk Management Policy

With an objective to indemnify the Company as a result of Foreign Exchange fluctuations, the Company has framed a structure of Foreign Exchange Risk Management Policy which elaborates on the process of risk management and to protect profits/ insulate itself against losses on account of forex fluctuations.

Dividend Distribution Policy

As required under Regulation 43A of the SEBI Listing Regulations 2015, Dividend Distribution policy is given separately in the Annual Report and same is also available at the Company's website at www.emamiltd.in

Means of communication

i. **Quarterly /Annual results**

Financial results of the Company are published in *The Business Standard, The Economic Times,* and *Ei-Samay*(in Bengali) and are displayed on the Company's website www.emamiltd.in

ii. **Presentations/News releases**

Presentations and official press release made to the media, analysts, and institutional investors, among others are displayed on the Company's website www.emamiltd.in. The same are also disseminated to the Stock Exchanges as per the SEBI Listing Regulations, 2015.

iii. **Website**

The Company's corporate website www.emamiltd.in contains comprehensive information about the Company. An exclusive section is for investors wherein annual reports, quarterly/half-yearly financial results, notices, shareholding patterns, policies among others are available for reference or download.

iv. **Annual report**

The annual report containing *inter alia* audited annual accounts, consolidated financial statements, reports of the auditors and directors, chairman's statement, management discussion and analysis report and other important information is circulated to the members and displayed on the Company's website.

v. **Designated exclusive mail-id**

The Company has designated email-id exclusive for investor services– investors@ emamigroup.com which has been displaced on the Company's website www.emamiltd.in

vi. **Intimation to stock exchanges**

The Company intimates the Stock Exchanges about all price sensitive information or such other matters which in its opinion are material and of relevance to the shareholders.

vii. **Investor relations**

The Company's executives participate in investor meetings including conferences in India and abroad from time to time organized by financial institutions, analyst and broking houses. A conference call is done every quarter after declaration of financial results to address the queries of analysts.

Shareholders' information

Date, time and venue of the annual general meeting

The 35th Annual General Meeting for the financial year 2017-18 will be held on Wednesday, 1st August , 2018 at 11:30 am at the auditorium of South City International School, 375, Prince Anwar Shah Road, Kolkata- 700 068.

Last date of receipt of proxy: 30th July , 2018 till 11:30 am

dividend payment date: 1st August 2018 onwards (within thirty days of the declaration of the dividend)

Electronic voting: Pursuant to Section 108 and other applicable provisions of the Companies Act 2013, read with Companies (Management and Administration) Rules 2014, remote e-voting will be made available at the 35th Annual General Meeting, the voting will be from 27th July, 2018 to 31st July, 2018 (both days inclusive) from 9 am to 5 pm

Financial calendar

Financial year: April 1, 2017 to March 31, 2018

The board meetings for approval of financial results for financial year 2017-18 were held on the following dates:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	August 2, 2017	October 25, 2017	January 29, 2018	May 3, 2018

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2018-19are as follows:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	On or before August 14, 2018	On or before November 14, 2018	On or before February 14, 2019	On or before May 30, 2019

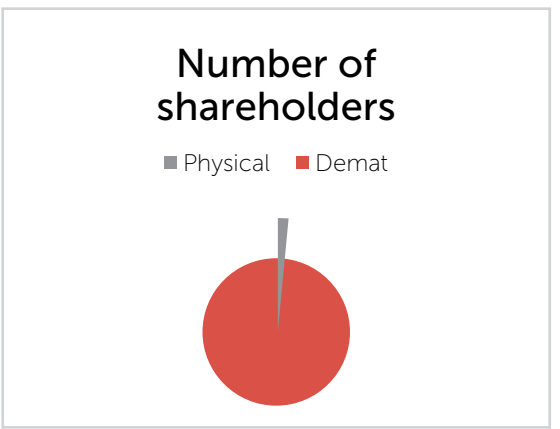
Market Information

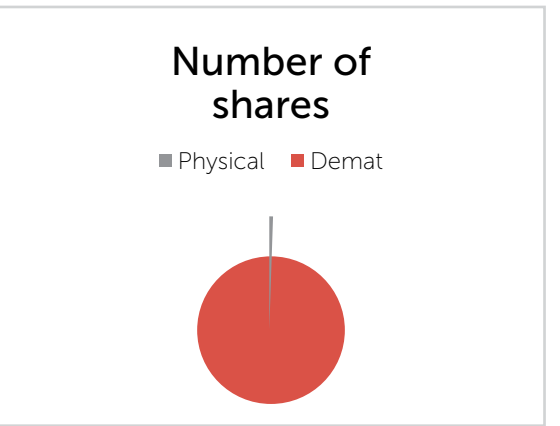
Listing on stock exchanges

The Company's shares are listed on the following stock exchanges and the listing fees have been duly paid:

Sl. No.	Name and address of the exchange	Stock code
1	**The National Stock Exchange of India Ltd** Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai 400 051, India	EMAMILTD
2	**BSE Ltd** Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 023, India	531162
3	**The Calcutta Stock Exchange Ltd** 7, Lyons Range, Kolkata-700001, India	18136

Number of shareholders and shares held in physical and dematerialised form as on March 31, 2018:





Total no. of folios – Total no. of shares -

Dematerialization of shares and liquidity as on March 31, 2018

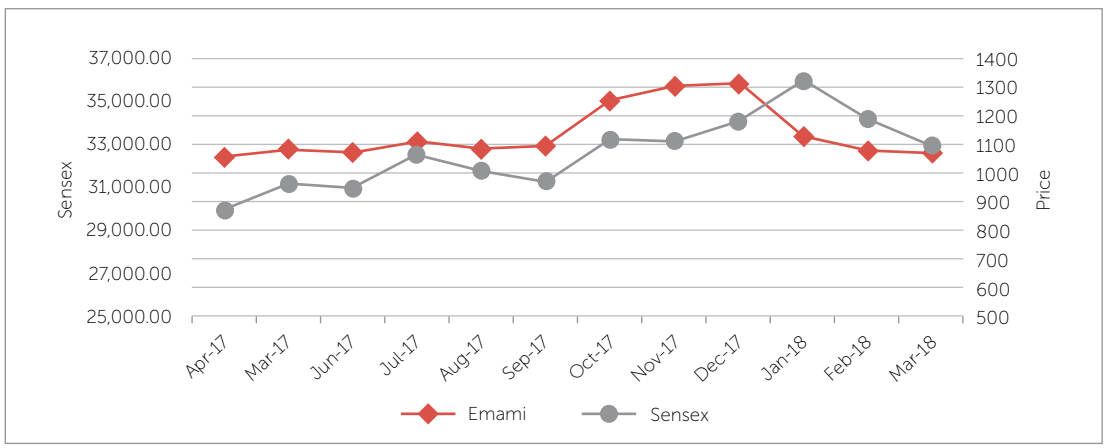
Nature of holding	Holders	Shares	Percentage
DEMAT	48248	22,62,32,878	99.68
Physical	516	7,34,731	0.32
Total	48764	22,69,67,619	100.00

Emami share price at BSE and NSE

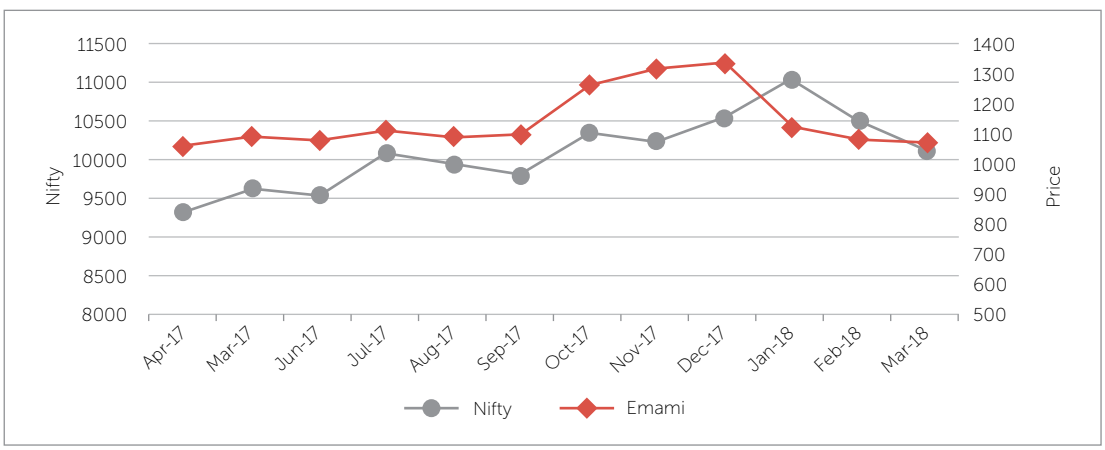
April 2017-March 2018 (Face value of shares: Re. 1 each)

Month	Emami share price on BSE			Emami share price on NSE		
	High	Low	Close	High	Low	Close
April-17	1080.70	1000.00	1057.90	1085.00	998.30	1058.25
May-17	1150.20	1035.05	1083.65	1154.40	1035.00	1088.95
June-17	1156.90	1005.10	1072.80	1155.40	1001.00	1075.55
July-17	1133.95	1046.00	1105.55	1198.00	1046.70	1108.10
August-17	1166.00	1020.60	1083.70	1168.25	1019.75	1086.80
September-17	1190.00	1078.65	1094.60	1194.80	1080.00	1094.15
October-17	1285.00	1081.45	1254.95	1285.25	1065.40	1258.25
November-17	1335.00	1202.65	1303.15	1339.00	1221.15	1311.25
December-17	1350.00	1240.80	1312.40	1351.55	1239.00	1330.20
January-18	1428.00	1109.00	1124.35	1365.00	1106.30	1124.75
February-18	1151.35	1026.05	1080.85	1149.90	1025.25	1080.00
March-18	1120.00	1003.00	1068.00	1120.50	1001.00	1068.85

Graphical representation of share price of Emami Limited at BSE vis-à-vis S&P BSE Sensex



Graphical representation of share price of Emami Limited at NSE vis-à-vis Nifty



Debt securities

The redeemable non-convertible debentures issued by the Company were listed on the Wholesale Debt Market (WDM) of National Stock Exchange of India Limited (NSE) and now have been redeemed.

Registrar and Share Transfer Agent

M/s Maheshwari Datamatics Private Limited
23, R.N. Mukherjee Road, Kolkata-700001,
West Bengal, India
Tel:91-033-2248 2248, 2243 5809/5029
Fax No. 91-033-2248 4787,
Email: mdpldc@yahoo.com

All activities in relation to both physical and electronic share transfer facility are maintained by the registrar and share transfer agent of the Company, a compliance certificate in this respect duly signed by the compliance officer and the authorised representative of the share transfer agent is submitted to the exchanges within one month from the end of each half of the financial with the requirements of sub- regulation 7(3) of SEBI Listing Regulations, 2015.

Applications for transfer of shares held in the physical form are received at the office of the Registrar and Share transfer agent of the Company. All valid transfers/ requests are processed within 15 days from the date of receipt.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in all respects. Bad deliveries are immediately returned to depository participants under advice to the shareholders.

Pursuant to the provisions of Regulation 40(9) of SEBI Listing Regulations, 2015, a certificate on the compliance of share transfer formalities on half yearly basis, quarterly certificate for timely dematerialization of the shares as per SEBI (Depositories & Participants) Regulation, 1996 are sent to the Stock Exchanges where the shares are listed.

Reconciliation of share capital audit report

Reconciliation of share capital audit report by M/S MKB & Associates, Company Secretaries for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the audit report is submitted to the Stock Exchanges where company's shares are listed.

Distribution of shareholding by size as on March 31, 2018

Shareholding of nominal Value (Re. 1/-)	Shareholders		Share amount	
	Number	% of total	in ₹	% of total
Up to - 500	45644	93.6019	3542798	1.561
501 - 1000	1377	2.8238	968282	0.4266
1001 – 2000	672	1.3781	915475	0.4033
2001 – 3000	261	0.5352	638014	0.281
3001 – 4000	123	0.2522	430611	0.1897
4001 – 5000	99	0.203	448533	0.1976
5001 – 10,000	170	0.3486	1182877	0.5211
10,001 and above	418	0.8572	218841029	96.4195
Grand total	48764	100.00	226967619	100.00

Shareholding pattern as on 31 March, 2018

Category	Number of shares held	% of shareholding
Promoters and Promoter Group	165088855	72.7367
Public		
1. Institutional investors		
a. Mutual funds and UTIs	11861919	5.2263
b. Alternate Investment Funds	390751	0.1722
c. Banks, financial institutions and insurance companies	114289	0.0504
d. Foreign institutional investors	29644596	13.0612
Sub-total	42011555	18.5099
2. Central Government / State Government(s) / President of India	70301	0.0310
3. Others		
a. Private corporate bodies	9825007	4.3288
b. Indian Public	8948471	3.9426
c. NRIs/OCBs	542510	0.2390
d. NBFC	4044	0.0018
e. Trusts	348455	0.1535
f. Clearing member	128311	0.0565
g. Foreign National	110	0.00
Sub-total	19796908	8.7223
Grand total	**226967619**	**100.00**

Top-ten shareholders as on 31st March, 2018

Sl. No.	Name	No. of shares held	% of shareholding
1	Diwakar Viniyog Private Limited	33771887	14.8796
2	Suntrack Commerce Private Limited	33136016	14.5994
3	Bhanu Vyapaar Private Limited	27791381	12.2446
4	Raviraj Viniyog Private Limited	13886007	6.1181
5	Prabhakar Viniyog Private Limited	13199961	5.8158
6	Suraj Viniyog Private Limited	12957139	5.7088
7	Avees Trading And Finance Private Limited	4906891	2.1619
8	TMT Viniyogan Limited	4866580	2.1442
9	Shri Amitabh Goenka	3785748	1.6680
10	Smt. Priti Sureka	3410000	1.5024

Corporate benefits offered to investors during the year:

Dividend

The Board of Directors at their meeting held on May 3, 2018 recommended payment of dividend @ ₹7/-per share subject to approval of shareholders in ensuing annual general meeting and the said dividend if declared, would be paid to all the members registered in the register of members maintained by the company /depositories on the record date to be decided by the Board / Share Transfer Committee for determining entitlement of said dividend.

Unclaimed dividends

Unclaimed Dividend for the Financial Year 2009-10 amounting to ₹4,30,584/-was transferred into Investors Education & Protection Fund (IEPF) of the Central Government on October 11, 2017 in compliance with Section 124 of the Companies Act, 2013.

The Dividend which remains unclaimed for seven years from the date it is lying in the Unpaid Dividend Account will be transferred to IEPF on the date given hereunder in table:

Year	Type of Dividend	Date of Declaration	Due date for transfer to IEPF
2010-11	Final	13th August 2011	16th September 2018
2011-12	Final	8th August 2012	12th September 2019
2012-13	Final	7th August 2013	12th September 2020
2013-14	Interim	20th January 2014	20th February 2021
2013-14	Final	9th August 2014	12th September 2021
2014-15	Interim	17th September 2014	14th October 2021
2014-15	Final	5th August 2015	9th September 2022
2015-16	Final	3rd August 2016	10th August 2023
2016-17	Interim	6th March 2017	22nd April 2024
2016-17	Final	2ndAugust 2017	4th September 2024

The members who have not yet encashed their dividend warrants are requested to send their request for issue of duplicate warrants. The particulars of unpaid dividend for the previous seven years were uploaded on the Company's website at www.emamiltd.in and filed with the Ministry of Corporate Affairs.

Equity Shares lying with the Company in Suspense Account as per Listing Regulations

As per the provisions of Regulation 39(4) of the Listing Regulations, the unclaimed shares certificates lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly, unclaimed shares lying with the Company have been transferred and dematerialized in 'Unclaimed Suspense Account` of the Company. This account is being held by the Company purely on behalf of the shareholders entitled for these shares.

8422 equity shares of the Company and 66 equity shares of Emami Infrastructure Limited allotted in terms of scheme of arrangement between Emami Limited, Zandu Pharmaceutical Works Limited and Emami Infrastructure Limited, are lying in the suspense Account as on March 31, 2018. It may also be noted that the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

Shareholders who have not yet claimed their shares are requested to immediately approach the Registrar & Transfer Agents of the Company by forwarding a request letter duly signed by all the joint holders furnishing their complete postal address along with PIN code, self-attested copies of PAN card & proof of address, and for delivery of shares in demat form - a copy of Demat Account - Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the unclaimed suspense account is given below:

Sl. No.	Particulars	No. of Shareholders	No. of Equity shares held
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	3	4800
2	Number of shareholders along with shares held whose shares transferred in Emami Ltd Unclaimed Securities Suspense Account during the year.	207	73,683
3	Number of shareholders along with shares held who approached the company for transfer of shares from suspense account during the year.	None	Nil
4	Number of Shareholders along with Shares held whose shares have been transferred to Investor Education and Protection Fund	173	70301
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	38	8182
5	Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	210	78483

Transfer of unclaimed shares to Investor Education & Protection Fund(IEPF)

In terms of Circular of Ministry of Corporate Affairs (MCA) issued under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, the Company has issued individual notice through registered post to all the shareholders whose dividends were lying unclaimed for consecutive seven years and a public notice in this respect has been given in English and vernacular newspapers and details of such shareholders were uploaded in the Company's website.

Further, as per MCA Circular, the Company has transferred 70,301 equity shares on which dividend were unclaimed for seven consecutive years to the IEPF account of the Central Government maintained with Central Depository Services Ltd with the prescribed time.

Dividend history of the Company with EPS and payout ratio:

Financial year	Dividend (%)	Dividend per share (₹)	Earnings per share (₹)	Payout Ratio* (%)
2011-12	Special 400% Final 400%	8.00	16.97	54.70%
2012-13	800%	8.00	20.80	45.00%
2013-14	Interim 300% Final 400%	7.00	17.73	46.24%
2014-15	Interim 400% Final 300%	7.00	21.40	38.75%
2015-16	700%	7.00	15.82	53.26%
2016-17	Interim 175% Final 525%	1.75 5.25	14.98	55.00%

*Including dividend distribution tax

Correspondence regarding change of address among others

Shareholders are requested to ensure that any correspondence for change of address and change in bank mandates among others should be signed by the first named shareholder. The Company is now further requesting for supporting documents such as proof of residence and proof of identification, whenever a letter requesting for change of address is received. This is being done in the interest of shareholders, to avoid fraudulent change of the registered address of shareholders by unscrupulous parties. Shareholders are requested to kindly cooperate and submit the necessary documents/evidence while sending the letters for change of address. Shareholders who hold shares in dematerialized form should correspond with the depository participant with whom they have opened demat account(s).

The Company has entered into agreements with both National securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories.

Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity

None

Plant locations

West Bengal

13, B.T. Road, Kolkata –700056

Assam

Amingaon Plant

EPIP Complex Amingaon, Guwahati – 781031

Abhoypur Plant

Abhoypur Plant P.O. College Nagar, Abhoypur, Guwahati, Assam – 781031

Pacharia plant

Pacharia Nalgar Road, Pacharia,

Dolarpathar, Kamrup, Pin-781104, Assam

Maharashtra

Sanjan Village, Dongari, TalukaTalasari, Maharashtra-401601

Gujarat

Plot No. 82,G I D C, Vapi, Gujarat -396194

Uttarakhand

Plot No 40 & 41, sector 5,IIE,Pantnagar, Udhamsingh Nagar, Uttarakhand - 263 152

Dadra and Nagar Haveli

Survey No 61/2, Plot No 1, Village Masat, Silvassa, Dadra & Nagar Haveli - 396230

Representing officers:

Compliance Officer :	Shri A. K. Joshi, Company Secretary &VP-Legal
Institutional Investors/ Financial Analysts	Shri Rajesh Sharma, Sr. VP- Finance &Investor Relations
Indian Retail Investors	Shri Ashok Purohit, Assistant Company Secretary
Communication address of the above officers	Emami Limited Emami Tower, 687, Anandapur, E M Bypass, Kolkata 700107, West Bengal investors@emamigroup.com, T + 91- 033 - 6613 6264, F +91-033-6613 6600
Registrar and share Transfer Agents	M/s Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, Kolkata-700001, West Bengal, India Tel:91-033-2248 2248,2243 5809/25029 Fax No. 91-033-2248 4787, Email : mdpldc@yahoo.com

Share Transfer agents (name, address, email id, contact person, telephone number)

Communication channels:

Category	Channels
Shareholders	Annual reports, shareholders meetings, formal communications, website, e-mails, newspaper publications
Financial analysts	Annual reports, press releases, websites
General public	Website, newspaper publications

Details of publication of financial results

Quarter ended	National	Vernacular
31.03.2017	The Economic Times, Business Standard, Business Line, Financial Express, Mint: Published on May 5, 2017	Ei samay : Published on May 5, 2017
30.06.2017	Business Standard: Published on August 3, 2017	Ei samay : Published on August 3, 2017
30.09.2017	The Economic Times, Business Standard, Business Line, Financial Express, Mint: Published on October 26, 2017	Ei samay : Published on October 26, 2017
31.12.2017	Business Standard : Published on January 30, 2018	Ei samay : Published on January 30, 2018

CEO (Managing Director)/CFO certification

The CEO and CFO certification as required by SEBI Listing Regulations is enclosed at the end of the report.

Report on corporate governance

The quarterly compliance report has been submitted to the stock exchanges where the Company's equity shares are listed in the prescribed format as per SEBI Listing Regulations, 2015 duly signed by the company secretary.

Compliance requirements

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the regulations are as below:

Mandatory requirements

The Company was fully compliant with mandatory requirements SEBI Listing Regulations, 2015.

Non-mandatory requirements:

1. **The Board (maintenance of Chairman's office):**

   The Company has an Executive Chairman and as such does not require a Non-Executive Chairman's Office.

2. **Shareholders' rights**

   The quarterly and half-yearly financial results are published in widely circulated national and local dailies and are displayed on the Company's website www.emamiltd.in.

3. **Audit qualification**

   There is no audit qualification given in the Auditors' Report.

4. **Separate posts of Chairman, Managing Director and CEO**

   The Company has separate persons as Executive Chairman and Managing Director. Shri R.S. Agarwal is the Executive Chairman, whereas Shri Sushil Kr. Goenka is the Managing Director of Emami Limited and also designated as the CEO for the said purpose.

5. **Reporting of internal auditor**

   The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/ regulatory compliances and safeguard of the assets of the Company. The internal auditor reports directly to the Audit Committee.

Certification by Managing Director and CEO-Finance, Strategy & Business Development and CFO of the Company

We, Sushil Kr. Goenka, Managing Director and N. H. Bhansali, CEO-Finance, strategy & Business Development and CFO of Emami Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements of the Company for the year ended March 31, 2018, and all its schedules and notes on accounts, as well as the Cash Flow statement.
2. To the best of our knowledge and information:
   a. these statements do not contain any materially untrue statement or omit to state a material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the Company's code of conduct.
4. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures.
5. The Company has disclosed where ever applicable, to the Company's auditors and to the audit committee of the Company, the following:
   a. All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
   b. Significant changes in internal control during the year;
   c. Any fraud, which we have become aware of and that involves Management or other employees who have significant role in the Company's internal control systems;

We further declare that all members of the Board and Committees and all employees working at the level Head of the department have affirmed compliance with the Code of Conduct of the Company for the financial year 2017-18.

Date: May 3, 2018
Place: Kolkata

Sushil Kr Goenka
Managing Director

N H Bhansali
CEO-Finance, Strategy & Business Development and CFO

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of
Emami Limited
687, Anandapur, EM Bypass,
Kolkata-700107

1. The Corporate Governance Report prepared by Emami Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that at least one women director was on the Board during the year;
   iv. Obtained and read the minutes of the following committee meetings held from April 1, 2017 to March 31, 2018 –
      (a) Board of Directors meeting;
      (b) Audit committee;
      (c) Annual General meeting;
      (d) Nomination and remuneration committee;
      (e) Stakeholders Relationship Committee;
      (f) Independent directors meeting;

(g) Risk management committee; and

(h) Finance Committee

v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal
Partner
Membership Number: 060352
Place of Signature: Kolkata
Date: May 3, 2018



Business Responsibility Report

Emami Ltd.

Section A: General Information about the Company

1. **Corporate Identity Number (CIN):** L63993WB1983PLC036030
2. **Name of Company:** Emami Limited
3. **Registered Address:** Emami Tower,
   687, Anandapur, E.M. Bypass,
   Kolkata 700107, West Bengal
4. **Website:** www.emamiltd.in
5. **Email ID:** contact@emamigroup.com
6. **Financial Year Reported:** 2017-18
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** Emami is a Fast-Moving Consumer Goods (FMCG) company and operates in niche consumer and healthcare product categories like Cooling Oils, Balms, Antiseptic cream, Fairness creams for men and ayurvedic Hair and Scalp Care Oils. The principle products of the Company with Industrial Activity code are:

Sl.	Product	Industrial Activity Code
1.	Navratna Oil	30049011
2.	Zandu and Mentho Plus Balm	30049011
3.	BoroPlus Antiseptic Cream	30049011
4.	Fair and Handsome Cream	33049910
5.	Kesh King Oil	30049011

8. **List Key products / services that the Company manufactures/ provides:**
   i. Navratna Oil
   ii. Zandu and Mentho Plus Balm
   iii. BoroPlus Antiseptic Cream
   iv. Fair and Handsome Cream
   v. Kesh King Ayurvedic Hair & Scalp Medicinal Oil

9. **Total number of locations where business activity is undertaken by the Company:**

   i. Number of International Locations (Details of major 5) - Emami operates through 9 overseas subsidiaries and has presence in 60+ countries with a manufacturing unit in Bangladesh as well. Major geographies where Emami operates in are:

      a. South Asian Association for Regional Cooperation (SAARC)

      b. Middle East, North Africa and Pakistan (MENAP),

      c. South East Asia and Australia (SEAA)

      d. CIS and Eastern Europe (CISEE)

      e. Africa

   ii. Number of National Locations: Emami carries out its operations through its Head Office in Kolkata, 4 regional offices, 8 manufacturing units, and 27 depots across India.

10. **Markets Served by the Company:** Indian market, export and operations in International geographies as above.

Section B: Financial Details of the Company

1.	**Paid Up Capital (INR):**	22.69 crore
2.	**Total Turnover (INR):**	₹2,541 crore
3.	**Total Profit after Taxes (INR)**	₹307 crore
4.	**Total spending on CSR as a percentage of Profit After Tax**	3.1%

5. **List of activities in which expenditure in point 4 above has been incurred**
   a. Promoting Education and Enhancing Vocational Skills
   b. Promoting Healthcare Water and Sanitation
   c. Social Upliftment Programmes

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies? : Yes.**

2. **Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies):**

   Emami has subsidiaries in foreign countries as under:

   i. Emami Bangladesh Ltd.
   ii. Emami International FZE
   iii. Emami Overseas FZE (Step down subsidiary of Emami International FZE)
   iv. Pharmaderm Company SAE (Step down subsidiary of Emami Overseas FZE)
   v. Fravin PTY Ltd (Step down subsidiary of Emami International FZE)
   vi. Diamond Bio-Tech Laboratories PTY Ltd. (Step down subsidiary of Fravin PTY Ltd.)
   vii. Greenlab Organics Ltd. (Step down subsidiary of Fravin PTY Ltd.)
   viii. Abache PTY Ltd. (Step down subsidiary of Fravin PTY Ltd.)
   ix. Emami Indo Lanka Pvt. Ltd.

   The Business Responsibility policies of the subsidiaries are in line with the Company's requirements.

3. **Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (Less than 30%, 30-60%, more than 60%).**

   The Business Responsibility policies are applicable to the management and all the employees of the Company and its subsidiaries. Emami Limited encourages adoption of BR initiatives by its Business Partners. Based on dialogue with the suppliers and distributors of the Company, currently less than 30% of other entities participate in the BR initiatives of the Company. The Business Responsibility policies are currently applicable to the management and all the employees of the Company

Section D: BR Information

1. **Details of Director/ Directors responsible for BR**

   a. **Details of Director/ Directors responsible for implementation of the BR policy/ policies:**

   - Name of the Director: Shri S.K. Goenka
   - Designation: Managing Director
   - DIN No: 00149916

   b. **Details of the BR head:**

Sl.	Particulars	Details
1.	**DIN No. (if applicable)**	00149916
2.	**Name**	Shri S.K. Goenka
3.	**Designation**	Managing Director
4.	**Telephone No.**	033-66136624
5.	**Email id**	skgoenka@emamigroup.com

2. **Principle wise (as per NGV's) BR Policy/ Policies (Reply in Y/N)**

- Principle 1: Ethics, Transparency and Accountability [P1]
- Principle 2: Products Lifecycle Sustainability [P2]
- Principle 3: Employees' Well-being [P3]
- Principle 4: Stakeholder Engagement [P4]
- Principle 5: Human Rights [P5]
- Principle 6: Environment [P6]
- Principle 7: Policy Advocacy [P7]
- Principle 8: Inclusive Growth [P8]
- Principle 9: Customer Value [P9]

Sl.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs. The policies are based on the above guidelines								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes. The policies have been approved by the Managing Director								
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

  The BR Head periodically assesses the BR performance of the Company.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

  Emami Limited annually publishes its Business Responsibility Reports in its Annual Report. The Business Responsibility Reports can be accessed at: http://www.emamiltd.in/investor-info/

Section E: Principle wise performance

Principle 1: Ethics, Transparency and Accountability

Emami Limited believes that integrity is a core value and forms the basis of the Company's organisation culture. It lays a strong emphasis on ethical corporate citizenship and establishment of good corporate culture. It has always believed in adhering to the best governance practices to ensure protection of interests of all stakeholders of the Company in tandem with healthy growth of the Company. The Company has always discouraged practices that are abusive, corrupt, or anti-competitive.

The Company further believes the concept of corporate governance founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company has always made timely financial and statutory disclosures to all the stakeholders. The Company has always given its best efforts to uphold and nurture these core values across all operational aspects.

These values and the commitment to ethical business practices are reflected in the following policies of the Company: (a) Policy on Ethics, Transparency and Accountability and (b) Code of Conduct. These policies inspire the Company to set standards which not only meet the requirements of applicable legislations but go beyond in many areas of its functioning. The Company periodically cascades the principles embodied under these policies across the organisation.

The Code of Conduct lays out guidelines for employees on dealing with people in the organisation, relationships with suppliers and customers, legal compliance, avoidance of conflict of interest, transparency and auditability in all their actions, protection of confidential information etc. Further, the Company has a strong and effective Whistle-blower Policy which aims to deter and detect actual or suspected misconduct. It has been established to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place within the organisation, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism. Any employee may report such incident without fear to the Chairman of the Audit Committee

or alternatively may report to Head- Internal Audit. The Policy on Vigil Mechanism may be accessed on the Company's website at http://www.emamiltd.in/investor-info/pdf/WhistleBlowerPolicyEmami.pdf .

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes /No. Does it extend to the Group/joint ventures/ suppliers/contractors/NGOs/ others?**

All individuals working in the Company are subject of the Company's policies on Ethics, Transparency and Accountability along with the Code of Conduct. The Code is applicable in line with the local requirements prevailing in the country of operation so far as the subsidiaries are concerned. Business Partners of the Company are encouraged to follow the code.

2. **How many stakeholder complaints received in the past financial year and what percentage was satisfactorily resolved by the Management?**

Stakeholder	Complaints Received during FY18	Complaints Resolved during FY18	Complaints Resolved (%)
Investors' Complaints	14	14	100%
Consumers' Complaints	273	273	100%
Total	**287**	**287**	**100%**

Principle 2: Products Lifecycle Sustainability

Since its inception, Emami has been innovating and launching brands meeting multiple consumer needs, spanning across various income groups, from young to old and everyone in - between. The Company is passionate about creating best in class and affordable brands in health and personal care markets.

Emami has harnessed the potential of Ayurveda and modern science to improve lives. Emami relentlessly strives to introduce next generation, eco-friendly technologies and foster differentiation through the utilisation of people-centric technologies that win the hearts of consumers.

Even while selecting its suppliers the company undertakes a stringent assessment so as to assess the sustainability standards followed by the entities. Besides conducting vendor audits the company tries to provide them with expertise to make them more responsible towards Safety, Health and Environmental aspects.

Emami has always strived to raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services. Emami undertakes multi-centre clinical trials to ensure that Emami's products do not have an untoward impact on users.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   i. Navratna Cool Oils

   ii. BoroPlus Antiseptic Cream

   iii. Zandu & Mentho Plus Balms

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   Emami has undertaken special efforts in the area of Sustainable Development. The Company has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to produce our products. The Company has proactively looked at opportunities in green solutions as well as organic product designs. Following initiatives were undertaken in FY18 -

   i. To reduce power consumption, the company conducted the following initiatives-

      a. Installed dedicated 33 kV lines in 2 manufacturing units producing ~60% of the goods to minimize fossil fuel usage.

      b. Installed high speed packing machines resulting in lower power use per ton. The company further installed small boilers in parallel with regular boilers to take care of peak load to optimize fossil fuel consumption.

c. Set up dedicated Air Handling set-up of HVAC system for separate areas to facilitate optimization of power consumption.

d. Initiated using energy from renewable sources by using Windmills.

e. Upgraded to energy efficient lights i.e. LED's in manufacturing units.

f. The company also plans to initiate an Energy Optimization Cell from FY 2018-19 to complete Energy Mapping in phased manner which will help in development of an Energy Reduction Plan for FY 2019-20.

ii. Replaced HSD Fuel Boiler with Briquette Fuel Boiler and steam condensate recovery system resulting in reduced fuel and steam consumption.

iii. Installed new technologies to reduce water consumption and treated effluent discharge. Further, the company also initiated reuse of ETP treated water for toilet and gardening purpose.

iv. Implemented Condensate recovery system reducing the RO water consumption.

v. Initiated various projects to reduce the usage of packing materials by adopting paper tray technology, foil modification, PVC film modification, container modification and GSM reduction in laminates & card boards.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

Emami has a dedicated Bio Resource Department which in turn supports the procurement team to directly/ indirectly connect with farmers who cultivate ayurvedic medicinal herbs ensuring constant supply from sustainable sources.

While selecting and introducing any business partner the company ensures due diligence to understand whether the selected partner is conscious of its social obligations. Further, Emami has established an effective inter-department communication mechanism enabling the purchases department to act according to production and sales forecasts for the forthcoming quarters to ensure optimum raw material procurement. The Company strives to reduce the weight and volume of the materials that it uses for packaging and supports initiatives to use recycled materials. Emami strongly discourages the use of forced labour and child labour at its business associates' premises.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Emami has tied up with various Government organisations, institutions and self-help groups to ensure direct collaboration with farmers and collectors to engage in a sustainable business model which would be a "win-win" equation for all. Small scale farmers from tribal regions are the major raw material suppliers for Ayurvedic herbs. Local and small farmers from various states like Uttarakhand, Himachal Pradesh, Madhya Pradesh, Chattisgarh, West Bengal, Orissa, Sikkim, Tamil Nadu etc are engaged in contractual cultivation of herbs like Kutaki, Tagar, Kapur Kachari, Sarpgandha, Tejpatta, Kauncha etc by imparting requisite knowledge and training. The company is also working towards plantation of herbs like Ashoka, Arjuna and Baheda in these regions.

Emami Limited has conducted 11 capability building programs wherein more than 400 farmers had participated. The company has also facilitated registration of more than 100 farmers under State Government Cultivation Programmes and distributed planting materials to more than 9 lac farmers. Besides, this Emami also indirectly in promotes "Mentha" farming, encouraging many farmers and small scale industries in the process.

Following are the organizations with which Emami has collaborated for Sustainable procurement/ cultivation/ research of rare ayurvedic herbs-

Organisation	Initiatives
Uttarakhand Forest Development Cooperation	Sustainable Procurement of medicinal plants and raw materials
Herbal Research & Development Institute , Mandal – Gopeshwar Chamoli, Uttarakhand	Distribution of planting material to farmers and facilitating registration of farmers
Institute of Bio-Resources and Sustainable Development, Manipur	Jointly funded project for cultivation and capacity development of farmers in Sikkim
GB Pant Institute of Himalayan Environment and Sustainable Development	Research and cultivation of 4 prominent medicinal plants in Himachal Pradesh (joint collaboration with Bennet University)
IBSD, Manipur	MoU for procurement of cultivated Swertia from Sikkim
CSIR – National Chemical Laboratory, Pune	High density cultivation of Saffron under DBT funded project.
Gram Mooligai Company Ltd., Jabalpur, Madhya Pradesh	Sustainable Forestry of Dhawai Phool, Mahua flowers, Harad, Baheda, Amla and Arjun
ILSP Roopkund Co-operative Federation, Ghat-Chamoli, Uttarakhand	Cultivation of Kutaki herbs
Various Self Help groups	Sustainable forestry and cultivation of various herbs like Tejpatta, Tagar, Kutaki, Kapur Kachri, Arjun, Harad, Baheda, Amla, Kouncha, Jatamansi, Daru Haldi, Vijasar, Kapur etc.
Zandu Foundation for Healthcare, Gujarat	Sustainable cultivation of Kouncha and other herbs

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   The Company has always strived to reduce waste associated with its products. Initiatives like using light-weight materials, optimising structural and material design and eliminating unnecessary packaging, have resulted in effective management of packaging waste.

Principle 3: Employees' Well-being

Emami as an organisation drives excellence in business by facilitating development of organizational capability and building a talent pool which thrives on exceeding growth aspirations. The organization believes in continual focus on improvement and development of its internal talent.

Emami provides equal employment opportunities to all irrespective of their caste, creed, gender, race, religion, disability or sexual orientation. The Company respects the right of employees to freedom of association, participation, and collective bargaining and provides access to appropriate grievance Redressal mechanisms.

Emami is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action. The Company has established a policy against Sexual Harassment for its employees. The policy allows any employee to freely report any such act and prompt action will be taken thereon. The Policy lays down severe punishment for any such act. During the year, an initiative through digital platform was also taken to sensitize employees on the act and its importance and consequences.

Emami has strengthened its performance-driven orientation through robust competence mapping, gap identification, training and development. In FY18 the HR team conducted nearly 350 training programs covering nearly 6,700 man days.

The safety and health of employees is extremely important to the Company. Emami believes in giving its employees ample opportunities to perform as employee well-being is imperative to achieve a profitable growth. Ensuring diversity, preventing discrimination, safety and health are part of Emami's policy on Employees' well-being. Further, a Term Insurance Policy for all the employees under the corporate coverage was also arranged. The Company

contributes to the medical insurance of its employees and also organises health check-ups and camps for employees as well as their family members. Emami is deeply commitment to safety of its Employees at workplace. It regularly organises mock fire drills and Fire Safety training classes at all its locations. Emami's commitment towards safety of its employees can be reflected in the awards won by the Company's manufacturing units for employee safety and health.

For the first time, the company participated in an employee survey conducted by Great Place to Work® Institute, India. This assessment helped the organization in two significant ways. Firstly, based on this assessment, the company gained the option to access actionable insights & recommendations. Secondly, based on this assessment, Great Place To Work® Institute has considered the company's application towards its annual Best Workplaces List - the world's largest and most respected study of workplace excellence and people management practices.

By participating in this assessment, the company has been able to benchmark employee perceptions of its workplace environment with selected benchmarks from our industry and elsewhere. An action planning workshop is also planned to drive the action areas by the senior leadership team which would enable the company to build a positive people oriented culture which would help it to embark into the journey of making Emami a great place to work.

Team capability intervention was one of the significant areas that was scaled up in FY18. The detailed discussion with the functional heads on the need and the objective behind the gap were taken place for the first time. The programmes/workshops were executed with a strong drive on "Action Planning" and follow through.

1. **Please indicate the total number of employees**.- 3,292 permanent employees
2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis** – 1943
3. **Please indicate the number of permanent women employees:** 416
4. **Please indicate the Number of permanent employees with disabilities.** NIL
5. **Do you have an employee association that is recognised by management?** 8 Employee associations are recognised by the management
6. **What percentage of your permanent employees is members of this recognised employee association?** 23.1%

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

Category	No. of complaints filed during the FY	No. of complaints pending as on end of FY
Child labour/forced labour/involuntary labour	Nil	Nil
Sexual harassment	Nil	Nil
Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

Particulars	%
Permanent Employees	42%
Permanent Women Employees	56%
Casual/ Temporary/ Contractual Employees	97%
Employees with disabilities	NA

Principle 4: Stakeholder Engagement

Emami recognises employees, business associates (network of suppliers, stockists and dealers), customers, shareholders/investors and communities surrounding our operations and regulatory authorities as key stakeholders. The Company continues its engagement with them through various mechanisms such as consultations with local communities, supplier/vendor meets, customer/employee satisfaction surveys, investor forums, etc.

The Company's website, www.emamiltd.in, contains comprehensive information for the stakeholders about the Company. The Company also has designated and exclusive email-id for investor services – investors@emamigroup.com.

The Company also promptly intimates the Stock Exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the stakeholders of the Company.

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

   Underprivileged communities around the Company's business locations are identified by Emami as disadvantaged, vulnerable and marginalised stakeholders. The needs and priorities of such stakeholders are identified by Emami. The Company continuously engages with all such stakeholders to serve these needs accordingly.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company provides healthcare facilities to the underprivileged in and around its business premises. Emami conducts community development initiatives and disaster management initiatives across its factory locations. Emami also conducts drinking water and sanitation programme in schools, provides scholarships to deserving students, computer training programmes, beautician training programmes, stitching and tailoring programmes to the underprivileged across its business locations.

Principle 5: Human Rights

Emami respects and promotes human rights for all individuals. The Company's commitment to human rights and fair treatment is set in its Policy on Human Rights. The policy provides to conduct the operations with honesty, integrity and openness with respect for human rights and interests of employees.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Company follows its policy on Human Rights which are applicable to all employees in the Company. For its subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its Business Partners to follow the policy. Emami discourages dealing with any supplier/contractor if it is in violation of human rights also prohibits the use of forced or compulsory labour at all manufacturing units /with business associates.

2. **How many stakeholder complaints pertaining to violation of Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No complaint was received pertaining to human rights violation during the reporting period.

Principle 6: Environment Rights

The Company places highest corporate priority in ensuring and adhering to best procedures relating to environment protection. Emami sets high standards in the area of environmental responsibility — striving for performance that does not merely comply with regulations but reduces environmental impacts. Emami believes that it has a responsibility to take care of the planet and preserve its beauty, resources and strength for future generations. Emami has always strived to reduce and mitigate waste and is in the process of identifying new ways to reduce waste even further.

The company is committed to conduct commercial activities in such a manner, so as to prevent harm or damage to persons, property or environment. Safety, health and protection of the environment forms an integral part of planning and decision making and the operations are managed in an ethical way which strikes an appropriate and well-reasoned balance between economic, social and environmental needs.

The company is committed to responsibly utilise natural resources to minimise the environmental impact due to its activities by identifying, assessing and eliminating environmental risks. The company has a robust Safety, Health and Environment Management system in place for which requisite training is imparted to all employees.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

   The Company follows its policy on Environment Protection which is applicable to all its business places. For the subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. However, the same is not applicable to suppliers and contractors.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The company has started initiatives like installation of zero discharge ETP and a condensate recovery system. Further, four of Emami's manufacturing units have Zero Discharge effluent.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Emami firmly believes in sustainable development which is reinforced by environmental management systems practiced across manufacturing units. Emami is consistently putting in efforts to improve the environment protection measures further.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   No

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

   Emami has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to manufacture its products. The power consumption of the Company is negligible compared to its revenues. The efforts of the Company are aimed to minimise energy consumption in spite of the rapid increase in operations of the Company. The company has also initiated the use of windmills during the year as a means of generating renewable energy.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   In FY18, the emissions, solid waste and effluents generated were within the limits as prescribed by CPCB or SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Nil

Principle 7:
Policy Advocacy

Emami believes that a lot can be achieved if the Company works together with the Government, legislators, trade bodies and regulators to create positive social and environmental outcomes. Emami has always strived to create a positive impact in the business eco-system and communities by practicing pro-active advocacy not for securing certain benefits for industry, but for advocating certain best practices for the benefit of society at large. Emami engages with industry bodies and associations to influence public and regulatory policy in a responsible manner.

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes. Emami Limited is a member of several industrial and trade bodies namely:

   a. CII
   b. FICCI
   c. ASSOCHAM
   d. MCC Chamber of Commerce and Industry
   e. Bharat Chamber of Commerce
   f. Indian Chamber of Commerce
   g. The Advertising Standards Council of India

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes. Emami has not only taken initiatives for the advancement / improvement of public good but also advocated through the above organisations on Economic Reforms.

Principle 8:
Inclusive Growth and Equitable Development

Emami has always believed to ensure protection of interests of all stakeholders of the Company in tandem with healthy growth of the Company. The Company has leveraged the ancient science of ayurveda to create brands to meet the health care needs of the consumers.

The Company has always contributed towards CSR activities even before it was mandated by the law. All the business places of the Company have initiated many programmes for the underprivileged. The Company provides healthcare facilities, conducts community development initiatives, disaster management initiatives, drinking water and sanitation programme in schools, provides scholarships to deserving students and imparts vocational development skills across all its business locations.

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. A brief outline of the policy for undertaking the CSR activities of the Company includes the following:

   - Promoting Healthcare, water and sanitation programmes;
   - Promoting education, enhancing vocational skills and livelihood enhancement projects;
   - Rural development, social upliftment programmes and promotion of art and Culture.

   These projects are in accordance with Schedule VII of the Companies Act, 2013

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?**

   The aforesaid projects have been carried out by the Company directly and/or through implementing agencies. The details can be found in Annexure IV of the Directors Report.

3. **Have you done any impact assessment of your initiative?**

   Yes, the CSR committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Sl.	CSR Project	Expenditure
1	Promotion of Education & Vocational Skills	₹7.08 cr
2	Providing Health-care, water & sanitation facilities	₹1.17 cr
3	Social Upliftment Programmes and others	₹1.37 cr
	TOTAL	**₹9.62 cr**

Details of the same have been provided in Annexure IV of the Directors' Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   All the businesses locations of Emami continuously engage with communities surrounding their operations through focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself. This is done to ensure flow of benefits to communities even if the Company is unable to support the programme in the future. This ensures successful adoption by communities to the extent possible.

Principle 9: Customer Value

Emami Limited is dedicated to delivering products that satisfy the unmet needs of the consumers. Emami's products are the result of understanding latent consumer needs, through path breaking technology by combining generations of practical experience with a continuous flow of new knowledge. An invigorating synergy of Ayurveda and modern science has been the backbone of Emami's innovative product pipeline to ensure sustainable growth over the years to come. Emami undertakes multi-centre clinical trials to ensure that Emami's products do not have an untoward impact on users.

Being involved in the business of personal care and healthcare, it is of paramount importance to align products with stringent qualitative and performance-related parameters. Emami has made prudent investments to benchmark its products with those that are the best in the industry. Well-defined SOPs and precise measurement procedures have helped identify bottlenecks and eliminate them, whereas benchmarking via a unified system has helped in establishing documental reference. All products coming out of the Emami stable undergo quality checks at different levels (pre-process, in-process and post-process). Along with this, product stability studies are conducted on control samples on a routine basis to make sure that not even the smallest complaint goes unaddressed.

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

   No consumer complaints are pending as on the end of financial year. As at the end of financial year, two consumer cases are pending before the Delhi State Commission.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)**

   Yes, over and above what is mandated by local laws like Bureau of Indian Standards Act and Drugs and Cosmetics Act, Emami displays product information on its packaging for the benefit of the consumer. The objective of providing this additional

information is to enhance the value consumers can derive from the product. Furthermore, safe and appropriate use is also thereby ensured. The additional information on the product label relates to various active ingredients contained in the product, their proven clinical benefits, consumer grievance redressal mechanisms, directions for use, safety, caution etc. and varies from product to product.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   Two consumer cases are pending before the Delhi District Commission. A consumer complaint was filed with respect to an advertisement of the Company at the Delhi District Consumer Forum. The forum passed an order against the Company. Challenging the said order, the Company has filed an appeal before the Delhi State Commission which has pased an order remanding the matter back to the District Commission. The second case is pending before the District Commission. In addition to the above one consumer dispute case is pending before the District Consumer Forum Jabalpur.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Emami's innovation strategy has been to develop breakthrough products for the emerging consumer needs and therefore the Company works towards delivering aspirational products. Consumer Research is at the heart of every product/ solution that we design. Our innovation process ensures that we validate the concept, product and its packaging with the consumers through its lifecycle with the consumers and also follow up with them for their satisfaction post launch.

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Emami Limited

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of Emami Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

The Ind AS standalone financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those financial statements dated May 4, 2017

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 3.26, Note 3.36 and Note 3.39 to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352

Place of Signature: Kolkata
Date: May 3, 2018

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EMAMI LIMITED

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to one of its wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The Company has granted loans to one of its wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and its repayment has not fallen due during the year.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, goods and service tax, duty on custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Sales Tax and Central Sales Tax	Various Sales tax related matters	933.88	1989-90 to 1990-91, 1993-94 to 2007-08, 2009-10 to 2012-13, 2014-15 to 2016-17	High Court / Jt. Commissioner (Appeals) / Supreme Court / Tribunal / DC
The Central Excise Act, 1994	Excise duty demand	582.25	1993-94 to 1995-96, 2004-05 to 2017-18	CESTAT / Assistant Commissioner / Superintendent of Central Excise / Supreme Court / Assistant Commissioner
MP Entry Tax Act, 1976	Entry Tax demand	9.28	2001-02	Tribunal
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012.	Entry Tax demand	287.16	2013-14 to 2014-15	High Court
Customs Act, 1962	Custom Duty demand	12.20	2008-09	Commissioner (A)
Service Tax (Finance Act, 1994)	Service tax demand	175.52	2008-09 to 2011-12	Assistant Commissioner/ Commissioner (A) / Additional Commissioner of Service Tax / CESTAT
Income Tax Act, 1961	Income Tax and Transfer Pricing)	68.36	2008-09, 2010-11, 2013-14	Tribunal / CIT(A)

(viii) According to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks or dues to debenture holders. The Company did not have any outstanding loans or borrowings dues in respect of a financial institution or to government during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352

Place of Signature: Kolkata
Date: May 3, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EMAMI LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Emami Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352

Place of Signature: Kolkata
Date: May 3, 2018

BALANCE SHEET

as at 31st March, 2018

₹ in Lacs

	Notes	As at 31.03.2018		As at 31.03.2017	
ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment	3.1	72,024.56		66,981.60	
(b) Capital Work-in-Progress	3.1	2,212.68		1,132.69	
(c) Investment Property	3.2	4,709.44		4,490.02	
(d) Intangible Assets	3.3	99,600.59		1,23,765.93	
(e) Intangible Assets under Development	3.3	789.52		861.43	
(f) Financial Assets					
(i) Investments	3.4	18,725.94		9,483.26	
(ii) Loans	3.5	816.22		342.53	
(g) Other Non-Current Assets	3.6	6,714.02	2,05,592.97	4,552.10	2,11,609.56
2. Current Assets					
(a) Inventories	3.7	18,385.02		16,920.14	
(b) Financial Assets					
(i) Investments	3.8	12,805.86		3,332.14	
(ii) Trade Receivables	3.9	7,002.74		3,413.19	
(iii) Cash and Cash Equivalents	3.10	969.92		62.22	
(iv) Bank Balance other than (iii) above	3.11	1,185.35		790.85	
(v) Loans	3.12	266.10		128.08	
(vi) Other Financial Assets	3.13	237.42		222.35	
(c) Other Current Assets	3.14	13,342.44	54,194.85	7,618.58	32,487.55
TOTAL ASSETS			**2,59,787.82**		**2,44,097.11**
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	3.15	2,269.68		2,269.68	
(b) Other Equity	3.16	1,94,854.28	1,97,123.96	1,68,985.90	1,71,255.58
1. Non-Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.17	-		-	
(ii) Other Financial Liabilities	3.18	834.93		1,167.96	
(b) Provisions	3.19	2,167.58		2,203.05	
(c) Deferred Tax Liabilities (Net)	3.20	1,394.00		2,971.04	
(d) Other Non-Current Liabilities	3.21	2,576.36	6,972.87	114.35	6,456.40
2. Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.22	27,936.94		13,470.31	
(ii) Trade Payables	3.23	18,434.12		14,862.33	
(iii) Other Financial Liabilities	3.24	5,358.10		33,389.22	
(b) Other Current Liabilities	3.25	2,111.72		2,290.58	
(c) Provisions	3.26	1,850.11	55,690.99	2,372.69	66,385.13
TOTAL EQUITY AND LIABILITIES			**2,59,787.82**		**2,44,097.11**
Summary of Significant Accounting Policies and Notes on Accounts	**2 & 3**				

The accompanying notes are an integral part of these financial statements
As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no:301003E/E300005

Sanjay Kumar Agrawal
Partner
Membership No:060352
Kolkata
3rd May, 2018

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

STATEMENT OF PROFIT AND LOSS

for the year ended as at 31st March, 2018

₹ in Lacs

		Notes	2017-2018	2016-2017
INCOME				
Revenue from Operations		3.27	2,36,426.94	2,34,128.39
Other Income		3.28	2,827.68	4,519.08
Total Income	(A)		**2,39,254.62**	**2,38,647.47**
EXPENSES				
Cost of Materials Consumed		3.29	62,915.47	60,737.57
Purchase of Stock-in-Trade			15,942.42	16,405.13
(Increase)/ Decrease in Inventories of Finished Goods, Stock in Trade and Work-in-Progress		3.30	(1,047.88)	(1,319.86)
Excise Duty on Sale of Goods			1,027.99	3,957.33
Employee Benefits Expense		3.31	21,593.80	19,496.28
Other Expenses		3.33	66,051.00	60,951.04
Total Expenses Before Interest, Depreciation, Amortisation and Tax	(B)		**1,66,482.80**	**1,60,227.49**
Earnings Before Interest, Depreciation, Amortisation and Tax	(A-B)	3.32	72,771.82	78,419.98
Finance Costs	(C)		3,317.43	5,761.72
Depreciation & Amortisation Expense :				
a. Amortisation of Intangible Assets		3.3	24,340.54	26,152.86
b. Depreciation of Tangible Assets		3.1 & 3.2	6,190.27	4,314.23
	(D)		**30,530.81**	**30,467.09**
Total Expenses	(B+C+D)=E		**2,00,331.04**	**1,96,456.30**
Profit Before Tax	(A-E)=F		**38,923.58**	**42,191.17**
Tax Expense:	(G)			
Current Tax (MAT)			6,564.66	7,524.00
Provision of Earlier Years			-	67.90
MAT Credit Entitlement			1,400.00	(1,400.00)
Deferred Tax charge			7.39	1,362.56
Profit for the year	(F-G)=H		**30,951.53**	**34,636.71**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent periods				
Equity instrument through other comprehensive income (net of tax)			8,934.66	4,169.98
Remeasurement of the net defined benefit liability/ asset (net of tax)			195.53	58.54
Total Other Comprehensive Income, net of tax			**9,130.19**	**4,228.52**
Total Comprehensive Income for the Year			**40,081.72**	**38,865.23**
Cash Profit	(H+D)		**61,482.34**	**65,103.80**
Earnings Per Equity Share		3.54		
(1) Basic (Face value of ₹ 1 each)			13.64	15.26
(2) Diluted (Face value of ₹ 1 each)			13.64	15.26
(3) Cash (Face value of ₹ 1 each)			27.09	28.68
Summary of Significant Accounting Policies and Notes on Accounts		**2 & 3**		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no:301003E/E300005

Sanjay Kumar Agrawal
Partner
Membership No:060352
Kolkata
3rd May, 2018

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

STATEMENT OF CHANGES IN EQUITY

as at and for the year ended 31st March, 2018

₹ in Lacs

Particulars	Equity Share Capital	Other Equity						Total Equity attributable to equity share holders of the company
		Reserve & Surplus					Other Comprehensive Income	
		Capital Reserve	Securities Premium	Retained Earnings	Debenture Redemption Reserve (DRR)	General Reserve	Investment in Equity shares at Fair value through Other Comprehensive Income	
Balance as at 1.04.2016	2,269.68	79.64	33,205.16	30,996.00	7,500.00	80,000.00	1,882.84	1,55,933.32
Profit for the Year	-	-	-	34,636.71	-	-	-	34,636.71
Other Comprehensive Income								
Fair value gain on Equity instrument through other comprehensive income	-	-	-	-	-	-	6,181.99	6,181.99
Income Tax Effect	-	-	-	-	-	-	(2,012.01)	(2,012.01)
Remeasurement of the net defined benefit liability/ asset	-	-	-	74.54	-	-	-	74.54
Income Tax Effect	-	-	-	(16.00)	-	-	-	(16.00)
Total Comprehensive Income	-	-	-	34,695.25	-	-	4,169.98	38,865.23
Dividend Paid#	-	-	-	(19,859.66)	-	-	-	(19,859.66)
Corporate Dividend Tax#	-	-	-	(3,683.31)	-	-	-	(3,683.31)
Balance as at 31.03.2017	2,269.68	79.64	33,205.16	42,148.28	7,500.00	80,000.00	6,052.82	1,71,255.58
Balance as at 1.04.2017	2,269.68	79.64	33,205.16	42,148.28	7,500.00	80,000.00	6,052.82	1,71,255.58
Profit for the Year	-	-	-	30,951.53	-	-	-	30,951.53
Other Comprehensive Income								
Fair value gain on Equity instrument through other comprehensive income	-	-	-	-	-	-	5,796.62	5,796.62
Reversal of Deferred Tax Effect	-	-	-	-	-	-	3,138.04	3,138.04
Remeasurement of the net defined benefit liability/ asset	-	-	-	443.88	-	-	-	443.88
Income Tax Effect	-	-	-	(248.35)	-	-	-	(248.35)
Total Comprehensive Income	-	-	-	31,147.06	-	-	8,934.66	40,081.72
Dividend Paid#	-	-	-	(11,915.80)	-	-	-	(11,915.80)
Corporate Dividend Tax#	-	-	-	(2,297.54)	-	-	-	(2,297.54)
Transfer of DRR to General reserves on Redemption of Debentures	-	-	-	-	(7,500.00)	7,500.00	-	-
Balance as at 31.03.2018	2,269.68	79.64	33,205.16	59,082.00	-	87,500.00	14,987.48	1,97,123.96

Refer Note No : 3.45

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no:301003E/E300005

Sanjay Kumar Agrawal
Partner
Membership No:060352
Kolkata
3rd May, 2018

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

CASH FLOW STATEMENT

for the year ended 31st March, 2018

₹ in Lacs

	2017-2018	2016-2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	38,923.58	42,191.17
Adjustments for :		
Dividend from investment in mutual funds	(8,071.41)	(7,164.95)
(Profit) / loss on fair value of mutual funds	7,660.29	4,691.37
Depreciation and Amortisation Expense	30,530.81	30,467.09
Finance Costs	3,317.43	5,761.72
Interest income on deposits and others	(143.74)	(129.95)
(Profit) / Loss on sale/Disposal of Property, Plant & Equipments (Net)	45.83	(138.20)
Dividend Income from equity investment carried at fair value through OCI	(95.35)	(47.68)
Sundry balances written (back) / off (Net)	(42.11)	7.80
Unrealised Foreign Exchange Gain	(75.04)	-
Dividend Income from equity investment carried at cost	(629.93)	(1,680.81)
(Profit)/ loss on Derivative Instruments	(133.03)	1,093.49
	71,287.33	**75,051.05**
Adjustments for working capital changes :		
Increase /(Decrease) in Trade Payables and Other Liabilities	6,266.51	(4,089.82)
(Increase)/Decrease in Inventories	(1,464.88)	(2,605.74)
(Increase)/Decrease in Trade Receivables	(3,514.51)	1,861.07
(Increase)/Decrease in Loans and Advances and other financial assets	(174.46)	74.91
(Increase)/Decrease in Other Non Financial Assets	(7,170.27)	7,194.51
Increase /(Decrease) in Provisions	(114.16)	343.96
	(6,171.77)	**2,778.89**
	65,115.56	**77,829.94**
Less : Direct Taxes Paid	7,374.91	6,358.52
NET CASH FLOW FROM OPERATING ACTIVITIES	**57,740.65**	**71,471.42**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Property, Plant & Equipment	48.23	346.47
Interest Received	120.40	141.57
Dividend Received	8,796.70	8,893.44
Sale of Investments	91,942.97	1,80,633.38
Purchase of Property, Plant & Equipment & Intangible Assets	(12,197.09)	(27,774.95)
Investment in Subsidiary & Associates	(1,204.79)	-
Loans given to Subsidiary Company	(295.95)	-
Purchases of Investments	(1,10,576.77)	(1,88,264.93)
Fixed Deposits made	(373.95)	(30.37)
NET CASH USED IN INVESTING ACTIVITIES	**(23,740.25)**	**(26,055.39)**

CASH FLOW STATEMENT

for the year ended 31st March, 2018

₹ in Lacs

	2017-2018	2016-2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(66,837.44)	(94,834.74)
Proceeds from Short term borrowings from banks	48,465.00	70,987.33
Interest Paid	(3,325.31)	(5,793.28)
Dividend Paid	(11,936.35)	(19,851.11)
Corporate Dividend Tax paid	(2,297.54)	(3,683.31)
Cash Credit taken / (repaid) (Net)	2,838.94	1,317.72
NET CASH USED IN FINANCING ACTIVITIES	**(33,092.70)**	**(51,857.39)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**907.70**	**(6,441.36)**
Add- CASH & CASH EQUIVALENTS-OPENING BALANCE	62.22	6,503.58
CASH & CASH EQUIVALENTS-CLOSING BALANCE	969.92	62.22
Cash & Cash Equivalents includes:		
Balances with Banks	953.87	36.95
Cash on hand	16.05	25.27
Total Cash & Cash Equivalents (Refer Note No : 3.10)	**969.92**	**62.22**

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no:301003E/E300005

Sanjay Kumar Agrawal
Partner
Membership No:060352

Kolkata
3rd May, 2018

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

1. COMPANY OVERVIEW

Emami Limited ("the Company") is one of India's leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products with an enviable portfolio of household brand names such as BoroPlus, Navratna, Fair and Handsome, Zandu Balm, Kesh King, Zandu Pancharishta, Mentho Plus Balm and others.

The Company is a public limited company domiciled in India and is primarily listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at 687, Anandapur, E.M. Bypass, Kolkata, West Bengal.

2.1 BASIS OF PREPARATION

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements are prepared under the historical cost convention on the accrual basis except for following assets and liabilities which have been measured at fair value or revalued amount :

a) Derivative financial instruments

b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

c) Defined benefit plans – plan assets

The financial statements were approved for issue in accordance with the resolution of the Board of Directors on 3rd May, 2018.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Revenue Recognition

Revenue from sale of goods in the course of ordinary activities is recognised when all the significant risks and rewards of ownership are transferred to the buyer as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Revenue is measured at the fair value of the consideration received or receivable and includes excise duty and are net of returns and allowances, trade discounts, volume rebates, value added tax, sales tax and goods and service tax.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit or Loss. The Company has determined that it does not meet criteria for recognition of lease rental income on a basis other than straight-line basis.

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognized using the effective interest method. EIR is the rate that exactly discounts the estimated future cash

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

b. Property, Plant & Equipment

Capital work in progress, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013, except certain items of building and plant & machinery as detailed in next paragraph. The estimated useful lives are as follows:

Factory Building	30 Years
Non-factory Buildings (including Roads)	5 - 60 Years
Plant & Machinery*	10-15 Years
Furniture & Fixtures	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

Freehold land is not depreciated.

*Block, Dies & Moulds (other than High-End Moulds) are depreciated @100% on prorata basis.

The Company, based on assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment over 20 years and 3 - 10 years respectively. These estimated useful lives are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'.

"An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The cost and related accumulated depreciation are eliminated from the financial statements upon derecognition and the resultant gains or losses are recognized in the Statement of Profit & Loss."

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c. **Investment Property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit & Loss as incurred.

The Company depreciates building component of investment property on the straight line method over the estimated useful life of 60 years from the date of original purchase and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed internally by the Company.

d. **Intangible Assets**

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit & Loss. The Company amortises intangible assets over their estimated useful lives using the straight line method.

The estimated useful lives of assets are as follows:

Softwares & Licences (Acquired)	6 Years
Brand & Trademarks (Acquired)	5 - 10 Years
Copy Rights (Acquired)	5 - 10 Years

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss when the asset is derecognised.

e. **Research & Development Cost**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

f. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

i) Raw materials, Packing materials and Stores & Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average method.

ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average method.

iii) Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

h. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Company makes an irrevocable election to present in Other Comprehensive Income (OCI) subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investments in subsidiaries and associate are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

i) The rights to receive cash flows from the asset have expired, or

ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

i. Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j. Cash & Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

k. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

l. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Employee Benefits

Defined Contribution Plan

The Company makes contributions towards provident fund and superannuation fund to the regulatory authorities in a defined contribution retirement benefit plan for qualifying employees, where the Company has no further obligations. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

In Vapi, Dongari and Masat Units, the superannuation fund is administered by the Life Insurance Corporation of India (LIC).

Defined Benefit Plan

i) In respect of certain employees, provident fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for.

ii) The Company operates a defined benefit gratuity plan in India, comprising of Gratuity fund with Life Insurance Corporation of India. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The effect of any plan amendments are recognized in the Statement of Profit & Loss.

The Company recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Other Long Term Employee Benefits

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. This benefit is not funded except in Vapi, Dongari and Masat units, where the Leave Fund is with Life Insurance Corporation of India. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

n. Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities (DTL) are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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as at & for the year ended 31st March, 2018

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Certain units of the Company are entitled to tax holiday under the Income-tax Act, 1961 enacted in India. Accordingly, no deferred tax (asset or liability) relating to such units is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

o. **Foreign Currency Transactions & Translations**

Functional and presentation currency

The standalone financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or

loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

p. Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

q. Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of profit & loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

r. Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Cash earnings per share , a non GAAP measure is calculated by dividing cash profit for the period attributable to the equity shareholders by the weighted average number of shares outstanding during the period. Cash profit is calculated by adding depreciation and amortisation expenses to the net profit for the period.

s. Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

t. Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,

b) it is due to be settled within twelve months after the reporting period, or

c) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent.

u. Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

v. Measurement of EBITDA

The Company presents Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) in the statement of profit or loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Accordingly, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, interest income, finance costs, share of profit/ loss from associate and tax expense.

w. Rounding of amounts

All amounts disclosed in the standalone Financial Statements and notes have been rounded off to the nearest Lakhs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.1 PROPERTY PLANT & EQUIPMENT (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2017	Additions	(Disposals)/ Transfer In/ (Out)	As at 31.3.2018	As at 1.4.2017	For the year	(Disposals)/ Transfer In/ (Out)	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land										
Leasehold	330.34	4.29	-	334.63	9.48	5.31	-	14.79	319.84	320.86
Freehold	4,393.48	484.44	-	4,877.92	-	-	-	-	4,877.92	4,393.48
Building (including roads)*	25,921.50	3,879.75	(369.82)	29,431.43	931.55	871.58	(38.67)	1,764.46	27,666.97	24,989.95
Plant & Equipment	39,572.34	6,076.16	(158.64)	45,489.86	5,682.40	4,383.47	(83.18)	9,982.69	35,507.17	33,889.94
Furniture & Fixture	1,429.26	331.52	(5.85)	1,754.93	97.03	290.22	(4.89)	382.36	1,372.57	1,332.23
Office Equipment	1,934.14	284.32	(11.63)	2,206.83	676.96	227.84	(5.25)	899.55	1,307.28	1,257.18
Computer	678.26	122.60	(0.08)	800.78	348.79	182.61	(0.08)	531.32	269.46	329.47
Motor Vehicles	663.54	363.64	(19.00)	1,008.18	195.05	119.63	(9.85)	304.83	703.35	468.49
Property, Plant & Equipment Total	**74,922.86**	**11,546.72**	**(565.02)**	**85,904.56**	**7,941.26**	**6,080.66**	**(141.92)**	**13,880.00**	**72,024.56**	**66,981.60**
Capital Work- In-Progress	1,132.69	3,625.06	(2,545.07)	2,212.68	-	-	-	-	2,212.68	1,132.69
Total	**76,055.55**	**15,171.78**	**(3,110.09)**	**88,117.24**	**7,941.26**	**6,080.66**	**(141.92)**	**13,880.00**	**74,237.24**	**68,114.29**

*Transfer includes ₹ 366.73 Lacs (accumulated depreciation ₹ 37.70 Lacs) transferred to Investment property.

3.2 INVESTMENT PROPERTY (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2017	Additions	(Disposals)/ Transfer In/ (Out)	As at 31.3.2018	As at 1.4.2017	For the year	(Disposals)/ Transfer In/ (Out)	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Building*	4,668.01	-	366.73	5,034.74	177.99	109.61	37.70	325.30	4,709.44	4,490.02
Total	**4,668.01**	**-**	**366.73**	**5,034.74**	**177.99**	**109.61**	**37.70**	**325.30**	**4,709.44**	**4,490.02**

*Transfer includes ₹ 366.73 Lacs (accumulated depreciation ₹ 37.70 Lacs) transferred from Property, Plant & Equipment.

Refer Note No 3.41 for determination of fair value of investment property.

3.3 INTANGIBLE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				Amortisation				Net Block	
	As at 1.4.2017	Additions	(Disposals)	As at 31.3.2018	As at 1.4.2017	For the year	(Disposals)	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Goodwill	1,050.00	-	-	1,050.00	1,050.00	-	-	1,050.00	-	-
Software	1,344.82	175.81	(2.13)	1,518.50	548.11	352.70	(1.52)	899.29	619.21	796.71
Brands, Trade Marks, & others	1,48,068.50	-	-	1,48,068.50	38,341.31	19,842.61	-	58,183.92	89,884.58	1,09,727.19
Copyrights	20,720.00	-	-	20,720.00	7,477.97	4,145.23	-	11,623.20	9,096.80	13,242.03
Intangible Assets Total	**1,71,183.32**	**175.81**	**(2.13)**	**1,71,357.00**	**47,417.39**	**24,340.54**	**(1.52)**	**71,756.41**	**99,600.59**	**1,23,765.93**
Intangible Assets under Development	861.43	-	(71.91)	789.52	-	-	-	-	789.52	861.43
Grand Total	**1,72,044.75**	**175.81**	**(74.04)**	**1,72,146.52**	**47,417.39**	**24,340.54**	**(1.52)**	**71,756.41**	**1,00,390.11**	**1,24,627.36**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.1 PROPERTY PLANT & EQUIPMENT (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2016	Additions	(Disposals)/ Transfer In/ (Out)	As at 31.3.2017	As at 1.4.2016	For the year	(Disposals)/ Transfer In/ (Out)	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land										
Leasehold	330.34	-	-	330.34	4.60	4.88	-	9.48	320.86	325.74
Freehold	2,443.25	1,950.23	-	4,393.48	-	-	-	-	4,393.48	2,443.25
Building (including roads)*	14,592.36	11,209.06	120.08	25,921.50	468.93	463.66	(1.04)	931.55	24,989.95	14,123.43
Plant & Equipment	22,190.85	17,455.38	(73.89)	39,572.34	2,704.34	3,011.93	(33.87)	5,682.40	33,889.94	19,486.51
Furniture & Fixture	1,371.94	235.28	(177.96)	1,429.26	70.05	80.40	(53.42)	97.03	1,332.23	1,301.89
Office Equipment	1,447.48	511.89	(25.23)	1,934.14	325.72	368.74	(17.50)	676.96	1,257.18	1,121.76
Computer	489.06	189.61	(0.41)	678.26	165.95	183.11	(0.27)	348.79	329.47	323.11
Motor Vehicles	605.57	90.44	(32.47)	663.54	102.32	103.48	(10.75)	195.05	468.49	503.25
Property, Plant & Equipment Total	**43,470.85**	**31,641.89**	**(189.88)**	**74,922.86**	**3,841.91**	**4,216.20**	**(116.85)**	**7,941.26**	**66,981.60**	**39,628.94**
Capital Work- In-Progress	5,480.34	2,248.14	(6,595.79)	1,132.69	-	-	-	-	1,132.69	5,480.34
Total	**48,951.19**	**33,890.03**	**(6,785.67)**	**76,055.55**	**3,841.91**	**4,216.20**	**(116.85)**	**7,941.26**	**68,114.29**	**45,109.28**

*Transfer includes ₹ 137.85 Lacs (accumulated depreciation ₹ 2.61 Lacs) transferred from Investment property.

3.2 INVESTMENT PROPERTY (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2016	Additions	(Disposals)/ Transfer In/ (Out)	As at 31.3.2017	As at 1.4.2016	For the year	(Disposals)/ Transfer In/ (Out)	As at 31.3.2017	As at 31.3.2017	As at 31.03.2016
Building*	4,805.86	-	(137.85)	4,668.01	82.57	98.03	(2.61)	177.99	4,490.02	4,723.29
Total	**4,805.86**	**-**	**(137.85)**	**4,668.01**	**82.57**	**98.03**	**(2.61)**	**177.99**	**4,490.02**	**4,723.29**

*Transfer includes ₹ 137.85 Lacs (accumulated depreciation ₹ 2.61 Lacs) transferred to Property, Plant & Equipment.

Refer Note No 3.41 for determination of fair value of investment property.

3.3 INTANGIBLE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Amortisation				Net Block	
	As at 1.4.2016	Additions	(Disposals)	As at 31.3.2017	As at 1.4.2016	For the year	(Disposals)	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Goodwill	1,050.00	-	-	1,050.00	1,050.00	-	-	1,050.00	-	-
Software	1,180.42	164.40	-	1,344.82	255.42	292.69	-	548.11	796.71	925.00
Brands , Trade Marks,& others	1,48,068.50	-	-	1,48,068.50	16,630.32	21,710.99	-	38,341.31	1,09,727.19	1,31,438.18
Copyrights	20,720.00	-	-	20,720.00	3,328.79	4,149.18	-	7,477.97	13,242.03	17,391.21
Intangible Assets Total	**1,71,018.92**	**164.40**	**-**	**1,71,183.32**	**21,264.53**	**26,152.86**	**-**	**47,417.39**	**1,23,765.93**	**1,49,754.39**
Intangible Assets under Development	545.12	316.31	-	861.43	-	-	-	-	861.43	545.12
Grand Total	**1,71,564.04**	**480.71**	**-**	**1,72,044.75**	**21,264.53**	**26,152.86**	**-**	**47,417.39**	**1,24,627.36**	**1,50,299.51**

3.4 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Non Current		
Investments carried at cost (Unquoted, fully paid, unless otherwise stated)		
Equity shares		
In Subsidiaries		
Emami Bangladesh Limited		
37,916 (31.03.2017- 37,916) Equity Shares of Taka 100 each	27.82	27.82
Emami International FZE		
1 (31.03.2017 - 1) Equity Share of AED 1,50,000 each	18.98	18.98
Emami Indo Lanka (Pvt) Limited		
1,13,850 (31.03.2017 - Nil) Equity Shares of LKR 10 each (Refer note (a) below)	4.79	-
In Associate		
Helios Lifestyle Private Limited	1,944.18	-
60,649 (31.03.2017 - Nil) Equity Shares of ₹10 each (Refer note (b) below)		
Investments carried at amortised cost (Unquoted)		
Government & Trust Securities		
6 Years' National Savings Certificate	0.24	0.58
(Lodged With Government Authority)		
(i)	1,996.01	47.38
Investments carried at FVTPL (Unquoted,fully paid)		
Equity Shares		
Brillare Science Private Limited	0.70	-
100 (31.03.2017 - Nil) Equity shares of ₹ 10 each		
Preference Shares		
Brillare Science Private Limited	799.32	-
1,13,887 (31.03.2017 - Nil) shares of ₹ 10 each		
Units of Alternate Investment Fund		
Fireside Ventures Investment Fund I	697.43	-
750 (31.03.2017 - Nil) Units of INR 1,00,000 each		
(ii)	1,497.45	-
Investments Carried at FVOCI (Quoted, fully Paid)		
Equity Shares		
Emami Paper Mills Limited	15,232.48	9,435.88
79,46,000 (31.03.2017 - 79,46,000) Equity Shares of ₹ 2 each		
(iii)	15,232.48	9,435.88
Total (i) + (ii) + (iii)	**18,725.94**	**9,483.26**
Aggregate Amount of Quoted Investments & Market Value thereof	**15,232.48**	**9,435.88**
Aggregate Amount of Unquoted Investments	**3,493.46**	**47.38**

Notes -

(a) During the year Company has incorporated a wholly owned subsidiary company " Emami Indo Lanka Pvt Ltd" in Sri Lanka on 27th June, 2017.

(b) During the year, the Company has invested in 30.87% equity shares of Helios Lifestyle Private Limited consequent to which it has become an associate of the Company with effect from 7th December 2017. The investments includes commitment to further subscribe to 24,260 equity shares (9.74%) amounting to ₹ 800 Lacs. The commited number of shares and its present value of ₹ 744.19 Lacs is included in the investment details above.

(c) Refer Note No 3.43 for determination of fair value

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.5 LOANS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Unsecured, Considered Good		
Security Deposits to related parties (Refer Note No 3.50)	21.45	21.65
Security Deposits to others	461.26	287.85
Loans to Related Parties (Refer Note No 3.50)	295.95	-
Loans to Employees	37.56	33.03
Total	**816.22**	**342.53**

3.6 OTHER NON CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
Unsecured, Considered Good unless otherwise stated				
Capital Advances		2,232.19		2,783.61
Deposits with Government authorities		498.42		337.80
Prepaid Expenses		3.00		-
Advance Income Tax (Net of Provision)		1,259.60		544.09
Incentives Receivable	2,840.63		1,006.42	
Less: Provision for Doubtful Receivables	(119.82)	2,720.81	(119.82)	886.60
Total		**6,714.02**		**4,552.10**

3.7 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
(At lower of cost and net realisable value)				
Raw materials and Packing materials				
Raw Materials	3,946.65		3,779.29	
Packing Materials	2,825.86	6,772.51	2,825.63	6,604.92
Work-in-Progress		376.50		400.67
Finished Goods		8,143.26		7,549.41
Traded Goods		2,648.35		2,170.15
Stores and Spares		444.40		194.99
Total		**18,385.02**		**16,920.14**

3.8 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2018
Current		
Investments carried at FVTPL (Unquoted)		
Units of Mutual Fund		
JM Balanced Fund - (Direct) Quarterly Dividend (577)	12,077.79	-
102,440,386.680 (31.03.2017 - Nil) Units of ₹ 10 each		
HDFC Floating Rate Income Fund-Short Term Plan-Direct Plan-Wholesale Option-Growth Option	728.07	-
24,02,319.955 (31.03.2017-Nil) Units of ₹ 10 each		
Axis Treasury Advantage Fund - Direct - Growth	-	500.00
Nil (31.03.2017- 27,084.094) Units of ₹ 1000 each		

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.8 INVESTMENTS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2018
Birla Sun Life Treasury Optimizer Plan- Growth - Direct Plan	-	2,030.49
Nil (31.03.2017- 9,65,321.577) Units of ₹10 each		
Sundaram Income Plus - Direct - Growth	-	801.65
Nil (31.03.2017-32,97,894.706) Units of ₹10 each		
Total	**12,805.86**	**3,332.14**
Aggregate Amount of Unquoted Investments	12,805.86	3,332.14

3.9 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Secured		
Considered Good	318.36	306.10
Unsecured		
Considered Good	6,684.38	3,107.09
Total	**7,002.74**	**3,413.19**

3.10 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
Cash and Cash Equivalents				
Balances with Banks	953.87		36.95	
Cash on hand	16.05	969.92	25.27	62.22
Total		**969.92**		**62.22**

3.11 OTHER BANK BALANCES

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
At amortised cost				
Other Bank Balances				
Unpaid Dividend Account #	139.87		119.32	
Deposit with Original maturity of more than 3 months but less than 12 months @	1,045.48	1,185.35	671.53	790.85
Total		**1,185.35**		**790.85**

Earmarked for payment of Unclaimed Dividend

@ Includes deposits amouting to ₹ 647.82 Lacs (31.03.2017 : ₹ 281.52 Lacs) under lien.

3.12 LOANS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Unsecured, considered good		
Security deposits	37.61	-
Loans to Employees	228.49	128.08
Total	**266.10**	**128.08**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.13 OTHERS FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Unsecured, considered good		
Interest Receivable on Deposits	34.17	10.83
Other Receivable	164.17	120.84
At FVTPL		
Foreign Currency Forward Contracts*	39.08	90.68
Total	**237.42**	**222.35**

* Refer Note No. 3.43 for determination of fair value

3.14 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured, considered good		
Advances other than Capital Advances		
- For goods and services	2,571.07	4,982.56
- to employees	146.67	200.65
Balances with Government Authorities	4,906.96	1,702.80
Incentives Receivable	5,393.27	387.21
Prepaid Expenses	324.47	345.36
Total	**13,342.44**	**7618.58**

3.15 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Authorised		
25,00,00,000 (31.03.2017 - 25,00,00,000) Equity Shares of ₹ 1/- each	2,500.00	2,500.00
Issued		
22,69,67,619 (31.03.2017 - 22,69,67,619) Equity Shares of ₹ 1/- each fully paid up	2,269.68	2,269.68
Subscribed & Paid up*		
22,69,67,619 (31.03.2017 - 22,69,67,619) Equity Shares of ₹ 1/- each fully paid up	2,269.68	2,269.68
Total Issued, Subscribed and Fully paid up Share Capital	**2,269.68**	**2,269.68**

*Of the above, 7,56,55,873 (31.03.2017 : 7,56,55,873) equity shares fully paid up have been issued in consideration other than cash by way of bonus shares in last 5 years.

(a) Reconciliation of the shares oustanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
Shares outstanding at the beginning of the year	22,69,67,619	2,269.68	22,69,67,619	2,269.68
Shares outstanding at the end of the year	**22,69,67,619**	**2,269.68**	**22,69,67,619**	**2,269.68**

3.15 EQUITY SHARE CAPITAL (Contd.)

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares & pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and is accounted for in the year in which it is approved by the shareholders in the general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	3,37,71,887	14.88	3,37,49,387	14.87
Suntrack Commerce Private Limited	3,31,36,016	14.60	3,31,13,516	14.59
Bhanu Vyapaar Private Limited	2,77,91,381	12.24	2,77,64,381	12.23
Raviraj Viniyog Private Limited (Formerly Known as Emami Enclave Makers Private Limited)	1,38,86,007	6.12	1,38,77,007	6.11
Suraj Viniyog Priviate Limited	1,29,57,139	5.71	1,29,57,139	5.71
Prabhakar Viniyog Private Limited (Formerly Known as Emami High Rise Private Limited)	1,31,99,961	5.82	1,31,90,961	5.81

3.16 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
Retained Earnings				
Opening Balance	42,148.28		30,996.00	
Net Profit for the Year	30,951.53		34,636.71	
Remeasurements of the Net Defined Benefit Plans (net of tax)	195.53		58.54	
Interim Dividend#	-		(3,971.93)	
Final Dividend#	(11,915.80)		(15,887.73)	
Corporate Dividend Tax#	(2,297.54)		(3,683.31)	
Closing Balance		59,082.00		42,148.28
Other Comprehensive Income				
Opening Balance	6,052.82		1,882.84	
Equity Instruments through Other Comprehensive				
Income (net of tax)*	8,934.66		4,169.98	
Closing Balance		14,987.48		6,052.82
Other Reserves				
Capital Reserves		79.64		79.64
Securities Premium		33,205.16		33,205.16
General Reserve				

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.16 OTHER EQUITY (Contd.)

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
Opening Balance	80,000.00		80,000.00	
Transferred from DRR on Redemption of debentures	7,500.00		-	
Closing Balance		87,500.00		80,000.00
Debenture Redemption Reserves (DRR)				
Opening Balance	7,500.00		7,500.00	
Transferred to General reserve on Redemption of debentures	(7,500.00)		-	
Closing Balance		-		7,500.00
Total		**1,94,854.28**		**1,68,985.90**

#Refer Note No : 3.45 for Distribution of Dividend

*Includes ₹ 3,138.04 lacs reclassified to OCI from Deferred Tax Diability created on fair value gain till 31st March, 2017.

3.17 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Unsecured		
8.45% Non Convertible Debentures Redeemable at par as per below schedule :	**-**	**30,000.00**
- ₹ 75 cr on 22nd November'17		
- ₹ 75 cr on 22nd August'17		
- ₹ 150 cr on 22nd May'17		
Less : Current maturities of long term borrowings	**-**	**(30,000.00)**
(Refer Note No : 3.24)		
Total	**-**	**-**

3.18 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Unsecured		
Trade Deposits	594.58	519.40
Security Deposits	240.35	648.56
Total	**834.93**	**1,167.96**

3.19 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Employee Benefits		
Gratuity (Refer Note No : 3.34)	2,167.58	2,203.05
Total	**2,167.58**	**2,203.05**

3.20 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in depreciable assets	2,826.00	2,847.00
Investment carried at fair value through Other Comprehensive Income	-	3,138.04
Deferred Tax Assets		
Tax Impact of expenses allowable against taxable income in future years	(1,432.00)	(1,614.00)
MAT Credit Entitlement	-	(1,400.00)
Total	**1,394.00**	**2,971.04**

3.21 OTHER NON CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred Government grant *	2,576.36	114.35
Total	**2,576.36**	**114.35**

* To be amortised to income over the life of the assets against which such grants are received/ receivable.

3.22 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Secured		
From Banks		
Cash Credit (including working capital demand loan)	4,156.66	1,317.72
Packing Credit	1,625.72	1,172.59
(Both cash credit & packing credit is Secured by hypothecation of inventories, book debts on first charge basis ranking pari passu amongst lenders)		
Unsecured		
From Banks		
Commercial Paper	22,154.56	10,000.00
Packing Credit	-	980.00
Total	**27,936.94**	**13,470.31**

Notes :

1. Cash credit is repayable on demand & carries interest in the range of 7.9% - 8.5%
2. Working capital demand loan is repayable within 20 days & carries interest in the range of 7.9% - 8.5% (31.03.2017 : Interest rate 8 - 8.5%)
3. Packing credit is repayable within 4 months & carries interest in the range of 4.8% - 5.0% (31.03.2017 : Interest rate 4.9 - 6.3%)
4. Commercial paper is repayable within 3 months & carries interest in the range of 6.7% - 6.8% (31.03.2017 : Interest rate 6.65%)

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.23 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amorised cost		
Total oustanding dues of Micro, Small & Medium Enterprises (MSME) (Refer Note No 3.37)	129.39	110.07
Total oustanding dues of creditors Others than MSME	18,304.73	14,752.26
Total	**18,434.12**	**14,862.33**

3.24 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amorised cost		
Current Maturities of Long-Term Borrowings (Refer Note No : 3.17)	-	30,000.00
Interest Accrued but not due on Borrowings	9.63	270.44
Interest Accrued and due on Trade Deposits	8.03	15.91
Creditors for Capital Goods	1,635.72	1,102.82
Unpaid Dividends	139.87	119.32
Employee Benefits	2,503.23	1,880.73
Security deposit	300.00	-
Other Payables	761.62	-
Total	**5,358.10**	**33,389.22**

3.25 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred Government grant *	205.65	11.26
Advance from Customers	687.63	547.06
Duties & Taxes	1,218.44	1,732.26
Total	**2,111.72**	**2,290.58**

*To be amortised to income over the life of the assets against which such grants are received/receivable.

3.26 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Employee Benefits		
Provident Fund (Refer Note No 3.35)	64.73	55.51
Leave Encashment	851.85	1,185.81
Others		
Provision for Litigations (Refer Note No 3.36)	933.53	1,131.37
Total	**1,850.11**	**2,372.69**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.27 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2017-2018	2016-2017
Sale of Products (including Excise duty)	2,32,344.49	2,33,840.69
Other Operating Revenues*	4,082.45	287.70
Total	**2,36,426.94**	**2,34,128.39**

*It includes amortisation of Capital Subsidy, Export incentives and GST Refund

3.28 OTHER INCOME

₹ in Lacs

Particulars	2017-2018		2016-2017	
Interest Received on financial assets carried as amortised cost				
Loans & Deposits	143.74		129.86	
Others	-	143.74	0.09	129.95
Dividend Income from equity investment carried at cost		629.93		1,680.81
Dividend Income from equity investment carried at fair value through OCI		95.35		47.68
Income received on investments carried at fair value through Profit or loss				
Dividend from investments in mutual funds	8,071.41		7,164.95	
Profit/ (loss) on fair value of mutual funds	(7,660.29)	411.12	(4,691.37)	2,473.58
Profit/ (loss) on Derivative Instruments		133.03		(1,093.49)
Profit/(loss) on Sale of Property, Plant & Equipments		-		159.95
Rent and Maintenance Charges Received		426.35		370.33
Sundry Balances Written Back		42.11		5.54
Miscellaneous Receipts		466.31		385.68
Foreign Exchange Gain (Net)		479.74		359.05
Total		**2,827.68**		**4,519.08**

3.29 COST OF MATERIALS CONSUMED

₹ in Lacs

Particulars	2017-2018		2016-2017	
Raw materials and Packing materials				
Opening Stock	6,604.92		5,324.07	
Add : Purchases during the year	63,083.06		62,018.42	
Less : Closing Stock	6,772.51		6,604.92	
Total		**62,915.47**		**60,737.57**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.30 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

₹ in Lacs

Particulars	2017-2018		2016-2017	
(I) Opening Stock				
Work-in-progress	400.67		249.89	
Finished Goods	7,549.41		6,318.00	
Stock in trade	2,170.15	10,120.23	2,232.48	8,800.37
(II) Closing Stock				
Work-in-progress	376.50		400.67	
Finished Goods	8,143.26		7,549.41	
Stock in trade	2,648.35	11,168.11	2,170.15	10,120.23
(I) - (II)		**(1,047.88)**		**(1,319.86)**

3.31 EMPLOYEE BENEFIT EXPENSES

₹ in Lacs

Particulars	2017-2018	2016-2017
Salaries and Wages	19,162.09	17,241.42
Staff Contribution to Provident and other funds	1,253.07	1,077.62
Gratuity Expenses (Refer Note No 3.34)	638.11	637.62
Welfare expenses	540.53	539.62
Total	**21,593.80**	**19,496.28**

3.32 FINANCE COSTS

₹ in Lacs

Particulars	2017-2018	2016-2017
Interest Expenses	3,317.43	5,761.72
Total	**3,317.43**	**5,761.72**

3.33 OTHER EXPENSES

₹ in Lacs

Particulars	2017-2018		2016-2017	
Consumption of Stores and Spare parts		429.03		327.60
Power and Fuel		1,782.30		1,451.24
Rent (Refer Note No 3.46)		737.57		604.63
Repairs & Maintenance :				
Building	197.19		308.54	
Machinery	885.68		866.73	
Others	1,680.66	2,763.53	1,646.87	2,822.14
Insurance		283.75		298.39
Freight & Forwarding		6,173.42		6,021.20
Directors' Fees and Commission		647.45		571.88
Advertisement & Sales Promotion		40,490.15		36,578.03
Packing Charges		4,239.04		3,768.79
Commission		1,031.66		1,217.27
Loss on Sale/Disposal of Property, Plant & Equipments		45.83		21.75

3.33 OTHER EXPENSES (Contd.)

₹ in Lacs

Particulars	2017-2018	2016-2017
Sundry Balance Written off	-	13.34
Legal and Professional Fees	1,614.74	1,662.81
Travelling and Conveyance	2,361.77	2,331.20
Expenditure on CSR Activities (Refer Note : 3.49)	962.07	755.35
Miscellaneous Expenses (Refer Note : 3.40)	2,488.69	2,505.42
Total	**66,051.00**	**60,951.04**

3.34 DEFINED BENEFIT PLAN (GRATUITY) :

i. The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service.

The Company makes contributions to Himani Limited Gratuity Fund, J.B.Marketing and Services Employees Gratuity Fund, Zandu Pharmaceauticals Employees Gratuity Fund & Kemco Chemicals Employees Gratuity Fund, which is funded defined benefit plan for qualifying employees.

ii. Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs

	Particulars	Gratuity Funded	
		2017-2018	2016-2017
A	**Expenses Recognised in the Income Statement**		
1	Current Service Cost	483.57	471.80
2	Past Service Cost	-	-
3	Loss/(Gain) on settlement	-	-
4	Net Interest Cost/(Income) on the Net Defined Benefit Liability/ (Asset)	154.54	165.82
5	Total Expenses recognised in the Statement of Profit & Loss	638.11	637.62
B	**Assets and Liability**		
1	Present value of Obligation	4,273.94	4,141.74
2	Fair Value of Plan Assets	2,106.36	1,938.69
3	Funded Status [Surplus/(deficit)]	(2,167.58)	(2,203.05)
4	Effects of Asset Ceiling, if any	-	-
5	Net asset/(liability) recognised in balance sheet	(2,167.58)	(2,203.05)
C	**Change in Present Value of Obligation**		
1	Present value of Obligation as at beginning of period	4,141.74	3,591.88
2	Current Service Cost	483.57	471.80
3	Interest Expense or Cost	295.97	283.56
4	Re-measurement (or Acturial)(gain)/loss arising from :		
	- Change in demographic assumptions	(226.44)	-
	- Change in financial assumptions	(171.02)	(152.09)
	- Experience variance (i.e. Actual experience vs assumptions)	(80.86)	77.99
5	Past Service Cost	-	-
6	Benefits Paid	(169.02)	(131.40)
7	Acquisition Adjustment	-	-
8	Effect of business combinations or disposals	-	-

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.34 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

₹ in Lacs

	Particulars	Gratuity Funded	
		2017-2018	2016-2017
9	Present value of Obligation as at the end of period	4,273.94	4,141.74
D	**Change in Fair Value of Plan Assets**		
1	Fair Value of Plan Assets at beginning of period	1,938.69	1,491.36
2	Investment Income	141.42	117.73
3	Employer's Contribution	221.15	460.56
4	Benefits paid	(160.46)	(131.40)
5	Return on plan assets, excluding amount recognised in net interest expense	(34.44)	0.44
6	Acquisition Adjustment	-	-
7	Fair Value of Plan Assets at end of period	2,106.36	1,938.69
E	**Other Comprehensive Income**		
1	Actuarial (gains)/losses		
	- Change in demographic assumptions	(226.44)	-
	- Change in financial assumptions	(171.02)	(152.09)
	- Experience variance (i.e. Actual experience vs assumptions)	(80.86)	77.99
2	Return on plan assets, excluding amount recognised in net interest expense	34.44	(0.44)
3	Components of defined benefit costs recognised in other comprehensive income	(443.88)	(74.54)

iii. Major categories of Plan Assets (as percentage of Total Plan Assets).

Particulars	As at 31.03.2018	As at 31.03.2017
Funds managed by Insurer	100%	100%

iv. Assumptions.

Particulars	As at 31.03.2018	As at 31.03.2017
Financial Assumptions		
Discount Rate (%)	7.70%	7.30%
Salary Growth Rate (per annum)	10.00%	10.00%
Demographic Assumptions		
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal Rate (per annum)	5.00%	1.00%

v. Sensitivity Analysis :-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Defined Benefit Obligation (Base)	4,273.94	4,141.74

3.34 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (₹ in Lacs)	4,594.64	3,993.28	4,573.00	3,775.47
(% change compared to base due to sensitivity)	7.50%	-6.60%	10.40%	-8.80%
Salary Growth Rate (- / + 1%) (₹ in Lacs)	3,996.41	4,584.46	3,780.75	4,557.42
(% change compared to base due to sensitivity)	-6.50%	7.30%	-8.70%	10.00%
Attrition Rate (- / + 50% of present attrition rate) (₹ in Lacs)	4,403.74	4,172.75	4,180.94	4,104.80
(% change compared to base due to sensitivity)	3.00%	-2.40%	0.90%	-0.90%
Mortality Rate (- / + 10%) (₹ in Lacs)	4,275.32	4,272.55	4,144.06	4,139.42
(% change compared to base due to sensitivity)	0.00%	0.00%	0.10%	-0.10%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

vi. Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected Contribution during the next annual reporting period

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
The Company's best estimate of Contribution during the next year	300.00	250.00

c) Maturity Profile of Defined Benefit Obligation

Particulars	As at 31.03.2018	As at 31.03.2017
Weighted average duration (based on discounted cash flows)	7 Years	10 Years

₹ in Lacs

Expected cash flows over the next (valued on undiscounted basis):	As at 31.03.2018	As at 31.03.2017
1 Year	982.29	816.78
2 to 5 Years	1,417.57	853.06
6 to 10 Years	1,731.94	1,546.08
More than 10 Years	4,463.57	7,011.66

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.34 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

vii. Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory frame work which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

3.35 DEFINED BENEFIT PLAN (PROVIDENT FUND) :

i. In respect of certain employees, provident fund contributions are made to a Trust administered by the Company.

The defined benefit obligation arises from the possibility that during any time period in the future, the scheme may earn insufficient investment income to meet the guaranteed interest rate declared by government/EPFO / relevant authorities.

The net defined benefit obligation as at the valuation date, thus, represents the excess of accrued account value plus interest rate guaranteed liability over the fair value of plan assets.

ii. Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs

Assets and Liability	As at 31.03.2018	As at 31.03.2017
Accumulated Account Value of Employee's Fund	8,910.65	7,495.16
Interest Rate Guarantee Liability	176.15	141.85
Present value of benefit obligation at end of the period	**9,086.80**	**7,637.01**
Fair Value of Plan Assets	9,022.07	7,581.50
Net Asset / (Liability)	**(64.73)**	**(55.51)**

₹ in Lacs

Interest Rate Guarantee Liability	As at 31.03.2018	As at 31.03.2017
Interest Rate Guarantee Liability	176.15	141.85
Fund Reserve and Surpluses	111.42	86.34
Net Liability	64.73	55.51

3.35 DEFINED BENEFIT PLAN (PROVIDENT FUND) : (Contd.)

iii. Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2018	As at 31.03.2017
Government of India securities	13.99%	10.62%
State Government securities	32.71%	35.94%
High quality corporate bonds	48.46%	46.68%
Equity shares of listed companies	2.47%	3.60%
Special Deposit Scheme	0.69%	1.33%
Bank Balance	1.61%	1.48%
Other Investments	0.07%	0.35%
Total	**100%**	**100%**

iv. Assumptions

Particulars	As at 31.03.2018	As at 31.03.2017
Discount Rate	7.60%	7.10%
Expected Guarantee Interest Rate	8.55%	8.65%
Mortality Rate (% of IALM 2006-08)	100.00%	100.00%
Attrition Rate (for all ages; per annum)	5.00%	1.00%

v. Liability sensitivity analysis

Significant actuarial assumptions for the determination of the guarantee liability are interest rate guarantee and discount rate.

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Defined Benefit Obligation (Base)	9,086.80	7,637.01

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (₹ in Lacs)	9,087.69	9,058.46	7,644.07	7,619.49
(% change compared to base due to sensitivity)	0.0%	-0.3%	0.1%	-0.2%
Interest rate guarantee (-/+ 1%) (₹ in Lacs)	8,865.46	9,490.79	7,450.98	7,976.54
(% change compared to base due to sensitivity)	-2.4%	4.4%	-2.4%	4.4%

3.36 The Company has made a provision of ₹ 83.65 Lacs (31.03.2017 - ₹ 126.48 Lacs) towards cases which are under litigation/dispute as shown below:

₹ in Lacs

Description	As at 31.03.2018	As at 31.03.2017
Opening Balance	1,131.37	1,083.97
Provisions made during the year	83.65	126.48
Payment/reversals during the year	(281.49)	(79.08)
Closing Balance	933.53	1,131.37

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.37 INFORMATION RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)'s :

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	129.39	110.07
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	-	-
Further interest remaining due and payable for earlier years	-	-
Total	**129.39**	**110.07**

3.38 (A) Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulation 2015

₹ in Lacs

Loans and advances in the nature of loans to subsidiaries and associates	As at 31.03.2018	As at 31.03.2017
Loan to subsidiary : Emami Indo Lanka Private Limited (including interest)	306.12	-
Maximum amount outstanding at any time during the year (including interest)	306.12	-

(B) Disclosures pursuant to Sub-Section (4) of Section 186 of Companies Act, 2013:

i) Details regarding investments made are given under Note No. 3.4

ii) Details regarding Loans and guarantees given are as follows :

₹ in Lacs

Particulars	Note No.	Purpose	As at 31.03.2018	As at 31.03.2017
Loan to Emami Indo Lanka Private Limited	3.5	Working Capital Requirements	295.95	-
Corporate Guarantee given on behalf of Emami International FZE.	3.39	Working Capital Requirements	5,203.53	3,890.32
Corporate Guarantee given on behalf of Emami Bangladesh Limited	3.39	Working Capital Requirements	-	1,851.69

(C) Security Deposit of ₹ 5.65 Lacs (P.Y.-₹ 5.75 Lacs) given to Directors of the Company against tenancies. (Maximum amount outstanding during the year - ₹ 5.75 Lacs (P.Y.-₹. 5.85 Lacs).

3.39 CONTINGENT LIABILITIES & COMMITMENTS

I. Contingent Liabilities

₹ in Lacs

	As at 31.03.2018	As at 31.03.2017
(a) Claims against the Company not acknowledged as debt (Net of Advances) :		
i) Excise Duty demands	356.86	33.82
ii) Sales Tax demands under appeal	342.14	520.85
iii) Entry Tax	9.28	9.28
iv) Income Tax	-	70.68
v) Others	16.48	64.55

Based on discussions with the solicitors/favorable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary. The timing of outflow of resources is not ascertainable.

₹ in Lacs

	As at 31.03.2018	As at 31.03.2017
(b) Guarantees		
Bank Guarantees	1,553.04	924.71
Corporate Guarantee issued on behalf of a subsidiary Company	5,203.53	5,742.01

II. Commitments

₹ in Lacs

	As at 31.03.2018	As at 31.03.2017
(a) Capital Commitments : Estimated amount of commitments [net of advances of ₹ 2,232.19 lacs (31.03.2017- ₹ 2,552.71 lacs)] on capital account not provided for	2,880.39	3,565.16

(b) EPCG Commitments : The Company had procured capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at a concessional rate of customs duty / excise on an undertaking to fulfill quantified export obligation within the specified periods, failing which, the Company has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. Related export obligation to be met is ₹ 4,629.54 Lacs (31.03.2017 -₹ 10,736.70 Lacs). In addition, the Company needs to maintain the average annual export turnover of ₹ 2,209.55 Lacs to meet the above export obligation. The Company is confident that the above export obligation will be met during the specified period.

(c) Other Commitments : The Company has commitment to make investments in 1,13,986 Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each to be issued by 'Brilliare Science Private Limited' amounting to ₹ 800.00 Lacs @ ₹ 701.85 per CCPS.

3.40 PAYMENT TO AUDITORS

₹ in Lacs

Payment to Auditors	2017-2018	2016-2017
As Statutory Auditors :		
Audit Fees	30.00	40.25
Tax Audit Fees	-	4.04
Limited Review	25.00	1.73
Other Reimbursement	2.00	-

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.40 PAYMENT TO AUDITORS (Contd.)

₹ in Lacs

Payment to Auditors	2017-2018	2016-2017
In Other Capacity :		
Other Services	0.26	17.15
	57.26	**63.17**
Payment to Cost Auditors		
Audit Fees	1.35	1.55

3.41 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lacs

Particulars	2017-2018	2016-2017
Income derived from investment properties	438.66	389.32
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	50.79	93.52
Profit arising from investment properties before depreciation and indirect expenses	387.87	295.80
Less – Depreciation	109.61	98.03
Profit arising from investment properties before indirect expenses	278.26	197.77

Reconciliation of fair value:

₹ in Lacs

Particulars	2017-2018	2016-2017
Fair value of opening balance of Investment property	2,574.25	2,614.09
Fair value adjustment on opening balance of Investment property	787.27	290.46
Fair value of transfer in/(out)	1,733.89	(330.30)
Fair value of closing balance of Investment property	5,095.41	2,574.25

3.42 CATEGORIZATION OF FINANCIAL INSTRUMENTS:

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2018	As at 31.03.2017
(i) Financial Assets		
a) Measured at FVTPL		
- Investments in mutual funds / alternate investment fund	13,503.29	3,332.14
- Investments in Preference Shares	799.32	-
- Investments in Equity Shares	0.70	-
- Other Financial Assets (Foreign currency Forward Contracts)	39.08	90.68
b) Measured at FVOCI		
- Investments in Equity Shares	15,232.48	9,435.88
c) Measured at Amortised Cost*		
- Loans	1,082.32	470.61
- Other Financial Assets	198.34	131.67
TOTAL	**30,855.53**	**13,460.98**

3.42 CATEGORIZATION OF FINANCIAL INSTRUMENTS: (Contd.)

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2018	As at 31.03.2017
(ii) Financial Liabilities		
a) Measured at Amortised Cost*		
- Borrowings (Secured & Unsecured)	27,936.94	13,470.31
- Other Financial Liabilities	6,193.03	34,557.18
TOTAL	**34,129.97**	**48,027.49**

*Carrying Value of assets / liabilities carried at amortized cost are reasonable approximation of its fair values.

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

3.43 FAIR VALUE HIERARCHY

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at 31.03.2018:

₹ in Lacs

Particulars	Fair value measurement at end of the reporting year using			As at 31.03.2018
	Level 1	Level 2	Level 3	Total
Assets				
Investments in mutual fund units / alternate investment fund	-	13,503.29	-	13,503.29
Investments in Equity Shares	15,232.48	-	0.70	15,233.18
Investments in Preference Shares	-	-	799.32	799.32
Derivative financial instruments - foreign currency forward and option contracts	-	39.08	-	39.08

₹ in Lacs

Particulars	Fair value measurement at end of the reporting year using			As at 31.03.2017
	Level 1	Level 2	Level 3	Total
Assets				
Investments in mutual fund units	-	3,332.14	-	3,332.14
Investments in Equity Shares	9,435.88	-	-	9,435.88
Derivative financial instruments - foreign currency forward and option contracts	-	90.68	-	90.68

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.43 FAIR VALUE HIERARCHY (Contd.)

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Unquoted Preference Shares and Equity Shares in Brilliare Science Private Limited.	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will have P&L loss of ₹ 103 Lacs and 1% decrease will have an equal but opposite effect
		Growth Rate	1% increase in Growth rate will have P&L gain of ₹ 82 Lacs and 1% decrease will have an equal but opposite effect

3.44 INCOME TAXES

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

₹ in Lacs

Particulars	2017-2018	2016-2017
Profit before Income Taxes	38,923.58	42,191.17
Enacted Tax Rate in India	34.61%	34.61%
Computed expected tax expenses	13,470.67	14,601.52
Tax Incentives for 80IC/IE units	(6,890.11)	(6,270.62)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	(1,210.10)	(2,847.00)
CSR expenses	339.63	261.41
Excess of MAT liability over normal tax not recognized as asset	1,149.12	3,141.25
MAT credit (availment) / reversal	1,400.00	(1,400.00)
Provision of earlier years	-	67.90
Other Adjustments	(287.16)	-
Income Tax expense	**7,972.05**	**7,554.46**

Deferred Tax Assets for MAT Credit entitlement amounting to ₹ 25,344.22 Lacs (31.03.2017 - ₹ 22,666.51 Lacs) has not been recognised considering that the availability of taxable profit against which such deductible temporary difference can be utilized, cannot be ascertained with required level of certainty.

3.45 DISTRIBUTION OF DIVIDEND

₹ in Lacs

Particulars	2017-2018	2016-2017
Dividend on equity shares declared and paid :		
Final dividend for the year ended 31.03.2017 :- ₹ 5.25 per share (31.03.2016 :- ₹ 7.00 per share)	11,915.80	15,887.73
Dividend Distribution Tax (DDT) on final dividend {Net of Credit on Dividend Received from Foreign Subsidiary u/s 115-O of Income Tax Act, 1961 of ₹ 128.24 Lacs (31.03.2017 : Nil)}	2,297.54	3,234.36
Interim dividend for the year ended 31.03.2018 :- ₹ Nil per share (31.03.2017 :- ₹ 1.75 per share)	-	3,971.93
DDT on Interim dividend	-	448.95
	14,213.34	**23,542.97**

3.45 DISTRIBUTION OF DIVIDEND (Contd.)

₹ in Lacs

Particulars	2017-2018	2016-2017
Proposed dividends on Equity Shares		
Final dividend for the year ended 31.03.2018 :- ₹ 7.00 per share (31.03.2017 :- ₹ 5.25 per share)	15887.73	11,915.80
DDT on Proposed dividend	3,265.77	2,425.78
	19,153.50	**14,341.58**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are recognised as a liability (including DDT thereon) in the year in which it is approved by the shareholders.

3.46 LEASES

The lease rentals charged during the year is as under:

₹ in Lacs

Particulars	2017-2018	2016-2017
Lease Rentals recognised during the year	737.57	604.63

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

₹ in Lacs

Future minimum lease payable	As at 31.03.2018	As at 31.03.2017
Not later than 1 year	101.31	120.84
Later than 1 year and not later than 5 years	54.88	156.19
Later than 5 years	-	-

The operating lease arrangements are renewable on a periodic basis. The period of extension depends on mutual agreement. These lease agreements have price escalation clauses.

3.47 CAPITAL MANAGEMENT

The Company's capital management is driven by its policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 10% and 25%. Net debt is defined as current and non-current borrowings (including current maturity of long term debt and interest accrued) less cash and cash equivalents.

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Net Debt	26,976.65	43,678.53
Total equity	1,97,123.96	1,71,255.58
Net Debt plus Total Equity	2,24,100.61	2,14,934.11
Gearing Ratio	12.04%	20.32%

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.48 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market risk

The Company operates both in domestic market and internationally and consequently the Company is exposed to foreign exchange risk through its sales in overseas countries, and purchases from overseas suppliers in foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table analyzes foreign currency risk from financial instruments

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Exposure Currency (USD)		
Trade Receivable	2,168.51	2,452.90
Loans given	295.95	-
Interest Receivable	10.17	-
Other Receivable	127.29	213.92
	2,601.92	**2,666.82**

For the year ended 31.03.2018 and 31.03.2017, every percentage appreciation in the exchange rate between the Indian rupee and U.S. dollar, would affect the Company's Profit before tax by approx ₹ 4.33 Lacs and ₹ 15.00 Lacs respectively.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution.

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Less than 1 year		
Forward Contract (Currency - USD) – to cover both present and future export receivables	4,039.12	1,167.09
Total derivative financial instruments	**4,039.12**	**1,167.09**

Commodity Price Risk

The Company is affected by the price volatility of its key raw materials. Its operating activities requires a continuous supply of key material for manufacturing of hair oil, talc, balm and other products. The Company's procurement department continuously monitor the fluctuation in price and take necessary action to minimize its price risk exposure.

Security Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

3.48 FINANCIAL RISK MANAGEMENT (Contd.)

The Company invests its surplus funds in various debt instruments and equity instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments) and certain quoted equity instruments. To manage its price risk arising from investments in mutual funds and equity instruments, the Company diversifies its portfolio. Mutual fund and equity investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

The Company's exposer to securities price risk arises from investments in mutual funds and equity investments held by the Company and classified in the Balance Sheet as fair value through profit or loss / fair value through other comprehensive income is disclosed under Note No. 3.43

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 7,002.74 Lacs and ₹ 3,413.19 Lacs as at 31.03.2018 and 31.03.2017, respectively. Trade receivables includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

₹ in Lacs

Trade Receivable	As at 31.03.2018	As at 31.03.2017
Less than 30 days	5,874.16	2,790.81
31 - 90 Days	841.11	241.12
91 to 180 days	100.88	110.28
More than 180 days	186.59	270.98
Total	**7,002.74**	**3,413.19**

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities.

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Less than 1 year		
Borrowings	28,282.38	13,470.31
Interest Payable on Borrowings in future	34.98	314.09
Trade Payables	18,434.12	14,862.33
Other financial Liabilities	5,348.47	33,118.78
	52,099.95	**61,765.51**
More than 1 year		
Other financial Liabilities	834.93	1,167.96
	834.93	**1,167.96**
Total	**52,934.88**	**62,933.47**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.49 DETAILS OF CSR EXPENDITURE

₹ in Lacs

Particulars	2017-2018	2016-2017
a) Gross amount required to be spent by the Company during the year		
	921.00	947.00
b) Amount spent during the year		
i) Construction/Acquisition of any Asset	436.18	452.13
ii) On Purposes other than (i) above	525.89	303.22
Total	**962.06**	**755.35**

3.50 RELATED PARTY TRANSACTIONS

A. Parties where control / significant influence exists

₹ in Lacs

		Country of Incorporation	As at 31.03.2018	As at 31.03.2017
			% of Holding	% of Holding
	SUBSIDIARIES (Parties where Control exists)			
i)	Emami Bangladesh Limited	Bangladesh	100.00%	100.00%
ii)	Emami International FZE	UAE	100.00%	100.00%
iii)	Emami Indo Lanka (Pvt) Limited (w.e.f 27th June 2017)	Sri Lanka	100.00%	-
iv)	Emami Overseas FZE - Subsidiary of Emami International FZE	UAE	100.00%	100.00%
v)	PharmaDerm Company SAE.- Subsidiary of Emami Overseas FZE	Egypt	90.60%	90.60%
vi)	Fravin Pty.Ltd, Australia-Subsidiary of Emami International FZE	Australia	85.00%	85.00%
vii)	Greenlab Organics, Subsidiary of Fravin Pty Ltd.	United Kingdom	85.00%	85.00%
viii)	Diamond Bio-tech Laboratories Pty Ltd., - Subsidiary of Fravin Pty Ltd.	Australia	85.00%	85.00%
ix)	Abache Pty Ltd, - Subsdiary of Diamond Bio Tech.	Australia	85.00%	85.00%
	ASSOCIATE (where significant influence exists)			
i)	Helios Lifestyle Private Limited (w.e.f 07th December 2017)	India	30.87%	-

B. Other Related Parties with whom transactions have taken place during the period

i) Key Management Personnel

1	Shri R. S. Agarwal	Chairman
2	Shri R. S. Goenka	Executive Director
3	Shri Sushil Kr. Goenka	Managing Director
4	Smt. Priti Sureka	Executive Director
5	Shri Mohan Goenka	Executive Director
6	Shri H. V. Agarwal	Executive Director
7	Shri Prashant Goenka	Executive Director
8	Sri N.H. Bhansali	CEO - Finance, Strategy & Business Development and CFO
9	Sri Arun Kumar Joshi	Company Secretary & VP- Legal

3.50 RELATED PARTY TRANSACTIONS (Contd.)

ii) Other Directors

1	Shri Aditya Vardhan Agarwal	Non Executive Director
2	Shri K.N.Memani	Independent Director
3	Shri Amit Kiran Deb	Independent Director
4	Shri Y.P.Trivedi	Independent Director
5	Shri S.B.Ganguly	Independent Director
6	Shri Sajjan Bhajanka	Independent Director (Ceased w.e.f. 2nd August, 2017)
7	Shri P.K.Khaitan	Independent Director
8	Shri M.D.Mallya	Independent Director
9	Shri C.K.Dhanuka	Independent Director (Appointed from 2nd August, 2017)
10	Smt. Rama Bijapurkar	Independent Director

iii) Relatives of Key Management Personnel

1	Ms. Usha Agarwal	17	Ms.Shreya Goenka
2	Ms. Saroj Goenka	18	Ms.Vidula Agarwal
3	Ms. Indu Goenka	19	Shri Suresh Kr. Goenka
4	Ms. Rachna Bagaria	20	Shri Madan Lal Agarwal
5	Ms. Laxmi Devi Bajoria	21	Shri Raj Kr. Goenka
6	Ms. Jyoti Agarwal	22	Shri Manish Goenka
7	Ms.Pooja Goenka	23	Shri Jayant Goenka
8	Ms.Smriti Agarwal	24	Shri Sachin Goenka
9	Ms. Sobhna Agarwal	25	Shri Rohin Raj Sureka
10	Ms.Vidisha Agarwal	26	Shri Vibhash Vardhan Agarwal
11	Ms.Avishi Sureka	27	Shri Yogesh Goenka
12	Ms. Jyoti Goenka	28	Shri Saswat Goenka
13	Ms. Mansi Agarwal	29	Ms. Chikky Goenka
14	Ms. Rachna Goenka	30	Ms. Vidhishree Agarwal
15	Ms.Rashmi Goenka	31	Shri Vihan Vardhan Agarwal
16	Ms.Richa Agarwal		

iv) Entities where Key Management Personnel and their relatives have significant influence

1	Suntrack Commerce Private Limited	13	AMRI Hospital Limited
2	Diwakar Viniyog Private Limited	14	Zandu Realty Limited
3	Bhanu Vyapaar Private Limited	15	Prabhakar Viniyog Private Limited (Formerly known as Emami High Rise Pvt. Ltd.)
4	Suraj Viniyog Private Limited	16	Ravi Raj Viniyog Private Limited (Formerly known as Emami Enclave Makers Pvt. Ltd)
5	Emami Paper Mills Limited	17	Emami Nirman Private Limited
6	Emami Cement Limited	18	Emami Vriddhi Commercial Private Limited
7	Emami Frank Ross Limited	19	Emami Estates Private Limited
8	Pan Emami Cosmed Limited	20	Emami Projects Private Limited
9	Emami Infrastructure Limited	21	Emami Capital Markets Limited
10	Emami Agrotech Limited	22	Emami Group Of Companies Private Limited
11	CRI Limited		
12	Aviro Vyapar Private Limited		

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.50 RELATED PARTY TRANSACTIONS (Contd.)

iv) Entities where Key Management Personnel and their relatives have significant influence

23 Emami Home Private Limited
24 Emami Centre for Creativity Pvt. Ltd. (Formerly known as Emami Institute Of Corporate Solutions Private Limited)
25 Emami Power Limited
26 Narcissus Bio-Crops Private Limited (Formerly known as Emami International Private Limited)
27 Emami (Meghalaya) Cement Limited
28 Emami Natural Resouces Private Limited
29 Emami Constructions Private Limited
30 Emami Buildcon Private Limited
31 Dev Infracity Private Limited
32 Emami Beverage Limited
33 TMT Viniyogan Limited
34 EPL Securities

v) Trust where Key Management Personnel and their relatives have significant influence

1 Himani Limited Staff Provident Institution
2 Emami Foundation
3 Aradhana Trust

C. Disclosure of Transactions between the Company and Related Parties.

₹ in Lacs

Particulars	Subsidiaries		Associate		Directors,Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Total	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
1. Remuneration and Employee Benefits										
i) EXECUTIVE DIRECTORS										
- Short Term Employee benefits	-	-	-	-	1,106.83	1,052.04	-	-	**1,106.83**	**1,052.04**
- Post Employment benefits	-	-	-	-	47.33	47.33	-	-	**47.33**	**47.33**
- Commission	-	-	-	-	500.00	500.00	-	-	**500.00**	**500.00**
ii) OTHER DIRECTORS										
- Sitting Fees	-	-	-	-	28.65	28.35	-	-	**28.65**	**28.35**
- Commission	-	-	-	-	116.75	39.00	-	-	**116.75**	**39.00**
iii) CEO & COMPANY SECRETARY										
- Short Term Employee benefits	-	-	-	-	261.23	241.38	-	-	**261.23**	**241.38**
- Post Employment benefits	-	-	-	-	9.93	17.66	-	-	**9.93**	**17.66**
2. Sales										
- Sale of Goods	9,542.68	6,381.02	-	-	-	-	174.82	128.89	**9,717.50**	**6,509.91**
- Sale of Export Benefit Licence	-	-	-	-	-	-	190.09	110.24	**190.09**	**110.24**
3. Other Income										
- Sale of Property, Plant & Equipment	1.00	10.16	-	-	-	-	-	510.00	**1.00**	**520.16**
- Sale of Shares	-	-	-	-	-	-	-	304.82	**-**	**304.82**
- Rent, Maintenance & Other Charges Received	-	-	-	-	-	-	306.47	308.99	**306.47**	**308.99**
- Royalty Received	78.22	87.61	-	-	-	-	101.54	90.75	**179.76**	**178.36**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.50 RELATED PARTY TRANSACTIONS (Contd.)

₹ in Lacs

Particulars	Subsidiaries		Associate		Directors,Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Total	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
- Dividend Received	629.93	1,680.81	-	-	-	-	95.35	47.68	**725.28**	**1,728.49**
- Guarantee Commission Received	48.78	33.23	-	-	-	-	-	-	**48.78**	**33.23**
- Interest Received	10.17	-	-	-	-	-	-	-	**10.17**	**-**
4. Purchase										
- Purchase of Gift and Promotional Items	-	-	0.67	-	-	-	73.63	27.13	**74.30**	**27.13**
- Purchase of Raw Materials	-	-	-	-	-	-	1,210.66	529.91	**1,210.66**	**529.91**
5. Other Expenses										
- Rent, Maintenance & Other Charges Paid	-	-	-	-	4.53	4.80	4.89	3.53	**9.42**	**8.33**
- Donation Paid	-	-	-	-	-	-	256.23	337.07	**256.23**	**337.07**
- Commission Paid	-	-	-	-	-	-	2.05	10.06	**2.05**	**10.06**
- Business Promotion Allowance	1,508.50	-	-	-	-	-	-	-	**1,508.50**	**-**
- Others	-	-	-	-	-	-	49.17	44.66	**49.17**	**44.66**
6. Dividend Paid	-	-	-	-	928.47	1,542.93	7,356.43	12,160.03	**8,284.90**	**13,702.96**
7. Loan Given	295.95	-	-	-	-	-	-	-	**295.95**	**-**
8. Investment including Commitments	4.79	-	1,944.19	-	-	-	-	-	**1,948.98**	**-**
9. Security Deposit Received	-	-	-	-	-	-	3.50	3.00	**3.50**	**3.00**
10. Refund against Security Deposit Paid	-	-	-	-	0.20	0.20	-	-	**0.20**	**0.20**
11. Refund against Security Deposit Received	-	-	-	-	-	-	4.18	29.73	**4.18**	**29.73**
12. Reimbursement of Expenses	77.55	27.23	9.82	-	-	-	175.22	114.00	**262.59**	**141.23**
13. Contribution to Provident Fund	-	-	-	-	-	-	531.63	472.86	**531.63**	**472.86**

D. The details of amount due to or due from related parties as at 31.03.2018 and 31.03.2017 as follows :

₹ in Lacs

Particulars	Related Party	As at 31.03.2018	As at 31.03.2017
Investment	Subsidiaries	51.59	46.79
	Associate	1,944.19	-
	Entities where Key Management Personnel and their relatives have significant influence	15,232.48	9,435.88
		17,228.26	**9,482.67**
Trade Receivable	Subsidiaries	1,720.01	203.77
	Entities where Key Management Personnel and their relatives have significant influence	9.56	-
		1,729.57	**203.77**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.50 RELATED PARTY TRANSACTIONS (Contd.)

₹ in Lacs

Particulars	Related Party	As at 31.03.2018	As at 31.03.2017
Loan Receivable	Subsidiaries	295.95	-
Other Receivable	Subsidiaries	137.46	213.82
	Associate	0.35	-
		137.81	**213.82**
Trade Payables	Entities where Key Management Personnel and their relatives have significant influence	33.78	-
Other Payable	Entities where Key Management Personnel and their relatives have significant influence	3.35	1.03
Security Deposit Paid	Key Management Personnel & Relatives	14.45	14.65
	Entities where Key Management Personnel and their relatives have significant influence	7.00	7.00
		21.45	**21.65**
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	21.71	22.39
Corporate Guarantee given	Subsidiaries	5,203.53	5,742.01
Remuneration, Siting Fees & Commission Payable	Key Management Personnel & Relatives	616.75	539.00

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

3.51 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind AS's which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

Ind AS 12 Income Taxes

Ind AS 40 Investment Property

Ind AS 28 Investments in Associates and Joint ventures

Ind AS 115 – Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f 01.04.2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact. However, there will be additional presentation and disclosure requirement, which will be provided in the next year's financial statements.

3.51 RECENT INDIAN ACCOUNTING STANDARDS (IND AS) (Contd.)

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Ind AS 12 - Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Ind AS 40 - Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

Ind AS 28 - Investments in Associates and Joint ventures

Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice :

i) An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss

ii) If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.52 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Company may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

i) Estimation of defined benefit obligations

The liabilities of the Company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions Refer Note No. 3.34 for significant assumption used.

ii) Estimation of current tax expenses and payable

Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the company operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities. Refer Note No. 3.20 and 3.44.

iii) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision. Refer Note No. 3.26, 3.36 and 3.39.

iv) Estimation of expected useful lives and residual values of property, plants and equipment

Property, plant and equipment are depreciated at historical cost using straight-line method based on the estimated useful life, taken into account at residual value. The asset's residual value and useful life are based on the Company's best estimates and reviewed, and adjusted if required, at each Balance Sheet date. Refer Note No. 3.1.

v) Fair Value Measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions that may differ from actual developments in the future. For further details refer Note No. 3.43

3.53 The Board has recommended issue of Bonus Shares in the ratio of 1 : 1 i.e. issue of 1 share for every 1 equity share held by the Shareholders of the Company. The Bonus is subject to approval of shareholders to be sought through postal ballot.The Bonus issue if approved by the shareholders shall be entitled for Dividend for the financial year 2018-19 and thereafter.

3.54 INFORMATION FOR EARNINGS PER SHARE AS PER IND AS 33

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Net Profit (₹ in Lacs)	30,951.53	34,636.71
Cash Profit (₹ in Lacs)	61,482.34	65,103.80
Weighted average number of shares	226967619	226967619
Earnings Per Share - Basic & Diluted (₹)	13.64	15.26
Earnings Per Share - Cash (₹)	27.09	28.68

3.55 The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

3.56 The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP.

As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no:301003E/E300005

Sanjay Kumar Agrawal
Partner
Membership No:060352

Kolkata
3rd May, 2018

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Emami Limited

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Ind AS Financial Statements of Emami Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures

in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Financial Statements and on the other financial information of the subsidiaries and associate, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

OTHER MATTER

(a) We did not audit the financial statements and other financial information, in respect of eight (8) subsidiaries, whose financial statements include total assets of ₹ 28,623 lacs and net assets of ₹ 5,625 lacs as at March 31, 2018, and total revenues of ₹ 27,188 lacs and net cash outflows of ₹ 2,129 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

The subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these

conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The Consolidated Ind AS Financial Statements of the Company for the year ended March 31, 2017, included in these Consolidated Ind AS Financial Statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 4, 2017.

(c) The accompanying Consolidated Ind AS Financial Statements include unaudited financial statements and other unaudited financial information in respect of a subsidiary, whose financial statements and other financial information reflect total assets of ₹ 0.01 lacs and net assets of ₹ 0.01 lacs as at March 31, 2018, and total revenues of ₹ Nil and net cash outflows of ₹ Nil for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 121 lacs for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of an associate, whose financial statements, other financial information have not been audited for the period from December 7, 2017 to March 31, 2018 and whose unaudited financial statements, other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to amounts and disclosures included in respect of aforesaid subsidiary and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and associate, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information are not material to the Group.

Our opinion above on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and an associate, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS Financial Statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have

been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its associate company incorporated in India, none of the directors of the Holding Company and its associate incorporated in India are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its associate company incorporated in India, refer to our separate report in "Annexure " to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:

i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on its Consolidated financial position of the Group and its associate – Refer Note 3.27, Note 3.39 and Note 3.42 to the Consolidated Ind AS Financial Statements;

ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its associate incorporated in India during the year ended March 31, 2018.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352

Place of Signature : Kolkata
Date: May 3, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF EMAMI LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of Emami Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Emami Limited (hereinafter referred to as the "Holding Company") and its associate company incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the of the Holding Company and its associate company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and its associate company incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to an associate company incorporated in India, is based on the corresponding report of the auditor of such associate company incorporated in India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352

Place of Signature: Kolkata
Date: May 3, 2018

CONSOLIDATED BALANCE SHEET

as at 31st March, 2018

₹ in Lacs

	Notes	As at 31.03.2018		As at 31.03.2017	
ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment	3.1	74,458.93		69,655.70	
(b) Capital Work-in-Progress	3.1	2,257.70		1,290.75	
(c) Investment Property	3.2	5,588.95		5,383.82	
(d) Goodwill on Consolidation		408.05		408.05	
(e) Other Intangible Assets	3.3	99,749.76		1,23,930.42	
(f) Intangible Assets under Development	3.3	789.52		861.43	
(g) Financial Assets					
(i) Investments	3.4	18,552.95		9,436.46	
(ii) Loans	3.5	1,188.33		692.09	
(h) Deferred tax Assets (Net)	3.6	289.36		-	
(i) Other Non-Current Assets	3.7	6,714.32	2,09,997.87	4,565.69	2,16,224.41
2. Current Assets					
(a) Inventories	3.8	19,395.48		17,915.56	
(b) Financial Assets					
(i) Investments	3.9	12,805.86		3,332.14	
(ii) Trade Receivables	3.10	15,589.27		9,701.27	
(iii) Cash and Cash Equivalents	3.11	1,618.64		2,839.59	
(iv) Bank Balance other than (iii) above	3.12	6,333.13		2,165.57	
(iv) Loans	3.13	299.36		160.28	
(v) Other Financial Assets	3.14	284.01		244.76	
(c) Other Current Assets	3.15	13,750.50	70,076.25	7,732.41	44,091.58
TOTAL ASSETS			**2,80,074.12**		**2,60,315.99**
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	3.16		2,269.68		2,269.68
(b) Other Equity	3.17		1,99,091.11		1,73,199.53
Total Equity attributable to owners of the Company			**2,01,360.79**		**1,75,469.21**
(c) Non-Controlling Interest			56.83		141.27
Total Equity			**2,01,417.62**		**1,75,610.48**
LIABILITIES					
1. Non-Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.18	-		-	
(ii) Other Financial Liabilities	3.19	834.93		1,168.33	
(b) Provisions	3.20	2,383.32		2,388.22	
(c) Deferred Tax Liabilities (Net)	3.21	1,467.41		2,816.22	
(d) Other Non-Current Liabilities	3.22	2,576.56	7,262.22	114.05	6,486.82
2. Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.23	32,591.43		17,295.50	
(ii) Trade Payables	3.24	24,203.00		18,470.34	
(iii) Other Financial Liabilities	3.25	5,980.45		33,802.34	
(b) Other Current Liabilities	3.26	2,215.98		2,304.59	
(c) Provisions	3.27	6,215.85		5,895.93	
(d) Current Tax Liabilities	3.28	187.57	71,394.28	450.00	78,218.69
TOTAL EQUITY AND LIABILITIES			**2,80,074.12**		**2,60,315.99**
Summary of Significant Accounting Policies and Notes on Accounts	2 & 3				

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no:301003E/E300005

Sanjay Kumar Agrawal
Partner
Membership No:060352
Kolkata
3rd May, 2018

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended as at 31st March, 2018

₹ in Lacs

		Notes	2017-2018	2016-2017
INCOME				
Revenue from Operations		3.29	2,54,082.81	2,52,773.90
Other Income		3.30	1,949.72	3,107.74
Total Income	(A)		**2,56,032.53**	**2,55,881.64**
EXPENSES				
Cost of Materials Consumed		3.31	65,879.61	63,113.51
Purchase of Stock-in-Trade			16,245.46	17,553.20
(Increase)/ Decrease in Inventories of Finished Goods, Stock in trade and Work-in-Progress		3.32	(1,140.21)	(1,566.92)
Excise Duty on Sale of Goods			1,027.99	3,957.33
Employee Benefits Expense		3.33	25,464.68	23,354.51
Other Expenses		3.35	74,661.11	70,449.03
Total Expenses Before Interest, Depreciation, Amortisation and Tax	(B)		**1,82,138.64**	**1,76,860.66**
Earnings Before Interest, Depreciation, Amortisation and Tax			**73,893.89**	**79,020.98**
Finance Costs	(C)	3.34	3,430.95	5,801.13
Depreciation & Amortisation Expense :				
a. Amortisation of Intangible Assets		3.3	24,357.95	26,169.06
b. Depreciation of Tangible Assets		3.1 & 3.2	6,727.82	4,688.52
	(D)		**31,085.77**	**30,857.58**
Total Expenses	(B+C+D)=E		**2,16,655.36**	**2,13,519.37**
Profit Before Tax	(A-E)=F		**39,377.17**	**42,362.27**
Tax Expense:	(G)			
Current Tax (Including MAT)			7,274.60	8,394.53
Provision of Earlier Years			-	67.90
MAT Credit Entitlement			1,400.00	(1,400.00)
Deferred Tax charge/(credit)			(48.50)	1,299.21
Profit for the year	(F-G)=H		**30,751.07**	**34,000.63**
Share of loss of an Associate			(121.40)	-
Profit after Tax and share of loss of an Associate			**30,629.67**	**34,000.63**
Other Comprehensive Income				
A Items that will not be reclassified to Profit or Loss in subsequent periods				
Equity instrument through other comprehensive income (net of tax)			8,934.66	4,169.98
Remeasurement of the net defined benefit liability/ asset (net of tax)			172.53	58.54
B Items that will be Reclassified to Profit or Loss				
Exchange difference on translation of foreign operations			283.62	(279.05)
Other Comprehensive Income for the year, net of tax			**9,390.81**	**3,949.47**
Total Comprehensive Income for the year			**40,020.48**	**37,950.10**
Profit attributable to:	I			
Owners of the Company			30,714.11	34,041.80
Non-Controlling Interests			(84.44)	(41.17)
Total Comprehensive Income attributable to:				
Owners of the Company			40,104.92	37,991.27
Non-Controlling Interests			(84.44)	(41.17)
Cash Profit	(I+D)		**61,799.89**	**64,899.38**
Earnings Per Equity Share		3.59		
(1) Basic (Face value of ₹ 1 each)			13.53	15.00
(2) Diluted (Face value of ₹ 1 each)			13.53	15.00
(3) Cash (Face value of ₹ 1 each)			27.23	28.59
Summary of Significant Accounting Policies and Notes on Accounts		2 & 3		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no:301003E/E300005

Sanjay Kumar Agrawal
Partner
Membership No:060352
Kolkata
3rd May, 2018

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at and for the year ended 31st March, 2018

₹ in Lacs

Particulars	Equity Share Capital	Other Equity							Total Equity attributable to owners of the Company	Non-Controlling Interest (NCI)
		Reserve & Surplus					Other Comprehensive Income			
		Capital Reserve	Securities Premium	Retained Earnings	Debenture Redemption Reserve (DRR)	General Reserve	Investment in Equity shares at Fair value through Other Comprehensive Income	Foreign Currency Translation Reserve		
Balance as at 1.04.2016	**2,269.68**	**79.64**	**33,205.16**	**35,986.18**	**7,500.00**	**80,000.00**	**1,882.84**	**237.02**	**1,61,160.52**	**409.69**
Profit for the Year	-	-	-	34,041.80	-	-	-	-	34,041.80	(41.17)
Other Comprehensive Income										
Foreign Currency Translation Reserve	-	-	-		-	-	-	(279.05)	(279.05)	-
Fair value gain on Equity instrument through other comprehensive income	-	-	-	-	-	-	6,181.99	-	6,181.99	-
Income Tax Effect	-	-	-	-	-	-	(2,012.01)	-	(2,012.01)	-
Remeasurement of the net defined benefit liability/ asset	-	-	-	74.54	-	-	-	-	74.54	-
Income Tax Effect	-	-	-	(16.00)	-	-	-	-	(16.00)	-
Change in NCI	-	-	-	(139.61)	-	-	-	-	(139.61)	(227.25)
Total Comprehensive Income	**-**	**-**	**-**	**33,960.73**	**-**	**-**	**4,169.98**	**(279.05)**	**37,851.66**	**(268.42)**
Dividend Paid#	-	-	-	(19,859.66)	-	-	-	-	(19,859.66)	-
Corporate Dividend Tax#	-	-	-	(3,683.31)	-	-	-	-	(3,683.31)	-
Balance as at 31.03.2017	2,269.68	79.64	33,205.16	46,403.94	7,500.00	80,000.00	6,052.82	**(42.03)**	**1,75,469.21**	**141.27**
Balance as at 1.04.2017	**2,269.68**	**79.64**	**33,205.16**	**46,403.94**	**7,500.00**	**80,000.00**	**6,052.82**	**(42.03)**	**1,75,469.21**	**141.27**
Profit for the Year	-	-	-	30,714.11	-	-	-	-	30,714.11	(84.44)
Other Comprehensive Income										
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	283.62	283.62	-
Fair value gain on Equity instrument through other comprehensive income	-	-	-	-	-	-	5,796.62	-	5,796.62	-
Reversal of Deferred Tax Effect	-	-	-	-	-	-	3,138.04	-	3,138.04	-
Remeasurement of the net defined benefit liability/ asset	-	-	-	420.88	-	-	-	-	420.88	-
Income Tax Effect	-	-	-	(248.35)	-	-	-	-	(248.35)	-
Total Comprehensive Income	**-**	**-**	**-**	**30,886.64**	**-**	**-**	**8,934.66**	**283.62**	**40,104.92**	**(84.44)**
Dividend Paid#	-	-	-	(11,915.80)	-	-	-	-	(11,915.80)	-
Corporate Dividend Tax#	-	-	-	(2,297.54)	-	-	-	-	(2,297.54)	-
Transfer of DRR to General reserves on Redemption of Debentures	-	-	-	-	(7,500.00)	7,500.00	-	-	-	-
Balance as at 31.03.2018	**2,269.68**	**79.64**	**33,205.16**	**63,077.24**	**-**	**87,500.00**	**14,987.48**	**241.59**	**2,01,360.79**	**56.83**

Refer Note No : 3.47

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no:301003E/E300005

Sanjay Kumar Agrawal
Partner
Membership No:060352
Kolkata
3rd May, 2018

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

CONSOLIDATED CASH FLOW STATEMENT

for the year ended as at 31st March, 2018

₹ in Lacs

	2017-2018	2016-2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	**39,377.17**	**42,362.37**
Adjustments for :		
Dividend from investment in mutual funds	(8,071.41)	(7,164.95)
(Profit) / loss on fair value of mutual funds	7,660.29	4,691.37
Depreciation and Amortisation Expense	31,085.77	30,857.58
Finance Costs	3,430.95	5,801.13
Interest income on deposits and others	(270.97)	(222.21)
(Profit) / Loss on sale/Disposal of Property, Plant & Equipments (Net)	45.83	(138.67)
Dividend Income from equity investment carried at fair value through OCI	(95.35)	(47.68)
Unrealised Foreign Exchange Gain	7.09	565.34
Sundry balances written (back) / off (Net)	(41.29)	(20.23)
Share of Minority Interest		
(Profit)/ loss on Derivative Instruments	(133.03)	1,093.49
	72,995.05	**77,777.54**
Adjustments for working capital changes :		
Increase /(Decrease) in Trade Payables and Other Liabilities	8,460.21	(6,793.62)
(Increase)/Decrease in Inventories	(1,480.12)	(2,861.96)
(Increase)/Decrease in Trade Receivables	(5,710.81)	3,373.02
(Increase)/Decrease in Loans and Advances and other financial assets	(677.84)	138.65
(Increase)/Decrease in Other Non Financial Assets	(7,451.02)	6,935.40
Increase /(Decrease) in Provisions	735.60	1,465.00
	(6,123.98)	**2,256.49**
	66,871.06	**80,034.03**
Less : Direct Taxes Paid	8,089.80	7,071.53
NET CASH FLOW FROM OPERATING ACTIVITIES	**58,781.27**	**72,962.50**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Property, Plant & Equipment	48.23	395.47
Interest Received	223.45	211.42
Dividend Received	8,166.76	7,212.63
Sale of Investments	91,942.97	1,80,633.38
Purchase of Property, Plant & Equipment & Intangible Assets	(12,369.68)	(28,530.59)
Investment in Associates	(1,200.00)	-
Purchases of Investments	(1,10,576.77)	(1,88,264.93)
Fixed Deposits made	(4,147.11)	(1,404.99)
NET CASH USED IN INVESTING ACTIVITIES	**(27,912.15)**	**(29,747.61)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended as at 31st March, 2018

₹ in Lacs

		2017-2018	2016-2017
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of Borrowings	(66,837.00)	(95,979.08)
	Proceeds from Short term borrowings from banks	48,467.98	70,987.33
	Interest Paid	(3,438.82)	(5,832.70)
	Dividend Paid	(11,936.35)	(19,851.11)
	Acquisition of Non controlling interest	-	(366.30)
	Corporate Dividend Tax paid	(2,297.54)	(3,683.31)
	Cash Credit taken / (repaid) (Net)	3,668.04	5,142.91
	NET CASH USED IN FINANCING ACTIVITIES	**(32,373.69)**	**(49,582.26)**
D.	Effect of Foreign Exchange Fluctuation	283.62	(844.40)
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C+D)	**(1,220.95)**	**(7,211.77)**
	CASH & CASH EQUIVALENTS-OPENING BALANCE	2,839.59	10,051.36
	CASH & CASH EQUIVALENTS-CLOSING BALANCE	1,618.64	2,839.59
	Cash & Cash Equivalents includes:		
	Balances with banks	1,597.66	564.25
	Fixed Deposits with Banks (Original Maturity of less than 3 Months)	-	1,861.03
	Cheque-in-hand	-	388.13
	Cash on hand	20.98	26.18
	Total Cash & Cash Equivalents (Refer Note No : 3.11)	**1618.64**	**2839.59**

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no:301003E/E300005

Sanjay Kumar Agrawal
Partner
Membership No:060352
Kolkata
3rd May, 2018

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

1. COMPANY OVERVIEW

The consolidated financial statements comprise financial statements of Emami Limited (the Company) and its subsidiaries (collectively, the Group) and an associate for the year ended March 31, 2018. The Company is one of India's leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products with an enviable portfolio of household brand names such as BoroPlus, Navratna, Fair and Handsome, Zandu Balm, Kesh King, Zandu Pancharishta, Mentho Plus Balm and others.

The Company is a public limited company domiciled in India and is primarily listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at 687,Anandapur, E.M. Bypass, Kolkata, West Bengal.

2.1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements are prepared under the historical cost convention on the accrual basis except for following assets and liabilities which have been measured at fair value or revalued amount :

a) Derivative financial instruments

b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

c) Defined benefit plans – plan assets

The financial statements were approved for issue in accordance with the resolution of the Board of Directors on 3rd May, 2018.

2.2. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and associate as at March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b) Exposure, or rights, to variable returns from its involvement with the investee, and

c) The ability to use its power over the investee to affect its returns.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

b. Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence is similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

c. Revenue Recognition

Revenue from sale of goods in the course of ordinary activities is recognised when all the significant risks and rewards of ownership are transferred to the buyer as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Revenue is measured at the fair value of the consideration received or receivable and includes excise duty and are net of returns and allowances, trade discounts, volume rebates, value added tax, sales tax and goods and service tax.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit or Loss. The Group has determined that it does not meet criteria for recognition of lease rental income on a basis other than straight-line basis.

Dividend income is recognised when the Group's right to receive dividend is established. Interest income is recognized using the effective interest method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

d. Property, Plant & Equipment

Capital work in progress, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Depreciation in respect of Holding Company is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013, except certain items of building and plant & machinery as detailed in next paragraph. The estimated useful lives are as follows:

Factory Building	30 Years
Non-factory Buildings (including Roads)	5 - 60 Years
Plant & Machinery*	10-15 Years
Furniture & Fixtures	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

Freehold land is not depreciated.

*Block, Dies & Moulds (other than High-End Moulds) are depreciated @100% on prorata basis.

The Holding Company, based on assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment over 20 years and 3 - 10 years respectively. These estimated useful lives are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation in respect of a subsidiary is calculated based on reducing balance method. The principal rates are as follows:

Factory Building	20%
Computer and accessories	20%
Plant & Machineries	20%
Furniture & Fixtures	10%
Electrical Equipment	20%
Vehicle	20%
Block and dice	30%

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The cost and related accumulated depreciation are eliminated from the financial statements upon derecognition and the resultant gains or losses are recognized in the Statement of Profit & Loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit & Loss as incurred.

The Group depreciates building component of investment property on the straight line method over the estimated useful life of 60 years from the date of original purchase and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed internally by the Group.

f. Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit & Loss. The Group amortises intangible assets over their estimated useful lives using the straight line method.

The estimated useful lives of assets are as follows:

Softwares & Licences (Acquired)	6 Years
Brand & Trademarks (Acquired)	5 - 10 Years
Copy Rights (Acquired)	5 - 10 Years

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss when the asset is derecognised.

g. Research & Development Cost

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

h. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

i) Raw materials, Packing materials and Stores & Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average method.

ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on moving weighted average method.

iii) Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

In certain subsidiaries, cost of all the inventories is determined using weighted average method. In certain subsidiaries, cost is determined using first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

j. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Group makes an irrevocable election to present in Other Comprehensive Income (OCI) subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investments in subsidiaries and associate are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

i) The rights to receive cash flows from the asset have expired, or

ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements)

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

k. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

l. Cash & Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

m. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

o. Employee Benefits

Defined Contribution Plan

The Group makes contributions towards provident fund and superannuation fund to the regulatory authorities in a defined contribution retirement benefit plan for qualifying employees, where the Group has no further obligations. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

In Vapi, Dongari and Masat Units, the superannuation fund is administered by the Life Insurance Corporation of India (LIC).

Defined Benefit Plan

i) In respect of certain employees, provident fund contributions are made to a Trust administered by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Group is additionally provided for.

ii) The Group operates a defined benefit gratuity plan in India, comprising of Gratuity fund with Life Insurance Corporation of India. The Group's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The effect of any plan amendments are recognized in the Statement of Profit & Loss.

The Group recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Other Long Term Employee Benefits

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. This benefit is not funded except in Vapi, Dongari and Masat units, where the Leave Fund is with Life Insurance Corporation of India. The Group presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Group has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

p. Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities (DTL) are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Certain units of the Group are entitled to tax holiday under the Income-tax Act, 1961 enacted in India. Accordingly, no deferred tax (asset or liability) relating to such units is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

q. Foreign Currency Transactions & Translations

Functional and presentation currency

The standalone financial statements are presented in INR, the functional currency of the Group. Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

Transaction and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

r. Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

s. Government Grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of profit & loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

t. Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Cash earnings per share, a non GAAP measure is calculated by dividing cash profit for the period attributable to the equity shareholders by the weighted average number of shares outstanding during the period. Cash profit is calculated by adding depreciation and amortisation expenses to the net profit for the period.

u. Current and non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,

b) it is due to be settled within twelve months after the reporting period, or

c) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent.

v. Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

w. Measurement of EBITDA

The Group presents Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) in the statement of profit or loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the Group's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Accordingly, the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, interest income, finance costs, share of profit/ loss from associate and tax expense.

x. Rounding of amounts

All amounts disclosed in the consolidated financial Statements and notes have been rounded off to the nearest Lakhs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.1 PROPERTY PLANT & EQUIPMENT (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1.4.2017	Additions	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Consolidation	As at 31.3.2018	As at 1.4.2017	For the year	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Consolidation	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land												
Leasehold	330.34	4.29	-	-	334.63	9.48	5.31	-	-	14.79	319.84	320.86
Freehold	4,436.78	484.44	-	1.68	4,922.90	-	-	-	-	-	4,922.90	4,436.78
Building (including roads)*	27,207.41	3,954.77	(369.82)	170.29	30,962.65	1,114.32	1,080.38	(38.67)	197.77	2,353.80	28,608.85	26,093.09
Plant & Equipment	40,803.04	6,236.11	(158.64)	165.29	47,045.80	5,931.62	4,627.76	(83.18)	214.64	10,690.84	36,354.96	34,871.42
Furniture & Fixture	1,811.13	367.93	(5.44)	10.73	2,184.35	149.14	307.97	(4.89)	12.56	464.78	1,719.57	1,661.99
Office Equipment	2,154.26	368.16	(11.63)	37.41	2,548.20	740.20	260.67	(5.25)	42.72	1,038.34	1,509.86	1,414.06
Computer	703.56	131.89	(0.08)	9.16	844.53	361.63	191.25	(0.08)	9.83	562.63	281.90	341.93
Motor Vehicles	730.86	363.64	(19.00)	9.20	1,084.70	215.29	128.98	(9.85)	9.23	343.65	741.05	515.57
Property, Plant & Equipment Total	**78,177.38**	**11,911.23**	**(564.61)**	**403.76**	**89,927.76**	**8,521.68**	**6,602.32**	**(141.92)**	**486.75**	**15,468.83**	**74,458.93**	**69,655.70**
Capital Work-In-Progress	1,290.75	3,516.70	(2,545.07)	(4.68)	2,257.70	-	-	-	-	-	2,257.70	1,290.75
Total	**79,468.13**	**15,427.93**	**(3,109.68)**	**399.08**	**92,185.46**	**8,521.68**	**6,602.32**	**(141.92)**	**486.75**	**15,468.83**	**76,716.63**	**70,946.45**

*Transfer includes ₹ 366.73 Lacs (accumulated depreciation ₹ 37.70 Lacs) transferred to Investment property.

3.2 INVESTMENT PROPERTY (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1.4.2017	Additions	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Consolidation	As at 31.3.2018	As at 1.4.2017	For the year	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Consolidation	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Building*	5,596.10	-	366.73	39.41	6,002.24	212.28	125.50	37.70	37.81	413.29	5,588.95	5,383.82
Total	**5,596.10**	**-**	**366.73**	**39.41**	**6,002.24**	**212.28**	**125.50**	**37.70**	**37.81**	**413.29**	**5,588.95**	**5,383.82**

*Transfer includes ₹ 366.73 Lacs (accumulated depreciation ₹ 37.70 Lacs) transferred from Property, Plant & Equipment.

Refer Note No 3.43 for determination of fair value of investment property.

3.3 INTANGIBLE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Amortisation					Net Block	
	As at 1.4.2017	Additions	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Consolidation	As at 31.3.2018	As at 1.4.2017	For the year	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Consolidation	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Goodwill	1,050.00	-	-	-	1,050.00	1,050.00	-	-	-	1,050.00	-	-
Software	1,345.60	176.12	(2.13)	-	1,519.59	551.52	352.39	(1.55)	-	902.36	617.23	794.08
Brands, Trade Marks,& others	1,48,246.50	0.25	-	1.79	1,48,248.54	38,352.19	19,860.33	-	0.29	58,212.81	90,035.73	1,09,894.31
Copyrights	20,720.00	-	-	-	20,720.00	7,477.97	4,145.23	-	-	11,623.20	9,096.80	13,242.03
Intangible Assets Total	**1,71,362.10**	**176.37**	**(2.13)**	**1.79**	**1,71,538.13**	**47,431.68**	**24,357.95**	**(1.55)**	**0.29**	**71,788.37**	**99,749.76**	**1,23,930.42**
Intangible Assets under Development	861.43	-	(71.91)	-	789.52	-	-	-	-	-	789.52	861.43
Grand Total	**1,72,223.53**	**176.37**	**(74.04)**	**1.79**	**1,72,327.65**	**47,431.68**	**24,357.95**	**(1.55)**	**0.29**	**71,788.37**	**1,00,539.28**	**1,24,791.85**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.1 PROPERTY PLANT & EQUIPMENT (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1.4.2016	Additions	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Con-solidation	As at 31.3.2017	As at 1.4.2016	For the year	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Consoli-dation	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land												
Leasehold	330.34	-	-	-	330.34	4.60	4.88	-	-	9.48	320.86	325.74
Freehold	2,534.31	1,950.23	-	(47.76)	4,436.78	-	-	-	-	-	4,436.78	2,534.31
Building (including roads)*	15,159.05	11,992.14	120.08	(63.86)	27,207.41	563.66	572.44	(1.05)	(20.73)	1,114.32	26,093.09	14,595.39
Plant & Equipment	23,181.83	17,805.80	(139.44)	(45.15)	40,803.04	2,842.31	3,160.41	(33.88)	(37.22)	5,931.62	34,871.42	20,339.52
Furniture & Fixture	1,546.51	451.21	(180.32)	(6.27)	1,811.13	84.24	134.02	(72.71)	3.59	149.14	1,661.99	1,462.27
Office Equipment	1,606.88	580.77	(25.23)	(8.16)	2,154.26	359.62	395.41	(17.50)	2.67	740.20	1,414.06	1,247.26
Computer	511.63	192.87	(0.41)	(0.53)	703.56	169.68	193.89	(0.27)	(1.67)	361.63	341.93	341.95
Motor Vehicles	675.42	90.44	(32.47)	(2.53)	730.86	113.52	113.46	(10.57)	(1.12)	215.29	515.57	561.90
Property, Plant & Equipment Total	**45,545.97**	**33,063.46**	**(257.79)**	**(174.26)**	**78,177.38**	**4,137.63**	**4,574.51**	**(135.98)**	**(54.48)**	**8,521.68**	**69,655.70**	**41,408.34**
Capital Work- In-Progress	6,163.85	2,248.14	(7,091.87)	(29.37)	1,290.75	-	-	-	-	-	1,290.75	6,163.85
Total	**51,709.82**	**35,311.60**	**(7,349.66)**	**(203.63)**	**79,468.13**	**4,137.63**	**4,574.51**	**(135.98)**	**(54.48)**	**8,521.68**	**70,946.45**	**47,572.19**

*Transfer includes ₹ 137.85 Lacs (accumulated depreciation ₹ 2.61 Lacs) transferred from Investment property.

3.2 INVESTMENT PROPERTY (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1.4.2016	Additions	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Con-solidation	As at 31.3.2017	As at 1.4.2016	For the year	(Dispos-als)/ Transfer In/(Out)	Exchange Fluctuation on Consoli-dation	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Building*	5,754.26	-	(137.85)	(20.31)	5,596.10	101.17	114.01	(2.61)	(0.29)	212.28	5,383.82	5,653.09
Total	**5,754.26**	**-**	**(137.85)**	**(20.31)**	**5,596.10**	**101.17**	**114.01**	**(2.61)**	**(0.29)**	**212.28**	**5,383.82**	**5,653.09**

*Transfer includes ₹ 137.85 Lacs (accumulated depreciation ₹ 2.61 Lacs) transferred to Property, Plant & Equipment.

Refer Note No 3.43 for determination of fair value of investment property.

3.3 INTANGIBLE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block					Amortisation					Net Block	
	As at 1.4.2016	Additions	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Con-solidation	As at 31.3.2017	As at 1.4.2016	For the year	(Disposals) / Transfer In/(Out)	Exchange Fluctuation on Consoli-dation	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Goodwill	1,050.00	-	-	-	1,050.00	1,050.00	-	-	-	1,050.00	-	-
Software	1,180.40	164.40	-	0.80	1,345.60	258.80	292.69	-	0.03	551.52	794.08	921.60
Brands , Trade Marks,& others	1,48,249.69	3.54	-	(6.73)	1,48,246.50	16,627.49	21,727.19	-	(2.49)	38,352.19	1,09,894.31	1,31,622.20
Copyrights	20,720.00	-	-	-	20,720.00	3,328.79	4,149.18	-	-	7,477.97	13,242.03	17,391.21
Intangible Assets Total	**1,71,200.09**	**167.94**	**-**	**(5.93)**	**1,71,362.10**	**21,265.08**	**26,169.06**	**-**	**(2.46)**	**47,431.68**	**1,23,930.42**	**1,49,935.01**
Intangible Assets under Development	545.12	316.31	-	-	861.43	-	-	-	-	-	861.43	545.12
Grand Total	**1,71,745.21**	**484.25**	**-**	**(5.93)**	**1,72,223.53**	**21,265.08**	**26,169.06**	**-**	**(2.46)**	**47,431.68**	**1,24,791.85**	**1,50,480.13**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.4 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Non Current		
Investments carried at cost (Unquoted, fully paid, unless otherwise stated)		
In Associate		
Helios Lifestyle Private Limited		
60,649 (31.03.2017 - Nil) Equity Shares of ₹ 10 each (Refer note (a) below) [net of share of loss during the year amounting to ₹ 121.40 lacs]	1,822.78	
Investments carried at amortised cost (Unquoted)		
Government & Trust Securities		
6 Years' National Savings Certificate		
(Lodged With Government Authority)	0.24	0.58
(i)	**1,823.02**	**0.58**
Investments carried at FVTPL (Unquoted,fully paid)		
Equity Shares		
Brillare Science Private Limited		
100 (31.03.2017 - Nil) Equity shares of ₹ 10 each	0.70	-
Preference Shares		
Brillare Science Private Limited	799.32	-
1,13,887 (31.03.2017 - Nil) shares of ₹ 10 each		
Units of Alternate Investment Fund		
Fireside Ventures Investment Fund I		
750 (31.03.2017 - Nil) Units of INR 1,00,000 each	697.43	-
(ii)	**1,497.45**	**-**
Investments Carried at FVTOCI (Quoted, fully Paid)		
Equity Shares		
Emami Paper Mills Limited		
79,46,000 (31.03.2017 - 79,46,000) Equity Shares of ₹ 2 each	15,232.48	9,435.88
(iii)	**15,232.48**	**9,435.88**
Total (i) + (ii) + (iii)	**18,552.95**	**9,436.46**
Aggregate Amount of Quoted Investments & Market Value thereof	**15,232.48**	**9,435.88**
Aggregate Amount of Unquoted Investments	**33,20.47**	**0.58**

Notes -

(a) During the year, the Company has invested in 30.87% equity shares of Helios Lifestyle Private Limited consequent to which it has become an associate of the Company with effect from 7th December 2017. The investments includes commitment to further subscribe to 24,260 equity shares (9.74%) amounting to ₹ 800 Lacs. The committed number of shares and its present value of ₹ 744.19 Lacs is included in the investment details above

(b) Refer Note No 3.45 for determination of fair value

3.5 LOANS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Unsecured, Considered Good		
Security Deposits to related parties (Refer Note No 3.54)	21.45	21.65
Security Deposits to others	578.27	342.41
Loans to Employees	37.56	33.03
Loans to Others	551.05	295.00
Total	**1,188.33**	**692.09**

3.6 DEFERRED TAX ASSET (NET)

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Tax Impact of expenses allowable against taxable income in future years	289.36	-
Total	**289.36**	**-**

3.7 OTHER NON CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
Capital Advances		2,232.19		2,783.61
Deposits with Government authorities		498.42		337.80
Prepaid Expenses		3.00		-
Advance Income Tax (Net of Provision)		1,259.90		543.80
Incentives Receivable	2,840.63		1,020.30	
Less: Provision for Doubtful Receivables	(119.82)	2,720.81	(119.82)	900.48
Total		**6,714.32**		**4,565.69**

3.8 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
(At lower of cost and net realisable value)				
Raw materials and Packing materials				
Raw Materials	4,323.47		4,037.56	
Packing Materials	2,825.86	7,149.33	3,021.37	7,058.93
Work-in-Progress		376.50		400.67
Finished Goods		8,409.57		8,090.72
Stock-in-Trade		3,015.68		2,170.25
Stores and Spares		444.40		194.99
Total		**19,395.48**		**17,915.56**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.9 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Current		
Investments carried at FVTPL (Unquoted)		
Units of Mutual Fund		
JM Balanced Fund - (Direct) Quarterly Dividend (577)	12,077.79	-
102,440,386.680 (31.03.2017 - Nil) Units of ₹ 10 each		
HDFC Floating Rate Income Fund-Short Term Plan-Direct Plan-Wholesale Option-Growth Option	728.07	-
24,02,319.955 (31.03.2017-Nil) Units of ₹ 10 each		
Axis Treasury Advantage Fund - Direct - Growth	-	500.00
Nil (31.03.2017- 27,084.094) Units of ₹ 1000 each		
Birla Sun Life Treasury Optimizer Plan- Growth - Direct Plan	-	2,030.49
Nil (31.03.2017- 9,65,321.577) Units of ₹ 10 each		
Sundaram Income Plus - Direct - Growth	-	801.65
Nil (31.03.2017-32,97,894.706) Units of ₹ 10 each		
Total	**12,805.86**	**3,332.14**
Aggregate Amount of Unquoted Investments	**12,805.86**	**3,332.14**

3.10 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Secured		
Considered Good	318.36	306.10
Unsecured		
Considered Good	15,270.91	9,395.17
Total	**15,589.27**	**9,701.27**

3.11 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
Cash and Cash Equivalents				
Balances with banks	1,597.66		564.25	
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	-		1,861.03	
Cheque-in-hand	-		388.13	
Cash on hand	20.98	1,618.64	26.18	2,839.59
Total		**1,618.64**		**2,839.59**

3.12 OTHER BANK BALANCES

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
Other Bank Balances				
Unpaid Dividend Account#	139.87		119.32	
Deposit with Original maturity of more than 3 months but less than 12 months@	6,193.26	6,333.13	2,046.25	2,165.57
Total		**6,333.13**		**2,165.57**

#Earmarked for payment of Unclaimed Dividend

@Includes deposits amouting to ₹ 647.82 Lacs (31.03.2017 : ₹ 281.52 Lacs) under lien.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.13 LOANS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Unsecured, considered good		
Security deposits	37.60	-
Loans to Employees	261.76	160.28
Total	**299.36**	**160.28**

3.14 OTHERS FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Unsecured, considered good		
Interest Receivable on Deposits	80.76	33.24
Other Receivable	164.17	120.84
At FVTPL		
Foreign Currency Forward Contracts*	39.08	90.68
Total	**284.01**	**244.76**

*Refer Note No. 3.45 for determination of fair value

3.15 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Unsecured, considered good		
Advances other than Capital Advances		
- For goods and services	2,818.11	5,022.02
- to employees	146.65	200.64
Balances with Government Authorities	5,014.25	1,748.42
Incentives Receivable	5,393.27	387.21
Prepaid Expenses	378.22	374.12
Total	**13,750.50**	**7,732.41**

3.16 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Authorised		
25,00,00,000 (31.03.2017 - 25,00,00,000) Equity Shares of ₹ 1/- each	2,500.00	2,500.00
Issued		
22,69,67,619 (31.03.2017 - 22,69,67,619) Equity Shares of ₹ 1/- each fully paid up	2,269.68	2,269.68
Subscribed & Paid up*		
22,69,67,619 (31.03.2017 - 22,69,67,619) Equity Shares of ₹ 1/- each fully paid up	2,269.68	2,269.68
Total Issued, Subscribed and Fully paid up Share Capital	**2,269.68**	**2,269.68**

*Of the above, 7,56,55,873 (31.03.2017 : 7,56,55,873) equity shares fully paid up have been issued in consideration other than cash by way of bonus shares in last 5 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.16 EQUITY SHARE CAPITAL (Contd.)

(a) Reconciliation of the shares oustanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
Shares outstanding at the beginning of the year	22,69,67,619	2,269.68	22,69,67,619	2,269.68
Shares outstanding at the end of the year	**22,69,67,619**	**2,269.68**	**22,69,67,619**	**2,269.68**

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares & pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and is accounted for in the year in which it is approved by the shareholders in the general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	3,37,71,887	14.88	3,37,49,387	14.87
Suntrack Commerce Private Limited	3,31,36,016	14.60	3,31,13,516	14.59
Bhanu Vyapaar Private Limited	2,77,91,381	12.24	2,77,64,381	12.23
Raviraj Viniyog Private Limited (Formerly Known as Emami Enclave Makers Private Limited)	1,38,86,007	6.12	1,38,77,007	6.11
Suraj Viniyog Priviate Limited	1,29,57,139	5.71	1,29,57,139	5.71
Prabhakar Viniyog Private Limited (Formerly Known as Emami High Rise Private Limited)	1,31,99,961	5.82	1,31,90,961	5.81

3.17 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
Retained Earnings				
Opening balance	46,403.94		35,986.18	
Net Profit for the year	30,714.11		34,041.80	
Remeasurements of the Net Defined Benefit Plans (net of tax)	172.53		58.54	
Interim Dividend#	-		(3,971.93)	
Final Dividend#	(11,915.80)		(15,887.73)	
Corporate Dividend Tax#	(2,297.54)		(3,683.31)	
Change in NCI	-		(139.61)	
Closing Balance		**63,077.24**		**46,403.94**
Other Comprehensive Income				
Opening Balance	6,052.82		1,882.84	
Equity Instruments through Other Comprehensive Income (net of tax)*	8,934.66		4,169.98	
Closing balance		**14,987.48**		**6,052.82**

3.17 OTHER EQUITY (Contd.)

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
Foreign Currency Translation Reserve				
Opening Balance	(42.03)		237.02	
Addition during the year	283.62		(279.05)	
Closing Balance		**241.59**		**(42.03)**
Other Reserves				
Capital Reserves		**79.64**		**79.64**
Securities Premium		**33,205.16**		**33,205.16**
General Reserve				
Opening Balance	80,000.00		80,000.00	
Transferred from DRR on Redemption of debentures	7,500.00		-	
Closing Balance		**87,500.00**		**80,000.00**
Debenture Redemption Reserve (DRR)				
Opening Balance	7,500.00		7,500.00	
Transferred to General reserve on Redemption of debentures	(7,500.00)		-	
Closing Balance		**-**		**7,500.00**
Total		**1,99,091.11**		**1,73,199.53**

Refer Note No : 3.45 for Distribution of Dividend

* Includes ₹ 3,138.04 lacs reclassified to OCI from Deferred Tax Diability created on fair value gain till 31st March, 2017.

3.18 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Unsecured		
8.45% Non Convertible Debentures Redeemable at par as per below schedule :	-	30,000.00
- ₹ 75 cr on 22nd November'17 - ₹ 75 cr on 22nd August'17 - ₹ 150 cr on 22nd May'17		
Less : Current maturities of long term borrowings (Refer Note No : 3.25)	-	(30,000.00)
Total	**-**	**-**

3.19 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amortised cost		
Unsecured		
Trade Deposits	594.58	519.77
Security Deposits	240.35	648.56
Total	**834.93**	**1,168.33**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.20 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Employee Benefits		
Gratuity (Refer Note No : 3.37)	2,383.32	2,388.22
Total	**2,383.32**	**2,388.22**

3.21 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in depreciable assets	2,899.41	2,925.78
	-	3,138.05
Investment carried at fair value through Other Comprehensive Income		
Deferred Tax Assets		
Tax Impact of expenses allowable against taxable income in future years	(1,432.00)	(1,847.61)
MAT Credit Entitlement	-	(1,400.00)
Total	**1,467.41**	**2,816.22**

3.22 OTHER NON-CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred Government grant*	2,576.56	114.05
Total	**2,576.56**	**114.05**

*To be amortised to income over the life of the assets against which such grants are received/receivable.

3.23 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
At amortised cost				
Secured				
From Banks				
Cash Credit (including working capital demand loan)	8,810.95		5,142.91	
Packing Credit	1,625.72	10,436.67	1,172.59	6,315.50
Cash Credit amounting to ₹ 4,156.66 Lacs (31.03.2017 : ₹ 1,317.72 Lacs) and Packing Credit are secured by hypothecation of stocks, book debts on first charge basis ranking pari passu among lenders.				
Cash Credit amounting to ₹ 4,654.29 Lacs (31.03.2017: ₹ 3,825.19 Lacs) is secured by standby letter of credit issued by Citi Bank, India in favour of Citi Bank, Dubai)				
Unsecured				
From Banks				
Commercial Paper		22,154.76		10,000.00
Packing Credit		-		980.00
Total		**32,591.43**		**17,295.50**

3.23 BORROWINGS (Contd.)

Notes :

1. Cash credit amounting to ₹ 4,654.27 Lacs carries an interest rate of LIBOR plus 1.75% and for balance Cash credit amounting to ₹ 4,156.68 Lacs interest ranges between 7.9% - 8.5%
2. Working capital demand loan is repayable within 20 days & carries interest in the range of 7.9% - 8.5% (31.03.2017 : Interest rate 8 - 8.5%)
3. Packing credit is repayable within 4 months & carries interest in the range of 4.8% - 5.0% (31.03.2017 : Interest rate 4.9 - 6.3%)
4. Commercial paper is repayable within 3 months & carries interest in the range of 6.7% - 6.8% (31.03.2017 : Interest rate 6.65%)

3.24 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amorised cost		
Total outstanding dues of Micro, Small & Medium Enterprises (MSME) (Refer Note No 3.40)	129.39	110.07
Total oustanding dues of creditors Others than MSME	24,073.61	18,360.27
Total	**24,203.00**	**18,470.34**

3.25 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
At amorised cost		
Current Maturities of Long-Term Borrowings (Refer Note No : 3.18)	-	30,000.00
Interest Accrued but not due on Borrowings	19.82	270.44
Interest Accrued and due on Trade Deposits	8.03	15.90
Creditors for Capital Goods	1,635.72	1,102.82
Unpaid Dividends	139.87	119.32
Employee Benefits	3,115.39	2,293.86
Security deposit	300.00	-
Other Payables	761.62	-
Total	**5,980.45**	**33,802.34**

3.26 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Deferred Government grant*	205.65	11.26
Advance from Customers	699.20	561.06
Duties & Taxes	1,311.13	1,732.27
Total	**2,215.98**	**2,304.59**

*To be amortised to income over the life of the assets against which such grants are received/receivable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.27 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Employee Benefits		
Provident Fund (Refer Note No 3.38)	64.73	55.51
Gratuity (Refer Note No 3.37)	35.00	291.57
Leave Encashment	892.04	1,240.29
Others		
Provision for Litigations (Refer Note No 3.39)	5,224.08	4,308.56
Total	**6,215.85**	**5,895.93**

3.28 CURRENT TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Provision for Direct Taxes (Net of Advances)	187.57	450.00
Total	**187.57**	**450.00**

3.29 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Sale of Products (including Excise duty)	2,50,000.36	2,52,486.20
Other Operating Revenues*	4,082.45	287.70
Total	**2,54,082.81**	**2,52,773.90**

*It includes amortisation of Capital Subsidy, Export incentives and GST Refund

3.30 OTHER INCOME

₹ in Lacs

Particulars	2017-2018		2016-2017	
Interest Received on financial assets carried as amortised cost				
Loans & Deposits	270.97		222.12	
Others	-	270.97	0.09	222.21
Dividend Income from equity investment carried at fair value through OCI		95.35		47.68
Income received on investments carried at fair value through Profit or loss				
Dividend from investments in mutual funds	8,071.41		7,164.95	
Profit/ (loss) on fair value of mutual funds	(7,660.29)	411.12	(4,691.37)	2,473.58
Profit/ (loss) on Derivative Instruments		133.03		(1,093.49)
Profit/(loss) on Sale of Property, Plant & Equipments		-		160.42
Rent and Maintenance Charges Received		473.30		425.85
Sundry Balances Written Back		41.29		33.57
Miscellaneous Receipts		343.16		272.58
Foreign Exchange Gain (Net)		181.50		565.34
Total		**1,949.72**		**3,107.74**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.31 COST OF MATERIAL CONSUMED

₹ in Lacs

Particulars	2017-2018		2016-2017	
Raw materials and Packing materials				
Opening Stock	7,058.93		5,768.93	
Add : Purchases during the year	65,970.01		64,403.51	
Less : Closing Stock	7,149.33	65,879.61	7,058.93	63,113.51
Total		**65,879.61**		**63,113.51**

3.32 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN_TRADE AND WORK-IN-PROGRESS

₹ in Lacs

Particulars	2017-2018		2016-2017	
(I) Opening Stock				
Work-in-progress	400.67		249.89	
Finished Goods	8,090.72		6,612.25	
Stock in trade	2,170.15	10,661.54	2,232.48	9,094.62
(II) Closing Stock				
Work-in-progress	376.50		400.67	
Finished Goods	8,409.57		8,090.72	
Stock in trade	3,015.68	11,801.75	2,170.15	10,661.54
(I) - (II)		**(1,140.21)**		**(1,566.92)**

3.33 EMPLOYEE BENEFIT EXPENSES

₹ in Lacs

Particulars	2017-2018	2016-2017
Salaries and Wages	22,796.98	20,931.35
Staff Contribution to Provident and other funds	1,352.65	1,201.14
Gratuity Expenses (Refer Note No 3.37)	714.39	637.62
Welfare expenses	600.66	584.40
Total	**25,464.68**	**23,354.51**

3.34 FINANCE COSTS

₹ in Lacs

Particulars	2017-2018	2016-2017
Interest Expenses	3,430.95	5,801.13
Total	**3,430.95**	**5,801.13**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.35 OTHER EXPENSES

₹ in Lacs

Particulars	2017-2018		2016-2017	
Consumption of Stores and Spare parts		449.94		354.88
Power and Fuel		1,831.90		1,518.71
Rent		1,003.19		831.13
Repairs & Maintenance :				
Building	205.65		324.26	
Machinery	896.63		879.55	
Others	1,706.20	2,808.48	1,668.44	2,872.25
Insurance		342.91		353.76
Freight & Forwarding		6,193.66		6,053.16
Directors' Fees and Commission		647.45		571.88
Advertisement & Sales Promotion		46,960.26		44,280.17
Packing Charges		4,239.04		3,768.79
Commission		1,053.01		1,220.76
Loss on Sale/Disposal of Property, Plant & Equipment's		45.83		21.75
Sundry Balance Written off		-		13.34
Legal and Professional Fees		2,093.85		2,003.04
Travelling and Conveyance		2,636.08		2,650.16
Expenditure on CSR Activities		962.07		755.35
Miscellaneous Expenses		3,393.44		3,179.90
Total		**74,661.11**		**70,449.03**

3.36 SEGMENT INFORMATION

The management has considered that the Group has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further the Group is engaged in a single business line, viz., "Personal and Health Care".

The Group primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under:

₹ in Lacs

Revenue from Operation	2017-2018	2016-2017
India	2,22,303.44	2,23,623.26
Overseas*	31,779.37	29,150.64
Total	**2,54,082.81**	**2,52,773.90**

The following table shows the carrying amount of segment non-current assets by geographical area to which these assets are attributable:

₹ in Lacs

Carrying amount of Non-Current Assets (excluding financial assets and deferred tax assets.)	As at 31.03.2018	As at 31.03.2017
India	1,86,050.80	2,01,783.78
Overseas*	3,916.43	4,312.08
Total	**1,89,967.23**	**2,06,095.86**

*Revenue and carrying amount of non-current assets from no individual country is material.

The Group is not reliant on revenues from any single external customer amounting to 10% or more of its revenues.

3.37 DEFINED BENEFIT PLAN (GRATUITY) :

(i) The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death.

The Holding Company makes contributions to Himani Limited Gratuity Fund, J.B. Marketing and Services Employees Gratuity Fund, Zandu Pharmaceuticals Employees Gratuity Fund & Kemco Chemicals Employees Gratuity Fund, which is funded defined benefit plan for qualifying employees in India.

(ii) Details as per actuarial valuations recognised in the financial statements in respect of Employee Benefit Scheme.

₹ in Lacs

	Particulars	Gratuity Partly Funded	
		As at 31.03.2018	As at 31.03.2017
A	**Expenses Recognised in the income Statement**		
1	Current Service Cost	547.93	471.80
2	Past Service Cost	-	-
3	Loss/(Gain) on settlement	-	-
4	Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	166.46	165.82
5	Total Expenses recognised in the Statement of Profit & Loss	**714.39**	**637.62**
B	**Assets and Liability**		
1	Present value of Obligation	4,524.68	4,618.48
2	Fair Value of Plan Assets	2,106.36	1,938.69
3	Funded Status [Surplus/(deficit)]	(2,418.09)	(2,203.05)
4	Effects of Asset Ceiling, if any	-	-
5	Net asset/(liability) recognised in balance sheet	**(2,418.32)**	**(2,679.79)**
C	**Change in Present Value of Obligation**		
1	Present value of Obligation as at beginning of year	4,618.48	3,739.87
2	Current Service Cost	547.93	471.80
3	Interest Expense or Cost	307.89	283.56
4	Re-measurement (or Actuarial)(gain)/loss arising from :		
	- Change in demographic assumptions	(226.44)	-
	- Change in financial assumptions	(171.02)	(152.09)
	- Experience variance (i.e. Actual experience vs assumptions)	(51.75)	77.99
5	Past Service Cost	-	-
6	Benefits Paid	(240.91)	(131.40)
7	Adjustment on account of foreign subsidiaries	(259.50)	328.75
8	Effect of business combinations or disposals	-	-
9	Present value of Obligation as at the end of year	**4,524.68**	**4,618.48**
D	**Change in Fair Value of Plan Assets**		
1	Fair Value of Plan Assets at beginning of year	**1,938.69**	**1,491.36**
2	Investment Income	141.42	117.73
3	Employer's Contribution	221.15	460.56
4	Benefits paid	(160.46)	(131.40)

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as at & for the year ended 31st March, 2018

3.37 DEFINED BENEFIT PLAN (GRATUITY) (Contd.)

₹ in Lacs

	Particulars	Gratuity Partly Funded	
		As at 31.03.2018	As at 31.03.2017
5	Return on plan assets, excluding amount recognised in net interest expense	(34.44)	0.44
6	Acquisition Adjustment	-	-
7	Fair Value of Plan Assets at end of year	**2,106.36**	**1,938.69**
E	**Other Comprehensive Income**		
1	Actuarial (gains)/losses	-	-
	- Change in demographic assumptions	(226.44)	-
	- Change in financial assumptions	(171.02)	(152.09)
	- Experience variance (i.e. Actual experience vs assumptions)	(57.86)	77.99
2	Return on plan assets, excluding amount recognised in net interest expense	34.44	(0.44)
3	Components of defined benefit costs recognised in other comprehensive income	**(420.88)**	**(74.54)**

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2018	As at 31.03.2017
Funds managed by Insurer	100%	100%

(iv) Assumptions

Particulars	As at 31.03.2018	As at 31.03.2017
Financial Assumptions		
Discount Rate (%)	6.40% to 7.7%	7.30%
Salary Growth Rate (per annum)	4.10% to 10%	10.00%
Demographic Assumptions		
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal Rate (per annum)	5% to 30%	1%

(v) Sensitivity Analysis :-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Revenue from Operation	As at 31.03.2018	As at 31.03.2017
Defined Benefit Obligation (Base)	4,524.45	4,141.74

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 0.50% -1%) (₹ in Lacs)	4,862.49	4,228.04	4,573.00	3,775.47
(% change compared to base due to sensitivity)	7.47%	-6.55%	10.40%	-8.80%
Salary Growth Rate (-/+ 0.50% -1%) (₹ in Lacs)	4,231.15	4,852.17	3,780.75	4,557.42
(% change compared to base due to sensitivity)	-6.48%	7.24%	-8.70%	10.00%

3.37 DEFINED BENEFIT PLAN (GRATUITY) (Contd.)

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
	Decrease	Increase	Decrease	Increase
Attrition Rate (- / + 50% of present attrition rate) (₹ in Lacs)	4,651.70	4,425.86	4,180.94	4,104.80
(% change compared to base due to sensitivity)	2.81%	-2.81%	0.90%	-0.90%
Mortality Rate (- / + 10%) (₹ in Lacs)	4,525.01	4,523.94	4,144.06	4,139.42
(% change compared to base due to sensitivity)	0.01%	-0.01%	0.10%	-0.10%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(vi) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees in India. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Expected Contribution during the next annual reporting period

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
The Company's best estimate of Contribution during the next year	300.00	250.00

c) Maturity Profile of Defined Benefit Obligation

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Weighted average duration (based on discounted cash flows)	7 Years	10 Years

₹ in Lacs

Expected cash flows over the next (valued on undiscounted basis):	2017-18	2016-17
1 Year	1,003.29	816.78
2 to 5 Years	1,424.45	853.06
6 to 10 Years	1,769.71	1,546.08
More than 10 Years	4,971.49	7,011.66

(vii) Description of Risk Exposures

Valuations are performed on certain basic set of predetermined assumptions and other regulatory frame work which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Group to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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3.37 DEFINED BENEFIT PLAN (GRATUITY) (Contd.)

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time) or relevant applicable statute of respective foreign subsidiaries. There is a risk of change in regulations requiring higher gratuity pay-outs.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

3.38 DEFINED BENEFIT PLAN (PROVIDENT FUND) :

(i) In respect of certain employees in India, provident fund contributions are made to a Trust administered by the Group.

The defined benefit obligation arises from the possibility that during any time period in the future, the scheme may earn insufficient investment income to meet the guarantied interest rate declared by government/EPFO / relevant authorities.

The net defined benefit obligation as at the valuation date, thus, represents the excess of accrued account value plus interest rate guaranteed liability over the fair value of plan assets.

(ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Accumulated Account Value of Employee's Fund	8,910.65	7,495.16
Interest Rate Guarantee Liability	176.15	141.85
Present value of benefit obligation at end of the period	9,086.80	7,637.01
Fair Value of Plan Assets	9,022.07	7,581.50
Net Asset / (Liability)	**(64.73)**	**(55.51)**

₹ in Lacs

Interest Rate Guarantee Liability	As at 31.03.2018	As at 31.03.2017
Interest Rate Guarantee Liability	176.15	141.85
Fund Reserve and Surpluses	111.42	86.34
Net Liability	**64.73**	**55.51**

(iii) **Major categories of Plan Assets (as percentage of Total Plan Assets)**

Particulars	As at 31.03.2018	As at 31.03.2017
Government of India securities	13.99%	10.62%
State Government securities	32.71%	35.94%
High quality corporate bonds	48.46%	46.68%
Equity shares of listed companies	2.47%	3.60%
Special Deposit Scheme	0.69%	1.33%
Bank balance	1.61%	1.48%
Other Investments	0.07%	0.35%
Total	**100%**	**100%**

3.38 DEFINED BENEFIT PLAN (PROVIDENT FUND) (Contd.)

(iv) Assumptions

Particulars	As at 31.03.2018	As at 31.03.2017
Discount Rate	7.60%	7.10%
Expected Guarantee Interest Rate	8.55%	8.65%
Mortality Rate (% of IALM 2006-08)	100.00%	100.00%
Attrition Rate (for all ages; per annum)	5.00%	1.00%

(v) Liability sensitivity analysis

Significant actuarial assumptions for the determination of the guarantee liability are interest rate guarantee and discount rate.

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Defined Benefit Obligation (Base)	9,086.80	7,637.01

₹ in Lacs

Particulars	As at 31.03.2018		As at 31.03.2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (₹ in Lacs)	9,087.69	9,058.46	7,644.07	7,619.49
(% change compared to base due to sensitivity)	0.0%	-0.3%	0.1%	-0.2%
Interest rate guarantee (-/+ 1%) (₹ in Lacs)	8,865.46	9,490.79	7,450.98	7,976.54
(% change compared to base due to sensitivity)	-2.4%	4.4%	-2.4%	4.4%

3.39 THE GROUP HAS MADE A PROVISION OF ₹ 1,197.01 LACS (31.03.2017 – ₹ 894.82 LACS) TOWARDS CASES WHICH ARE UNDER LITIGATION/DISPUTE AS SHOWN BELOW :

₹ in Lacs

Description	As at 31.03.2018	As at 31.03.2017
Opening Balance	4,308.56	3,492.83
Provisions made during the year	1,197.01	894.82
Payment/reversals during the year	(281.49)	(79.09)
Closing Balance	**5,224.08**	**4,308.56**

3.40 INFORMATION RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)S :

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	129.39	110.07
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the SMED Act, beyond the appointed day during the year.	-	-

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3.40 INFORMATION RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)S (Contd.)

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	-	-
Further interest remaining due and payable for earlier years	-	-
Total	**129.39**	**110.07**

3.41 Security Deposit of ₹ 5.65 Lacs (31.03.2017 -₹ 5.75 Lacs) due from Directors of the Holding Company against tenancies. (Maximum amount outstanding during the year - ₹ 5.75 Lacs (31.03.2017 -₹ 5.85 Lacs).

3.42 CONTINGENT LIABILITIES & COMMITMENTS

I) Contingent Liabilities

₹ in Lacs

(a) Claims against the Company not acknowledged as debt (Net of Advance):	As at 31.03.2018	As at 31.03.2017
i) Excise Duty demands	356.86	33.82
ii) Sales Tax demands under appeal	342.14	520.85
iii) Entry Tax	9.28	9.28
iv) Income Tax	-	70.68
v) Others	16.48	64.55

Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Group, the management believes that the Group has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary. The timing of outflow of resources is not ascertainable.

₹ in Lacs

	As at 31.03.2018	As at 31.03.2017
(b) Guarantees		
Bank Guarantees	1,553.04	924.71

II) Commitments:

₹ in Lacs

	As at 31.03.2018	As at 31.03.2017
(a) **Capital Commitments:** Estimated amount of commitments [net of advances of ₹ 2,232.19 lacs (31.03.2017 - ₹ 2552.71 lacs)] on capital account not provided for	3,030.19	3,608.93

(b) **EPCG Commitments :** The Group has procured capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at a concessional rate of customs duty / excise on an undertaking to fulfil quantified export obligation within the specified periods, failing which, the Group has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. Related export obligation to be met is ₹ 4,629.54 Lacs (31.03.2017 - ₹ 10,736.70 Lacs). In addition the Group needs to maintain the average annual export turnover of ₹ 2,209.55 Lacs to meet the above export obligation. The Group is confident that the above export obligation will be met during the specified period.

(c) **Other Commitments :** The Group has commitment to make investments in 1,13,986 Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each to be issued by ' Brilliare Science Private Limited' amounting to ₹ 800.00 Lacs @ ₹ 701.85 per CCPS.

3.43 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Income derived from investment properties	485.61	444.78
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	50.79	93.52
Less : Direct operating expenses (including repairs and maintenance) that did not generate income from investment property	7.15	8.66
Profit arising from investment properties before depreciation and indirect expenses	427.67	342.60
Less: Depreciation	125.50	114.01
Profit arising from investment properties before indirect expenses	**302.17**	**228.59**

Reconciliation of fair value:

₹ in Lacs

Particulars	2017-2018	2016-2017
Fair value of opening balance of Investment property	3,304.15	3,360.81
Fair value adjustment on opening balance of Investment property	789.60	273.64
Fair value of transfer in/(out)	1,733.89	(330.30)
Fair value of closing balance of Investment property	5,827.64	3,304.15

3.44 CATEGORIZATION OF FINANCIAL INSTRUMENTS:

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2018	As at 31.03.2017
(i) Financial Assets		
Measured at FVTPL		
- Investments in mutual funds/ alternate investment fund	13,503.29	3,332.14
- Investments in Preference Shares	799.32	-
- Investments in Equity Shares	0.70	-
- Other Financial Assets (Foreign currency Forward Contracts)	39.08	90.68
b) Measured at FVOCI		
- Investments in Equity Shares	15,232.48	9,435.88
c) Measured at Amortised Cost*		
- Loans	1,487.69	852.37
- Other Financial Assets	244.93	154.08
TOTAL	**31,307.49**	**13,865.15**
(ii) Financial Liabilities		
a) Measured at Amortised Cost*		
- Borrowings (Secured & Unsecured)	32,591.23	17,295.50
- Other Financial Liabilities	6,815.38	34,970.67
TOTAL	**39,406.61**	**52,266.17**

*Carrying Value of assets / liabilities carried at amortized cost are reasonable approximation of its fair values.

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables at carrying value because their carrying amounts are a reasonable approximation of the fair value due to their short term nature.

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3.45 FAIR VALUE HIERARCHY

- **Level 1**- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

₹ in Lacs

Particulars	Fair value measurement at end of the reporting period/year using			As at 31.03.2018
	Level 1	Level 2	Level 3	Total
Assets				
Investments in mutual fund units / alternate investment fund		13,503.29	-	13,503.29
Investments in Equity Shares	15,232.48	-	0.70	15,233.18
Investments in Preference Shares	-	-	799.32	799.32
Derivative financial instruments - foreign currency forward and option contracts	-	39.08	-	39.08

₹ in Lacs

Particulars	Fair value measurement at end of the reporting period/year using			As at 31.03.2017
	Level 1	Level 2	Level 3	Total
Assets				
Investments in mutual fund units	-	3,332.14	-	3,332.14
Investments in Equity Shares	9,435.88	-	-	9,435.88
Derivative financial instruments - foreign currency forward and option contracts	-	90.68	-	90.68

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Unquoted Preference Shares and Equity Shares in Brilliare Science Private Limited.	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will have P&L loss of ₹ 103 Lacs and 1% decrease will have an equal but opposite effect
		Growth Rate	1% increase in Growth rate will have P&L gain of ₹ 82 Lacs and 1% decrease will have an equal but opposite effect

3.46 INCOME TAXES

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below:

₹ in Lacs

Particulars	2017-2018	2016-2017
Profit before Income Taxes	39,377.17	42,362.27
Enacted Tax Rate in India	34.61%	34.61%
Computed expected tax expenses	13,627.65	14,660.73
Tax Incentives for 80IC/IE units	(6,890.11)	(6,270.62)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period.	(1,210.10)	(2,847.00)
CSR expenses	339.63	261.41
Effect of differential tax rates applicable to Foreign Subsidiaries	351.73	215.78
Others	(141.82)	532.19
Provision of earlier years	-	67.90
Excess of MAT liability over normal tax not recognised as asset	1,149.12	3,141.25
MAT credit (availment) / reversal	1,400.00	(1,400.00)
Income Tax Expense	**8,626.10**	**8,361.64**

Deferred Tax Assets for MAT Credit entitlement amounting to ₹ 25,344.22 Lacs (31.03.2017 - ₹ 22,666.51 Lacs) has not been recognised considering that the availability of taxable profit against which such deductible temporary difference can be utilised cannot be ascertained with required level of certainty.

3.47 DISTRIBUTION OF DIVIDEND

₹ in Lacs

Particulars	2017-2018	2016-2017
Dividend on equity shares declared and paid :		
Final dividend for the year ended 31.03.2017: ₹ 5.25 per share (31.03.2016: ₹ 7.00 per share)	11,915.80	15,887.73
Dividend Distribution Tax (DDT) on final dividend {Net of Credit on Dividend Received from Foreign Subsidiary u/s 115-O of Income Tax Act, 1961 of ₹ 128.24 Lacs (31.03.2017 : Nil)}	2,297.54	3,234.36
Interim dividend for the year ended 31.03.2018 : ₹ Nil per share (31.03.2017: ₹ 1.75 per share)	-	3,971.93
DDT on Interim dividend	-	448.95
	14,213.34	**23,542.97**
Proposed dividends on Equity Shares		
Final dividend for the year ended 31.03.2018 ₹ 7.00 per share (31.03.2017 : ₹ 5.25 per share)	15,887.73	11,915.80
DDT on Proposed dividend	3,265.77	2,425.78
	19,153.50	**14,341.58**

Proposed dividend on equity shares are subject to approval at the annual general meeting and is recognised as a liability (including DDT thereon) in the year in which it is approved by the shareholders.

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3.48 LEASES

The lease rentals charged during the year is as under:

₹ in Lacs

Particulars	2017-2018	2016-2017
Lease Rentals recognised during the year	1,003.19	831.13

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

₹ in Lacs

Future minimum lease payable	As at 31.03.2018	As at 31.03.2017
Not later than 1 year	101.31	120.84
Later than 1 year and not later than 5 years	54.88	156.19
Later than 5 years	-	-

The operating lease arrangements are renewable on a periodic basis. The period of extension depends on mutual agreement. These lease agreements have price escalation clauses.

3.49 CAPITAL MANAGEMENT

The Group's capital management is driven by Group's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Group's capital. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 10% and 25%. Net debt is defined as current and non-current borrowings (including current maturity of long term debt and interest accrued) less cash and cash equivalents.

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Net Debt	30,992.41	44,725.95
Total equity	201,361.19	1,75,469.21
Net Debt plus Total Equity	2,32,353.60	2,20,195.16
Gearing Ratio	13.34%	20.31%

3.50 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market risk

Foreign Currency risk

The Group operates both in domestic market and internationally and consequently the Group is exposed to foreign exchange risk through its sales in overseas countries, and purchases from overseas suppliers in foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

3.50 FINANCIAL RISK MANAGEMENT (Contd.)

The following table analyses foreign currency risk from financial instruments.

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Exposure Currency (USD)		
Trade Receivable	10,213.48	8,793.82
	10,213.48	**8,793.82**

For the year ended 31.03.2018 and 31.03.2017, every percentage appreciation in the exchange rate between the INR and Foreign Currency, would affect the Group's Profit before tax by approximately ₹ 80.45 Lacs and 76.27 Lacs respectively.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution.

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Less than 1 year		
Forward Contract (Currency - USD) – to cover both present and future export receivables	4,039.12	1,167.09
Total derivative financial instruments	**4,039.12**	**1,167.09**

Commodity Price Risk

The Group is affected by the price volatility of its key raw materials. Its operating activities requires a continuous supply of key material for manufacturing of hair oil, talc, balm and other products. The Group's procurement department continuously monitor the fluctuation in price and take necessary action to minimise its price risk exposure.

Security Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Group invests its surplus funds in various mutual funds, debt instruments and equity instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments) and certain quoted equity instruments. To manage its price risk arising from investments in mutual funds and equity instruments, the Group diversifies its portfolio. Mutual fund and equity investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

The Group's exposure to securities price risk arises from investments in mutual funds and equity investments held by the Group and classified in the Balance Sheet as fair value through profit or loss / fair value through other comprehensive income is disclosed under Note No. 3.44

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 15,589.27 Lacs and ₹ 9,701.27 Lacs as at 31.03.2018 and 31.03.2017, respectively. Trade receivables includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses.

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3.50 FINANCIAL RISK MANAGEMENT(Contd.)

The ageing analysis of the receivables has been considered from the date the invoice falls due.

₹ in Lacs

Trade Receivable	As at 31.03.2018	As at 31.03.2017
Less than 30 days	12,769.85	8,334.34
31 - 90 Days	1,598.18	641.18
91 to 180 days	979.39	420.47
More than 180 days	241.85	305.28
Total	**15,589.27**	**9,701.27**

Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities.

₹ in Lacs

Particulars	As at 31.03.2018	As at 31.03.2017
Less than 1 year		
Borrowings	32,591.43	17,295.50
Interest Payable on Borrowings in future	380.22	314.09
Trade Payables	24,203.00	18,470.34
Other financial Liabilities	5,980.45	33,802.34
	63,155.10	69,882.27
More than 1 year		
Other financial Liabilities	834.93	1,168.33
	834.93	1,168.33
Total	**63,990.03**	**71,050.60**

3.51 GROUP INFORMATION

		Country of Incorporation	As at 31.03.2018 % of Holding	As at 31.03.2017 % of Holding
	SUBSIDIARIES			
i)	Emami Bangladesh Limited	Bangladesh	100.00%	100.00%
ii)	Emami International FZE	UAE	100.00%	100.00%
iii)	Emami Indo Lanka (Pvt) Limited (incorporated during the year on 27th June 2017 as wholly owned subsidiary)	Sri Lanka	100.00%	-
iv)	Emami Overseas FZE - Subsidiary of Emami International FZE	UAE	100.00%	100.00%
v)	PharmaDerm Company SAE.- Subsidiary of Emami Overseas FZE	Egypt	90.60%	90.60%
vi)	Fravin Pty.Ltd, Australia-Subsidiary of Emami International FZE	Australia	85.00%	85.00%
vii)	Greenlab Organics, Subsidiary of Fravin Pty Ltd.	United Kingdom	85.00%	85.00%
viii)	Diamond Bio-tech Laboratories Pty Ltd., - Subsidiary of Fravin Pty Ltd.	Australia	85.00%	85.00%
ix)	Abache Pty Ltd, - Subsdiary of Diamond Bio Tech.	Australia	85.00%	85.00%
	ASSOCIATE			
i)	Helios Lifestyle Private Limited (w.e.f 07th December 2017, also refer Note No. 3.52)	India	30.87%	-

As on the balance sheet date, there are no subsidiaries that have non-controlling interests that are material to the Group.

3.52 INVESTMENT IN AN ASSOCIATE

During the year, the Group has invested in 30.87% equity shares of Helios Lifestyle Private Limited ('Helios') consequent to which it has become an associate of the Group with effect from 7th December 2017 for a total consideration of ₹ 2,000 Lacs. The investments includes commitment to subscribe to 24,260 equity shares (9.74%) amounting to ₹ 800 lacs. The committed number of shares and its present value of ₹ 744.19 lacs is included in the investment. Helios is involved in the online male grooming business in India. Helios is not listed on any public exchange. The Group's interest in Helios is accounted for using the equity method in the consolidated financial statements.

3.53 The Group has identified that its only reportable segment and Cash generating unit (CGU) is "Personal and Healthcare", to which the goodwill and brand (with indefinite life) acquired during the year through investment in associate, has been entirely allocated. The Group's share of carrying amount of goodwill and brand as at 31st March, 2018 is ₹ 25.87 lacs and ₹ 1,384.91 lacs respectively.

The Group has performed fair valuation of brand and goodwill as on the date of investment in the associate on 7th December 2017. Before the year end, the management has tested the above assets for impairment. In this regard, discounting factor of 8% has been considered.

The management has also performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value.

3.54 RELATED PARTIES TRANSACTION

A. Related Parties with whom transactions have taken place during the period

i) Associate

Helios Lifestyle Private Limited (w.e.f 7th December 2017)

ii) Key Management Personnel

1	Shri R. S. Agarwal	Chairman
2	Shri R. S. Goenka	Executive Director
3	Shri Sushil Kr. Goenka	Managing Director
4	Smt. Priti A. Sureka	Executive Director
5	Shri Mohan Goenka	Executive Director
6	Shri H. V. Agarwal	Executive Director
7	Shri Prashant Goenka	Executive Director
8	Shri N.H.Bhansali	CEO - Finance, Strategy & Business Development and CFO
9	Shri Arun Kumar Joshi	Company Secretary & VP- Legal

ii) Other Directors

1	Shri Aditya Vardhan Agarwal	Non Executive Director
2	Shri K.N.Memani	Independent Director
3	Shri Amit Kiran Deb	Independent Director
4	Shri Y.P.Trivedi	Independent Director
5	Shri S.B.Ganguly	Independent Director
6	Shri Sajjan Bhajanka	Independent Director (Ceased w.e.f. 2nd August, 2017)
7	Shri P.K.Khaitan	Independent Director
8	Shri M.D.Mallya	Independent Director
9	Shri C.K.Dhanuka	Independent Director (Appointed from 2nd August, 2017)
10	Smt. Rama Bijapurkar	Independent Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.54 RELATED PARTIES TRANSACTION (Contd.)

iii) Relatives of Key Management Personnel

1 Smt. Usha Agarwal
2 Smt. Saroj Goenka
3 Smt. Indu Goenka
4 Smt. Rachna Bagaria
5 Smt. Laxmi Devi Bajoria
6 Ms. Jyoti Agarwal
7 Ms.Pooja Goenka
8 Ms.Smriti Agarwal
9 Ms. Sobhna Agarwal
10 Ms.Vidisha Agarwal
11 Ms.Avishi Sureka
12 Ms. Jyoti Goenka
13 Ms. Mansi Agarwal
14 Ms. Rachna Goenka
15 Ms.Rashmi Goenka
16 Ms.Richa Agarwal
17 Ms.Shreya Goenka
18 Ms.Vidula Agarwal
19 Shri Raj Kr. Goenka
20 Shri Suresh Kr. Goenka
21 Shri Madan Lal Agarwal
22 Shri Manish Goenka
23 Shri Jayant Goenka
24 Shri Sachin Goenka
25 Shri Rohin Raj Sureka
26 Shri Vibhash Vardhan Agarwal
27 Shri Yogesh Goenka
28 Shri Saswat Goenka
29 Ms. Chikky Goenka
30 Ms. Vidhishree Agarwal
31 Shri Vihan Vardhan Agarwal

iv) Entities where Key Management Personnel and their relatives have significant influence

1 Suntrack Commerce Private Limited
2 Diwakar Viniyog Private Limited
3 Bhanu Vyapaar Private Limited
4 Suraj Viniyog Private Limited
5 Emami Paper Mills Limited
6 Emami Cement Limited
7 Emami Frank Ross Limited
8 Pan Emami Cosmed Limited
9 Emami Infrastructure Limited
10 Emami Agrotech Limited
11 CRI Limited
12 Aviro Vyapar Private Limited
13 AMRI Hospitals Limited
14 Zandu Realty Limited
15 Prabhakar Viniyog Private Limited (Formerly known as Emami High Rise Private Limited)
16 Ravi Raj Viniyog Private Limited (Formerly known as Emami Enclave Makers Private Limited)
17 Emami Nirman Private Limited
18 Emami Vriddhi Commercial Private Limited
19 Emami Estates Private Limited
20 Emami Projects Private Limited
21 Emami Capital Markets Limited
22 Emami Group Of Companies Private Limited
23 Emami Home Private Limited
24 Emami Centre for Ceativity Pvt. Ltd. (Formerly known as Emami Institute Of Corporate Solutions Private Limited)
25 Emami Power Limited
26 Narcissus Bio-Crops Private Limited (Formerly known as Emami International Private Limited)
27 Emami (Meghalaya) Cement Limited
28 Emami Natural Resouces Private Limited
29 Emami Constructions Private Limited
30 Emami Buildcon Private Limited
31 Dev Infracity Private Limited
32 Emami Brevarage Limited
33 TMT Viniyogan Limited
34 EPL Securities

Trust where Key Management Personnel and their relatives have significant influence

1 Himani Limited Staff Provident Institution
2 Emami Foundation
3 Aradhana Trust

3.54 RELATED PARTIES TRANSACTION (Contd.)

B. Disclosure of Transactions between the Company and Related Parties.

₹ in Lacs

Particulars	Associate		Directors, Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Total	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
1. Remuneration and Employee Benefits								
i) EXECUTIVE DIRECTORS								
- Short Term Employee benefits	-	-	1,106.83	1,052.04	-	-	**1,106.83**	**1,052.04**
- Post Employment benefits	-	-	47.33	47.33	-	-	**47.33**	**47.33**
- Commission	-	-	500.00	500.00	-	-	**500.00**	**500.00**
ii) OTHER DIRECTORS								
- Sitting Fees	-	-	28.65	28.35	-	-	**28.65**	**28.35**
- Commission	-	-	116.75	39.00	-	-	**116.75**	**39.00**
iii) CEO & COMPANY SECRETARY								
- Short Term Employee benefits	-	-	261.23	241.38	-	-	**261.23**	**241.38**
- Post Employment benefits	-	-	9.93	17.66	-	-	**9.93**	**17.66**
2. Sales								
- Sale of Goods	-	-	-	-	174.82	128.89	**174.82**	**128.89**
- Sale of Export Benefit Licence	-	-	-	-	190.09	110.24	**190.09**	**110.24**
3. Other Income								
- Sale of Property, Plant & Equipment	-	-	-	-	-	510.00	**-**	**510.00**
- Sale of Shares	-	-	-	-	-	304.82	**-**	**304.82**
- Rent, Maintenance & Other Charges Received	-	-	-	-	306.47	308.99	**306.47**	**308.99**
- Royalty Received	-	-	-	-	101.54	90.75	**101.54**	**90.75**
- Dividend Received	-	-	-	-	95.35	47.68	**95.35**	**47.68**
4. Purchase								
- Purchase of Gift and Promotional Items	0.67	-	-	-	73.63	27.13	**74.30**	**27.13**
- Purchase of Raw Materials	-	-	-	-	1,210.66	529.91	**1,210.66**	**529.91**
5. Other Expenses								
- Rent, Maintenance & Other Charges Paid	-	-	4.53	4.80	4.89	3.53	**9.42**	**8.33**
- Donation Paid	-	-	-	-	256.23	337.07	**256.23**	**337.07**
- Commission Paid	-	-	-	-	2.05	10.06	**2.05**	**10.06**
- Others	-	-	-	-	49.17	44.66	**49.17**	**44.66**
6. Dividend Paid	-	-	928.47	1,542.93	7,356.43	12,160.03	**8,284.90**	**13,702.96**
7. Investment including Commitments	1,944.19	-	-	-	-	-	**1,944.19**	**-**
8. Security Deposit Received	-	-	-	-	3.50	3.00	**3.50**	**3.00**
9. Refund against Security Deposit Paid	-	-	0.20	0.20	-	-	**0.20**	**0.20**
10. Refund against Security Deposit Received	-	-	-	-	4.18	29.73	**4.18**	**29.73**
11. Reimbursement of Expenses	9.82	-	-	-	175.22	114.00	**185.04**	**114.00**
12. Contribution to Provident Fund	-	-	-	-	531.63	472.86	**531.63**	**472.86**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.54 RELATED PARTIES TRANSACTION (Contd.)

C. The details of amount due to or due from related parties as at March 31, 2018 and March 31, 2017 as follows:

₹ in Lacs

Particulars	Related Party	As at 31.03.2018	As at 31.03.2017
Investment	Associate	1,944.19	-
	Entities where Key Management Personnel and their relatives have significant influence	15,232.48	9,435.88
		17,176.67	**9,435.88**
Trade Receivable	Entities where Key Management Personnel and their relatives have significant influence	9.56	-
Other Receivable	Associate	0.35	-
Trade Payable	Entities where Key Management Personnel and their relatives have significant influence	33.78	-
Other Payable	Entities where Key Management Personnel and their relatives have significant influence	3.35	1.03
Security Deposit Paid	Key Management Personnel & Relatives	14.45	14.65
	Entities where Key Management Personnel and their relatives have significant influence	7.00	7.00
		21.45	**21.65**
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	21.71	22.39
Remuneration, Siting Fees & Commission Payable	Key Management Personnel & Relatives	616.75	539.00

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

3.55 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The effect of changes in Foreign Exchange rates

Ind AS 12 Income Taxes

Ind AS 40 Investment Property

Ind AS 28 Investments in Associates and Joint ventures

Ind AS 112 Interest in Other Entities

Ind AS 115 – Revenue from Contracts with Customers

The Group is currently evaluating the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f 01.04.2018. However, based on the evaluation done so far and based on the arrangement that the Group has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact. However, there will be additional presentation and disclosure requirement, which will be provided in the next year's financial statements.

3.55 RECENT INDIAN ACCOUNTING STANDARDS (IND AS) (Contd.)

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

Ind AS 12 - Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Ind AS 40 - Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Group will apply amendments when they become effective. However, since Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements.

Ind AS 28 - Investments in Associates and Joint ventures

Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice :

i) An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss

ii) If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.55 RECENT INDIAN ACCOUNTING STANDARDS (IND AS) (Contd.)

Ind AS 112 - Interest in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

As at 31.03.2018, there is no impact on the Group's financial statement on account of the above amendment.

3.56 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Group may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

i) **Estimation of defined benefit obligations:** The liabilities of the group arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions Refer Note No. 3.37 for significant assumption used.

ii) **Estimation of current tax expenses and payable:** Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the group operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities. Refer Note No. 3.28 and 3.46

iii) **Estimation of provisions and contingencies:** Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the group. The Group exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision. Refer Note No. 3.27, 3.39 and 3.42.

iv) **Estimation of expected useful lives and residual values of property, plants and equipment:** Property, plant and equipment are depreciated at historical cost using straight-line method based on the estimated useful life, taken into account at residual value. The asset's residual value and useful life are based on the Group's best estimates and reviewed, and adjusted if required, at each Balance Sheet date. Refer Note No. 3.1.

v) **Fair Value Measurements:** When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions that may differ from actual developments in the future. For further details Refer Note No. 3.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.57 ADDITIONAL INFORMATION

a) Information as at and for the year ended 31st March 2018

₹ in Lacs

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent :								
Emami Limited	97.87%	1,97,123.96	101.05%	30,951.53	97.22%	9,130.19	100.15%	40,081.72
Subsidiaries :								
Emami Indo Lanka (Pvt) Limited	-0.02%	(33.00)	-0.11%	(34.82)	-		-0.09%	(34.82)
Emami Bangladesh Limited	1.55%	3,131.00	4.13%	1,264.56	-	-	3.16%	1,264.56
Emami International FZE	1.38%	2,788.00	-3.20%	(980.01)	-0.24%	(23.00)	-2.51%	(1,003.01)
Emami Overseas FZE	-0.17%	(347.00)	2.63%	804.73	-	-	2.01%	804.73
PharmaDerm Company SAE	-0.30%	(613.00)	-1.73%	(528.98)	-	-	-1.32%	(528.98)
Fravin Pty.Ltd.	0.41%	824.00	-0.65%	(198.56)	-	-	-0.50%	(198.56)
Greenlab Organics Ltd.	0.00%	-	-	-	-	-	-	-
Diamond Bio-tech Laboratories Pty. Ltd.	-0.03%	(70.00)	-0.05%	(15.38)	-	-	-0.04%	(15.38)
Abache Pty Ltd.	-0.03%	(54.00)	-0.06%	(17.19)	-	-	-0.04%	(17.19)
Intra-group eliminations	-0.66%	(1,332.34)	-1.62%	(494.80)	3.02%	283.62	-0.53%	(211.18)
Associate:								
Helios Lifestyle Private Limited			-0.40%	(121.40)			-0.30%	(121.40)
Total	**100.00%**	**2,01,417.62**	**100.00%**	**30,629.67**	**100.00%**	**9,390.81**	**100.00%**	**40,020.48**

b) Information as at and for the year ended 31st March 2017

₹ in Lacs

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent :								
Emami Limited	97.52%	1,71,255.58	101.87%	34,636.71	107.07%	4,228.52	102.41%	38,865.23
Subsidiaries :								
Emami Bangladesh Limited	1.46%	2,570.81	4.55%	1,547.79	-	-	4.08%	1,547.79
Emami International FZE	1.16%	2,032.84	-0.58%	(195.64)	-	-	-0.52%	(195.64)
Emami Overseas FZE	-0.66%	(1,151.78)	-0.03%	(10.09)	-	-	-0.03%	(10.09)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2018

3.57 ADDITIONAL INFORMATION (Contd.)

₹ in Lacs

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
PharmaDerm Company SAE	-0.04%	(71.75)	0.00%	(0.40)	-	-	0.00%	(0.40)
Fravin Pty.Ltd.	0.58%	1,014.51	-0.67%	(228.11)	-	-	-0.60%	(228.11)
Greenlab Organics Ltd.	0.00%	-	-	-	-	-	-	-
Diamond Bio-tech Laboratories Pty. Ltd.	-0.03%	(54.05)	-0.06%	(21.61)	-	-	-0.06%	(21.61)
Abache Pty Ltd.	-0.02%	(35.27)	-0.07%	(24.55)	-	-	-0.06%	(24.55)
Intra-group eliminations	0.03%	49.59	-5.01%	(1,703.47)	-7.07%	(279.05)	-5.22%	(1,982.52)
Total	**100.00%**	**1,75,610.48**	**100.00%**	**34,000.63**	**100.00%**	**3,949.47**	**100.00%**	**37,950.10**

3.58 The Board has recommended issue of Bonus Shares in the ratio of 1 : 1 i.e. issue of 1 share for every 1 equity share held by the shareholders of the Parent. The Bonus is subject to approval of shareholders to be sought through postal ballot. The Bonus issue if approved by the shareholders shall be entitled for Dividend for the financial year 2018-19 and thereafter.

3.59 Information for Earnings Per Share as per IND AS 33

₹ in Lacs

	As at 31.03.2018	As at 31.03.2017
Net Profit (₹ in Lacs)	30,714.11	34,041.80
Cash Profit (₹ in Lacs)	61,799.89	64,899.38
Weighted average number of shares	22,69,67,619	22,69,67,619
Earnings Per Share - Basic & Diluted (₹.)	**13.53**	**15.00**
Earnings Per Share - Cash (₹.)	**27.23**	**28.59**

3.60 The Ind AS consolidated financial statements of the Group for the year ended March 31, 2017, included in these Ind AS consolidated financial statements, have been audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP.

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no:301003E/E300005

Sanjay Kumar Agrawal
Partner
Membership No:060352
Kolkata
3rd May, 2018

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

Form No AOC 1

STATEMENT REGARDING SUBSIDIARY COMPANY

Pursuant first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accountants) Rules, 2014

₹ in Lacs

Sl. No.	1	2	3	4	5	6	7	8	9
Name of the Subsidiary Company	Emami Bangladesh Limited	Emami Indo Lanka (Pvt) Ltd	Emami International FZE	Emami Overseas FZE	Pharma-derm Company S.A.E	Fravin Pty Ltd	Diamond Bio-Tech Laboratories Pty Ltd	Greenlab Organics Limited	Abache Pty Ltd
Name of the Holding Company	Emami Limited	Emami Limited	Emami Limited	Emami International FZE	Emami Overseas FZE	Emami International FZE	Fravin Pty Ltd	Fravin Pty Ltd	Diamond Bio-Tech Laboratories Pty Ltd
% of shareholding of Holding company	100%	100%	100%	100%	90.50%	85.00%	100%	100%	100%
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	27th June 2017 to 31st March 2018	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	BDT INR 0.7847 per BDT	LKR INR 0.4181 per LKR	AED INR 17.74 per AED	AED INR 17.74 per AED	EGP INR 3.6989 per EGP	AUD INR 50.028 per AUD	AUD INR 50.028 per AUD	GBP INR 91.2655 per GBP	AUD INR 50.028 per AUD
Share capital	27.82	4.78	18.98	3.08	168.46	1,875.64	0.0010	0.001655	50.16
Reserves & Surplus	3,103.23	(34.76)	2,769.16	(350.55)	(781.88)	(1,051.62)	(70.06)	(0.000742)	(103.80)
Total assets	8,690.10	511.93	16,204.75	1,050.43	466.70	1,471.50	68.21	0.000913	162.94
Total Liabilities	5,559.05	541.91	13,416.61	1,397.91	1,080.12	647.48	138.27	-	216.58
Investments	-		1,719.90	-	-	0.0021	0.0005	-	-
Turnover	8,883.68	402.18	17,429.69	-	326.05	146.70	-	-	-
Profit before taxation	1,967.22	(30.61)	(316.01)	804.73	(528.98)	(251.65)	(20.33)	-	(11.95)
Provision for taxation	702.66	4.22	-	-	-	(53.09)	(4.95)	-	5.23
Profit after taxation	1,264.56	(34.83)	(316.01)	804.73	(528.98)	(198.56)	(15.38)	-	(17.19)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1) Names of subsidiaries which are yet to commence operations - **Greenlab Organics Limited**
2) Names of subsidiaries which have been liquidated or sold during the year - **NA**

As per our report of even date

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S K Goenka
Managing Director

N H Bhansali
CEO -Finance, Strategy & Business Development and CFO

A K Joshi
Company Secretary & VP-Legal

Kolkata
3rd May, 2018

NOTES

Awards & accolades

Corporate Awards & Rankings

• Emami Ltd. was awarded by the ET Bengal Corporate Awards for its 'Best Financial Performance - 2018' in the ₹1000+ crore category by Economic Times.

• Emami Ltd. was ranked at 94th position among 500 Most Valuable Companies in the BT 500 list of 2017 by Business Today magazine.





BoroPlus and Zandu were ranked at the 49th and 90th position, up from the 54th and 100th ranks of last year, in the "Top 100 Most Trusted Brands" of the Brand Equity Survey 2017 of The Economic Times.

Emami Ltd. was awarded "MODI- Making of Developed India" Award for achieving excellence in export under the category of "Excellence in Global Reach Company of the Year", presented by ET NOW.



'Navratna Oil – Sukun Ka Safar' campaign at Ujjain Kumbh Mela bagged at Flame Awards Asia 2017' dual trophies of gold and silver respectively in the category of 'Promotion & Activation Campaign' & in the category of 'Integrated & Social Development'.

The Campaign continued its sprint ofwinning awards as it went on to grab the 'Gold trophy' in the category of BTL activities for Innovation & 'Silver trophy' in the category of Events & Promotions at the ACEF Awards 2017.



Brands & Marketing Awards

The Flying Basin Campaign of HE On the Go Waterless Face Wash received, Bronze in in the Digital Category for the Best Social Media Campaign at the ABBY Awards, considered to be the Oscar in the world of Advertising & Marketing.

The campaign also won Best Practices Award for 'Video Content for Marketing & Promotion' at Engage 2017 by Public Relations Society of India, Kolkata Chapter and Indian Content Marketing Award in the Best Content Marketing Launch/Relaunch' category award by Exchange4media.

Individual Recognition

Mr. N H Bhansali, CEO – Finance, Strategy & Business Development and CFO, was awarded the Best CFO Award for Sustained Wealth Creation in the Mid-Cap segment by the YES Bank-BW Businessworld CFO Awards 2017.



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