emami limited

To,
The Secretary,
National Stock Exchange Ltd.
Plot no. C/1, G Block
Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051

July 12, 2019

The Secretary,
The BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001.

The Secretary,
The Calcutta Stock Exchange Limited,
7, Lyons Range,
Kolkata-700001

Dear Sirs,

Sub: Annual Report of the Company for the Financial Year 2018-19

We are hereby submitting the copy of annual Report of the company for the Financial Year 2018-19 along with the Notice of the Thirty Sixth Annual General Meeting of the company to be held on 8th August, 2019. The same is also available on the website of the company www.emamiltd.in.

This is for your information and record.

Thanking You,

Yours faithfully,
For Emami Limited,

A.K. Joshi
Company Secretary & VP-Legal
Encl: as above

PAGE 64 **Powering ahead**
Emami has outperformed sectoral growth due to its ability to enter underpenetrated FMCG segments.

Everywhere PAGE 38
Emami's supply chain efficiency makes it possible to reach 4.5 million outlets across the country.

emami

EMAMI LIMITED | ANNUAL REPORT 2018-19

COVER STORY 20

wellness

How Emami is creating wellness for all its stakeholders.

PAGE 04
Founders' statement
Emami's wellness prescription

PAGE 34
Wellness, naturally
Blending the rich ancient wisdom of ayurvedic principles with modern-day scientific protocols



emami
www.emamiltd.in

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
Rama Bijapurkar
P.K. Khaitan
C.K. Dhanuka
S.B. Ganguly
Amit Kiran Deb
Debabrata Sarkar
Mohan Goenka
Aditya V. Agarwal
Harsha V. Agarwal
Priti A Sureka
Prashant Goenka

Our Presence

60+ Countries | 9 Factories (including 1 Overseas Unit)
4 Regional Offices | 26 Depots.

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, 5th floor,
Kolkata 700 001, West Bengal, India,
Tel: +91-33-2248 2248, Fax: +91-33-2243 5029,
Email: mdpldc@yahoo.com

Registered Office:

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

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

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

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

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

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

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

CONTENTS



Founders' statement
Emami's wellness prescription 04



Q & A
A conversation with the Managing Director 16

Emami's Board of Directors	10
Highlights, FY19	12
10-year highlights	14

Special Stories

Wellness, naturally	34
Everywhere	38



Life changer 52

Features

Regrowth	26



Man-edge 30

What a relief!	48
Healthcare, ayurveda way...	56
From India to the World	60



Raahat ka Raja 44

Cover story
Wellness
PAGE 20



Infographics

Powering ahead	64
India's consumerist revolution	66



Perspective

"A meaningful collaboration between scientific institutions and industry players is the need of the hour and could bring about a paradigm shift in the realm of ayurvedic medicine."

Q & A with **Dr. Ram A Vishwakarma**, Director, Indian Institute of Integrative Medicine, Jammu 37



Omnipresent 62



Management discussion and analysis 72



Awards & accolades 85



Emami making headlines 86



All-round protection 40

Statutory Reports

Directors' Report	88
Corporate Governance Report	134
Business Responsibility Report	166
Standalone Financial Statements	178
Consolidated Financial Statements	242

Editorial Board
N H Bhansali
Rajesh Sharma
Mahasweta Sen
Arpit Shah
Pritha Roy Chakrabarti

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.

Note(s)
1. All financial figures and growth data are based on consolidated financials unless otherwise stated

2. All market Shares pertain to MAT March 2019 in volume terms unless otherwise stated

Editors' note

To all our stakeholders,

We are happy to present the annual report of Emami Limited.

Across the globe, there has been an increasing awareness of wellness. Consumers are investing additional effort to stay well. There has been growing preference for ayurveda to help the journey of wellness. Ayurveda is becoming increasingly popular world over for its ability to deliver long-term solution to problems without side-effects.

Emami has been one of the pioneers in India in offering ayurveda-based lifestyle and healthcare products. Emami has proven the efficacy in the use of ayurvedic elements through scientific studies, thereby winning consumer trust.

In a progressively conscious world where people strive to stay healthy, Emami offers a range of products to suit their lifestyle. In doing so, we expect it to further open up new avenues to drive our growth in a profitable and sustainable way.





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

Readers' speak

Poonam Gandhi, *shareholder*

Emami Ltd's Annual Report stands out amongst a whole number of reports that we keep getting. It provides relief in terms of its rich visual content and informative story-telling. The Company's differentiated approach is evident. I love collecting the Annual Reports for its magazine-like look and feel.

Madhusudan Dey, *shareholder*

Apart from routine information pertaining to the Company's performance, Emami's FY18 Annual Report stood out for its macroeconomic insights. The in-depth insights on rural India, digital revolution and FMCG growth drivers were not only useful for shareholders but also valuable for a layman interested in studying the prospects of the consumer industry in India.

Kuldeep Kumar Gattani, *shareholder*

The message conveyed through Emami's FY17-18 Annual Report was loud and clear - Emami was evolving to meet the demands of young consumers. This messaging was something very important for a small investor like me as it not only gave me comfort, but also confidence of the Company's prospects. I thank the editorial team for making the Annual Report insightful, rich and vibrant.

Generally Annual Reports deal with numbers which, while being factual are mundane. Emami's Annual Report enjoys a rich legacy of breaking away from that set pattern. Through its non-statutory section, it offers a deep insight into the ethos, culture and vision of the Company. Every year, the Company's Annual Report typically highlights one of its key characteristics and successfully holds it up to the investors to seek.

Sanjeev Losalka, *shareholder*



2017-**18**

Annual reports over the years



2012 -**13**



2013 -**14**



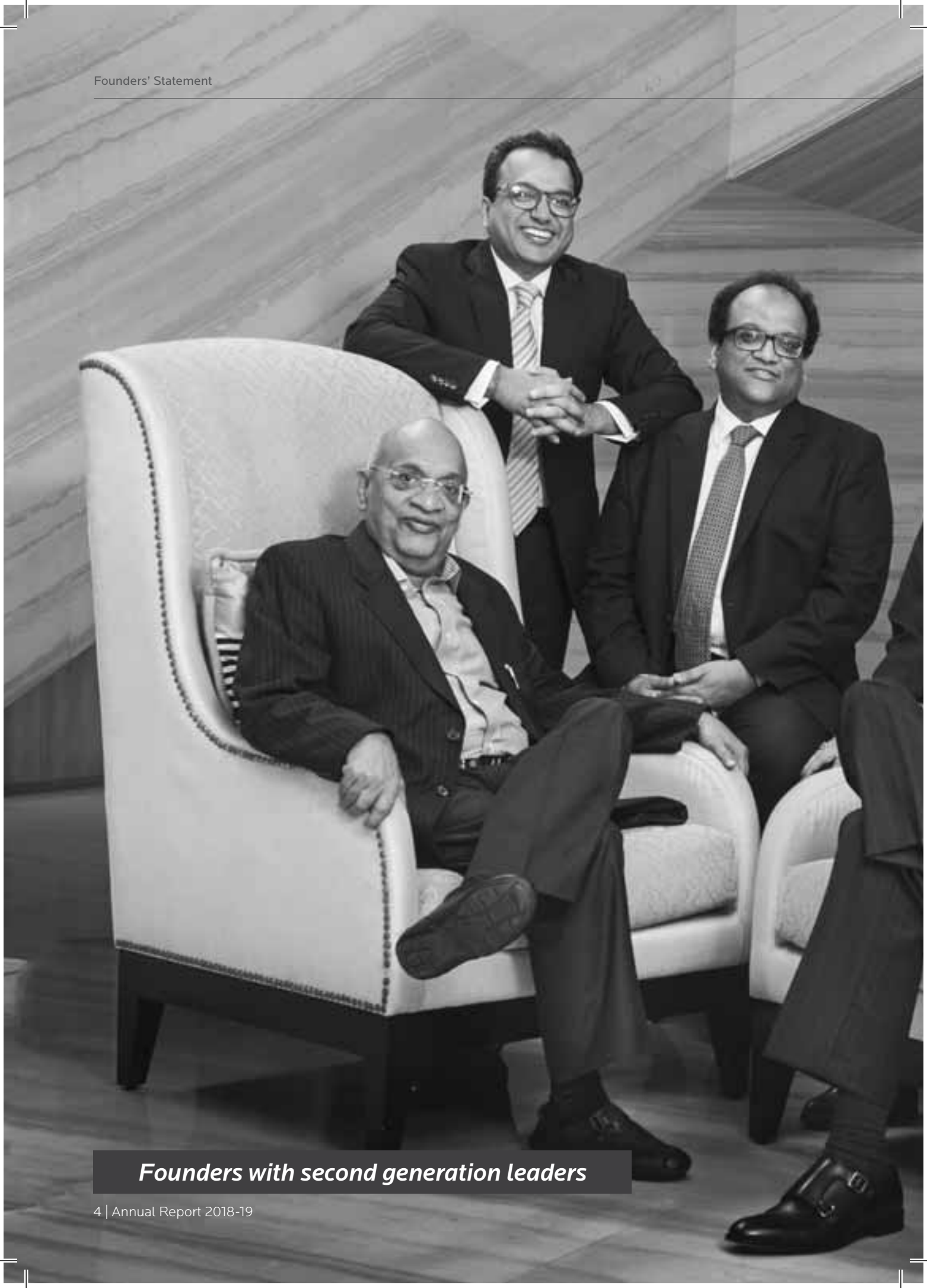
2014 -**15**



2015-**16**



2016-**17**



Founders with second generation leaders



"There is an increasing trend among people to spend more money and time for an enhanced being of wellness"

Standing (left to right):
Harsha V Agarwal, Prashant Goenka
Manish Goenka, Mohan Goenka

Sitting (left to right):
RS Agarwal, Aditya V Agarwal
Priti A Sureka, RS Goenka

Dear shareholders,

One of the biggest changes that we have seen in the last 50 years is that the Indian of today is more concerned about looking and feeling better than his/her predecessor.

This is not just an urban phenomenon. We find it virtually everywhere across the country. People are willing to spend more in terms of time and money for an enhanced being of wellness, convinced that they deserve better. It is increasingly evident that the spirit of saving has been replaced by a willingness to spend; that a spirit of sacrifice has been replaced by the idea of 'gratification now'.

There are a number of reasons for this sweeping and unprecedented transformation.

One, the average Indian is earning more than he or she has done earlier.

Two, he/she has more reasons to spend than before.

Three, he/she is being increasingly influenced, particularly by wider choices and lifestyle changes advertised over the social media.

The outcome has been the formalisation of a sector and the emergence of a word in our consciousness called wellness that we would possibly have rejected as bad grammar a few decades ago. Quite remarkably, the indispensables of modern living that read 'health, wealth and happiness' until recently now read as – 'heath, wealth, wellness and happiness.'

The Indian wellness revolution

So what is wellness?

A couple of decades ago, an answer to this question would have been synonymous with emotional well-being. There has been an extension in the meaning of this word in the recent past. Wellness is no longer just about feeling good in the mind; it is also about being physically fit, spiritually balanced and emotionally centred.

There is a greater receptivity for the word and its new meaning. There is an increased use of the word 'wellness' in our everyday conversation; there is a greater reference to this holistic concept when doctors prescribe therapies; there is a greater emphasis on wellness in rebalancing the stress of everyday existence.

The result is that wellness is no longer side-stream. The concept is now mainstream, integral to our sense of our modernity and only likely to grow in importance from this moment onwards.

From a corporate point of view, we believe that an increasing number of companies will need to accommodate wellness in their business strategy just as the need for a broader environmental responsibility that grew into their consciousness a few decades ago. Moving ahead, wellness will play a more central role in the business model across a number of sectors, benefiting those who will proactively accept, adjust and invest.

Emami's preparedness

The idea of wellness was integral to the business of Emami when the Company started its journey more than four decades ago.

Even though the term had not been brought into the Company's consciousness, we recognised that this concept would perhaps be a fitting differentiator of our intent and content. Looking back, we believe that we were one among the first few companies to champion this idea, emerging as a flagbearer.

Emami promoted wellness for all; not just for a certain economic strata of society. It created products with the objective of enhancing feeling of total well-being through enhanced personal health and beauty. Leveraging the ancient wisdom of ayurveda (over chemicals) it provided efficacious solutions without harmful side-effects.



Emami promoted wellness for all; not just for a certain economic strata of society.

It created products with the objective of enhancing a feeling of total well-being through enhanced personal health and beauty.



The Company also highlighted its presence in relatively under-penetrated segments through differentiated products. Emami's growth was spearheaded by a basket of wellness-centric products and conveniences.

The Navratna range of products provide relief from stress and heat. BoroPlus provides a one-stop solution for skin problems. The unique 7 Oils-in-One helps maintain lustrous and healthy hair. Kesh King helps to restore and regrow damaged hair. Emami's pain management products provide relief from stress and body pain. The OTC and generic products range provide long-term relief from lifestyle-induced ailments.

Over the years, the relative first-mover's advantage translated into enhanced recall, increased market share, attractive revenue growth and superior as well as sustainable margins.

As a result, Emami has emerged as one of the most profitable FMCG companies. We are pleased to report that product wellness has translated into financial wellness. An investment of ₹4,000 in Emami shares at the time of its inception has grown to ₹6.7 crore today.

Emami fortified its financial wellness through a cash-rich business reinforced through a relatively low cost structure, prudent sourcing, attractive value-addition and propensity to invest out of accruals wherever possible.

Emami's social wellness proposition encompasses direct and indirect employment opportunities to impact more than 8,000 families. The Company also touches the lives of more than 100,000 individuals through community development

Emami's wellness prescription

- Focus on personal care products infused with the goodness of ayurveda
- Conduct extensive scientific studies to legitimise the efficacy of wellness products
- Enter high-growth segments through the acquisition of complementary brands and companies
- Grow the topline, deleverage the Balance Sheet and strengthen margins
- Source raw materials responsibly
- Comply completely with GMP guidelines

From a corporate point of view, we believe that an increasing number of companies will need to accommodate wellness in their business strategy just as the need for a broader environmental responsibility grew into their consciousness a few decades ago. Moving ahead, wellness will play a more central role in the business models in a number of sectors, benefiting those who will proactively accept, adjust and invest.

initiatives in education, healthcare, skill development and livelihood creation projects.

Emami's environmental wellness proposition has embraced modern and responsible agricultural methods in sourcing raw materials, preservation of endangered plants, bio-resource development and implementation of cutting-edge farming technologies benefiting economically-disadvantaged farmers.

Emami's holistic wellness proposition comprises scientific studies to support product effectiveness, which includes collaborative scientific studies with the Indian Council of Medical Research related to the impact of fermentation on medicinal plants.

At Emami, we have responded with urgency in addressing opportunities related to wellness growth and expansion. The Company continues to grow its global footprint through strategic acquisitions, a recent instance being Creme 21, a German personal care brand of global repute, strengthening Emami's portfolio and extending its reach beyond existing global markets.



To enhance business sustainability and grow the circle of influence of wellness, the Company expanded its Indian presence to more than 9.4 lac retail outlets directly and more than 4.5 mn retail outlets indirectly. The Company's products are also available online on major e-commerce platforms, enhancing accessibility and availability.

Outlook for FY20

At Emami, we continue to be optimistic of our prospects.

With trade channels regaining their vitality in the wake of the implementation of the GST, the global trade scenario reporting improvement and a growing acceptance of Emami's products, we believe that the Company is attractively placed to capitalise in FY2019-20.

The Company's newly-launched products are gaining traction and could account for a sizeable share of the Company's growing revenues, enhancing stakeholder wellness.

Acknowledgment

Emami is grateful for the unstinted support of all its stakeholders and expects to continue enhancing value in the long-term.

RS Agarwal | RS Goenka
Founders


HE
ADVANCED GROOMING
PACK EK
FRAGRANCE DO
GOD PROMISE BRO
HE
ADVANCED GROOMING
MAGIC
DUO
ANGEL AND DEMON
PREMIUM PERFUME SPRAY
ZERO
GAS
LONG-LASTING
2 MAGICAL FRAGRANCES
ALSO AVAILABLE IN YIN & YANG

Emami's Board of Directors

EMINENT INDUSTRY EXPERTS FROM DIVERSE FIELDS VIZ. STRATEGY, LEGAL, FINANCE, MARKETING, BANKING, MANUFACTURING AND OTHERS.



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



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



Debabrata Sarkar
Former CMD, Union Bank of India,
Independent Director



S K Goenka
Managing Director



Mohan Goenka
Wholetime 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



Aditya V Agarwal
Non-Executive Director



Harsha V Agarwal
Wholetime Director



Priti A Sureka
Wholetime Director



Prashant Goenka
Wholetime Director

Highlights, FY 2018-19

Turnover

- Revenue from Operations at ₹2,693 crore grew by 7%
- Consolidated Net sales at ₹2,659 crore grew by 7%
- Domestic Net sales at ₹2,210 crore grew by 7%
- Institutional Net sales at ₹96 crore grew by 5%
- International Net sales at ₹353 crore grew by 12%

Profits

- EBIDTA at ₹726 crore grew by 1%. EBIDTA margin was 26.9%
- Cash Profit at ₹629 crore grew by 2%. Cash Profit margin was 23.3%.
- PAT at ₹303 crore. PAT margin was 11.3%.
- EPS at ₹6.68; Cash EPS was ₹13.85
- ROCE was 28.55% (on Cash Profit)
- ROE was 30.28% (on Cash Profit)

Costs

- Cost of goods sold was 34.3% of Revenues, increasing 200 bps
- Staff Costs was 10.4% of Revenues, increasing by 40 bps
- Advertisement and Sales promotion costs were 17.5% of Revenues, decreasing by 100 bps
- Administration & Other Expenses were 10.9% of Revenues, at par with the previous year

Domestic Brand performance

Navratna
- Sales grew by 8%
- Cool Oil increased market share by 220 bps to 66.1%

Kesh King
- Sales grew by 13%
- Ayurvedic Medicinal Oil increased market share by 200 bps to 25.8%

Pain Management
- Sales grew by 7%
- Balms maintained leadership with a market share of 54.1%

Male Grooming
- Sales grew by 3%
- Fair and Handsome Cream maintained leadership with a market share of 65%
- Fair and Handsome Facewash grew market share by 60 bps to 14.4%

BoroPlus
- Sales grew by 2%
- Antiseptic Cream maintained leadership with a market share of 73.3%

Healthcare Range
- Sales grew by 12%
- Pancharishta sales grew by 10%
- Nityam Range sales grew by 19%
- Generics & Ethicals sales grew by 10%

Other Brands
- 7 Oils in One sales grew by 29%
- Kesari Jivan sales grew by 25%
- Vasocare sales grew by 7%

Major launches

- Fair and Handsome 5-in-1 Pimple Clear Instant Fairness Facewash
- HE Magic Duo Deodorant
- Zandu Diabrishta – 21
- Striveda Lactation Supplement

Capital market

- Market capitalisation of nearly ₹18,150 crore (as on 31st March 2019)
- The initial shareholder who invested ₹1,000 for 100 shares and invested ₹4,000 through a subsequent rights issue would presently own Emami shares worth around ₹6.7 crore – 16800-fold return across 39 years
- Shareholders' wealth increased more than 34 times and nearly 8 times following the public issue in March 2005 and QIP in July 2009 respectively.
- Around 35 brokerage houses covering Emami's stock, including UBS, Credit Suisse, Nomura, Macquarie, BNP Paribas, Deutsche Bank, Bank of America Merrill Lynch, Jefferies, CLSA, IIFL, Edelweiss, Motilal Oswal and ICICI Securities.

Note(s):

1. Like to Like Revenue Growth has been reported (i.e. adjusted for GST/VAT in Q1)

2. EBIDTA excludes other Income

Strategic Initiatives



Acquisition

- Acquired Creme 21, a German brand with strong roots and brand recall in January 2019
- The brand offers skin care and body care products such as creams and lotions, shower gels, sun care range, men's range etc.
- Strong presence in Middle East and other focus markets.
- Acquired at < 1.5x of sales and funded from internal accruals.
- Sale (prior to acquisition) at over €8 mn and gross margins of over 50%
- The acquisition is expected to boost and complement Emami's international business portfolio particularly in MENA, SAARC and Russia



Sales & Distribution

- Direct retail reach increased to more than 9.4 lac outlets (previous year: 8.5 lac) and a distributor strength of ~3,250.
- Rolled out Sales Force Automation for the entire urban sales team, ensuring effective coverage and increased direct distribution.
- Focused on the modern trade channel by making improvements in field rates, strategic incentivising, packaging revamp and products availablity across all major e-commerce platforms.
- Added ~7,300 towns to its pan-India footprint and expanded van operation coverage to 20,500 towns
- Replaced the distributor management system with CDMS, an online platform ensuring better visibility and real-time availability



Information Technology

- Core business IT Infrastructure was successfully migrated to the world class secure infrastructure to support accelerated business growth and offer uninterrupted services.
- Successfully conducted pilot project for efficiency in sales beats through geotagging and analytics for route optimisation, enabling the coverage of more outlets with lesser manpower.
- Developed an intelligent engine by using digital technologies that provide algorithm-based inputs to the sales force.
- Implemented a 24x7 Securities Operations Centre to add muscle to the Company's data security.



Operations

- Engaged BCG to advise on strategy for future growth through brands and emerging channels.
- Kick-started a third party unit in Sri Lanka for manufacturing country-specific products.
- Implemented enterprise Risk Management certified for and ISO 31000 : 2009
- Accredited Internal Audit Department accredited with ISO 9001:2008

10-year performance highlights

(₹ in lac)

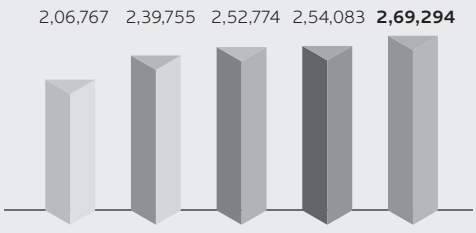
PARTICULARS**	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
A OPERATING RESULTS										
Revenue from Operations	2,69,294	2,54,083	2,52,774	2,39,755	2,06,767	1,72,765	1,60,996	1,38,116	1,18,774	1,00,751
EBITDA	72,553	71,944	75,913	68,727	54,312	44,704	34,968	29,604	25,443	24,454
PBT	40,341	39,256	42,362	42,277	58,899	46,753	37,461	29,621	27,012	20,430
PAT (after minority interest and associate)	30,323	30,714	34,042	36,353	48,215	41,287	32,067	25,612	22,972	16,920
Cash Profit	62,854	61,801	64,900	61,846	51,646	44,804	34,264	27,492	24,371	18,463
Dividend including Tax	19,021	19,122	19,122	19,122	18,817	18,588	14,162	14,069	6,175	5,311
B FINANCIAL POSITION										
Fixed Assets (Net Block)	1,71,232	1,82,845	2,01,122	2,03,705	47,759	40,777	43,965	48,034	49,094	56,729
Liquid Investments	786	12,806	3,332	1,193	49,657	28,922	15,634	7,356	-	5,500
Other Assets	1,10,219	84,423	55,862	64,324	73,455	60,530	62,018	61,927	60,635	43,125
Total Assets	2,82,237	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
Share Capital										
- Equity	4,539	2,270	2,270	2,270	2,270	2,270	1,513	1,513	1,513	1,513
- Preference	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	2,03,067	1,99,091	1,73,200	1,58,891	1,28,934	87,401	76,348	77,023	68,336	62,357
Net Worth	2,07,606	2,01,361	1,75,470	1,61,161	1,31,204	89,671	77,861	78,536	69,849	63,870
Minority Interest	(20)	57	141	410	456	1	5	12	7	-
Loan funds	10,987	32,591	47,295	67,144	3,588	4,502	12,010	16,114	22,937	25,906
Deferred Tax (Net)	1,604	1,467	2,816	904	2,212	479	1,368	1,450	1,370	696
Capital Employed	2,20,177	2,35,477	2,25,722	2,29,618	1,37,460	94,653	91,244	96,112	94,163	90,472
C KEY RATIOS										
ROE (%) (on Cash Profit)	30.28	30.69	36.99	38.38	39.36	49.96	44.01	35.01	34.89	28.91
ROCE (%) (on Cash Profit)	28.55	26.25	28.75	26.93	37.57	47.33	37.55	28.60	25.88	20.41
Debt - Equity Ratio	0.05	0.16	0.27	0.42	0.03	0.05	0.15	0.21	0.33	0.41
EBIDTA Margin (%)	26.94	28.32	30.03	28.67	26.27	25.88	21.72	21.43	21.42	23.93
Cash Profit Margin (%)	23.34	24.32	25.63	25.80	24.98	25.93	21.28	19.91	20.52	18.33
Interest Cover	19.85	12.44	8.30	8.82	115.57	87.85	58.02	20.47	18.74	4.73
D EQUITY SHARE DATA*										
Cash Earnings per Share (₹)	13.85	13.61	14.30	13.62	11.38	9.87	7.55	6.06	5.37	4.07
Dividend per Share (₹)	4.19	4.21	4.21	4.21	4.15	4.09	3.12	3.10	1.36	1.17
Book Value per Share (₹)	45.74	44.36	38.65	35.50	28.90	19.75	17.15	17.30	15.39	14.07

Note: All figures reported are based on Consolidated Financials

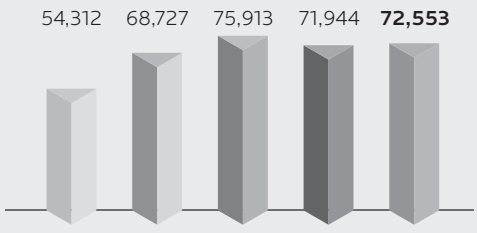
* Previous year EPS, DPS and Book value has been adjusted as per the present face value of ₹1 per share.

**All figures have been restated as per Ind AS

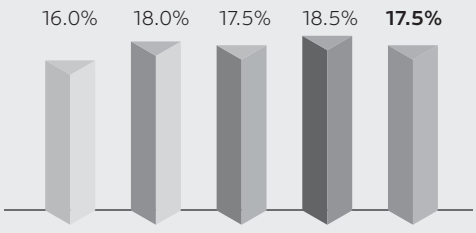
Revenue (₹ in lac)



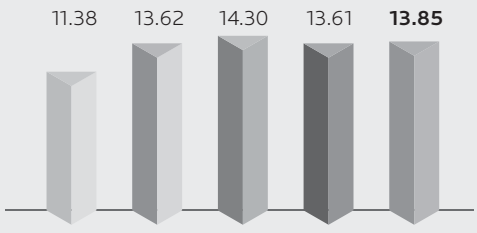
EBIDTA (₹ in lac)



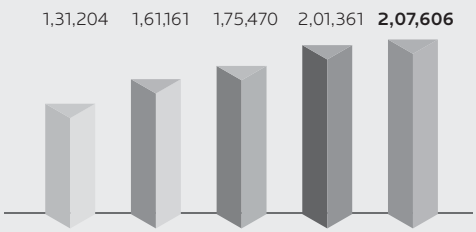
A&P (%)



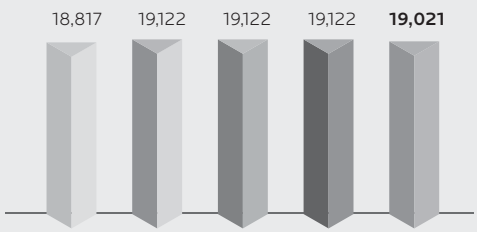
Cash EPS (₹)



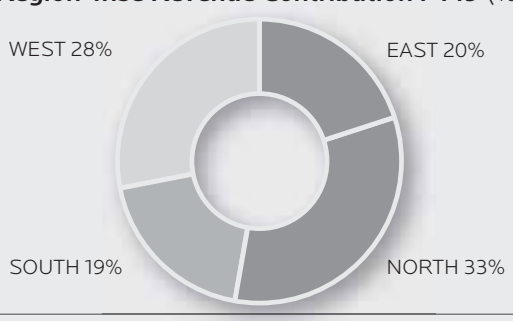
Net Worth (₹ in lac)



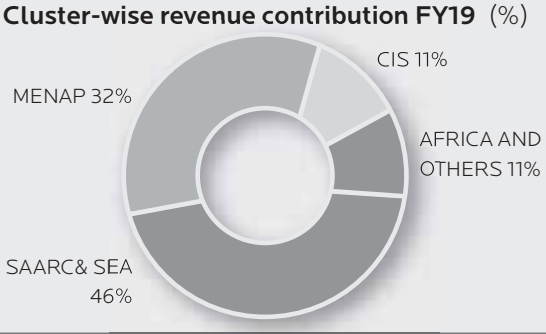
Dividend paid (including Tax) (₹ in lac)



Domestic Business
Region-wise Revenue Contribution FY19 (%)



International Business
Cluster-wise revenue contribution FY19 (%)





"Barring occasional interruptions, India's consumption-driven growth story continues. Driven by a young population with growing income and aspirations, as well as a buoyant rural economy, Emami intends to take its wellness journey ahead."

A CONVERSATION WITH **MR. SUSHIL GOENKA,**

MANAGING DIRECTOR

How would you evaluate the performance of the Company during FY2018-19?

After business operations were temporarily disrupted in FY2017-18 following the implementation of GST, we found the health of trade channels returning to their status quo in FY2018-19. However, a satisfactory summer was followed by a delayed winter that adversely impacted our initial sales of winter products and a prolonged winter that ate into our early summer offtake. Despite these challenges, we were able to grow revenues by 7% on a comparable basis during the year under review, which we believe is creditable, given the slowdown of the Indian economy and a hesitant consumer sentiment.

What were the highlights of your FY2018-19 performance?

During the year under review, the Company made sizeable investments to re-energise the performance of Kesh King, Zandu Pancharishta and the International business. We believed that these investments were necessary given the strength of these brands and the growing market. We relaunched Kesh King with a new positioning of 2x effectiveness in hair fall reduction and facilitating new hair growth in a revamped packaging with a special comb applicator; we put out a fresh communication pitch for Zandu Pancharishta endorsed by Amitabh Bachchan; our strategic international

business initiatives comprised consolidation in key markets and an overhauled distribution channel. I am pleased to report that these initiatives started generating strong growth and should scale up even more across the foreseeable future.

The Company also embarked on various initiatives to strengthen its presence in the modern trade segment. This segment reported 43% growth during the year under review, rationalising our dependence on the wholesale channel. We deepened and widened our pan-India presence by making products available across 9.4 lac outlets, an investment that we believe could provide sustainable upsides.

The Company also consolidated and restructured manufacturing operations to strengthen operational leanness. We completed our first full year of operations at the state-of-the-art and fully automated Pacharia plant in Assam, which now accounts for ~30% share of our entire throughput. This whole year was marked by increased economies of scale and manufacturing efficiencies that translated into lower costs and superior product quality.

What were some of the key challenges faced by the Company?

Since a part of Emami's offerings comprise seasonal products, the most significant challenge that we faced was the delayed onset of winter coupled with its prolonged stay. Though our summer portfolio performed commendably in the first quarter, our winter products reported a slow start and our early summer sales were affected in the fourth quarter. On the positive side, the Company was able to hold on to market shares for these products, which provides an attractive platform to grow in 2019-20 and beyond.

How did the Company mitigate the impact of seasonality on product sales?

At Emami, we created a balanced portfolio of seasonal and non-seasonal products. The seasonal products are spread evenly and judiciously across the summer and winter months, allowing us to recoup losses resulting from seasonal variations. We also strengthened our non-seasonal portfolio to drive revenues round the year, de-risking us from climatic vagaries.

WE COMPLETED OUR FIRST FULL YEAR OF OPERATIONS AT THE STATE-OF-THE-ART AND FULLY AUTOMATED PACHARIA PLANT IN ASSAM, WHICH NOW ACCOUNTS FOR ~30% SHARE OF OUR ENTIRE THROUGHPUT.

What were the other talking points of the Company's performance?

Emami acquired Creme 21, a German brand with a range of personal care products that generates a bulk of revenues from the Middle East. This acquisition helped expand our product portfolio while broadening our international footprint, leveraging the rich German pedigree and impeccable product quality.

The brand offers a range of skin care and body care products comprising creams, lotions, shower gels, sun protection products and men's product range, among others. We believe that the acquisition represents a strong fit as the brand has been present in Emami's focus markets and chosen categories. We plan to leverage our existing distribution and infrastructure network to grow the brand,



Emami's newly commissioned Pacharia plant, Guwahati, Assam

translating into economies of scale. I am pleased to report that this acquisition was funded completely through internal accruals.

How did distribution processes strengthen at Emami?

It has become increasingly necessary today to create a strong digital footprint to enhance visibility and stay relevant. The Company enhanced its presence on digital platforms through promotions and enhanced product availability. The result: Emami reported a 112% improvement during FY2018-19 in online offtake compared to FY2017-18 (across a lower base). We also strengthened our operational efficiency by providing our sales force with automation tools. We overhauled our ordering process by tracking demand and offtake in real-time, resulting in, enhanced forecasting accuracy.

What products were launched during the year under review?

During the year, the Company launched a range of personal and healthcare products. These included Fair and Handsome 5-in-1 Pimple Clear Instant Fairness Facewash, HE Magic Duo Deodorant, Striveda Lactation Supplement and Zandu Diabrishta – 21. We also launched variants of HE Deodorants (HE Intense Body Spray), Diamond Shine Hair Colour (burgundy) and Navratna Smart Cool ('Dynamite & Force'). The initial response was satisfactory and we believe that these launches will translate into enhanced revenues across the foreseeable future.

What makes you optimistic about Emami's prospects?

Barring occasional interruptions, India's consumption-driven growth story continues. Driven by a young population with growing income and aspirations, as well as a buoyant rural economy, Emami intends to take its wellness journey ahead.

We will continue to grow our Power Brand revenues; we will launch innovative products in under-penetrated segments; we will strengthen our healthcare sales by investing in research and development; we will seek to increasingly support the efficacy of our products with scientific papers.

We will deepen our focus on international markets following the impressive performance of 2018-19. We are launching differently positioned products and revamping our logistics system to distribute them wider and deeper.

We will continue to strengthen the promoter-professional framework. While the promoters help chart out a strategic direction, our competent team of professionals with rich sectoral experience address day-to-day operations.

What is your message to shareholders?

We are pleased that business-strengthening initiatives around leading brands in the domestic market and strategic initiatives in the international market are strengthening our core profitability. We expect healthy demand from better rural sales, driven by the government's stimulus coupled with prospects of a favourable monsoon.

What drives India's FMCG segment




Kesh King
2 Times More Effective#
Reduces Hair Fall* | Grows New Hair
"Kesh King, world's No.1 Ayurvedic Oil brings you two good news. Kesh King not only stops hair fall*, it also helps grow new hair.
Clinical tests have proven that Kesh King is two times more effective#. It now comes with new revolutionary Deep Root Comb™ which helps stimulating roots for deeper oil penetration.
I have tried Kesh King Oil and Shampoo...and it really worked for me."
Juhi Chawla, Bollywood actress
Certificate of Efficacy
A. Pearce Trichology
Certified by
Eminent Hair Institute
Grows New Hair
21
Deep Root Comb™
2X
Kesh King
OIL
OIL ₹ 80/-
SHAMPOO ₹ 50/-
emami
Kesh King
THE KING OF OILS
*₹ 80/- for 60ml. *₹ 50/- for 80ml. #Based on clinical study results conducted in 2017 – 18.
24X7 Toll Free Helpline No.: 1800 103 5155
www.keshking.com /Kesh King Hair Oil



wellness

Consumers are now placing more value on health and wellness than on material objects.



The result is that the definition of health and wellness has evolved. The phrase no longer refers to a lack of illness and disease, but to a more holistic state of being. This 'state of being' encompasses mental, physical and emotional health.

The result of re-definition is that looking great, feeling good and sleeping well have emerged as the new 'luxuries'.

The popularity of the health and wellness trend is visible across various consumer groups. It differs significantly from the various food and exercise trends of the previous decades. Eating healthy, exercising regularly and monitoring one's health have emerged as lifestyle choices. The result is visible in the numbers: the global market for health and wellness offerings is expected to grow into a US$815 billion market by 2021.

Emami has been a wellness flagbearer since its inception. The Company's wellness proposition extends beyond its customers to encompass its entire stakeholder family and stretches the concept from a point of personal well-being to 'environmental and social wellness' as well.



Consumer wellness

The most decisive wellness initiative by the Company was made when it chose to derive products from ayurvedic research. This helped to provide efficacious solutions without chemicals and their related harmful side-effects. Today, the Company possesses a sizeable portfolio of scientifically-researched ayurvedic OTC and generic products that help build long-term immunity.

Customer-oriented: In the past few years, Emami has created a product portfolio to address the existing and emerging needs of consumers – for dry skin, cuts, scratches, minor burns, wounds, cold sores, chapped skin (through BoroPlus), hair fall, premature greying, dandruff, split hair (through Kesh King), relief from tension & physical stress (Navratna) and headaches (through Zandu and Mentho Plus Balms).

Efficacious: Emami's contrarian approach is evident in its choice of product ingredients. At a time when concerns are mounting about the use of excessive chemicals in personal care products, Emami has selected to blend age-old ayurveda with modern science to create effective and benign products.

Ubiquitous: To enhance customer loyalty, large FMCG players spend proactively on logistics to ensure seamless last-mile delivery. Emami is no different. It works relentlessly to make products available across the country through a network comprising over 9.4 lac retailers, 3000+ distributiors, ~260 stockists and 6000+ sub-stockists to the right place at the right time, down to virtually every Indian village with a population of around 5,000.

Reliable: To enhance the credibility of its products, the Company undertakes exhaustive scientific studies to assess product efficacy. The Company collaborated with the Indian Council of Medical Research to research the impact of fermentation on medicinal plants, opening up a new segment for entry.

Pioneering: Emami's innovation extends to new ways of product development and consistent service delivery. By seeking innovative ways to address the routine, the Company has perpetually reinvented itself. Case in point: the Company infused the goodness of ayurveda into the conventional petroleum jelly to create a unique product called Emami Vasocare. It also launched path-breaking products such as Navratna Smart Cool with Intelligent sweat sense technology and HE Magic Duo, delivering the convenience of two distinct fragrances in a single pack.

At a time when concerns are mounting about the use of excessive chemicals in personal care products, Emami has selected to blend age-old ayurveda with modern science to create effective and benign products.

POWER BRANDS

Navratna

BoroPlus

Zandu & Mentho Plus

Fair and Handsome

Kesh King

NEW LAUNCHES IN FIVE YEARS

12 new launches

11 variant launches

PRODUCTS WITH MARKET LEADER STATUS

5

PRODUCTS SOLD EVERY MINUTE

>130

Financial wellness

Emami's financial partners are indispensable in the Company's growth journey, which is driven by the objective to create investor wealth. In line with this objective, the Company embarked on a number of initiatives to strengthen its Balance Sheet.

Margin-focused: The Company's decision to be present in niche yet profitable segments translated into an average EBIDTA margin of more than 27% in the five years ending 2018-19.

Deleveraged: The Company maintained a healthy long-term debt-equity ratio of < 0.05 (as on 31st March 2019), with an interest cover of 19.9x.

Robust: CRISIL and CARE reaffirmed their 'A1+' ratings on the Company's commercial paper while CARE reaffirmed its rating of AA+ for long-term borrowings. The ratings attest the Company's strong market leadership, operating efficiencies and financial soundness.

Strategic: The Company has chosen to operate out of locations that offer long-term fiscal benefits. Its recently-commercialised Pacharia unit enjoys tax benefits till FY2028.

Key ratios, FY2018-19

GROSS MARGIN
65.7%

EBIDTA MARGIN
26.9%

A&P SPENDS
17.5%

ROE
30.3%

DEBT-EQUITY RATIO
0.05

People wellness

Aligning employee engagement with a company's culture is a key responsibility for modern-day human resource practitioners. They are responsible for serving as a bridge between employees and the management. Emami is embracing this trend through various initiatives.

People-focused: At Emami, team-building and outbound exercises ensure that employees stay abreast of sectoral trends. The Company's integrated HR framework emphasises continuous training and skill-enhancement by sending executives to external programmes and seminars; it commissions training facilities and multi-module learning-based programmes to strengthen its position as a learning organisation.

Cutting-edge: Emami ensures that members from the sales and marketing teams are provided analytic tools. The Company's Execution Excellence Programme for the sales team enhanced knowledge and process understanding.

Performance-oriented: It is increasingly important to align individual and organisational goals. The Company's score cards that linked departmental and individual performances reconciled individual and professional objectives.

Unbiased: The Company enhanced employee diversity by providing equal opportunities to the competent irrespective of their backgrounds (caste, creed or gender), strengthening meritocracy.

Average employee age (years)

2008-09*	2013-14	2018-19
40	38	37

Number of employees

2008-09*	2013-14	2018-19
1,032	2,590	3,185

*Excluding shopfloor members





AVERAGE ANNUAL CSR SPENDING (₹ CRORE) IN FIVE YEARS

₹8.5cr

AVERAGE PROPORTION OF NET PROFIT INVESTED IN CSR (%) IN FIVE YEARS

2.5%

NUMBER OF BENEFICIARIES DURING FY2018-19

>1 lac

Social wellness

Emami's community engagement commenced before it became compulsory for Indian corporate houses to allocate a part of their surplus towards social causes. Emami's multi-faceted CSR focuses on education, rural development, women's empowerment and skill development, among others.

Education: Emami's *Padho India Padho* initiative promotes holistic education for children from socially and economically-disadvantaged sections.

Skill development: The Company's *Badhte Kadam* initiative promotes employment by strengthening vocational skills. The *Padhenge Hum Padhane Ke Liye* initiative improves learning outcomes through innovative teaching practices.

Healthcare: Emami's *Swasthya* initiative comprises affordable and quality-preventive, promotive and curative healthcare cum wellness services. The Company's *Sanjeevani* initiative promotes ayurvedic healthcare and wellness solutions among community members.

Sanitation: The Company's *Swachhata* initiative provides safe drinking water to specific community groups.

Women's empowerment: The Company's *Sukanya* initiative empowers women to become financially independent through the *Jan Kalyan* initiative that focusses on social upliftment of vulnerable individuals.



Environmental wellness

The Company embraced modern-day agricultural methods in sourcing resources. It took decisive initiatives in the preservation of endangered plants, bio-resource development and implementation of cutting-edge farm technologies to benefit marginalised farmers.

Conserving plants: Emami introduced ayurveda in modern industry through the cultivation of endangered plants like *Kutaki, Tagar, Kapur Kachari, Sarpgandha, Tejpatta* and *Kauncha*, among others.

Optimising resources: Emami optimised packaging material costs without compromising product quality and consumer experience. The new manufacturing facility in Assam has helped improve the energy use ratio, the first in the sector to use a solid fuel-fired steam generating unit coupled with zero discharge.

Recycling waste: Emami collaborated with 30 Indian FMCG companies to form a consortium to collect and recycle plastic waste.



Prioritising sustainability: Emami seeks suppliers who focus on sustainability to enter into longstanding relationships with them. The Company invested in technologies to enable resource-efficient sustainable manufacturing processes. It also proactively appraised opportunities in green solutions and organic product designs.

To enhance environmental sustainability, Emami invested in the following initiatives:

- Installed dedicated 33 KV lines in two manufacturing units that account for ~60% of the Company's manufacture; installed high speed packing machines resulting in lower power use per ton; installed small boilers parallel with regular boilers to address peak load and optimise fossil fuel consumption.
- Commissioned dedicated air handling of HVAC system for separate areas to optimise power consumption; upgraded to energy efficient lights in the manufacturing units; formed an Energy Optimisation Cell to complete phased energy mapping that could lead to an Energy Reduction Plan for FY 2019-20.
- Created increased access to renewable energy sources like windmills.
- Replaced the HSD fuel boiler with a briquette fuel boiler and steam condensate recovery system, reducing fuel and steam consumption.
- Invested in advanced technologies to moderate water consumption and treated effluent discharge; initiated the reuse of ETP-treated water for toilet and gardening purposes; implemented Condensate Recovery System to reduce RO water consumption.
- Reduced the use of packing materials by adopting the Paper Tray technology, foil modification, PVC film modification, container modification and GSM reduction in laminate and cardboards.

Brand review

Regrowth!

Emami's emphasis on innovation and research helped Kesh King return to attractive growth



Core brand

Kesh King Oil



Market share

25.8%

Extension

Kesh King Shampoo





Kesh King, which is largely a trade-driven product, reported a decline in sales in 2017-18. This was not because the brand had turned weak; it was because the implementation of GST had slowed trade channels across the country.

With GST implementation stabilising in 2018-19, the Company's trade channels regained their momentum. To capitalise, Emami undertook a number of forward-looking initiatives for Kesh King's return to growth. The effectiveness of the initiatives is reflected in the numbers: Kesh King reported a growth of 20% following its relaunch in the second half of FY19.

Since its inception, Kesh King's unique proposition has been hairfall deterrence. But simple 'deterrence' did not satisfy growing consumer needs. Consumers sought deterrence with regrowth.

Given this environment, Emami sought to deliver. The Kesh King positioning was transformed: a greater communication emphasis was put on regenerative hair capabilities backed by extensive clinical documentation by seasoned researchers from some of the most respected academic institutions.

With multiple ayurvedic hair care brands competing for the sectoral pie, it became imperative for Kesh King to carve out a distinctive positioning. By modernising brand attributes (scientific research-backed) while retaining its core essence (ayurvedic formulation), Emami achieved its objective. The result is that Kesh King Ayurvedic Oil is now 2x more effective, facilitating new hair growth along with hair fall reduction.

Road to regrowth

Emami recognised the significance of packaging in driving consumer communication, interest and offtake. Emami emphasised its innovation through the prudent use of conventional packaging materials in unconventional applications



with the objective to deliver cost-effective packaging design and format. As an extension of this policy Kesh King underwent a packaging transformation for its ayurvedic oil and shampoo variants, the first principal initiative since Emami acquired the brand. The result: Kesh King now comes in a smart new bottle with a nifty 'deep root comb applicator'. The new television commercial highlighted clinical certifications, reinforcing consumer trust.

Emami went another step ahead. The Company began to promote the brand through digital media platforms to connect with millennials, strengthening its modern trade and e-commerce presence as well. The brand engaged a broad social cross-section across metro cities and rural India.

In terms of geographical presence, Uttar Pradesh, Maharashtra and Madhya Pradesh remained key markets. Emami took decisive steps to consolidate its presence in West Bengal and Andhra Pradesh.

Impact

These initiatives worked. The brand reported a 200 bps improvement in market share and improved traction in Maharashtra, a key market.

Even better, stagnating brand penetration regenerated, thanks to an 18% increase in new trials in the last quarter of FY2018-19.

The best is round the corner.

Outlook

Going forward, Kesh King expects to sustain its rediscovered momentum by entering unexplored territories. The Company will focus on trials to engage new generation of consumers, enhance relevance across this target audience and reinforce presence in the modern trade and e-commerce formats.



Innovation to the fore

Emami received the Golden Peacock Award for its innovative 'Deep Root Comb Applicator' to enhance Kesh King Oil's application convenience.

Kesh King Shampoo

Kesh King liberated a number of Indians from anxiety associated with hair fall and related challenges. It's shampoo ensured that the advanced formulation not only addressed the core objective of reduced hairfall, but also made hair softer and shinier.

There is a fundamental reason behind the appeal of the brand. Altering lifestyles and pollution strengthened the demand for natural ingredients, addressing health and wellness problems. Within the family of ayurvedic shampoos, Kesh King reinforced its reputation as the leading ayurvedic hair care brand, providing consumers with a complete hairfall solution.

This superior positioning had an interesting impact. Initially, Kesh King Shampoo was placed next to hair oils on supermarket shelves and not other shampoos as its packaging resembled that of an oil, impacting the awareness of shampoo buyers. Emami responded to this situation. The Company repackaged the shampoo by placing a smart bottle pack with a flip-top cap aligned with shampoo packaging codes. This improved its visibility among shampoo buyers, strengthening brand equity.

Besides, Emami advertised the oil and the shampoo together, improving acceptability among Kesh King Oil users. The pricing was adjusted in line with modern ergonomic packaging in line with the Company's SKU pricing methodology. The result was that sales strengthened, providing a new life lease to an enduring product.

Key highlights, FY2018-19

- Rebranded Kesh King Anti-Hairfall Shampoo around hairfall reduction and silkiness.
- Moderated the entry sticker price from ₹ 100 to ₹ 50, widening reach, especially in rural India
- Advertised Kesh King Shampoo with Kesh King Oil, enhancing awareness and conversion among Kesh King Oil users.
- Undertook point-of-sale promotion to enhance in-store visibility.
- Leveraged the digital and social media (YouTube and Facebook, among others) to enhance brand awareness.

Outlook

Ayurveda remains an increasingly relevant proposition as consumers seek natural solutions. Kesh King's respect as the leading ayurvedic hair care brand should delight customers and drive sales.

As a growth-driven company, Emami expects to scale its distribution across traditional channels and target e-commerce platforms using customised SKUs, while offering samples to induce trials among interested users.

The Company repackaged the shampoo by placing a smart bottle pack with a flip-top cap aligned with shampoo packaging codes. This improved its visibility among shampoo buyers, strengthening brand equity.



Research-backed

Kesh King Ayurvedic Oil is the only ayurvedic oil certified by India's foremost ayurveda institution and Anthony Pearce Trichology Australia. Clinical studies validated that its prescribed use of *tel pak vidhi* was doubly effective over any competing ayurvedic oil equivalent.



Brand review

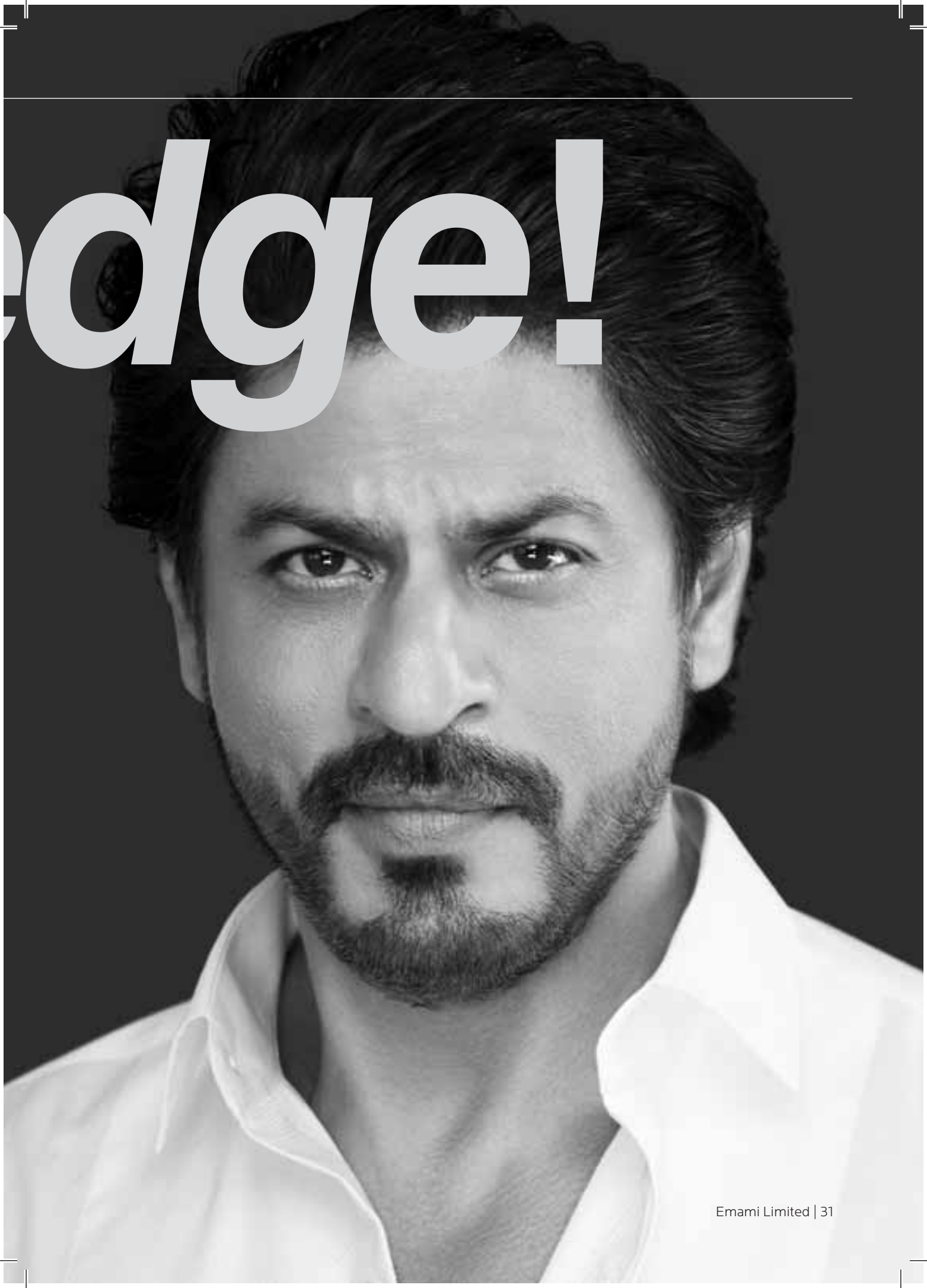
Man-e

Emami is a disruptor, having reinforced credentials with the introduction of Fair and Handsome in 2004, kickstarting the organised male grooming segment in India.

Fair and Handsome Fairness Creams	Fairness Cream	Laser 12 Cream	Complete Winter Solution	Market share	65.0%

Fair and Handsome Fairness Facewash	Instant Fairness Facewash	100% Oil Clear Instant Fairness Facewash	5-in-1 Pimple Clear Instant Fairness Facewash	Market share	14.4%




dge!

The market for fairness creams for men is estimated at ₹416 crore.

The genesis of this large organised market can be traced to the launch of a men's grooming brand for fairness creams.

This is how the story evolved: In 2004, after discovering that over 30% of the consumers of fairness creams were men, Emami launched Fair and Handsome, a fairness cream for men, which led to a paradigm shift in the men's grooming space.

This was a disruptive marketing gambit ahead of its time. Ambi Parmeswaran in his book *Nawab, Nudes, Noodles* heralded the launch of Fair and Handsome with the following words: '*The Berlin Wall of skin care between men and women fell with a big crash*'.

Things were never the same again.

The surge in men's grooming products points to various drivers – the desire for enhanced confidence, the desire for a competitive career edge and the desire to fit into the right circles (supposedly), among others. Men in urban and rural India, with their growing disposable incomes, trend awareness and conciousness about their appearance are spending substantial amounts of money on personal grooming.

How Fair and Handsome gained its 'edge'

By positioning itself as an aspirational brand for men and tough skin, Fair and Handsome retained its position as the 'No. 1 Fairness Brand for Men' for the last 15 years. Fair and Handsome offered superior products that excited consumers by addressing their unmet needs.

Fair and Handsome did more than just launch a product; it consistently innovated in the areas of its presence.

- The brand entered the fast-growing face wash category in 2014. The product achieved instant success, graduating to number three in the cluttered men's face wash space within a year of launch. Even better, the brand grew, gaining share each year over the last five years.
- Fair and Handsome Complete Winter Solution, was launched in FY16 to address moisturisation and fairness needs during winters.
- In FY16, the brand expanded its presence in the face wash segment with the launch of Fair and Handsome 100% Oil Clear Instant Fairness Face Wash, which addresses facial oiliness.
- In FY18, Fair and Handsome forayed into a premium niche by launching a new sub-brand called Fair and Handsome Laser 12. This sub-brand addresses a new consumer cohort comprising working professionals, who place a premium on being better presented. Priced about 70% higher than the mother variant of Fair and Handsome, the response has been promising.
- In FY19, the brand launched yet another variant of face wash, the 5-in-1 Pimple Clear Instant Fairness Face Wash to address pimple woes.

During 2018-19, the brand underwent a packaging transformation for the fairness cream and face wash portfolios to present a new face to the consumer. The modern packs were received favourably, enabling the brand to remain contemporary.

Fair and Handsome is built on a foundation of trust and transparency. The brand generated considerable consumer traction, counted among India's Top 50 Most Trusted Health and Personal Care brands (Brand Equity Most Trusted Brands 2018 Survey).

Impact

The brand's ambassadors built a product-connect and aspiration for Fair and Handsome. Shah Rukh Khan has been the face of the brand since 2007, one of his longest endorsement associations. In 2017, Allu Arjun joined Shah Rukh Khan, followed by Kartik Aaryan and Vidyut Jammwal in 2018.

Fair and Handsome is available wherever consumers seek it. The fairness cream is stocked in more than 14.5 lac stores while face wash is available across 4.5 lac stores.

What makes the success of Fair and Handsome creditable is that it operates in an intensely competitive space marked by strong MNC players. During the year under review, competition intensified, manifesting in aggression by one of India's largest MNC players that depicted Fair and Handsome in its communication and a campaign follow-on that claimed concept originality. The Hon'ble Court passed injunctions in favour of Fair and Handsome, restraining the competitor from circulating the disparaging commercial.



Key highlights, FY2018-19

Fair and Handsome Cream

- Engaged two young faces – Vidyut Jammwal (known for toughness) and Kartik Aaryan (handsome new face) – to endorse the brand.
- Relaunched the flagship Fair and Handsome Fairness Cream brand around a new 'Live Tough, Look Handsome' theme and refreshed packaging.
- Focused on a thematic campaign targeting men who consume women's fairness brands
- Deepened brand awareness with Shah Rukh Khan as brand ambassador.
- Retained dominant market leadership with 65% market share by volume.

Fair and Handsome Laser 12

- Positioned as an advanced whitening and multi-benefit cream, catering to the grooming needs of men who do not possess the patience to use multiple products.
- Launched a new SKU priced at ₹30 to enhance accessibility.
- Enhanced it's market share to 10% by value in the modern trade in less than two years.

Fair and Handsome Face Wash



- Introduced a new campaign endorsed by Vidyut Jammwal in August 2018.
- Launched the 5-In-1 Pimple Clear Instant Fairness Face Wash in November 2018.
- Carved out a market share of 14.4%.
- Emerged as the third-largest player in the category.

HE Deodorants — The sweet smell of success

EMAMI HAS SUCCEEDED IN CARVING A NICHE IN THE INDIAN MARKET BY IDENTIFYING OPPORTUNITIES BEFORE ITS PEERS.

Power of reinvention

Emami entered the men's deodorant segment with the launch of the HE portfolio of fragrances in FY15.

Emami was one of the first brands to launch pocket deodorants for on-the-go application use in 2018. The Company followed this with HE Magic Duo, the first brand in the category to offer two fragrances in one (permitting even a mix in any combination to 'create' a customised fragrance).

The product articulated 'sweat' which no player had so far incorporated, and took a differentiated view of *paseena* in a storytelling format.

In doing so, the campaign highlighted the product's Odour Shield technology and enduring fragrance.

Key highlights, FY2018-19

- Launched deodorants in pocket packs (18 ml) to cater to the on-the-go consumer needs.
- Launched HE Magic Duo, delivering the convenience of getting two distinct fragrances in one single can.
- Aired a television commercial with a unique take on 'sweating it out', revolving around the tagline: '*Kaam aisa karo jissay paseena chhutay*'.
- Improved direct product distribution 1.7x in the last nine months.
- Helped 1.5x category growth across India (September 2018).



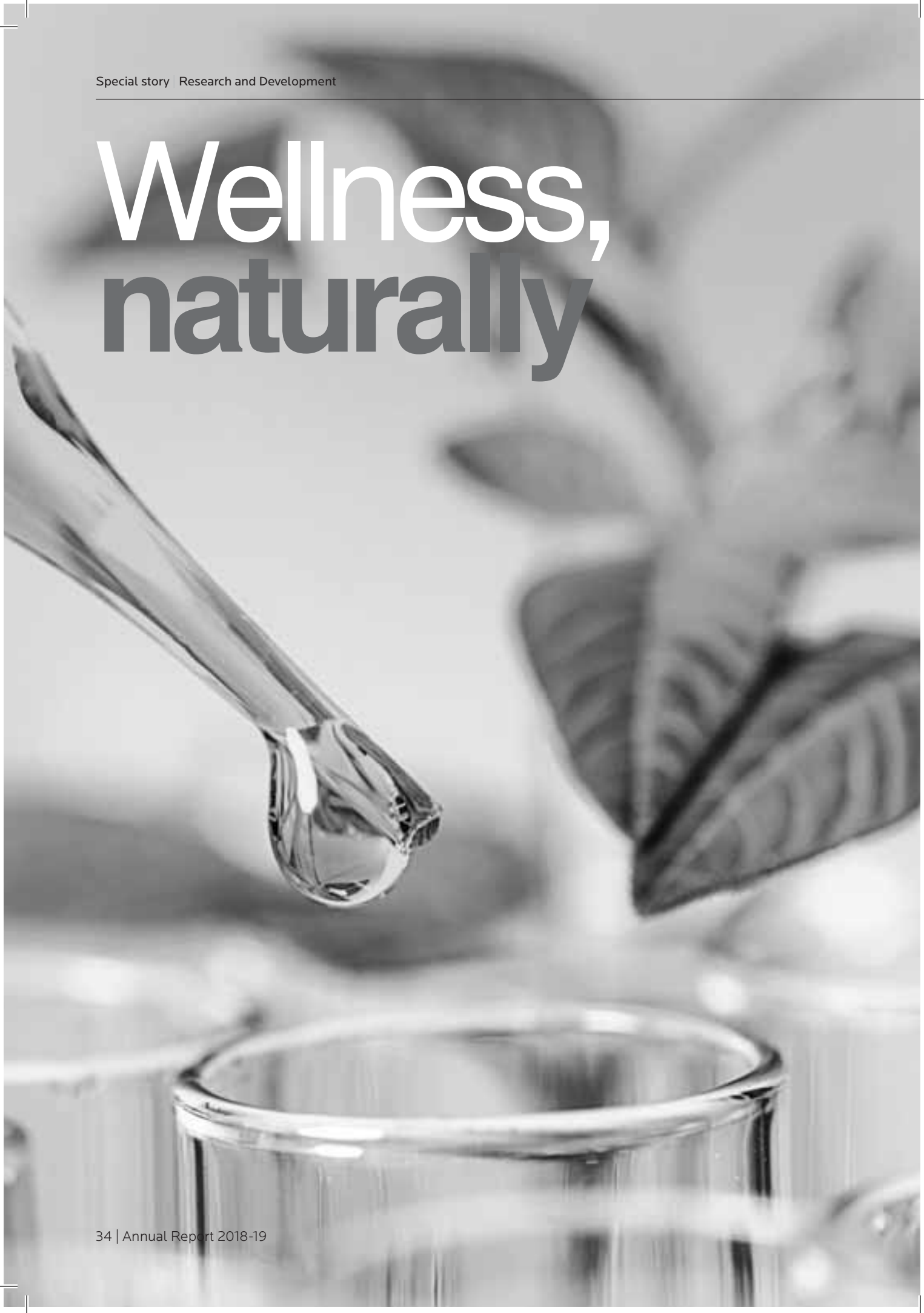
Outlook

The men's grooming space is still nascent, marked by low penetration across men's categories. The future appears bright across categories, geographies and demographics. As the men's grooming segment is expected to accelerate, Emami would be attractively placed to capitalise.

Key markets

- The three key markets for HE comprise Delhi-NCR, Maharashtra and Bengal.
- The six leading states contributed more than 50% of category sales.

Wellness, naturally



Emami has been championing the cause of wellness with a difference. The Company was among the first Indian companies to blend the rich ancient wisdom of ayurvedic principles with modern scientific protocols with the objective to create products with long-term benefits without harmful chemical induced side-effects.

Since inception, Emami has focused on improving the quality of life.

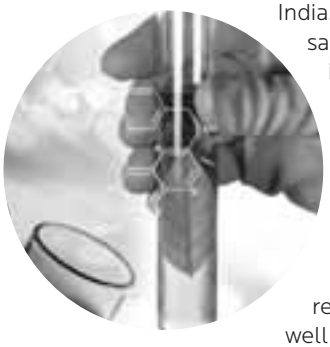
The result is that the Company's portfolio comprises products that address specific needs in the personal care and healthcare categories.

The effectiveness of its therapy has been derived from extensive research in the realm of pharmacobotany. Emami's Ayurveda-intensive products complement allopathic therapies that provide users with long-term benefits without side-effects.

The good news is that in the last couple of years Emami has taken this research commitment to a new level by undertaking deeper scientific studies in collaboration with esteemed institutions.

For enhanced effectiveness, wellness at Emami has been classified into two categories: wellness for people and wellness for the environment.

While the first issue is addressed through a bouquet of personal-care and health-care products, the second is addressed through responsible captive and contractual resource cultivation. As an extension of this commitment, the Company is also preserving endangered plants, developing bio-resources and enhancing farmer well-being by improving their agronomic skills.



The ICMR alliance

In 2018, Emami entered into an engagement with the Indian Council of Medical Research with the objective of embarking upon something completely unprecedented in the Company's existence: to develop a pre-diabetic drug. This therapy, addressed as disease prevention, represents a new class of drugs referred to as phytopharmaceuticals.

What makes this initiative, broadly funded by the Indian Council of Medical Research, encouraging is that phytopharmaceuticals can be prescribed by allopathic doctors as well, widening Emami's addressable market beyond herbal formulations. These products are currently in the developmental stage and should undergo clinical trials in 2020.

The DBT collaboration

The Department of Biotechnology (Ministry of Science and Technology, Government of India) approved the development of a diabetic drug derived from a medicinal plant originating in North Eastern India. This project, sanctioned for Emami in partnership with the Council of Scientific & Industrial Research, is expected to enhance the Company's credentials as a research-backed wellness products manufacturer.

Herbal resource sustainability

At Emami, we believe that the Company with the most secure long-term pipeline of natural resources will remain the most sustainable and profitable. To reinforce this positioning, Emami signed a Memorandum of Understanding with the Government of Chhattisgarh to promote the sustainable supply of herbal resources of pharmacopoeial quality. This arrangement has already begun to generate quality resources that have strengthened the stability and efficacy of downstream ayurvedic products. At Emami, we believe that this joint venture will strengthen our Triple Bottomline commitment by enhancing tribal livelihoods and reinforcing India's rural grassroots economy.

Emami's accreditations

- National Accreditation Board for Testing and Calibration Laboratories
- Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy
- Department of Scientific and Industrial Research

Few companies in India's wellness sector have made inroads into the scientific community the way Emami has. A number of Emami's products have received Certificate of Pharmaceutical Product (CoPP) produced from WHO GMP Manufacturing units certified jointly by Ministry of Ayush and Central Drug Standards and Control Orgranisation (CDSCO) for exports.

Collaborative research initiative

Emami's unique offering Zandu Pancharishta, addressing a gastroenterological challenge, has emerged as the right product at the right time. Emami entered into a project in association with Dr. Ram A. Vishwakarma, Director, CSIR, Indian Institute of Integrated Medicine, Jammu. The project objective: to study *asava-aristha* and the self-fermentation process in their manufacture. This empowered the Company to develop a deep understanding of the process of self-fermentation, helping activate a number of inactive compounds in medicinal plants.

The Company's collaborative research with Indian Council of Medical Research (Jammu) on Zandu Pancharishta helped identify more than 1700 compounds, of which 700 are known for their biological activities. Besides, pharmacokinetic studies revealed that two compounds are available within the blood stream for a prolonged period and may actually confer health benefits.

There are other benefits of the self-fermention process. It leads to the production of micro-nutrients like vitamins. Currently, Microbiome's focus is on research for gut health and it is presumed that products like Pancharishta may also be playing a critical role in supporting gut microflora through probiotic activity.

Road ahead

The Company will file patents on novel scientific findings and publish full-fledged scientific papers in peer-reviewed international journals, strengthening its status as a thoughtleader.



Institution of Zandu Awards

To encourage scientific research in the area of Ayurveda, Emami introduced an effective recognition programme. The Company instituted the International and National Zandu Awards to recognise the contribution of scientists engaged in research on ayurveda and natural products. Emami partnered institutions such as the Indian Association for the Study of Traditional Asian Medicine (IASTAM) and the Society For Ethnopharmacology (SFE), an internationally respected scientific network organisation.

Scientists awarded the Zandu IASTAM International Award

2015: Professor Ikhlas Khan, Director, National Centre for Natural Product Research Centre, University of Mississippi, USA.

2016: Dr Nandakumar Sarma, Director, United States of Pharmacopeia, USA.

2017: Dr Antonio Morandi, Neuro Surgeon & Ayurvedic Physician, Italy

2018: Dr Larry Walker, Director, National Centre for Natural Product Research Centre, University of Mississippi, USA

2019: Robin J Marles, Director, Bureau of Nutritional Sciences, Government of Canada

Zandu IASTAM National Awardees

2016: Dr V.K. Joshi, Banaras Hindu University, Varanasi

2017: Dr GN Qazi, Vice Chancellor, Jamia Hamdard, Delhi

2018: Dr Ram A. Vishwakarma, Director, CSIR-Indian Institute of Integrative Medicine, Jammu

2019: Professor SC Lakhotia, Banaras Hindu University, Varanasi.

Zandu SFE Award

2015: Dr Ajay Kumar Singh Rawat, Head – Dept. of Pharmacognosy & Ethnopharmacology, CSIR-National Botanical Research Institute, Lucknow

2016: Dr Ram A. Vishwakarma, Director, CSIR - Indian Institute of Integrative Medicine, Jammu

2017: Dr Surinder Kumar Sharma, Former Advisor, Ayurveda, Ministry of AYUSH, Govt. of India

2018: Dr Neeraj Tandon, Scientist and Head, Indian Council of Medical Research

Department of Health & Research, Ministry of Health and Family Welfare, New Delhi

2019: Dr Anand K Choudhary, Head, Department of Rasa Shastra and Bhaishjya Kalpana, Banaras Hindu University, Varanasi.

"A meaningful collaboration between scientific institutions and industry players is the need of the hour and could bring about a paradigm shift in the realm of ayurvedic medicine."

Q&A

Dr. Ram A Vishwakarma, Director, Indian Institute of Integrative Medicine, Jammu, answers some questions



Q: Why is there a need for scientific studies to be conducted in the realm of ayurvedic healthcare?

A: There are several ayurvedic secrets, which nobody thought of studying earlier and self-fermentation is one of them. We conducted a joint study with Emami on *asava-aristha* and the self-fermentation process. The study enabled the Company to develop a deeper understanding of self-fermentation, which not only helps activate inactive compounds in medicinal plants but also helps remove toxicity from certain poisonous plants. This study was conducted on the self-fermentation process for producing Zandu Pancharishta. Several medicinal plants were fermented and additional ingredients added to derive a superior product.

What were the findings of this study?

This was one of the most complex studies undertaken by us. More than 30 plants were used in the product. While we are still engaged in ascertaining the precise process dynamics, we ensured a completely natural discipline comprising the use of flowers of the *woodfordia fruticosa* or fire flame bush as the primary yeast source.

We studied the metabolic transformation during the process. A number of metabolites in our body cannot be absorbed but fermentation enhances their ease of absorption, validating that these are superior pharmacokinetic substances. While understanding metabolic changes was one part of the study, the other crucial part comprised the assessment of metabolic transformation. We discovered that the viability of several ingredients was enhanced through our process. This helped us gain a deeper understanding of why Pancharishta represents a potent intervention in gut treatment.

There are several ayurvedic secrets, which nobody thought of studying earlier and self-fermentation is one of them. The aim of the project was to study *asava-aristha* and the self-fermentation process.

The other key finding was that the process helped generate vitamins. Vitamins cannot be generated by human bodies or plants but by micro organisms. We discovered that the process helps generate B vitamins. This is relevant as more than 97% Indians suffer from some form of vitamin deficiency, the most extensive being Vitamin B12.

How do you intend taking things ahead?

I have recommended to NITI Aayog to commence a nationwide study on self-fermentation in partnership with the corporate sector. In India, we have several institutes working to achieve the same end as corporates (even though their means are different). The outcome of this divergence is that no significant results have emerged so far. A meaningful collaboration between scientific institutions and industry players is the need of the hour, which could bring about a paradigm shift in ayurvedic medicine.

Everywhere

A value-conscious customer challenges producers of fast-moving consumer goods in an effective manner.

The value-conscious lays down a demanding line: 'I buy at my price' and 'I buy what offers me attractive value.'

The result is that even as a number of these categories are marked by large volumes and low margins, there is a premium on servicing the rapidly changing preferences of consumers with speed and sensitivity.

Emami's responsiveness

In line with this demanding objective, Emami charted an improvement matrix of its supply chain. This improvement could not have come a day too soon: Cost of goods sold amounted to ₹923 cr in 2018-19 and even a 1% improvement could have attractively enhanced profits. To make this matrix over-arching and effective, it focused on maximising offtake, rationalising finished goods inventory, reducing raw material and processed material stocks while optimising costs.

To provide this subject with warranted seriousness, Emami engaged EY, the prominent global consultant, to re-engineer its supply chain, identify inefficiencies, address gaps and create a nimbler movement of resources to the Company.

Key developments, FY2018-19

Revamping S&OP processes: Sales and Operations Planning (S&OP) is an integrated business management process through which the executive/leadership team enhances focus, alignment and synchronisation across organisational functions. Even as S&OP is an established business tool, companies do not use it judiciously.

S&OP is becoming harder, warranting a fresh look at the granularity and analytics to determine accurate forecasts and analyse business trade-offs. Increased complexity in a Company's value-chain is putting a pressure even on well-run S&OP processes, making accurate forecasting difficult. Emami responded to this challenge through a segregation of the process across compartments.

- **Demand planning meeting:** The demand planning meeting estimates potential quarterwise demand dovetailed with a rolling production plan.
- **Production planning meeting:** Following careful analysis of the market demand potential, a logical production path is laid out, considering RM/PM availability and capacity constraints.
- **Supply chain meeting:** A supply chain meeting at the beginning of each month estimates sales, marketing, operations and purchase targets.

Emami focused on sales loss minimisation through depot inventory norms and incorporating a pool-based dispatch protocol. Emami's target is to minimise loss of sales through various initiatives and enhance stock availability index to reduce prospects of stock obsolescence.

Leveraging EY's seasonal framework tool

In collaboration with EY, Emami incorporated an IT-based seasonal framework tool. The objective of this tool was to enhance anytime product availability and timely products delivery during the seasonal window, strengthening prospects for distributors to maximise sales.

Managing transportation systems effectively

During the year under review, Emami saved ~₹3 crore in transportation costs compared to the previous year. The use of multiple vendors enhanced cost-effectiveness, increased vendor competition and resulted in better procurement costs through reverse auctions. The Company outsourced freight bidding and management that liberated management bandwidth.

Increasing operational efficiency

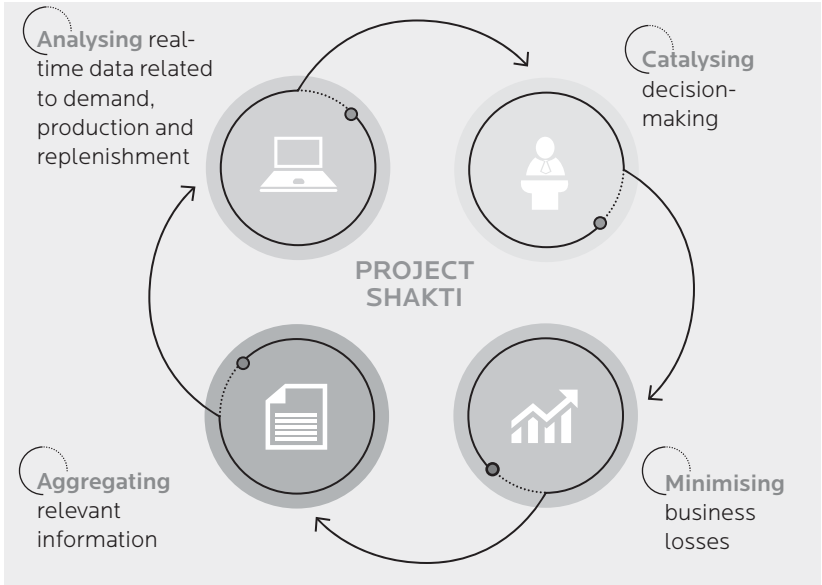
Emami reduced undesired and unnecessary material movement across the country through better planning and replenishment, which eliminated surplus stocks at depots.

Segment-wise approach

Emami implemented ABC+ analysis wherein products contributing more than 80% to the turnover were accorded the highest status (or 'A') and rest of the products as 'B' and



In collaboration with EY, Emami incorporated an IT-based seasonal framework tool. The objective of this tool was to enhance anytime product availability and timely products delivery during the seasonal window, strengthening prospects for distributors to maximise sales.



'C'.

This segment-wise approach helped moderate loss of sale, enhanced stock availability index to 100% and rationalised inventory.

Implementing root cause analysis method

A few decades ago, simply knowing how the business was performing was in itself a competitive advantage. Before computers, the tracking and analysing of even a handful of business metrics required dozens of people with corresponding downsides of low speed and errors.

Following the growing integration of business intelligence tools, knowing how the business is performing is simply table stakes. Companies need to know precise measures of important metrics comprising revenue and profit in real-time (or close to real-time) even while their businesses extend across a larger spread of countries and continents.

While the mere knowledge of key metrics is no longer considered an advantage, a new competitive edge has emerged: a comprehension of the root causes of change. In view of this, implementation of a root cause analysis enabled the Company to extend to the root of any problem leading to informed decision making.





All-round protection

Ever heard of a product launched 35 years ago and continuing to lead the market in a competitive space? This, then is the story of Emami's enduring BoroPlus excellence that continues to lead India's emollient market and provides all-round protection to ~70 million households, the size of more than a number of countries combined.

BoroPlus Antiseptic Cream is more than a brand; it is a generic name.

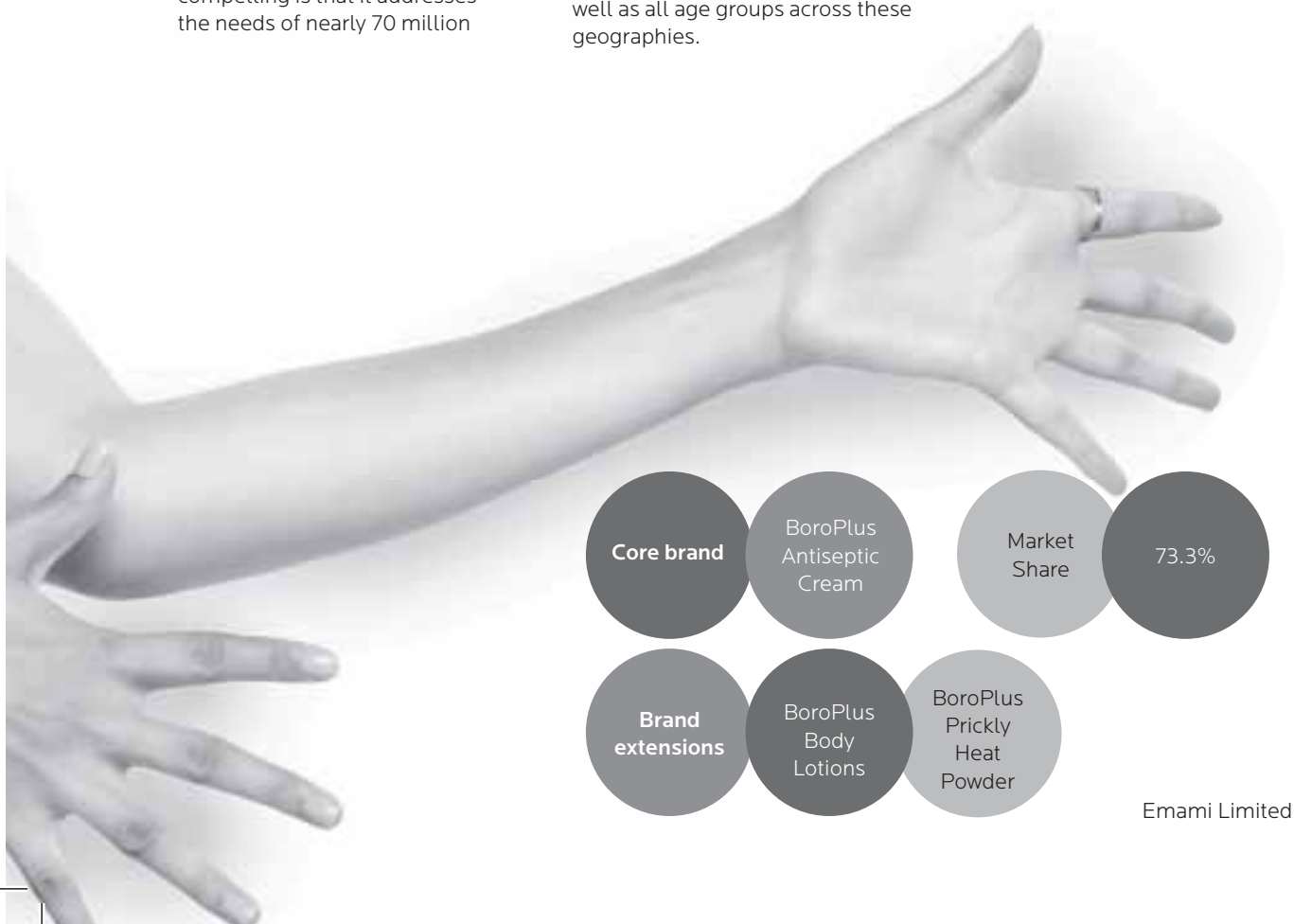
Whenever an individual goes out to buy a protecting cream, BoroPlus is inevitably the first choice. As a result, '*BoroPlus dena*!' is less a consumer statement than a reflex action.

What makes the success of BoroPlus compelling is that it addresses the needs of nearly 70 million households, around 30% of the total household universe in India.

What makes BoroPlus an interesting case study is that the product cannot be described as urban or rural. The yardstick by which its success is judged and measured is universal. Its wide reach spans Indian cities classified in size from A to D as well as all age groups across these geographies.

So the big question: what is the core reason for the enduring success of BoroPlus Antiseptic Cream? The answer is that it represents everything for everybody: from a lip balm to a night cream to a foot cream to an antiseptic cream. The result is that BoroPlus is being increasingly referred to as an 'all-rounder' that can serve as an effective 'pinch-hitter', can come in first change when 'bowling' and can 'field' in the most critical fielding positions. What enhances the effectiveness of this product is that it is enriched with the goodness of efficacious ayurvedic herbs that provide skin nourishment.

Over the years, BoroPlus Antispetic Cream has emerged as the country's largest emollient category brand across the boro-brand, petroleum jelly and cold cream segments and stayed that way.



All-round growth

At the end of the day, the success of BoroPlus Antiseptic Cream has been 'hard won'. The words 'hard won' are important. The brand has been tested over demanding terrains, across diverse weather patterns and across different skin types. The results have generally been consistent. The product has delivered successfully, enhancing the recall that *'Teen-chaar baar lagaao aur takleef gaayab!'*

Over the years, BoroPlus Lotions also outperformed category growth through sustained youthfulness. The Company re-conceptualised branding around *doodh and kesar*, its key ingredients, resulting in an enhanced user experience.

Key highlights, FY2018-19

- BoroPlus Antisepic Cream retained emollient category leadership despite a delayed winter
- Relaunched the lotion portfolio with BoroPlus Doodh Kesar Body Lotion, enriched with doodh and 100% pure Kashmiri kesar, offering 24-hour moisturisation
- Promoted the brand through a robust 360° campaign
- Launched new television commercials featuring Kangana Ranaut for BoroPlus Antiseptic Cream and BoroPlus Doodh Kesar lotion
- Promoted the ₹10 tub pack (7 ml) through television commercials and print advertisements to enhance appeal for the convenient miniaturised ('chhotu') pack
- Promoted a television commercial featuring Amitabh Bachchan and Kangana Ranaut, explaining the brand's multiple uses
- Implemented on-the-ground activation and digital media promotion to address urban and rural consumers
- Consolidated its market leadership through trade and consumer-centric initiatives

THE GOODNESS OF *DOODH* AND *KESAR*

BoroPlus Doodh Kesar Body Lotion is an ayurvedic and antiseptic product. The product has been formulated comprising *doodh* (milk), *kesar* (saffron) and natural herbs.

This makes it an ideal product across skin types and ages.

What makes this product compelling is that it is available in multiple packaging sizes: from 20ml travel packs to large 300 ml and 500 ml packs.

The product's effectiveness is derived from the fact that it penetrates 20 layers, moisturising the skin from within. The non-sticky lotion is easily absorbed, leaving the skin as soft as silk.

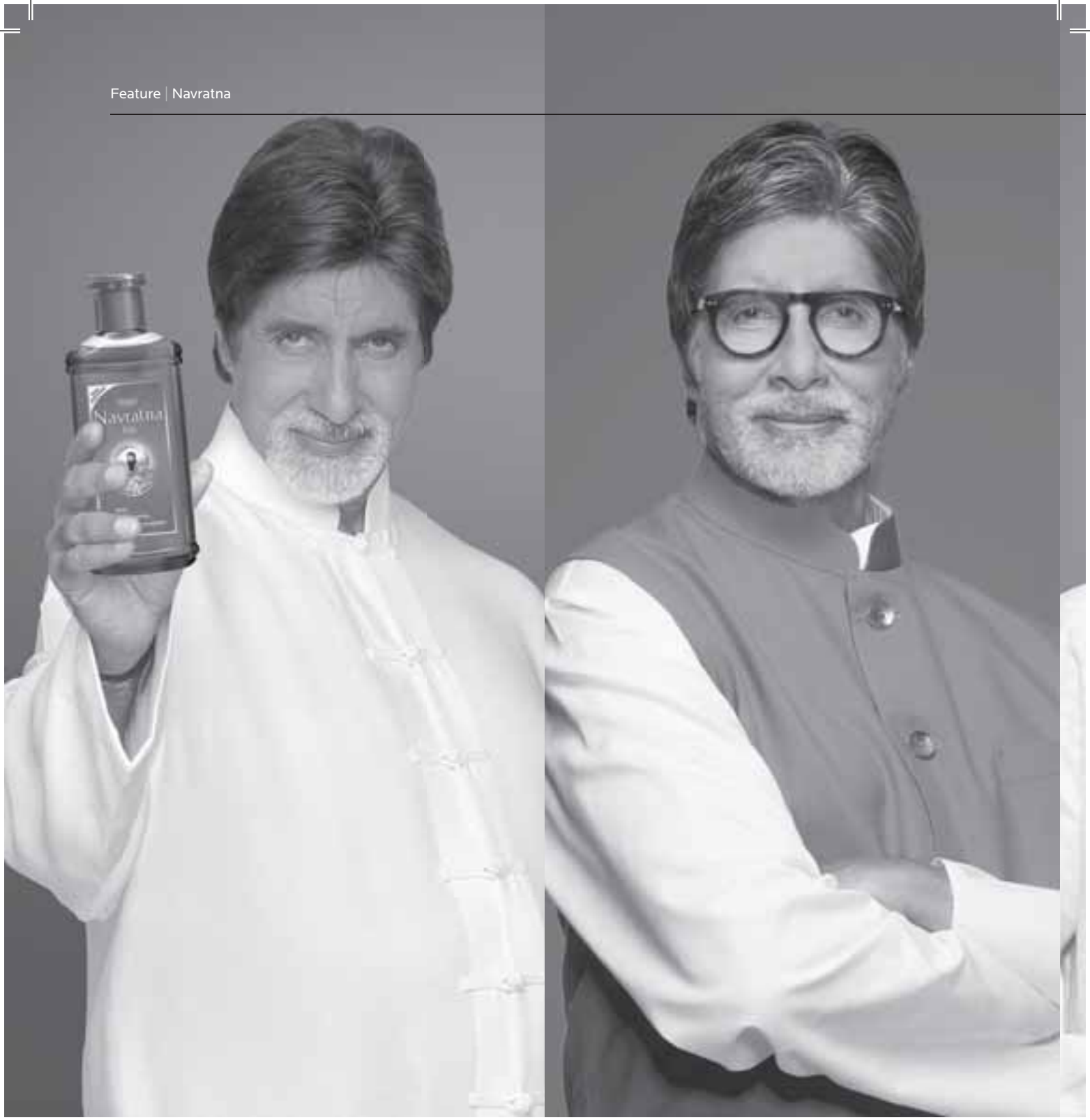
And best of all, the mild floral fragrance refreshes the senses.

Outlook

India's emollient category is growing attractively with BoroPlus Antispetic Cream likely to outperform, retaining its position as a robust engine of the Company's growth.




BOROPLUS
Sabse best
Multiple benefits in one Cream
Antiseptic Cream
For Dry Lips
Removes spots, gives glowing skin
For Cracked Heels
Moisturiser
New Pack ₹10*
BORO PLUS
Antiseptic CREAM
For Naturally Healthy Skin
BORO PLUS
Antiseptic CREAM
BORO PLUS
Antiseptic CREAM



Bollywood Superstar Amitabh Bachchan donning various "avatars" for Navratna over the years

RAAHAT KA RAJA!

Emami's Navratna is engaged in a heroic battle against everyday stress – and winning for millions of Indians every single day



Core brand Navratna Cool Oil

Variants Navratna Extra Thanda Oil; Navratna Almond Cool Oil

Market share 66.1%

Brand extensions Navratna Cool & Navratna Smart Cool

Market share 27.2%*

** MAT Sept'18*



Miles ahead
The brand increased its market share by 220 basis points to 66.1% of sectoral revenue even as the nearest competitor lost market share by 160 basis points to 28.4% of sectoral revenue.

Vaidehi is an account manager at an advertising agency and a mother of two.

This is her day: rise early, pack the tiffin, commute to work, engage with clients, work till late, commute, scrutinise the children's studies, ready the dinner and then retire for the night.

Over the years, Vaidehi believes that she has discovered an ally in her sustained battle against a tight daily routine. It is a small red bottle that she tucks into her handbag for selective and strategic use. It is a bottle of Navratna Oil.

Vaidehi's friends were surprised. 'How can you carry a bottle of oil to work? Isn't it unprofessional?'

This is Vaidehi's reply: 'A number of people get down from the office to catch a cup of coffee and come back refreshed. I slip away to the women's room to wash my face, put some oil in the hair, rub it on the scalp, brush the hair and come back for second wind!'

The benefits? 'The oil lifts you up. For the first ten minutes there is a tingling sensation on the scalp, which is better than any coffee that I can get. And for the next half an hour there is a feeling that all is well with the world. One tends to speak less, one tends to concentrate better on work and occasionally even run one's fingers through softened hair. There is a magical feeling about it, and the day the corporate Human Resource managers discover the secret of this oil would be the day when afternoon productivity in most Indian offices will begin to spike!'

Vaidehi believes that Navratna Oil is more a companion than just another brand. 'Just as one would not venture out without a hand sanitiser, I would not veture out without Emami Navratna Oil. It is more than oil; it is 'protection'. It is more than liquid; it is 'insurance'.

Which explains why this bottle figures in a number of occasions during the day. Like when she calls from the office to check whether the maid has applied oil on her children's heads. Like when she insists on pouring the oil with a steady hand on her husband's palm before he says his customary 'One more day gone!' and flops on the bed.

And then there is the *ravivar ka maalish* where the preferred oil is... you guessed it. Because in Vaidehi's opinion, few things in life can be as stimulating as the gentle tingling of a hundred pin-prick across the entire body.

So what makes Emami's Navratna Oil the world's #1 cool oil? One, it is infused with traditional ayurvedic ingredients well-known for efficacy. Two, the brand extends well beyond the usual headache and *tension ki dawa* addressing headache, fatigue, tension, insomnia etc.



Making the product available to all...

Emami's success is not derived just from its product attributes. The Company has enhanced product availability and accessibility across the country (key markets of Uttar Pradesh, Bihar and Maharashtra). In select markets, the Company introduced flanking products like Navratna Extra Thanda Oil and Navratna Almond Cool Oil to capture a larger market share.

Besides, the Company has strengthened its pan-national reach through clutter-breaking creative, celebrity endorsements (Amitabh Bachchan, Shah Rukh Khan and Jr. NTR) and engagement with mega-events (Kumbh Mela), CSR initiative (Saarthi campaign featured in Limca Book of Records 2019) and channel activation in salons. Besides, visibility-enhancing initiatives (promotion-cum-sales vans, dealer boards, railway station branding, participation in fairs and festivals) have resulted in Navratna Oil being available in more than 45 lac retail stores across India during the peak summer.

Reaching new customers

Emami's challenge was to get Navratna Oil accepted by new users.

The Company launched the 'Rahat Raja' television commercial to present Navratna as an antidote beyond the usual - to sleeplessness, body ache and the premature greying of hair.

An attention-grabbing advertisement empowered Emami to address a larger consumer universe. The result: new users began to test Navratna Oil before turning to active use.

The other challenge was regional. Southern India (Andhra Pradesh) is known for its coconut oil preference. Emami's focused television commercial featured Jr. NTR highlighting the superiority of Navratna Oil over the coconut oil equivalent across Andhra Pradesh.

Result: Successful trial use increased significantly.

Brand extension

Navratna Cool



Heat, sweat and body odour are common problems that intensify discomfort. This is where Navratna Smart Cool steps in. The product provides a refreshing break on account of its revolutionary Sweat Sense Technology and Double Cooling Effect. It blends herbs and provides a cool aroma that rejuvenates the senses and revitalises the spirit.

Key highlights, FY2018-19

- Emerged as the only brand in the category to grow its pan-India market share
- Focused on mid-sized SKUs (100-200 grams) and reported a cumulative growth rate of 16% in these SKUs
- Relaunched the ₹1 Navratna Cool sachet to push rural trials and sales
- Advertised the product across the audio-visual and print media to highlight the 2x cooling benefit
- Emerged second-largest in the category with a vision to become the #1 product in two years (MAT September'18)
- Engaged Varun Dhawan as brand ambassador

Outlook

Emami is confident of reaching a larger number of consumers with a preference for cooling talc brands in the summer.

Key highlights, FY2018-19

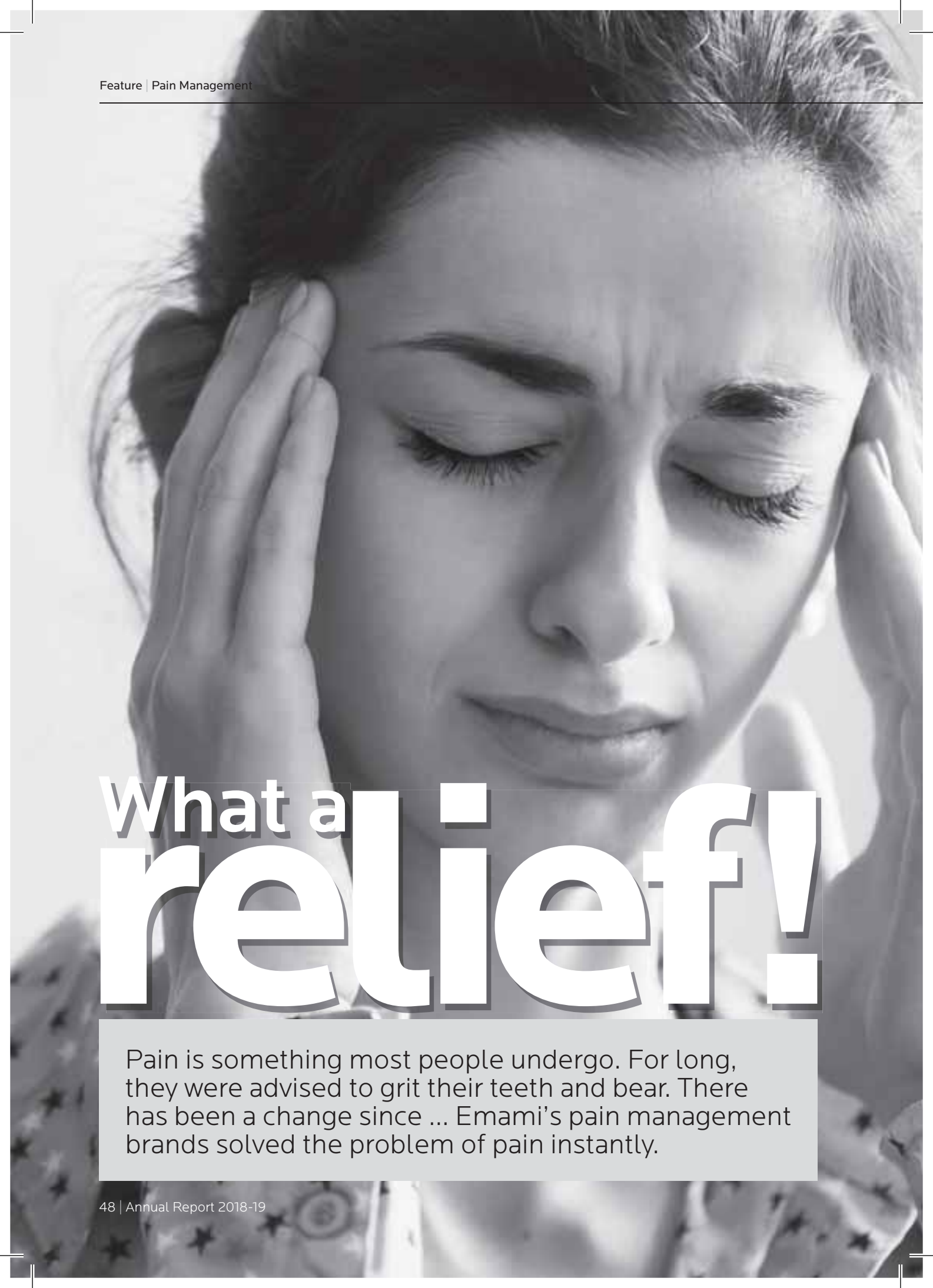
- Grew offtake largely across tech-savvy youngsters, by featuring Amitabh Bachchan crooning the iconic song *Sar jo tera chakraye*, a capella style on YouTube
- Highlighted the superiority of Navratna over coconut oil through a television commercial featuring Jr. NTR in Andhra Pradesh
- Dominated the cooling oil niche by accounting for a 66.1% market share

The result

Despite an extended winter affecting sales in Q4FY19, Navratna outperformed its category growth by nearly 40% in FY19.

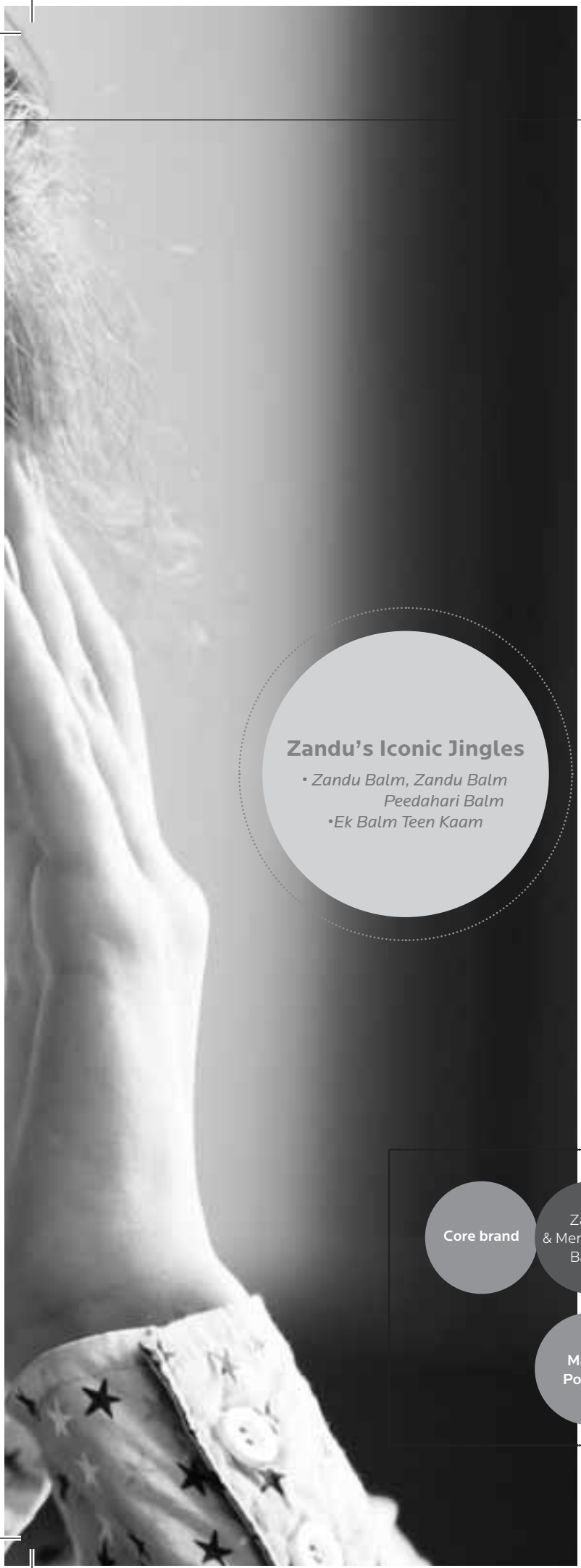
Outlook

Emami is confident of increasing trials and sales by marketing Navratna as a remedy for lifestyle disorders.



What a relief!

Pain is something most people undergo. For long, they were advised to grit their teeth and bear. There has been a change since ... Emami's pain management brands solved the problem of pain instantly.



Zandu's Iconic Jingles

- *Zandu Balm, Zandu Balm Peedahari Balm*
- *Ek Balm Teen Kaam*

There are a number of causes of pain but the frequently occurring ones are attributed to changes in lifestyle: long travel, hunched over computer screens, packed homemaker schedules, improper sitting postures, erratic sleeping habits and mounting work pressure.

Emami's pain management brands soothe pain, which explains why they are the first recall for those affected by localised pain. Emami is the largest player in India's pain management space with a three-brand portfolio: Zandu - the innovator and leader, Mentho Plus Balm - a headache expert and Himani Fast Relief for body pain.

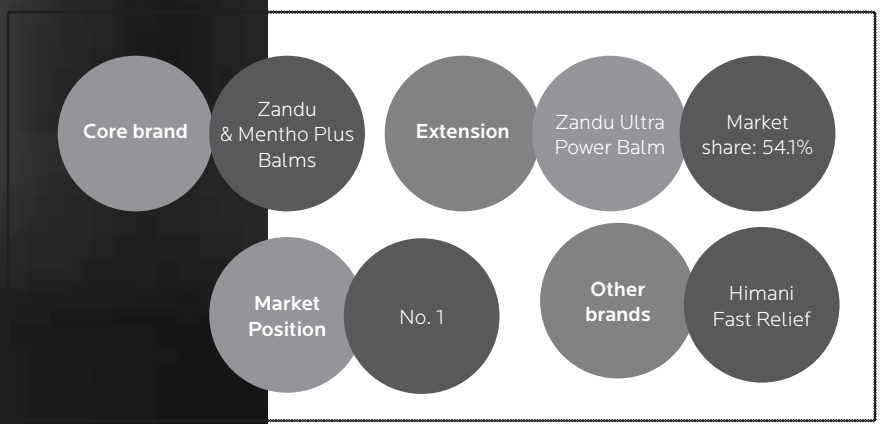
In India, the rubefacient category is one of the oldest with some brands more than 100 years old. The growth of multiple sub-segments of the category is growing the space, with balm being the largest segment followed by creams, gels and ointments. In the last few years, new formats have emerged in the form of pain relief oils, sprays and roll-ons. India's ₹4,500 cr rubefacient category is growing at 15% by value *(AC Nielsen Retail Audit 2018)*.

Pain, pain, go away...

Ayurveda enjoys a tail wind with a growing traction for ayurvedic health-treatment among the young.

Zandu enjoys compelling credentials. The iconic brand is imbued with a rich legacy of experience over more than a century: falls, injuries, unabated sneezing and coughing followed by the '*Zandu Balm Zandu Balm, peedahari balm*' assurance. Zandu was ranked 27th among India's health and personal care brands according to the Brand Equity Most Trusted Brands 2018 Survey.

Zandu Balm is the largest brand (market share of 54.1%) in India's balm category, considerably larger than the nearest competitor (20% share). Further, the overall category penetration of 29% leaves considerable room for expansion.



Over the decades, Zandu maintained its contemporariety by holding on to its trust-based heritage. The result is that Zandu Balm remained a one-stop solution for all kind of pain (headache, backache and body ache) and cold. In FY 2018-19, the Company strengthened its brand with a new thematic campaign, '*Ek balm teen kaam*' that deepened its recall. A new campaign for Zandu Balm Pocket Power at ₹2, highlighted affordability.

Zandu Ultra Power Balm

Zandu Balm kept pace with evolving consumer needs through continuous innovation. As the incidence of pain increased, there was a corresponding increase in the need for stronger products. The outcome was that five years ago, the Company launched Zandu Ultra Power Balm, a differentiated product that resonated favourably with consumers. The result was favourable: Zandu Ultra Power Balm emerged as the most successful brand extension in Emami's pain management portfolio with a market share of 8% by value.

Mentho Plus Balm

Mentho Plus Balm is the second largest Indian balm by volume with strong equity in Southern and Eastern India.

Mentho Plus Balm accounted for nearly 20% volume share of the balm category. The brand offers headache relief; the '*Raavan*' promotion generated the amusing recall of the product being able to relieve individuals of 10 headache types.

Himani Fast Relief

Himani Fast Relief is a niche brand in the body pain space. The brand's advanced 'fire and ice formula' provides pain relief faster and longer. The brand was endorsed by Amitabh Bachchan, Gautam Gambhir, Saina Nehwal, Mary Kom, Sushil Kumar and Vijender Singh.

Key highlights, FY2018-19

- Zandu Balm ranked world's number one brand in the topical rubefacient category
- Zandu Balm emerged as the most pervasive Indian topical pain management brand with a presence across 5.1 crore households
- Zandu Balm focused on continuous innovation to maximise its value-for-money proposition
- Zandu Balm emerged as the most widely distributed topical rubefacient brand with a presence across 1.8 million retail outlets
- Mentho Plus Balm enjoys a rural penetration of 33% in Southern India, higher than any other balm.

Outlook

The outlook for the balm category is bright. Despite being the biggest in the category, the segment continues to report attractive year-on-year percentage growth.

In this space, Zandu has reinforced its respect as a first-mover through its offerings (Zandu Balm and Zandu Ultra Power Balm).

Besides, Emami is attractively placed to lead growth in this large space through its portfolio of Mentho Plus and Himani Fast Relief.



In FY2018-19, the brand launched a new thematic campaign on Raavan's birthday, the fun advertisement evoking amusement much in the same way that Mentho Plus evokes smiles across consumers.




upto 96% Less Hair Fall
the magic of 7 oils for long, thick hair
Styling, heat, weather changes, harsh water make your hair weak. Result: Hair fall, dry, weak hair, hair that just doesn't grow. US Research Institute & IIT Mumbai's tests have proved that this unique oil, with 7 oils & 7 Herbal Aushad Complex, fully repairs* weak, falling and damaged† hair.
Coconut Oil
Almond Oil
Amla Oil
Olive Oil
Walnut Oil
Argan Oil
Jojoba Oil
emami
7 OILS IN ONE
Damage Control Hair Oil
FREE
₹50
emami
7 OILS IN ONE



Various CSR activities conducted by Emami Limited

PADHO INDIA PADHO
An emami CSR initiative

SWASTHYA
Kaushis Swasth Kalyan Ki
An emami CSR initiative

BADHTE KADAM
An emami CSR initiative

SWACHHATA
An emami CSR initiative

Sukanya
An emami CSR initiative

JANKALYAN
An emami CSR initiative

Life









Touching the lives of more than 100,000 people

changer!

Overview

Emami engages in serious social responsibility initiatives that address critical ground-level issues around its positioning: learn from the community, plan with the community and work with the community. In doing so, the Company is focused on enriching life and strengthening its credentials as a responsible corporate citizen.

Emami's Programmes

'Padho India Padho' initiative is directed towards the promotion of holistic education for students from socially and economically-disadvantaged sections.

'Badhte Kadam' initiative promotes employment through enhanced vocational skills.

'Padhenge Hum Padhane Ke Liye' enhances learning outcomes through innovative teaching practices.

'Swasthya' extends affordable and dependable preventive, promotive and curative healthcare and wellness services.

'Swachhata' promotes sanitation and enhances potable water availability across communities.

'Sanjeevani' promotes ayurvedic healthcare and wellness solutions among community members.

'Sukanya' empowers women.

'Jan Kalyan' focuses on the social upliftment of vulnerable individuals.


Limca
Book of Records
Indian Record
Road safety education for most truckers

Emami's Navratna "Saarthi 2.0" campaign, trained more than 10,000 drivers on road safety and safe driving across 12 states over 48 days, thereby creating a record to feature in the prestigious Limca Book of Records, 2019

Outcomes of various initiatives

Padho India Padho

- Provided infrastructural support to **~50** schools across Kolkata and districts in West Bengal (through the Emami Foundation)
- Provided infrastructural support to free residential schools, benefitting more than **1,000** underprivileged children across 24 Parganas (S), West Bengal
- Coached more than **300** underprivileged students across Kolkata and districts in West Bengal
- Helped launch **75** one-teacher schools (Ekal Vidyalaya) in rural India benefitting **2,055** students
- Provided financial aid to more than **700** underprivileged students
- Provided academic and text book support to **1,249** underprivileged students
- Provided scholarships to **271** students
- Provided infrastructural support to schools in Pantnagar, Uttarakhand benefitting **665** students
- Educated more than **17,600** drivers on road safety practices through project '*Saarthi*' across **11** States and **21** cities; defective vision correction also helped enhance road safety
- Provided accident insurance worth ₹100,000 to more than **5,000** drivers

Padhenge Hum Padhane Ke Liye

- Conducted learning enhancement workshops using a common interaction platform for **300** teachers, **100** parents and **1,800** students (using dance movement therapy, smart parenting and student motivational sessions)
- Supported schools with counselling, teacher training, mentoring and self-development programmes

Badhte Kadam

- Supported the training of more than **10,000** beneficiaries and **1,200** micro-enterprises and start-ups in Hosanagara and other districts of Karnataka and Kerala
- Provided vocational training to **2,138** underprivileged youths to develop skills (beauty, wellness, stitching and tailoring)
- Provided livelihood support and placement assistance to a large number of pass-outs
- Commenced a General Duty Assistant (nursing assistant) programme

Swasthya

- Upgraded the Enhanced External



Srimad Jagadguru Shankaracharya Sri Raghaveshwara Bharati Swamiji



Heart care camp



Coaching classes for the underprivileged students



R.K. Goenka, Patron-CSR



Dance therapy for underprivileged students



Emami's health clinic

Counter Pulsation (EECP) clinic in Kolkata, providing non-invasive treatment to heart patients; conducted **3,212** EECP non-invasive treatment sessions

- Conducted three heart care camps and one mega 100th heart care camp, benefitting **458** patients in FY19 and **11,000** individuals across 13 years.
- Financed the treatment of **377** underprivileged patients needing urgent emergency medical intervention and care
- Treated **58,388** patients through six Emami Foundation-managed CSR centers and clinics across West Bengal
- Conducted **17,734** eye check-ups for the underprivileged patients
- Conducted **783** cataract surgeries for the underprivileged patients
- Provided **8,416** spectacles for the underprivileged patients
- Provided acupuncture treatment to **4,325** patients

Completed 100 heart care camps benefitting more than 11,000 individuals across 13 years

- Constructed school toilets across West Bengal and in Pantnagar, Uttarakhand

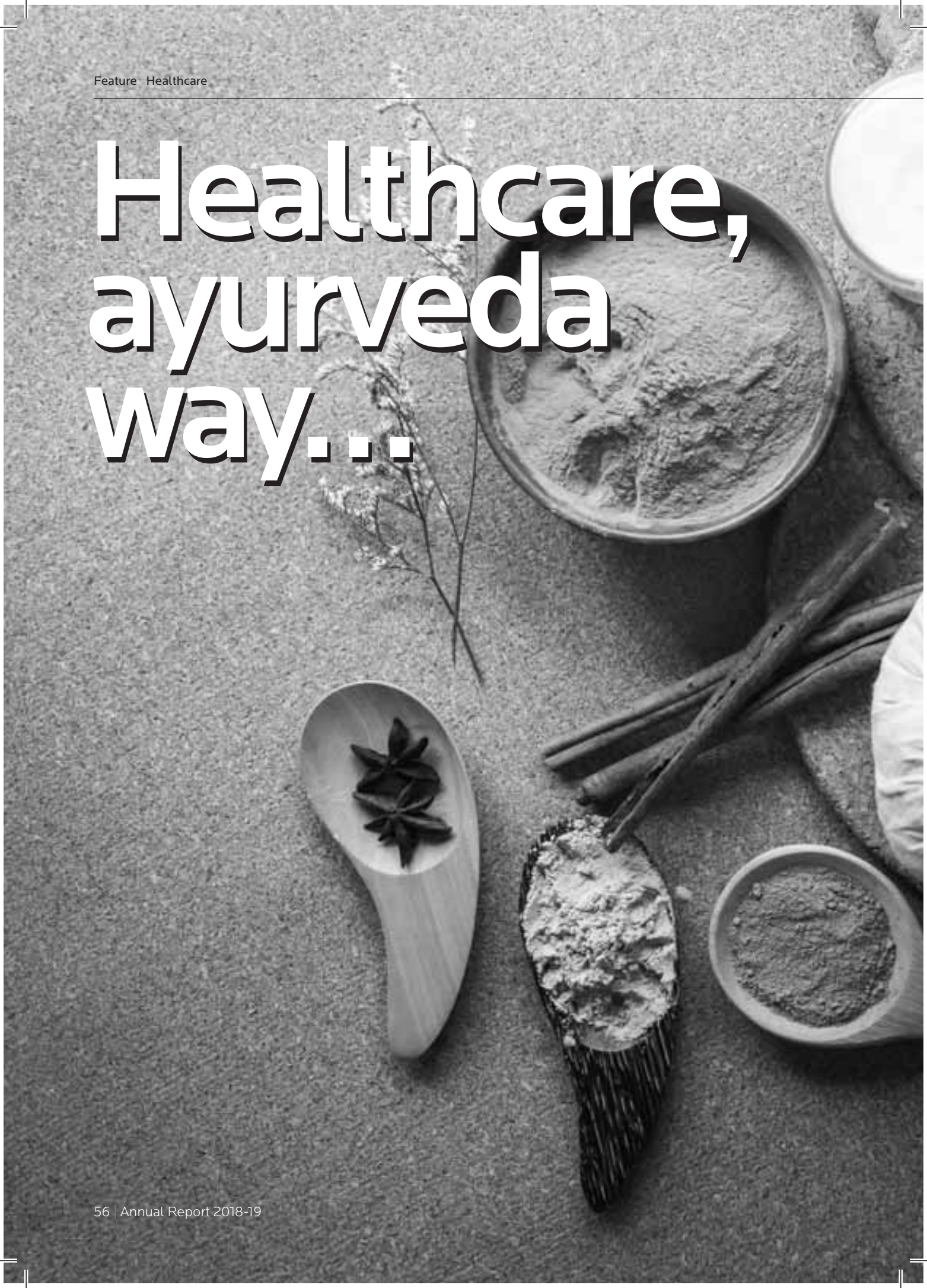
Sanjeevani

- Emami's first Ayurveda-based CSR project provided preventive care and holistic treatment to **14,338** beneficiaries
- Detected more than **600** diabetic patients and more than **2,000** hypertension patients

Jan Kalyan

- Contributed to 'Save Life Kolkata', rescuing **314** people from challenging circumstances
- Helped build a cold storage chain for underprivileged farmers in Nayagargh, Odisha
- Supported the setting up of *Seva Centres* covering **62** Karnataka and Kerala villages to encourage rural entrepreneurship, model farms, modern tools / technologies, organic farming, healthcare and governance, among others
- Supported the building of shelter homes for the poor and supported grassroots capacity building through community-based organisations and NGOs in Karnataka
- Funded relief material during Kerala floods
- Supported animal welfare programs in Karnataka

Healthcare, ayurveda way...





India is accelerating towards a greater acceptance of ayurveda as alternative medicine. This is in line with the global trend of staying healthy in a natural way.

The old is coming back.
One of the most dramatic developments in the area of alternative medicine in the last few decades has been a global revival of the acceptance of ayurveda.

There was a time when ayurveda was dismissed as an unproven fuddy-duddy therapeutic intervention. The sea-change is reflected in that ayurveda is being increasingly prescribed by respected medical practitioners and consumed by opinion-influencing users.

So what has accounted for this transition?
One, this millennia-old alternative lifestyle method has been repackaged to address new-age customers.

Two, the increased use of ayurveda is timed with increased R&D spending to showcase how this ancient wisdom can enhance wellness.

Three, the creation of ayurvedic hospitals, clinics, products and services that leverage modern technologies has enhanced acceptability.

Four, the increasing incidence of side-effects from chemical-based therapies has incentivised the seeking of benign alternatives.

The impact has been extensive. Until recently, the use of ayurvedic products was restricted to hair oils, local dietary supplements and over-the-counter palliatives in India. Ayurvedic ingredients are now being integrated into a widening number of products like shampoos, skin care creams, oils, powders, toothpastes and soaps to cough syrups, tea, packaged juices and nutritional supplements, among others. Suddenly, ayurveda is everywhere.

The result is that the Indian ayurvedic segment is now valued at a significant US$ 4.4 billion (2018). Products accounted for nearly 75% of this market, services accounting for the rest.

The transformation catalysing the growth of the India's ayurveda segment has been the creation of a specific central ministry to steward its growth. This has created a champion for the ancient science from within the government. In turn, this initiative has helped

create an active policy-making body engaged in taking this movement ahead. For instance, India's federal Ministry of AYUSH (Ayurveda, Yoga & Naturopathy, Unani, Siddha, and Homeopathy) kickstarted awareness building campaigns. As a result, India is now a frontrunner in the global ayurvedic industry and expected to sustain a CAGR in revenues by 16% through to 2025.

What makes the Emami story interesting is that the Company was ahead of the curve. The Company created an ayurveda backbone even before the subject had emerged as the next big thing. By the time the sector gained traction, Emami already possessed a critical mass of products with high recall and professionals, a formidable foundation for its journey towards growth.

The Emami of the future intends to build on this platform, strengthen capabilities and promote product efficacy around scientific studies to reinforce its position as a sectoral thought leader.

Research backing

Over the last number of years, Emami invested extensively in validating ayurveda product claims by leveraging modern science. The Company undertook collaborative studies with marquee organisations. It entered into a contract with the Indian Council of Medical Research to develop a preventive drug for the pre-diabetic stage, an exciting development in a country likely to emerge as the diabetes capital of the world.

Emami also engaged in a collaborative exercise with the Indian Institute of Integrative Medicine to assess the efficacy of its longstanding product Zandu Pancharishta. This Emami product leverages the age-old *asav-aristha* (fermentation) practice, inspiring consumer trust. The study unearthed a number of benefits and Emami is now publishing a white paper related to this picture which is expected to open exciting opportunities.

Key developments, FY2018-19

- Became the first sectoral player to build a sales team focusing exclusively on ayurvedic doctors
- Empowered the sales team with electronic tablets to showcase products
- Consolidated on-field teams to enhance footfalls, widening coverage from 15,000 to 22,000 doctors
- Strengthened Zandu's visibility by inducting Amitabh Bachchan as brand ambassador for Zandu Pancharishta and Zandu Nityam
- Improved serviceability by accelerating the frequency of engaging with specialist chemists from a fortnightly to weekly practice
- Educated retailers about the strengths of the Company's brands
- Repositioned the Chyawanprash brand as sugar-free to enhance appeal among the health-conscious
- Recruited professionals with an academic background to promote alternative remedies reconciling modern science with ayurveda
- Renewed focus on Zandu Pancharishta; the product's offtake grew by 10%
- Distinctive positioning helped Zandu Nityam report a growth of 19%

The Company strengthened Zandu's visibility by inducting Amitabh Bachchan as brand ambassador for Zandu Pancharishta and Zandu Nityam

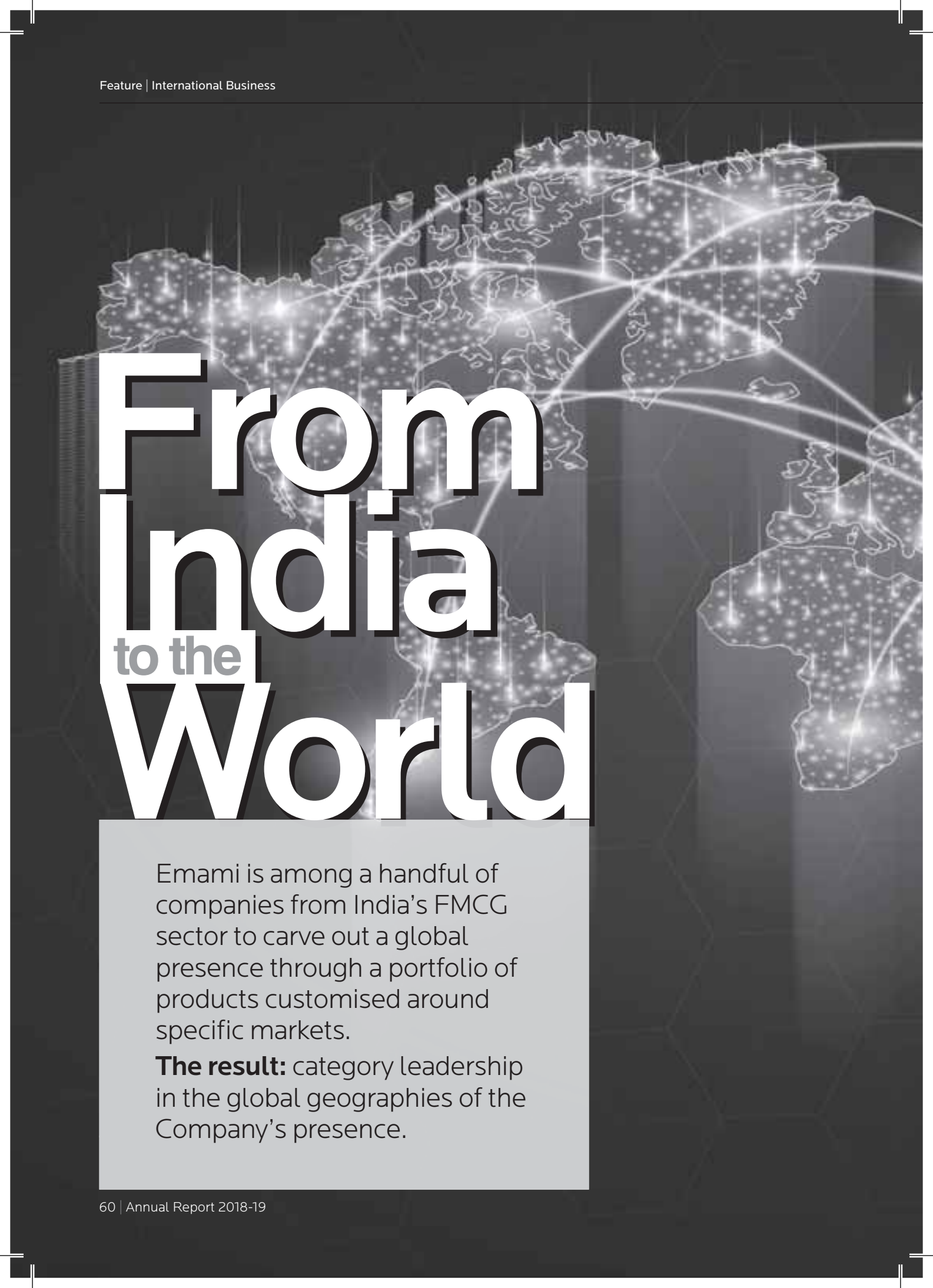
Outlook

The 'ayurveda renaissance' has led to a growing traction for ayurveda-based shampoos, hair oils, toothpastes and supplements. Emami's widening portfolio targets specific ailments, strengthening its recall. A keen branding emphasis has enhanced Emami's relevance and created a long-term platform for sustainable growth.



What makes the Emami story interesting is that the Company was ahead of the curve. The Company created an ayurveda backbone even before the subject had emerged as the next big thing. By the time the sector gained traction, Emami already possessed a critical mass of products with high recall and professionals, a formidable foundation for its journey towards growth.

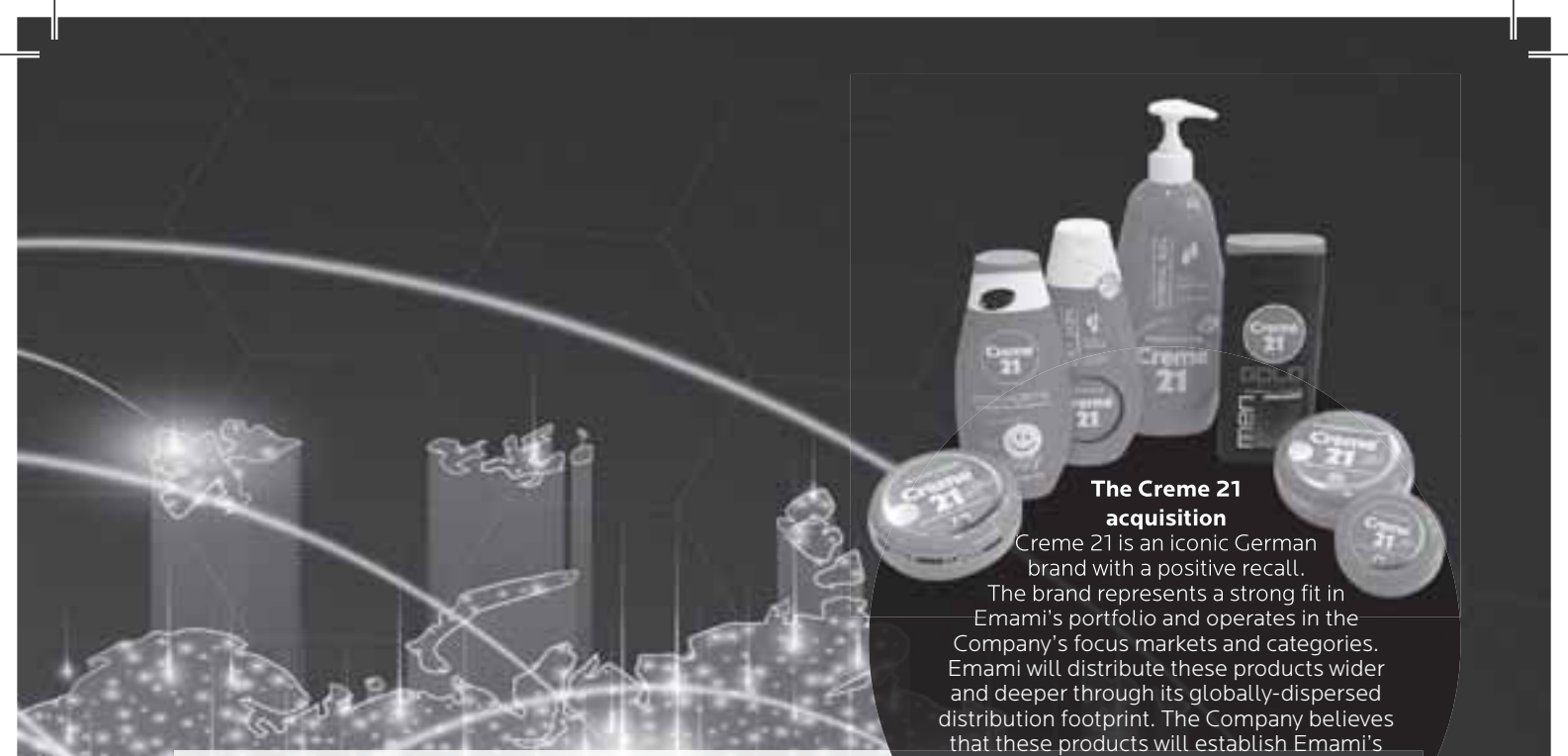

झंडु
नित्यम
झंडु
की त्रिगुण शक्ति दे
कब्ज़
से सम्पूर्ण राहत
ZANDU
Nityam
Tablet
त्रिगुण शक्ति
3
एरंड तेल सौंफ त्रिफला
100% आयुर्वेदिक । सुविधाजनक । आदत ना लगे



From India to the World

Emami is among a handful of companies from India's FMCG sector to carve out a global presence through a portfolio of products customised around specific markets.

The result: category leadership in the global geographies of the Company's presence.



The Creme 21 acquisition

Creme 21 is an iconic German brand with a positive recall. The brand represents a strong fit in Emami's portfolio and operates in the Company's focus markets and categories. Emami will distribute these products wider and deeper through its globally-dispersed distribution footprint. The Company believes that these products will establish Emami's reputation for the prudent selection of brands and its ability to grow them. What has been showcased within India for long time is what Emami expects to demonstrate in the global markets.

More than two decades ago, Emami selected to expand its presence beyond the borders of India. The Company's conviction was based on a number of strategic priorities: a recognition that the market outside India was considerably larger than within; an awareness that there were a number of countries with demographics similar to India where the Company's existing products could be marketed; the need to broadbase revenue that would moderate the Company's excessive dependence on a single market (India).

A journey that commenced in 1998 has since enlarged to over 60 countries. Emami's products are available off the shelf in countries as diverse as Bangladesh, Russia and UAE among others. The Company's key markets include MENAP, SAARC, SEA, CIS and the European Union countries. The Company's International Business grew 12% during FY19, contributing 13% of the total revenues.

Interestingly, Emami did not expand only to create a global marketing presence. In 2012, the Company established a manufacturing unit in Bangladesh and in 2018, it kickstarted a third-party-managed manufacturing unit in Sri Lanka. These manufacturing facilities helped Emami broadbase its manufacturing presence, enter low cost geographies, capitalise on trade agreements of those countries with other nations, leverage their proximity to India in terms of resource supply and also deepen the Company's marketing presence within those areas through a proximate manufacturing facility. Over the years, Emami drew on its market knowledge to offer products in line with local climatic and dermatological realities. Besides, the Company evolved its packaging to address different markets.

In 2018-19, the Company made another decisive investment. The Company acquired Creme 21, a popular German personal care brand. This acquisition,which was the largest global acquisition by the Company, was funded through accruals. Creme 21 offers a vast array of skin and body care products comprising creams, lotions, shower gels, sunscreen and men's cosmetic products. The brand generated more than 80% revenues from MENA and the rest from Germany and other European countries. The acquisition will make it possible for Emami to enhance its presence in these markets and widen the acceptance of these products across its existing distribution network.

Key highlights, FY2018-19

- Grew revenues by 12% following a slew of consolidation initiatives
- Generated strong growth in MENAP following the appointment of new dealers
- Commercialised the Sri Lankan facility while improving margins
- Gained traction in Bangladesh with a higher market share
- Increased brand-building investments including dealer-level promotional schemes and visibility-improvement measures
- Acquired Creme 21, a German personal care brand, with an extensive presence in MENAP and Europe

Outlook

Emami seeks to grow revenues from its key global markets by leveraging its reputation for innovation and geography-specific products. The acquisition of Creme 21 has provided the Company with access to previously-uncharted segments and geographies. Besides, the Company expects to capitalise on the Sri Lankan market through a manufacturing facility that will enhance the confidence in trade partners regarding regular supply, creating an attractive growth opportunity.

OMNIPRESENT

If there is a single factor that drives Emami's success then it is 'contrarian'.

When most FMCG companies sought to market products in a crowded urban spaces, Emami focused on the relatively untapped rural market.

Similarly, when most companies sought to market products in urban India using conventional options, Emami walked the road less traveled.

As it turned out, Emami was among the first Indian FMCG players to leverage the concept of celebrity endorsement. This unusual approach was backed by spending firepower to maximise effectiveness: the Company has been one of the highest advertisement & promotion spenders in India's FMCG sector, spending an average 17.5% of revenue over the last five years. This high spending reinforced recall and enhanced offtake, making Emami one of the fastest-growing FMCG players in India.

In line with a customer-specific targeted strategy, Emami selects from a diverse basket of media to promote products. Even in this space, Emami has been a proactive and responsive Company. The Company capitalised on the incidence of low-cost mobile data, shifting viewers from conventional television to over-the-top (Hotstar and Netflix) and other internet-based platforms. Besides, social media platforms accounted for a larger proportion of the Company's media spending (in addition to conventional platforms).

Emami maximised media spending returns through the deployment of a dedicated media team to appraise sectoral developments and design a corresponding media strategy. This approach was dovetailed with a strategic consistency in engaging major Indian celebrities (national and regional) to endorse Emami products - Amitabh Bachchan, Shah Rukh Khan, Hrithik Roshan, Kareena Kapoor Khan, Kriti Sanon, Shilpa Shetty, Jr. NTR, Shahid Kapoor and Kangana Ranaut, among others. Besides, the Company enhanced the freshness of its pitch through the engagement of Varun Dhawan, Kartik Aaryan and Vidyut Jammwal.

Road ahead

To address the growing e-commerce options, the Company is seeking to increasingly market products online. As a result, the cumulative contribution of online / modern trade offtake to total sales is expected to grow from 7-8% to 12-15% in three years, catalysed by content-driven social media campaigns.



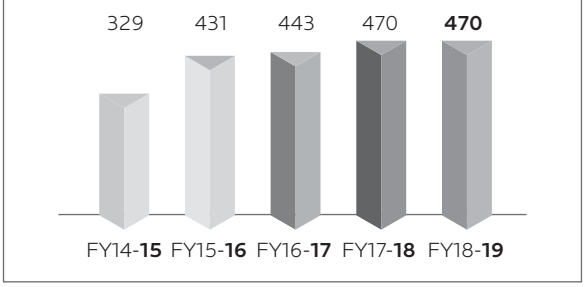
The rise and rise of the Indian media and advertising industry

The Indian media and advertising industry appears to be stepping out of the trough created by demonetisation and GST. The Indian advertising industry grew 14.6% during the year under review; the sector is set to grow by 16.4% during 2019, touching a projected high of ₹70,888 crore (₹60,908 crore in 2018).

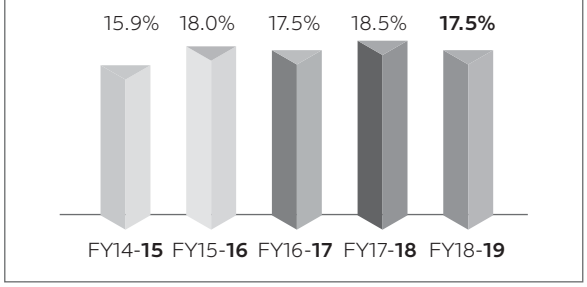
India is perhaps the only major market where y-o-y print advertising expenditure grew, and India is probably the only country where the print media commands a sizeable 32% share.

Moving ahead, digital advertising spending could grow 33% in 2019 to cross ₹15,000 crore as more advertisers seek over-the-top platforms as an extension of the good old television.

Emami's spending on advertising and promotion (₹ crore)



A & P as a percentage of revenues

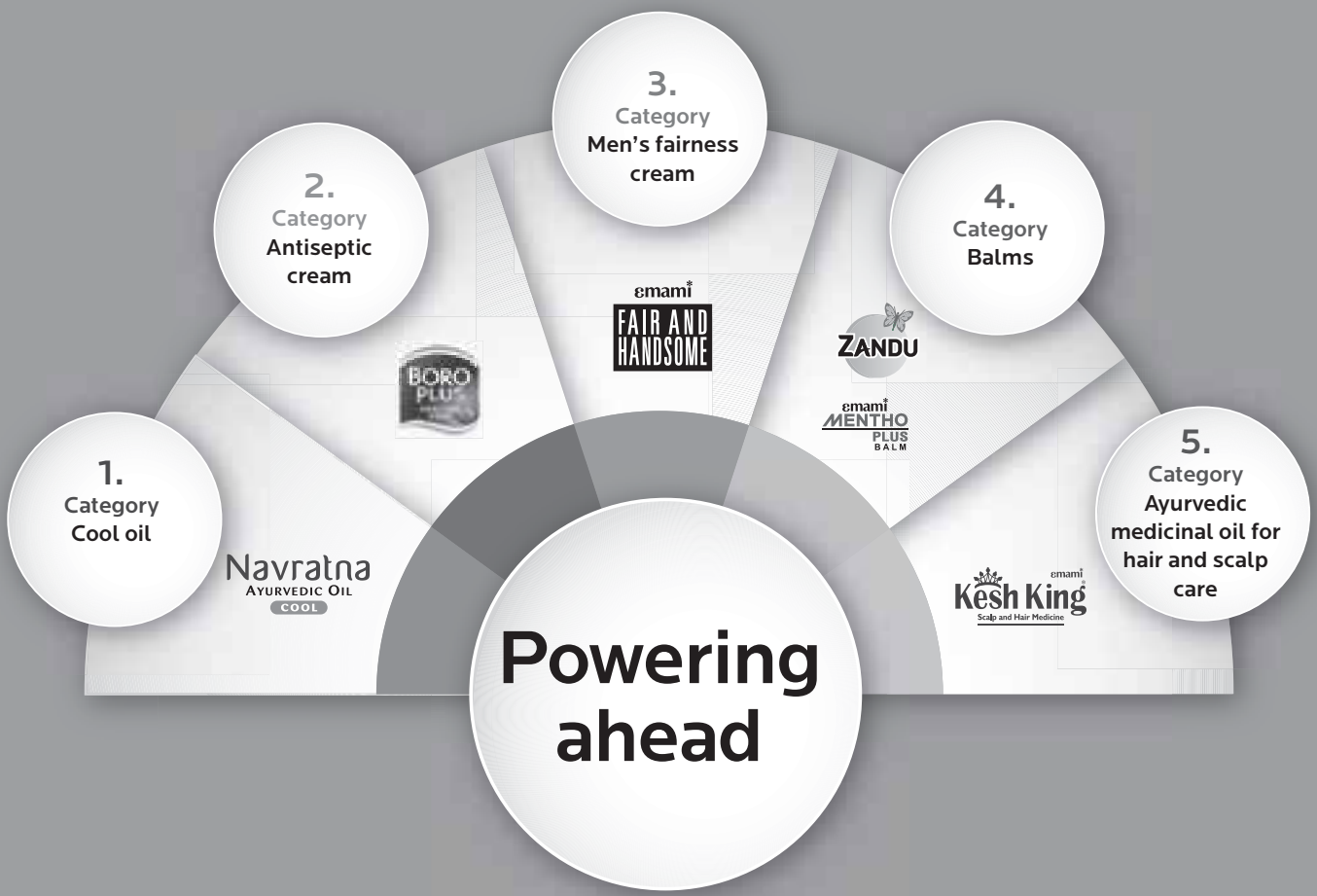




Past and Present Brand Ambassadors

Powering ahead

Emami has outperformed sectoral growth due to its ability to enter underpenetrated FMCG segments at the cusp of change. Its insight into unmet consumer needs has not only helped launch new products, but has also helped create new segments. As a result, Emami's Power Brands not only account for sizeable market shares but influence trends, opinions and lifestyles.



01 Cool oil

Category size

₹1,006 crore

Products

- Navratna Cool Oils

Market penetration (Category)

16%

Market penetration (Brand)

10%

Growth drivers

- Growing stress destroying a work-life balance
- Strong brand, emphasising cost-effective stress relief
- Category penetration offering ample growth headroom

02 Antiseptic cream

Category size

₹644 crore (Boro brands)

Products

- BoroPlus Antiseptic Cream

Market penetration (Category)

28%

Market penetration (Brand)

24%

Growth drivers

- Positioned as a necessity-driven product (not discretionary)
- Enjoys robust pan-India demand
- Sustained advertisement and promotional investments
- Shock-proof model; product sales unimpacted during demonetisation.

03 Men's fairness cream

Category size

₹416 crore

Products

- Fair and Handsome Fairness Cream
- Fair and Handsome Laser 12 Cream
- Fair and Handsome Winter Fairness Cream

Market penetration (Category)

5%

Market penetration (Brand)

3%

Growth drivers

- In 2011, >35% of the country's male population was aged between 15 and 34 years
- India's per capita income grew at a CAGR of 10% in the last five years
- The democratisation of low-cost high-speed internet has increased investment in the promotion of male grooming products
- Social media has catalysed transformation, triggering the increased use of cosmetics to look better
- Growing rural income is driving demand for personal care products in untapped geographies.
- Category penetration of 5% indicates a large headroom.

04 Balms

Category size

₹1187 crore

Products

- Zandu Balms
- Mentho Plus Balm

Market penetration (Category)

31%

Market penetration (Brand)

30%

Growth drivers

- Growing stress caused by long working hours
- Increasing pollution
- Improper sitting posture
- Erratic sleeping habits

05 Ayurvedic medicinal oil for hair and scalp care

Category size

₹944 crore

Products

- Kesh King Ayurvedic Medicinal Oil

Market penetration (Category)

9%

Market penetration (Brand)

2%

Growth drivers

- 15.3% Indian women suffer from hair loss *(Source: Indian Journal of Clinical and Experimental Dermatology)*
- More than 70% of the Indian population suffers from dandruff
- Growing pollution is causing scalp problems among Indians (including hair fall).



India's consumerist revolution

Shifting global forces, the emergence of more than one billion first-time global consumers and the arrival of the Fourth Industrial Revolution could sustain an unprecedented consumer revolution in China, India and ASEAN region. This would warrant strategies in sync with evolving consumer needs.



Indian macroeconomic overview

India is the world's sixth largest economy and the fastest-growing trillion dollar country.

India is also one of the most diverse nations, marked by diverse regional, socio-economic and cultural nuances. These factors, along with growing awareness and interconnectedness, are expected to create a large opportunity expected to foster inclusive and responsible consumption across the financial pyramid.

Domestic consumption, which drives 60% of India's GDP today, is expected to grow into a US$6 trillion opportunity by 2030. This consumption growth is likely to be supported by a 1.4 billion population that could be younger than in any other major economy. Household savings in India have historically been high; thrifty families put away more than a fifth of their income in anticipation of times when they may actually need the money – a good hedge against market troughs.

DOMESTIC CONSUMPTION, WHICH DRIVES 60% OF INDIA'S GDP TODAY

Inherent strengths

Domestic consumption-driven: ~60% of India's GDP is driven by domestic private consumption compared to 40% in China, which insulates the economy from external shocks and cycles.

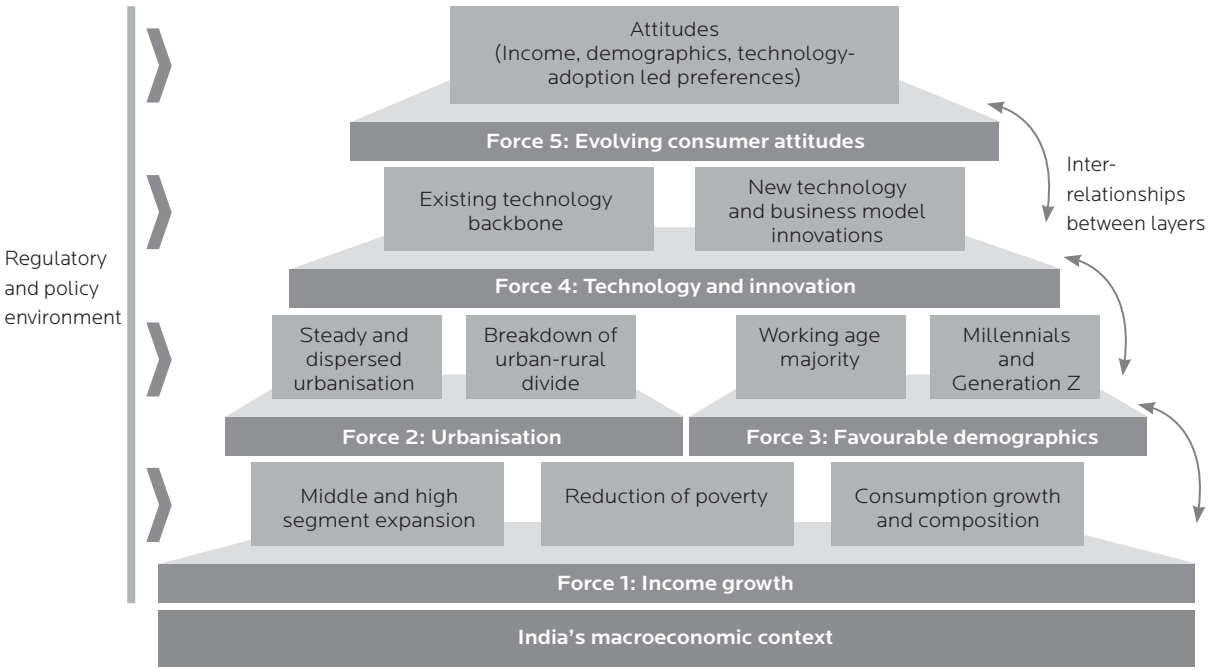
Growing savings: Compared to low personal saving rates in developed countries (6%-7% in the US, 9%-10% in Germany, 4% in the UK and 2.5% in Japan), India's households save more: 22% of their incomes in the absence of social security nets, a vast base for conspicuous consumption.

Youth population: With a median age of 28 years, India comprises the largest population of working age individuals in the world. By 2030, the median age could increase to 31 years when it would still be far younger than the corresponding figure of 40 years in the US and 42 years in China.

Policy reforms: Increase in FDI limits in most sectors (retail, manufacturing and telecom) is strengthening the Indian consumption story. Landmark taxation restructuring (GST) has increased India's 'Ease of Doing Business' ranking. The Central Government is catalysing economic development through 'Make in India' and 'Startup India', among others.

Infrastructural development: Large infrastructure development like smart cities, industrial corridors, roads & highways and ports are catalysing job creation and incomes.

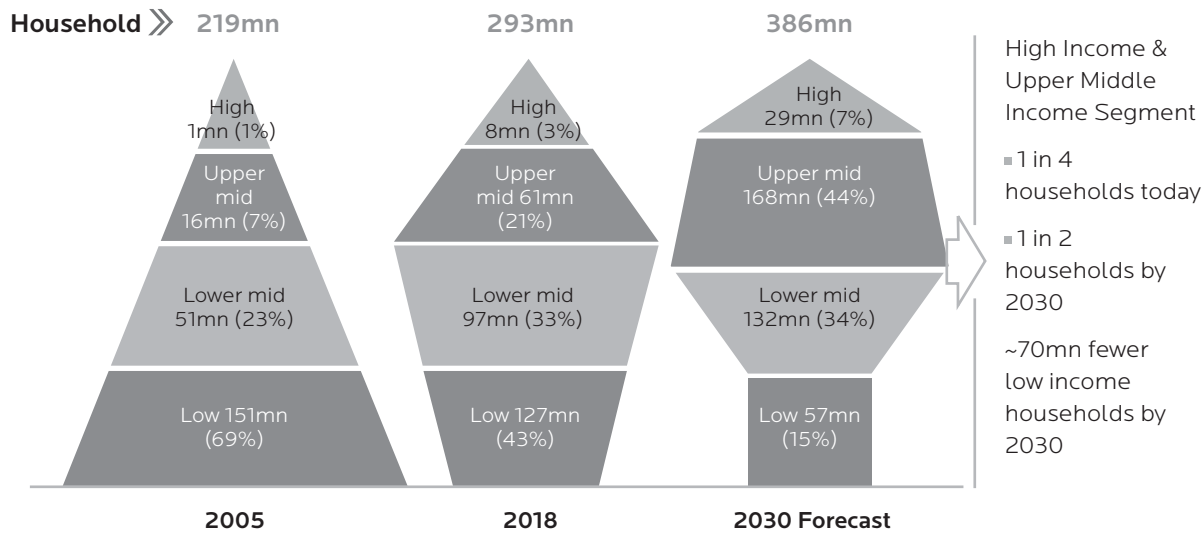
Drivers of future consumption in India



Consumption drivers

Income growth: With consumer spending growing from US$1.5 trillion to ~US$6 trillion by 2030, India is expected to transform from a bottom-of-the-pyramid country to one driven by the middle-class.

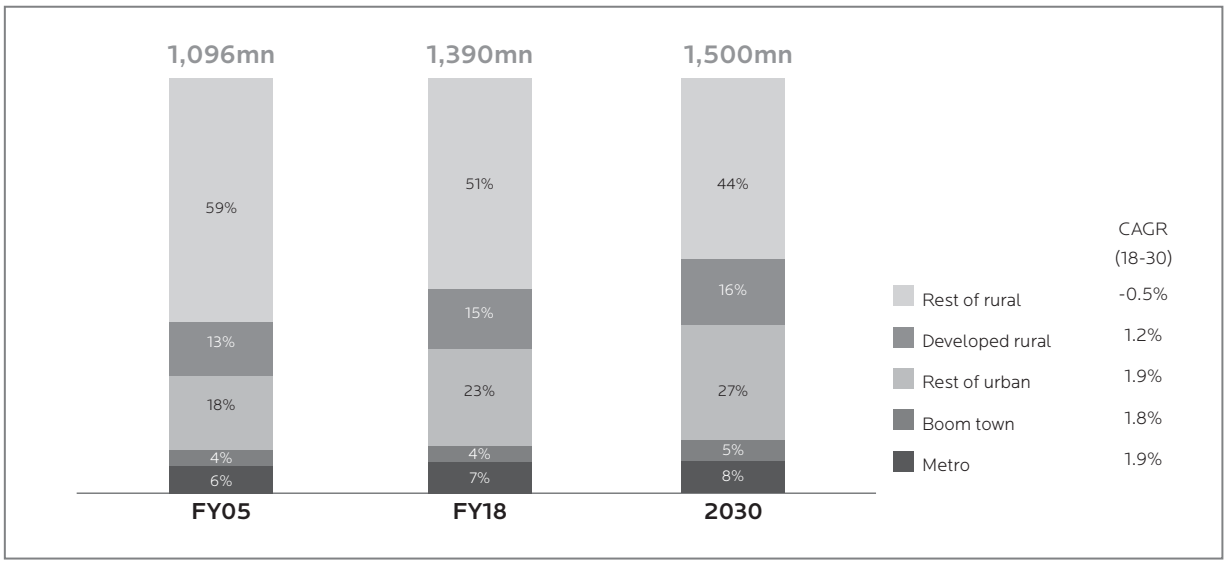
Evolution of the household income profile in India



Steady urbanisation: While metros and emerging boom towns continue to drive economic growth, rural per capita consumption could grow faster, mirroring urban consumption patterns

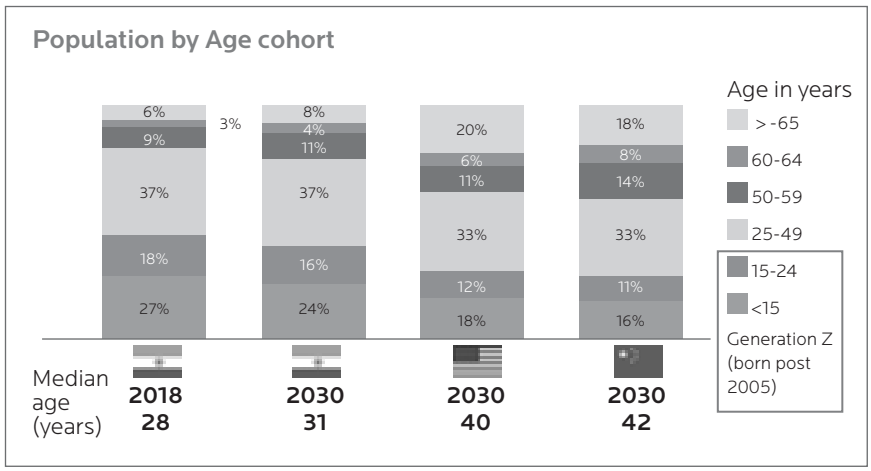
Population growth across urban and rural areas

Population distribution across city types (mn)

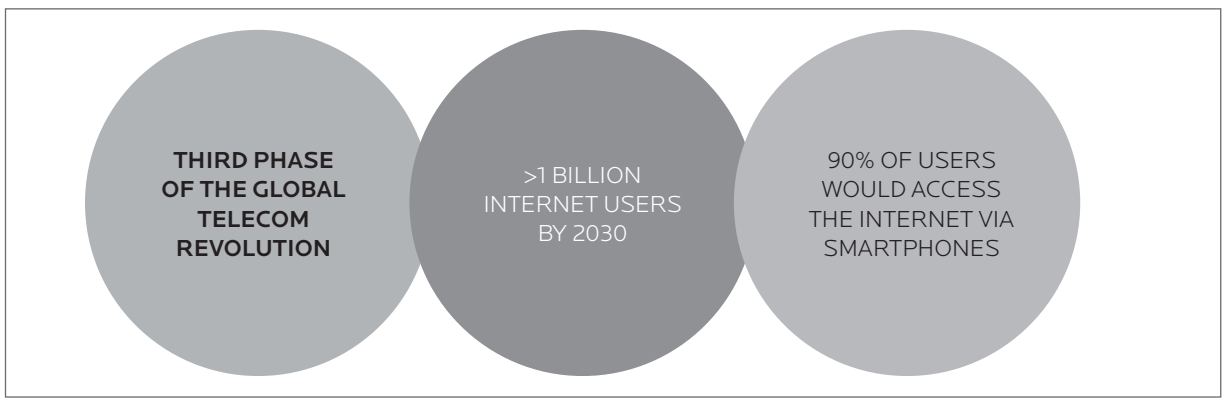


Demographic advantage: Compared to several other nations, India will continue to remain a young nation with more than 77% of the population comprising millennials and Generation Z by 2030

More than 77% of the population would comprise millennials and generation Z by 2030



• **Technology-led inclusion:** Internet access could become universal by 2030 with more than a billion Indians – rural and urban, old and young – on the internet, validating technology - led inclusion. Besides, 90% users would access the internet via their smartphones



Evolving attitudes: The triad of age, education/occupation and connectedness could result in distinct consumer preferences even as income remains a strong choice determinant.

Consumer archetypes	Average annual household income (US$)	Average age (years)	Highest level of education and current occupations	Access to smartphones	Share of population, 2018-2030
Poor rural	2,800	43	▪ 70% below the tenth standard ▪ 70% informally/ non-employed	5%	Falling from 29% to 9%
Poor dreamers	5,200	41	▪ 70% below the tenth standard ▪ 70% informally/ non-employed	10%	Falling from 14% to 11%
Young and savvy	5,200	21	▪ 50% till the tenth standard ▪ 20% bachelors'/ masters' degree holders ▪ 25% employed and 40% students	65%	Growing from 11% to 15%
Middle India	6,800	47	▪ 70% below the tenth standard ▪ 70% informally/ non-employed	10%	Growing from 19% to 21%
Connected aspirants	6,800	39	▪ 45% till the tenth standard ▪ 25% bachelors'/ masters' degree holders ▪ 60% employed	95%	Growing from 15% to 19%
Conservative rich	40,000	49	▪ 65% below grade 10, 30% till the tenth standard ▪ 70% informally/non-employed	15%	Growing from 4% to 8%
Sophisticated rich	40,000	35	▪ 40% till the tenth standard ▪ 45% Bachelors'/ Masters' degree holders ▪ 55% employed and 20% students	95%	Growing from 7% to 17%

Outlook

The coming decade could see the great Indian consumer story acquiring scale and diversity. Only players who combine scale, agility and purpose would prevail. The prudent use of digital media could play a pivotal role in reaching India's billion-plus consumers, coupled with a premium on the need to build supply-side competencies to address what would, by then, be the most populous market in the world.


कलर टिके दुगुने समय तक
बालों मे लाए हीरों सी चमक
emami
DIAMOND SHINE
Crème Hair Colour
• डायमण्ड सीरम बालों को दे अद्भुत चमक
• 11 आयुर्वेदिक हर्ब्स बालों को दे पोषण
• ऐलोवेरा कंडिशनर्स बालों को बनाये रेशमी, कोमल और खूबसूरत
11 आयुर्वेदिक हर्ब्स
DIAMOND SERUM के साथ
100% से कवरेज | नो अमोनिया
₹30
emami
DIAMOND SHINE
Luxury Crème Hair Colour
with Diamond Serum
Cherry Red
- 5 शेड्स में उपलब्ध -

Management
discussion and analysis



Senior management team

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

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



Global economic overview

The global economy grew 3.6% in 2018 compared with 3.8% in 2017, largely on account of the failure of Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Global growth is estimated at 3.3% in 2019. *(Source: World Economic Outlook).*

Global economic growth

Year	2015	2016	2017(E)	2018(E)	2019 (P)	2020 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.3	3.6

[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

Indian economic overview

After growing at 7.2% in 2017-18, the Indian economy grew 6.6% in 2018-19 (as per the second estimate by CSO, released in February 2019). The principal developments during the year comprised 8.6% increased per capita income, decline in the national inflation, steady interest rates, and weaker consumer sentiment in the second half of the financial year following a large non-banking financial company announcing its inability to meet dues. India is now the sixth largest economy (eleventh largest in 2013-14).

Outlook

India's markets are expected to perform better due to projected earnings revival across the foreseeable future. *(Source: CSO, Fitch, Economic Times, Business*

Standard, IBEF, Business Today, India Today).

Indian FMCG sector overview

The FMCG sector grew from US$ 31.6 billion in 2011 to US$ 52.75 billion in 2017-18. The growth was led by favourable demographics and rise in income levels. With 66.7% of the Indian population residing in rural areas, it's influence on the FMCG sector is significant. The rural market was valued at US$ 23.63 billion in FY2018, clocking a growth of 9.7%, buoyed by recent governmental measures like farm loan waivers and increased minimum support prices. E-commerce contributed to the increased penetration of FMCG companies in rural areas. Growing awareness, easier access, and changing lifestyles are the key drivers of the consumer market. The focus on agriculture, MSMEs, education, healthcare, infrastructure and employment by the Government is expected to impact the FMCG sector. These initiatives are expected to increase disposable incomes, especially in rural areas, which could be beneficial for the sector. *(Source: IBEF, Statistics Times, Trading Economics, Live Mint, Nielsen, Equity Master)*

Indian beauty and personal care segment overview

The beauty and the personal care segment comprises oral care, hair care, skin care, cosmetics, deodorants, perfumes, feminine hygiene and paper products, among others. Due to the rising number of working women and growing awareness across age groups, the demand for personal care products has increased rapidly. The Indian cosmeceutical and cosmetics industry is currently valued at US$ 6.5 billion and expected to grow to US$ 20 billion by 2025 at a CAGR of 25%. The attractiveness of this segment is encouraging innovative packaging and marketing, increasing competition. *(Source: IBEF, The Economic Times)*

Indian ayurveda sector overview

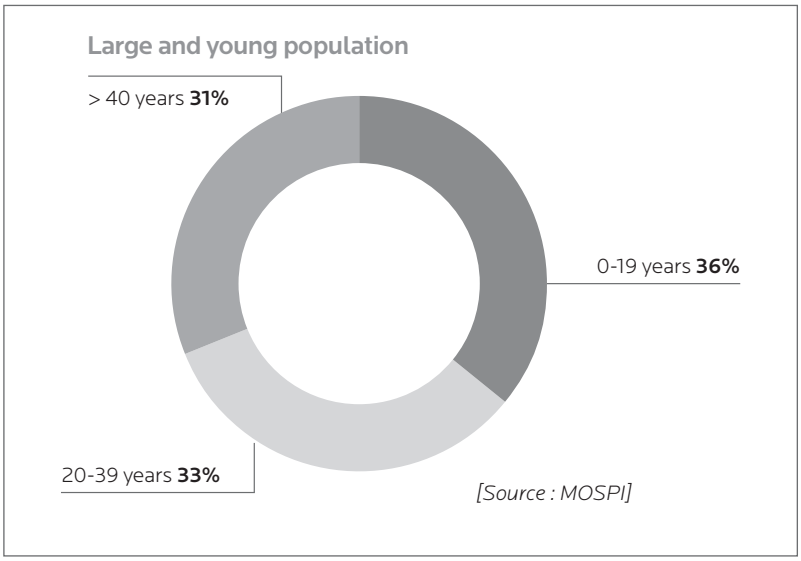
The ayurveda sector in the country reached US$ 4.4 billion by end-2018 and is projected to record a robust CAGR of 16 % until 2025. ~75% of the Indian ayurveda market is accounted for by products and only a quarter of the market size is contributed by services. The domestic market comprises ethical, classical, over-the-counter, personal care and beauty products. It also includes services like medical, well-being or medical tourism services. *(Source: CII, The Economic Times)*



The ayurveda sector in the country reached **US$ 4.4** billion by end-2018.

Growth drivers

Demographic dividend: High population and rising affluence level are key factors contributing to the growth of the FMCG sector. India is reporting an annual population growth of 1.1% and is expected to emerge as the most populous country by 2024. Around 50% of India's population is less than 25 and 66% is less than 35 years. India is expected to have the world's largest workforce by 2027, with a billion people aged between 15 and 64. This indicates that the growth in non-discretionary consumer demand such as food, healthcare, household and personal care products is likely to sustain. In addition, India witnessed growth in per capita income, increasing from ₹1,14,958 in FY18 to an estimated ₹1,26,699 in FY19.




Emami's Corporate Office, Kolkata

GST game-changer: Before the implementation of GST, the rates on FMCG products were between 22% and 24%. With the onset of GST this rate declined to between 5% and 18%. GST has also had a major impact on distribution costs - reducing to 1.5% from 2-7% of overall costs *(Source: IBEF, Alnkitgst report).*

Low consumption and penetration levels: Despite a high population base, India suffers a significantly lower per capita FMCG consumption at US$ 29, while emerging countries like Indonesia, China and the Philippines have >2x, ~4x and ~5x per capita FMCG consumption than that of India, respectively. While India achieved high penetration levels in some of the FMCG categories, consumption levels in those categories are still low. For example, the penetration level for shampoo in India is >90%, even as the per capita shampoo consumption is just 150 ml, ~33% of what it is in most emerging markets like Philippines, indicating ample room for growth. *(Source: IBEF, CII Bain Report, Sakshi business report, HDFC report)*

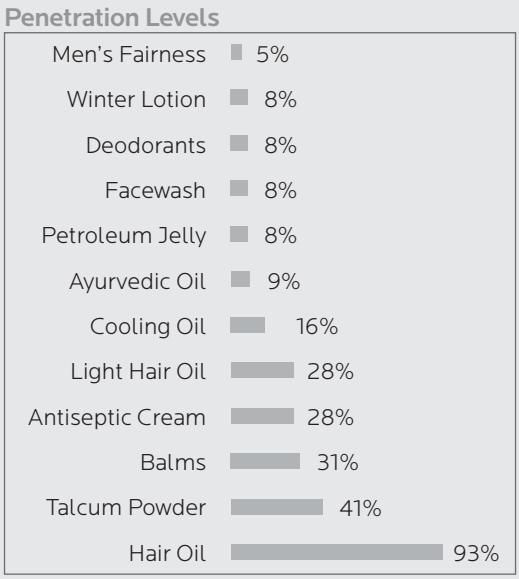
Demand for premium products: The rapid growth in the demand for premium products caused a large number of FMCG companies to continuously research, develop and launch innovative products. *(Source: IBEF)*

The 'new' target segment: Until recently, the beauty industry revolved around women. That is no longer the case with the emergence of different grooming products meant especially for men. Growth in the category is driven by a growing consumer confidence and career competitiveness levels. Here's proof: the use of face cleansing products among men surged 60x between 2009 and 2016. *(Source: Nielsen)*

Flanking strategy: This strategy is gaining increasing currency among FMCG companies. To cater to all segments, the same product is sold in different volumes and packages. For example ketchups, washing powders and shampoos are sold in bottles and sachets.

Innovative beauty care solutions: More investments are being made in the realms of R&D to come up with innovative personal care products free of chemicals like paraben and sulphur.

E-commerce-driven sales: E-commerce outpaces general trade when it comes to the sale of FMCG products. A growing internet user base and rise in smartphone penetration accelerated the growth of e-commerce. E-commerce contributed 0.4% to FMCG sales in 2016 and in 2018 it stood at ~1.3% of branded packaged FMCG sales. It is expected that e-commerce's contribution to the total FMCG sales could reach 11% by 2030. *(Source: Nielsen, Economic Times)*



Source: IMRB

Growth in rural India

India's rural population comprises ~67% of the total population. It spends 50% of its income on FMCG products. Nearly, 45% of the total revenue earned by the FMCG sector is derived from rural geographies. A number of factors are driving this trend:

Growth in wages: The sustained improvement in real rural wages has catalysed rural demand

Direct benefit transfers: The Central Government introduced direct benefit transfers as a part of the Interim Budget 2019-20. A direct benefit transfer of ₹6,000 per year provides instant relief to farmers. Total funds transferred during FY19 was estimated at more than ₹300,000 crore.

Minimum support prices: The Central Government announced the minimum support price for 22 mandated crops on the basis of recommendations of the Commission for Agricultural Costs and Prices. Some 14 crops mandated during the kharif season, including paddy, jowar, bajra, maize, ragi, arhar, moong, urad, groundnut-in-shell, soya bean, sunflower, sesame, niger seed and cotton, along with six rabi crops, including wheat, barley, gram, masur(lentil), rapeseed/mustard and safflower and two other commercial crops, namely, jute and copra.

Krishonnati Yojana 2.0: The Central Government continued its umbrella scheme, Green Revolution - Krishonnati Yojana, beyond the 12th Five Year Plan period to 2019-20. A sum of ~₹33,270 crore was allotted for the purpose for three financial years - 2017-18, 2018-19 and 2019-20. The scheme combines 11 programmes to develop the agriculture and allied sectors in a holistic manner and increase the income of farmers by enhancing production, productivity and returns. The schemes include Mission for Integrated Development of Horticulture, National Food Security Mission including National Mission on Oil Seeds and Oil Palm, National Mission for Sustainable Agriculture as well as Submissions on Agriculture Extension, Seeds and Planting Material, among others.

Loan waivers for farmers: To enhance cash flows in the hands of farmers, a number of State Governments announced farm credit waivers amounting to a cumulative ₹120,000 crore.

(Source: IBEF, PIB, Hindu Business Line, The Economic Times).

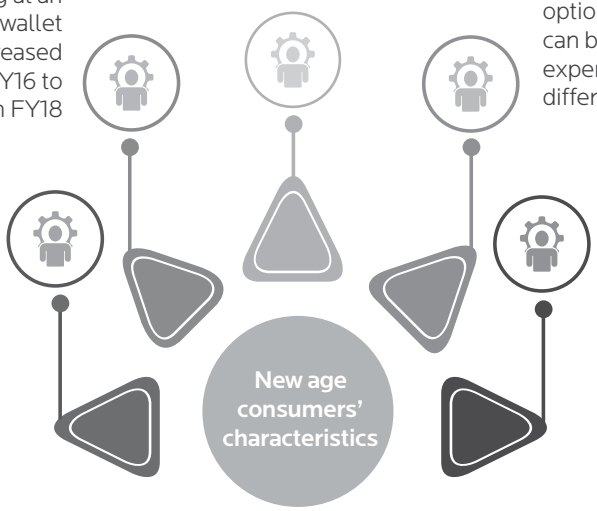
The defining characteristics of new-age consumers

Changing purchase patterns
With increasing internet penetration in India, online buyers are rapidly increasing. Moreover, m-commerce is growing at an exponential pace. M-wallet transactions in India increased from ₹200 billion in FY16 to ₹8,000 billion in FY18

Connected consumers
Consumers in today's world are more connected than ever. They are empowered by technology and get what they want, when they want and where they want

Experiential shopping
Consumers increasingly prefer to buy from modern retail stores with spacious layouts. While there are multiple options from where a product can be bought, shopping experience is becoming the key differentiator between channels

Preference for convenience
In today's time of cash-rich and time-starved consumers, convenience has become a paramount consideration



Healthy choices
Increasing sedentary lifestyles and changing eating habits has made way for healthier choices including natural, herbal, organic and Ayurvedic

[Source: Deloitte]



Emami's manufacturing unit in Guwahati

Outlook

The Indian FMCG sector grew steadily despite several groundbreaking events during the past two years. Accounting for a revenue share of ~4%, the rural segment is a key contributor to the overall revenue generated by the FMCG sector in India. Urban India accounted for a 55% share of the overall revenues recorded by the FMCG sector.

Revenues earned by the FMCG sector reached ₹3.4 trillion (US$ 52.8 billion) in FY18 and are estimated to reach US$ 103.7 billion in 2020 on the back of the following influences:

- **Smartphone adoption:** India is the second largest smartphone market in the world with y-o-y shipments increasing by 23% in Q3FY2017 to reach >40 million units. Smartphone penetration in the country was pegged at 45% in 2017 and is estimated to grow to 74% by 2025
- **E-commerce popularity:** E-commerce's contribution to FMCG sales is expected to rise to 11% by 2030 from the current 1.3%. *(Source : Economic Times)*
- **Advancement of distribution channels:** With GST implementation, the Indian distribution system is undergoing a structural shift. The Indian retail market, currently estimated at US$490 billion, is projected to grow at a CAGR of 6% to US$865 billion by 2023. The total number of retail distribution outlets in the country was estimated at >12 million. *(Source: Canalys, GSMA, The Economic Times, India retailing, Nordeatrade, Business Standard)*

Opportunities & Threats

Opportunities

- Increasing smartphone penetration across the country is driving growth of social media thereby heightening the need for looking good.
- Increasing population is one of the biggest opportunities for the FMCG sector. The population of the country has been growing at a CAGR of 1.6% between 1991 and 2018 to a total of 1.35 billion and is expected to beat China by 2024 to emerge as the most populous country in the world, driving demand for the country's FMCG sector.
- Rural consumption is growing steadily driven by slew of measures taken by the Government to boost rural income. The rural segment accounts for 40-45% of the total revenue of the FMCG industry with rural income growth, the segment is expected to grow further.
- Riding on the back of GST, the proportion of organised retail has improved substantially.
- Customers are becoming increasingly premium-focused.

Threats

- The new entrants in the FMCG market pose immense threat to the domestic FMCG industry.
- Low brand loyalty is also a threat in the FMCG industry which, in turn, results in customer attrition on the higher end.
- Volatility in crude prices is another imposing threat to the FMCG industry.

Business drivers

Sales & Distribution

Number of outlets: 4.5 mn
Number of direct outlets: 9.4 lac

Overview

Emami sells ~8,000 products every minute across the globe and this has been made possible by a sales and distribution channel that works relentlessly in making products available across the country and beyond. Emami has created a strong network of retailers and its products are now available in around 4.5 million outlets across the country.

Key developments, FY2018-19

- Reported a turnaround in the Kesh King and Healthcare portfolio
- Sales were impacted due to a delayed and prolonged winter, affecting the sales of winter products in Q3 and summer products in Q4
- Rolled out sales force automation for the entire urban sales team, ensuring effective coverage and increased direct distribution
- Reported a significant growth of 43% from the modern trade channel, driven by improvements in field rates, strategic incentivising and packaging revamps
- Reported 112 % growth in e-commerce earnings by making all products available on major e-commerce platforms
- Added ~7,300 towns to its pan-India footprint and expanded van operation coverage to 20,500 towns
- Increased occupancy from 92% to 97%, reducing vacant spots
- Replaced distributor management system with CDMS, an online platform ensuring better visibility and real-time availability
- Rolled out a promotional initiative for Fair & Handsome, celebrating 15 years of the brand's launch
- Conducted a targeted loyalty programme named 'Privilege Clerk', engaging leading wholesalers
- Rationalised margins (distributor and retailer costs) in rural areas
- Enhanced supply chain efficiency
- Introduced zonal managers for better ground-level execution
- Announced a plan to roll out SAP BI

Outlook

Moving ahead, the Company will look to extend into untapped locations and grow business volumes through the modern retail format.

Operations

Manufacturing units across the country: 8

Overview

Over the past few years, Emami laid a strong emphasis on the upgradation of people skills and shifting from manual to digital interventions. This has brought about a cultural shift. Earlier, people were reluctant to raise challenging issues but are now eager to solve them.

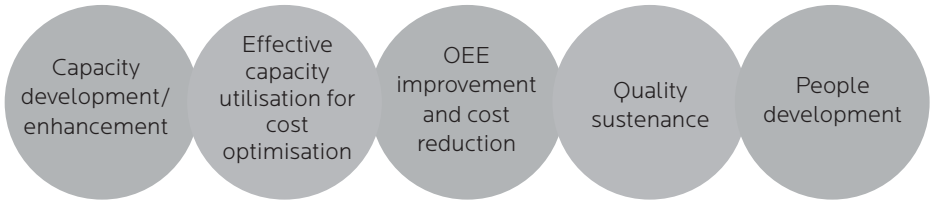
Key developments, FY2018-19

- Completed the first full year of operations at Pacharia plant and achieved the desired quality; ensured First Time Right for all the products, eliminating batch rejection
- Operationalised the Dongari unit to cater to exports
- Established a Chyawanprash manufacturing and filling facility in Pacharia
- Tied up with a third party manufacturing facility for oils and creams in Sri Lanka
- Enhanced crẽme hair colour capacity from 0.5 lac to 1 lac dozens per month
- Enhanced BPAC spout pack capacity to 10 lac dozens per month
- Enhanced Zandu Balm and Mentho Plus Balm dibbi capacity to 4 lac dozens per month
- Established a new facility for Fast Relief in Pacharia
- Won 25 manufacturing awards across units at CCQC, NCQC and other competitions
- Established an SAP-linked OEE portal
- Commissioned a briquette-fired boiler to save energy

Outlook

The Company will continue consolidating operations and invest in automation to enhance operational efficiencies.

Key focus areas, FY2018-19



International business

Share of total revenues during FY2018-19: 13%
Annual revenue growth: 12%
Countries exported to: 60+

Overview

Over the past few years, Emami has made its presence felt in more than 60 countries. The Company offers products created and packaged, addressing target markets. Emami's key international markets comprise the MENAP countries, CIS countries, Bangladesh, Sri Lanka and Nepal, among others. In 2012, Emami set up its first international manufacturing unit in Bangladesh and in 2018, the Company entered into an agreement with a third-party manufacturer to expand operations in Sri Lanka.

Key developments, FY2018-19

- Registered 12% growth in revenue owing to a recovery in key MENAP markets
- Kickstarted subsidiary operations in Sri Lanka, registering strong growth
- Acquired Creme 21, a German personal care brand with a strong presence in the Middle East
- Added distributors in key markets to hasten growth and invested in brand-building exercises to enhance visibility

Outlook

Going ahead, the Company will continue to reinforce its presence in key global markets.

Quality management

No. of consumer complaints received and resolved – 248 (100%)

Overview

To excel in the FMCG business, attention has to be paid to qualitative consistency. Quality control starts from raw material sourcing and continues till the finished product is made, ensuring a seamless supply chain. Emami's Quality Control team's rigorous attention to detail has ensured almost zero rejection of its finished products. To supplement the efforts of the Quality Control team, Emami equipped the personnel with state-of-the-art equipment to analyse and arrive at accurate conclusions.

Emami has a well-established customer response management/ complaint-handling cell to receive, log and investigate complaints and undertake improvements on the basis of product quality and efficacy feedback. Complaints and grievances of consumers and the internal customers (distributors and retailers) are entertained. Prompt closure of complaints to ensure overall customer satisfaction is of the utmost priority.

Key developments, FY2018-19

- Registered 19% reduction in consumer complaints due to quality interventions
- Vendor improvements, resulting in a reduction in the number of packing material rejections
- Associated with packaging material vendors to commission units close to manufacturing sites to eliminate transit damages and reduce rejection
- Received ISO 9001:2015 certifications for all factories
- Established business-critical manufacturing sites with 'first time right quality'

Outlook

Laboratory accreditation is considered an important indicator of technical competence. One of Emami's factory laboratories embarked on being certified for ISO 17025:2017 in FY2019-20. Emami is taking initiatives in automating quality interventions and digitising quality processes to improve reliability. The Company is also undertaking a structured approach in evaluating on-shelf product quality. The Company aims at reducing gaps between design quality and delivered quality by eliminating potential defects in transit and distribution.

Fundamental principles of Emami's quality control policy

- A proactive approach, which aims at guaranteed customer satisfaction by adhering to the established regulatory standards in the sector
- Quality control entails continuously improving results to eliminate errors
- Emami aims at driving growth by improving product quality and innovation
- Emami has chosen to foster a culture of quality-excellence through demonstration, training and development





Research and development

Number of R&D personnel: ~150

Overview

As Indian consumers become more globalised in their aspirations, as they travel abroad and are exposed to global products, their appetites to consume quality products in their home market will only increase. To address this phenomenon, Emami has chosen to focus on R&D and innovation. The Company's R&D activities revolve around making small changes in existing products and services via improvements in technology (incremental innovation) as well as significant changes to either technologies or business models of a product or service (radical innovation). The Company has set up state-of-the-art R&D facilities in Kolkata and Mumbai, equipped with sophisticated research equipment for developing, analysing, evaluating products and input materials. The Kolkata lab was accredited by NABL and the AYUSH Ministry. Emami's performance assessment and product evaluation centre is equipped with the most advanced instruments to test product performance from sensorial, functional and emotional perspectives.

Key developments, FY2018-19

- Relaunched Kesh King Shampoo with an innovative user friendly pack
- Won the Golden Peacock Innovative Product/Service Award in 2019 for Kesh King oil Comb Applicator
- Introduced the 'Dynamite & Force' variants of Navratna Smart Cool
- Tweaked the formulation for pain balms without compromising efficacy, saving costs
- Initiated joint research projects with various national institutes for healthcare products

Outlook

Moving ahead, the Company will be focusing on formulating next-generation ayurvedic products and creating a portfolio of organic products.

Logistics

Logistics costs as a share of overall costs: 2.3%
(Primary and Secondary Transportation + Warehousing)

Overview

Today's consumers seek fast order fulfilment through multiple channels. To make this happen, Emami focuses on greater visibility and control across its supply chain. By deploying integrated supply chain management solutions, Emami has bridged the gap between sales planning and operational processes, improving forecasting, streamlining inventory and accelerating delivery, ensuring the elimination of stock outs. The result: Emami's logistics management ensures products availability across SKUs, spanning the country to minimise product unavailability.

Key developments, FY2018-19

- Implemented an IT-based seasonal framework tool to ensure availability and timely delivery of products within seasonal windows, reducing operational downtime and maximising productivity
- Saved ~₹3 crore through effective transport management initiatives and planning
- Followed the reverse auction system for freight negotiation, minimising transportation costs
- Reduced unwanted product movement with the implementation of an improved replenishment model that ensured that no depot had surplus stocks
- Implemented root-cause analysis to take instant decisions, increasing efficiency

Outlook

The logistics department would look to reduce loss of sale and inventory.

Information Technology

The Company continued to invest in Information Technology to improve productivity, enhance customer experience and generate better data-driven insights. It is important for an organisation like Emami to stay on top of technology changes and retain leadership among FMCG companies. Technology absorption and effective utilisation are critical. The Company is executing a transformational IT plan by leveraging digital technologies

In this transformational journey to support business growth and offer uninterrupted service, core business IT Infrastructure was successfully migrated to a secure infrastructure

The Company remained committed to ensure an effective internal IT controls environment that, inter alia, provides assurance of orderly and efficient conduct of operations, security of assets, prevention and detection of frauds / errors, accuracy and completeness of accounting records, as well as the timely preparation of reliable financial information

The Company continued to substantially invest in IT platforms to enhance sales force productivity and distribution. A first of its kind centralised sales force automation solution facilitated the right information at the right time for the sales team to enable them to execute effectively on the ground. The Company is developing an intelligent engine to produce algorithm-based inputs to help the sales force. The Company successfully conducted a pilot using geotagging and analytics for route optimisation, covering more outlets with lower manpower. This efficiency in sales beats helped improve productivity

The Company understands the importance of high performance analytics. To this end, basic infrastructure of activating a wide choices of reporting, analytics and dash-boarding were established. The Company implemented the next level of predictive analytics

The Company understands the power of the digital. It is focusing on building a digital platform for all work streams. This includes AI (Artificial Intelligence), ML (Machine Learning) and IOT (Internet of Things) across quality development, product innovation and consumer engagement

IT security

With increased threat to information assets across the world, the Company placed an even greater emphasis on IT security.

- Deployed multiple tools and technologies to improve the security of information in storage, access, processing and transmission
- Implemented a 24x7 Securities Operations Centre
- Recorded no downtime due to a security lapse in FY 2018-19

Packaging

Attractive packaging is a key offtake driver at Emami. Over the years, the Company strategically invested in packaging innovation to differentiate products. The Company delivered innovation in packaging with customer convenience and shelf-winning propositions in mind. The Company received several awards for its packaging innovation. Emami cares about the environment and took initiatives related to packaging material optimisation.

Key developments, FY2018-19

- Took various initiatives to ensure suppliers of packaging materials follow sustainable practices
- The Company optimised packaging material consumption. It partnered with 30+ FMCG companies to form a consortium that worked with Central and State Ministries to create an action plan under the Extended Producer's Responsibility for multilayer films
- Identified Government-authorised organisations and signed MoUs for waste collection and disposal
- Launched Kesh King Oil with a differentiated special comb applicator to drive equity and consumer convenience. The product received the coveted 'Golden Peacock Innovative Product/Service Award'
- Relaunched Fair & Handsome in innovative packaging
- Launched HE Magic Duo with a packaging innovation, combining two different fragrances in one bottle

Outlook

Going ahead, our focus will be on procuring packaging materials from sustainable sources and reducing environment impact.

Human Resources

Number of employees: 3,185
(Previous year: 3,292)

Emami's longstanding success flows from its superior human resources. The Company carefully nurtures human capital to achieve its desired productivity levels. Over the years, Emami focused on organisational development, employee capability building, employee lifecycle management, HR process efficacy improvement and the use of technology to enable employee interface.

The Company is guided by the values of honesty, transparency and self-governance. The Company carefully picks industry veterans to build an effective top management team to drive growth.

Key developments, FY2018-19

- Various team building programs and outbound exercises were practised during the year under review. The Company sent employees to attend seminars to provide them exposure to industry development on the global front. It invested in developing infrastructure to facilitate training, organising regular meets for the employees of the Company and create an integrated framework
- The Company took strides to reduce the skill gap in the leadership team through multi-module classroom action learning- based programs. The programs revolved around personality grooming, decision making ability, orientation to manage stakeholders and forming priorities
- The Company tied up with a B-school to get certification for sales and marketing leaders – both mid and upper level – in the latest analytic skills. The Company conducted a base-line capability test for employees before enrolling into the course to measure their proficiency before and after the certification course
- The Company conducted an Execution Excellence Program for the entire sales team for knowledge, process, people and stakeholder understanding. This resulted in effective communication, dissemination of information and plans, as well as significant improvement in the planning process and overall review mechanism
- The Company focused on creating an overall score card under which each SBU's score card followed by the department's score card and then the individual member's score card. This exercise helped in creating a linkage between an individual's accountability vis-à-vis the Company's goals and led to an alignment of individual's KPIs to the Company's vision. This also created a realisation for all employees that their work was acknowledged and had a significant effect on the Company's business
- The Company has taken initiatives to establish an effective recruitment process where the right person at the right position at the most competitive salary gets recruited
- Emami also participated in a global study "Great Place to Work" along with other 1600 companies from India. The Company's score was benchmarked with the FMCG industry's score. The Company created a base- line on that basis to identify areas of improvement. It put together an action plan and implemented it
- The Company rewards employees for their exemplary performance to motivate them
- The Company emphasises job rotation, job enriching, in-house and external trainings, performance review interviews as some of the steps for improving the competence of its employees
- Over the last 4-5 years there was a change in the Company's demographic mix in the workplace. Emami now has a higher percentage of women in the organisation than five years back

Outlook

In the coming years, the HR team of Emami will focus on revamping the HR policies to make them more employee-friendly. The Company will also work on strengthening the leadership team to create future leaders.



Proceedings of the Emami's 35th Annual General Meeting

Financial review FY 18-19
Based on consolidated financials

Key performance metrics

₹ crore

Parameters	2018-19	2017-18	Growth	Reasons for variance
Net Sales	2,658.9	2,500.0	6.4%	Comparable revenues grew by 7% during the year. Delayed winter in Q3FY19 affected the sale of winter products and an extended winter in Q4FY19 affected the sale of summer products.
Revenue from Operations	2,692.9	2,540.8	6.0%	
EBIDTA	725.5	719.4	0.8%	Impacted due to a significant increase in the Cost of Goods sold, which increased by 200 bps thereby impacting margins.
EBIDTA margins	26.9%	28.3%	(140) bps	
PBT before exceptionals	415.4	393.7	5.5%	
PBT	405.6	393.7	3.0%	In addition to higher raw material costs, exceptional cost of ₹9.8 cr, pertaining to VRS paid at one of the manufacturing units, impacted profitability.
PAT	303.2	307.1	(1.3)%	
Cash Profit*	628.5	618.0	1.7%	
Cash profit margins	23.3%	24.3%	(100) bps	

** PAT + Depreciation & Amortisation*

Key ratios

Parameters	2018-19	2017-18
ROE (on cash profit)	30.3%	30.7%
ROCE (on cash profit)	28.5%	26.2%
Debt-equity ratio(x)*	0.05	0.16
Interest cover (x)*	19.9	12.4
Current Ratio (x)**	1.1	1.6

** Due to reduction in debt by ₹216 crore during the year*
*** Due to an increase in other financial liabilities and provisions*

Working capital

Parameters (days)	2018-19	2017-18
Trade Receivables Turnover ^	29	22
Inventory Turnover	30	28
Trade Payables Turnover	40	35
Other Receivables Turnover ^^	27	21
Net working capital	46	36

^ Due to an increase in export and institutional debtors
^^ Due to an increase in GST refund and GST input credit

Internal control systems and their adequacy

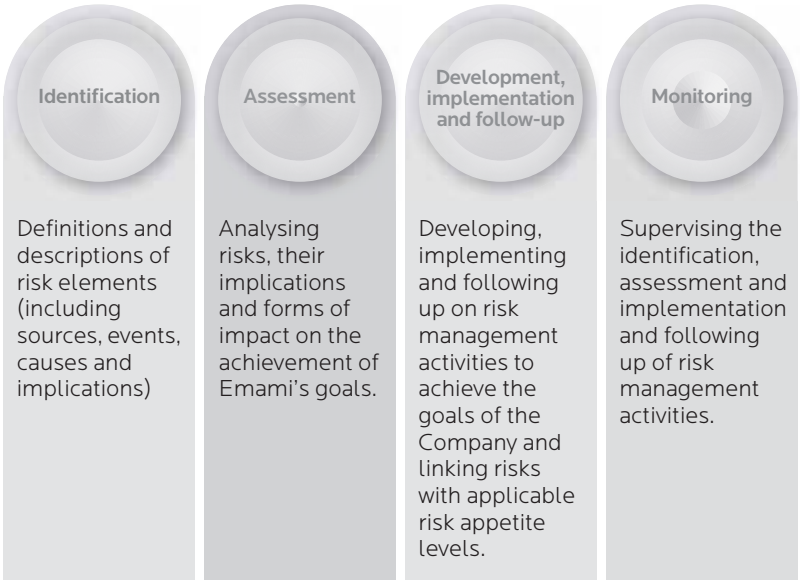
The Company has in place, an adequate system of internal controls commensurate with its size, requirements and the nature of operations. These systems are designed keeping in view the nature of activities carried out at each location and various business operations. The Company's in-house internal audit department carries out internal audits at all manufacturing locations, offices and sales depots across the country.

The 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 & Disclosure Requirements) Regulations, 2015 and corporate policies. The Company's internal audit department and risk management system have been accredited with ISO 9001:2015 and ISO 31000:2009 certifications, respectively. 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.

Risk management at Emami

The risk management process at Emami is aimed at ensuring that management takes risk-informed decisions, with adequate consideration of actual and prospective risks, including medium and long-term ones, within the framework of a comprehensive vision. Emami's risk management policy helps strengthen managerial, functional and executional expertise in a manner that achieve corporate targets and enhance shareholder value.

Risk management



Key risks and their management

Key risk	Impact	Mitigation measures
Macro-economy Slowdown in economic activity and slowdown in the FMCG industry	Slowdown in consumer demand: In situations of economic constraint, discretionary spending is usually curtailed. Factors such as low GDP growth and high food inflation can result in shift from branded to non-branded or premium to mass market products.	India's economy is the sixth largest and reasonably one of the fastest growing over the past five years. The Indian economy is forecasted to grow by 7.2% during FY2019-20. At Emami, we provide value-added products at an affordable price. The Company innovates to launch path-breaking products that address incipient or longstanding needs.
Climate risk Unfavorable climate conditions	Reduced product offtake	Since brands like Navratna and BoroPlus are seasonal, growth becomes a challenge in the event of unfavorable seasonality. Overall, we created a balanced portfolio of summer, winter and round the year brands. However, across a longer term of 3-5 years, seasonal variations could balance out.
Foreign currency Volatile forex movement	Reduced profitability	The Company protects receivables through timely and effective hedging measures.

Key risk	Impact	Mitigation measures
Regulatory Non-compliance with laws and regulations	Adverse impact on brand equity and corporate governance	Emami has built a high-governance culture with appropriate policies, processes and controls. The Company established internal controls by making respective departments accountable.
Acquisition Failure to deliver value from acquisitions	▪ Inability to meet business targets ▪ Decline in customer faith ▪ Significant strain on financials	The Company has always chosen to acquire other companies that are likely to become competitors. Post-acquisition, the Company has enhanced product formulation, packaging and marketing initiatives to catalyse offtake. In FY19, Emami acquired Creme 21, a German brand with strong brand equity.
Raw materials High-priced raw materials and interrupted supplies	Significant increase in the cost or shortage of raw materials	The Company's purchase department monitors the market closely. Based on market intelligence, effective hedging measures are undertaken to offset increases in raw material costs, besides making strategic purchases in the case of supply constraints. Besides, the Company also develops multiple vendor bases for raw material procurement and uses the reverse auction method to moderate costs.
Research & Development Changing consumer preferences & counterfeit products	▪ Products may lose market relevance ▪ Long-term brand erosion	The Company has differentiated from competition through innovative products, superior performance and value-for-money propositions. Emami's quality emphasis has translated into enhanced competitiveness. The Company widened its product portfolio by entering mainstream categories through the accelerated introduction of innovative products translating into consumer delight (Fair and Handsome range of Facewash, 7 Oils in One, HE Advanced Male Grooming Range etc.). Focus on niches remained aggressive and many products were introduced under the Zandu portfolio. The Company's strong R&D team comprising 150 people conducts detailed consumer research. The Company launched more than 20 innovative products and variants in five years. To counter counterfeit products, the Company invested in complex packaging designs and moulds.
Human Capital Talent acquisition and retention	Adverse impact on long-term corporate sustainability	Emami invests heavily in 'hiring right', 'talent development and employee engagement'. This helps to provide fulfilling careers at Emami. Emami enhanced a robust talent value proposition as one of the transformational areas to drive sustainable growth.
Channels of the future Development of modern channels	Winning in traditional trade and 'route-to-market' continue to be important. Winning in emerging channels like e-commerce and modern trade would prove to differentiate.	Investments in channels of the future while digitalising the Company's traditional distribution would be key thrusts to grow. Emami strengthened its capabilities in modern trade and is in the process of strengthening its e-commerce capabilities.
Finance costs Inability to avail of adequate low-cost funds	▪ Inability to fund expansion ▪ Bottomline adversely impacted	Rated (by CARE & CRISIL) A1+ (highest rating) for short-term borrowings and CARE AA+ for long-term borrowings, signifying the highest safety. Repaid ₹216 crore of debt in FY18-19, reducing interest outflow by 38%. The Company used accruals to fund acquisitions and capacity expansion.

Awards & accolades



Corporate Awards

- The Institute of Internal Auditors India – Calcutta Chapter awarded the Company for its 'Excellence in Internal Audit Function' (in the large manufacturing sector category).
- Emami Foundation's Ayurveda based 'Sanjeevani' CSR project was awarded the 'Kolkata CSR Leadership Awards 2018' under the category 'Concern for Health'.



Brand Awards

- Four of the Company's Power Brands: BoroPlus, Zandu, Navratna and Fair and Handsome were ranked among the Top 50 brands in the Health & Personal Care Category respectively in the 25th, 27th, 30th and 50th positions in the ET Brand Equity Survey 2018. BoroPlus also bagged the 91st position in the 'Top 100 Most Trusted Brands' of the Survey.
- Received the prestigious 'Golden Peacock Innovative Product/Service Award' for the year 2019 for 'Kesh King Oil Comb Applicator'.
- Navratna and HE received 3 Foxglove Awards by Afaqs! for their digital initiatives.
- Navratna won the prestigious Flame Asia Awards 2018 for the third consecutive year for its Driver Road Safety Campaign-Saarthi.
- Navratna won three Gold Trophies under BTL Activities & Events Promotions, at the 7th Edition of ACEF Awards 2018 for its Saarthi – Road Safety Campaign and Celebrity Engagement with Jr. NTR.

Individual Recognitions

- Shri K.N. Memani, Independent Director, was honored with Doctor of Literature (D.Litt) (Honoris Causa) for his contribution in the field of Corporate Governance and Finance from Apeejay Stya University.
- Shri A.V. Agarwal and Shri Manish Goenka, Directors Emami Group were felicitated as 'Times Visionary Leader' by Times Men of the Year.
- Mr N H Bhansali, CEO – Finance, Strategy & Business Development & CFO was awarded as the Best CFO in the 'Healthy Balance Sheet Management – Mid Size Corporate' category by YES BANK-BW BusinessWorld



emami
MAKING HEADLINES

Mumbai Mirror
THE SUNDAY READ



All in the family

DAILY NEWS & ANALYSIS **DNA**

'Emami eyeing acquisitions in international markets'



Financial Express • Delhi-Jan 26, 2019

Emami acquires German personal care brand for ₹100 cr



THE ECONOMIC TIMES

BOND OF BROTHERS







Emami·Eyes Online Space, Plans e-Exclusive Products



Emami rejuvenates its Kesh King

Entrepreneur Magazine | September, 2018

GROWTH

28 YEARS OF UNRELENTING FOCUS ON INDIA'S WELLNESS

Business Standard | Dated: 23/08/2018

Emami rejuvenates Kesh King to consolidate pole position

Outlook Business

Dated: April 26, 2019



"We found a latent desire among men to look good, but there were no offerings designed specifically for men

—MOHAN GOENKA
Director, Emami

Business Standard | Dated: 23/07/2018

Rural India can be a boon for Emami this year

Firm says rising wages, direct benefit schemes, loan waivers and MSPs will lead to higher disposable income

BIG PUSH



SAVVY

DATED 01/06/2018



Breaking BARRIERS

As a Director at Emami Ltd, **Priti A Sureka** continues to prove that glass ceilings are meant to be broken

THE ECONOMIC TIMES

Emami Secures Injunction Against HUL, Broadcasters from Airing Ad

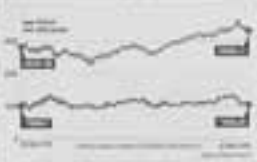
Emami Acquires German Personal Care Brand Creme 21

Deal likely to have been signed at less than 1.5 times the co's sales of ₹8 m

Outlook Money | Date: 4/4/2018

Emami

Emami Poised For Double-Digit Growth



TO AVOID DISPUTES AND FOR BETTER CONTROL

Emami may Go Family Trust Way for Succession Planning

Promoters look to transfer shares to trust, bar daughters-in-law, sons-in-law from business functions

Keeping It Close

Emami invests in US-based personal care start-up Loli Beauty

OUR BUREAU

Kolkata, June 24

FMCG major Emami Ltd's Dubai-based subsidiary, Emami International FZE, and one of the Emami promoters together picked up an 8.87 per cent stake in US-

BUSINESSWORLD | 12 May 2018

BEST CFO AWARDS



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, 2019.

1. Performance highlights

FY2018-19 witnessed the industry recovering from the impacts of GST implementation. The sectoral scenario slowly improved and came back to normalcy, which also helped brighten growth prospects. Hence, despite the challenges, the Company reported a commendable performance. Your Company earned revenues worth ₹2,69,294 Lacs during FY2018-19, reporting a growth of 6%over FY2017-18. It also reported an EBIDTA of ₹72,553 Lacs, a growth of 1% over FY2017-18.

In the past few years, the Company has taken a host of measures for brands like Kesh King, Fair and Handsome as well as the international business to drive growth. The efforts have started paying off dividends. The international business reported a growth of 12% in FY2018-19 over FY2017-18 while the newly-relaunched Kesh King reported a growth of 13%.

The Pacharia plant saw its first full-year of operations backed by superior procedural efficiency and cutting-edge technology. The Company also saw significant savings in costs. The Company continued to invest in branding and communication and roped in a number of celebrities. The Company strengthened its presence in the modern trade channel by making its products available across major online platforms.

During the year under review, the Company has acquired a leading personal care brand, Creme 21, a German brand with strong roots & brand recall. The brand has a strong presence in Middle East and other focus markets offering skin care and body care products such as creams and lotions, shower gels, sun care range, men's range, etc. The acquisition is expected to boost and complement Emami's international business & portfolio particularly in MENA, SAARC and Russian markets.

Financial Results

(₹ lacs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017–18
Revenue from Operations	248327	2,36,427	269294	2,54,083
Profit before interest, depreciation and taxation	74363	72,772	76212	73,894
Interest	1929	3,317	2140	3,431
Depreciation and amortisation	31804	30,531	32531	31,086
Profit Before Tax and Exceptional Items	40629	38924	41541	39377
Exceptional Items	980	-	980	-
Profit before taxation	**39650**	**38,924**	**40561**	**39,377**
Less: Provision for taxation				
- Current tax	8637	6,565	9723	7,275
- Deferred tax (net)	488	7	366	(49)
- MAT credit entitlement	-	1,400	-	1,400
Profit after taxation	**30524**	**30,952**	**30473**	**30,751**
Share of minority interest	-	-	(70)	(84)
Profit after minority interest	**30524**	**30,952**	**30543**	**30,835**
Share of profit/(loss) of associate	-	-	(220)	(121)
Profit for the year	**30524**	**30952**	**30323**	**30714**
Cash profit	**62328**	**61,482**	**62854**	**61,800**
Balance brought forward	59082	42,148	63077	46,404
Profit available for appropriation	**89606**	**73100**	**93400**	**77,118**
Appropriation				
Effects of adoption of new accounting standard , i.e, Ind AS 115	977	-	3552	-
Final dividend	15888	11,916	15888	11,916
Corporate dividend tax	3133	2,298	3133	2,298
Re-measurement of net defined benefit plans (net of tax)	(356)	(196)	(294)	(173)
Balance carried forward	69964	59,082	71121	63,077
Total	**89606**	**73,100**	**93400**	**77,118**

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 2018-19.

3. Dividend

Your Directors are pleased to recommend a dividend of ₹4/- per share (400% of the Company's share capital) in adherence with Dividend Distribution Policy. 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 as on 1st August 2019. With respect to the shares held in dematerialised form, it would be paid to the members whose names are furnished by National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) as owners on the said date. The total dividend outgo for the financial year ended March 31, 2019 amounted to ₹21889/- lacs including the dividend distribution tax of ₹3732 lacs. The dividend payout ratio works out to 72.2%.

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 Authorised Share capital of the Company was increased from ₹25,00,00,000/- to ₹50,00,00,000/- divided into 50,00,00,000 equity shares of face value of ₹1 each. The Company issued 22,69,67,619 bonus shares of face value of ₹1 each as fully credited on 25th June , 2018 in a ratio of 1:1 (i.e. one equity share for every one equity share already held) to the Members of the Company. With this allotment, the total issued and paid-up capital of the Company has stood to ₹45,39,35,238 comprising 45,39,35,238 equity shares of face value of ₹1 each.

7. 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 the country. The 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 and corporate policies.

Your Company's internal audit department and risk management system have been accredited with ISO 9001:2015 and ISO 31000:2009 certifications, respectively.

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.

8. 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.

9. Subsidiary 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 is included in the Consolidated Financial Statements of the Company. The Company has a policy for determining the materiality of a subsidiary, which is available at www.emamiltd.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf As of March 31, 2019, your Company had 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 Indo Lanka (Pvt.) Ltd., Sri Lanka a wholly-owned subsidiary of Emami Limited

iv) Emami Rus (LLC), Russia, 99.99% subsidiary of Emami International FZE

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

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

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

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

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

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

xi) Fentus 113. GmbH, Germany, Wholly owned subsidiary of Emami International FZE

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 the 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 financial and operational details of the subsidiary companies are provided 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, 2019, the Company clocked revenues worth ₹11,136 lacs (previous year ₹8,884 lacs) and profit after tax of ₹2,021 lacs (previous year ₹1,265 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, 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, 2019, the Company clocked revenues worth ₹16,873 lacs (previous year ₹17,430 lacs) and profit after tax of ₹(673) lacs [previous year ₹(316) lacs].

Emami Indo Lanka (Pvt) Ltd.

Emami Indo Lanka (Pvt) Ltd., Sri Lanka, which was incorporated on 27th June 2017, is a wholly-owned subsidiary (WOS) of Emami Limited. With an objective of tapping the potential of the local market, it started manufacturing locally in FY 2017-18 through a contract manufacturer.

During the period ended March 31, 2019, the Company earned revenues of ₹752 lacs (previous year ₹402 lacs) and Profit after tax of ₹(59) lacs, (previous year ₹(35) lacs).

Emami (RUS) LLC

Emami (RUS) LLC, a subsidiary of Emami International FZE, UAE, was incorporated on 14th August, 2018 with an objective of trading of Perfumery products, Cosmetics products and Pharma products.

During the period ended March 31, 2019, the Company earned Nil revenues and Profit after tax of ₹(12) 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, 2019, the Company recorded revenues worth Nil (previous year: nil) and profit after tax of ₹(8) lacs (previous year profit of ₹804 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 acquired to manufacture pharmaceuticals, disinfectants, cosmetics, chemicals, among others in FY 2010-11. The Company has not yet commenced operations due to volatile political and economic conditions in Egypt.

During the financial year ended March 31, 2019, the Company recorded revenues worth ₹(67) lacs (previous year ₹326 lacs) and profit after tax of ₹(331) lacs (previous year ₹(529) lacs).

Fravin Pty. Ltd.

Fravin Pty. Ltd. (Australia based subsidiary) is an 85%of Emami International FZE. It was acquired in FY 2014-15. It had major strength 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, 2019, the Company clocked revenues worth ₹53 lacs (previous year: ₹147 lacs) and a Profit after tax of ₹(246) lacs (previous year loss of ₹(199) 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.

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, 2019, the Company recorded Nil revenues (previous year: nil) and a Profit after tax of ₹(4) lacs (previous year ₹(15) lacs).

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, 2019, the Company earned Nil revenues (previous year Nil) and Profit after tax of ₹(8) lacs (previous year ₹(17) lacs).

Fentus 113. GmbH, Germany

Fentus 113 GmbH. Germany a wholly owned subsidiary (WOS) of Emami International FZE, UAE, was incorporated on 3rd Jan, 2019.

The Company is in the process of completing the licence & regulatory requirements before commencing the business.

B. Associate companies

Helios Life Style Private Limited

Helios is engaged in online male grooming sector and during the financial year ended March 31, 2019, earned revenues worth ₹2020 lacs (previous year ₹1201 lacs) and a profit after tax of ₹(707) lacs (previous year ₹(544) lacs).

Brillare Science Private Limited

The Company made strategic investment by way of subscribing Compulsory Convertible Preference shares (CCPS) in Brillare, which is engaged in manufacturing of professional saloon products. The said CCPS have been converted into equity shares and the company subsequently holds 34.70% of voting rights of Brillare which has become Associate of the company with effect from 22nd April 2019.

10. Deposits

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

11. Non-convertible debentures

The Company did not issue any non-convertible debentures during the financial year 2018-19.

12. 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, 2019, stood at ₹207,606 lacs as against ₹201,361 lacs at the end of the previous year.

13. Secretarial Standards of ICSI

The Ministry of Corporate Affairs has mandated SS-1 and SS-2 with respect to board meetings and general meetings respectively. The Company has ensured compliance with the same.

14. Auditors and Auditor Report

Statutory auditor

Your Company's Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (firm registration number 301003E/E300005), were appointed as the Statutory Auditors from the conclusion of the 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company.

The Auditors report to the shareholders on the financial statement of the Company for the financial year ended on 31st March 2019 does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial auditor

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 appointed M/s MKB & Associates, Practicing Company Secretaries, as its secretarial auditor to undertake the secretarial audit for FY2018-19. 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 qualification, reservation or adverse remarks. Furthermore, the Secretarial Auditor M/s MKB & Associates, Practicing Company Secretaries, have also certified the compliance as per the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and same has been intimated to the stock exchanges within the stipulated time.

Cost auditor

Your Company's cost accountants, M/s. V.K. Jain & Co. (firm registration number 00049), were appointed by the Board of Directors at its meeting held on May 3, 2018 to audit the cost accounting records, as may be applicable to the Company for FY2018-19, and their remuneration was approved during the previous Annual General Meeting.

M/s V. K. Jain & Co, were reappointed as cost auditors for FY2019-20 and the remuneration payable to the cost auditors is required to be placed before the members in the ensuing Annual General Meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to them is included in the notice convening the Annual General Meeting. The Board recommends the same for approval by members at the ensuing Annual General Meeting.

15. 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)**

16. Extract of Annual Return

The extracts of the annual return in form MGT 9 in terms of provisions of Section 92, of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is attached herewith and form part of this report,as **(Annexure-III)** and the same can be accessed from the website of the Company by clicking on the following link http://www.emamiltd.in

17. 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 and has fulfilled its CSR obligations for FY 2018-19. 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.

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/holistic-living/pdf/CorporateSocialResponsibilityPolicyofEmamiLtd.pdf

The Annual Report on CSR expenditures for the FY 2018-19 is annexed herewith and forms part of this report **(Annexure IV)**.

18. Directors and key managerial personnels

In accordance with provisions of Section 152 of the Companies Act, 2013 read with Rules made thereunder, Shri A.V. Agarwal (DIN 00149717), Shri R.S. Goenka (DIN 00152880) and Shri. S.K. Goenka (DIN 00149916) are liable to retire by rotation at the 36th Annual General Meeting and being eligible, offer themselves for reappointment.

The Board of Directors reappointed Shri Prashant Goenka, as Whole-time Director of the Company upon completion of his present term on 19th January 2019 for a period of 5 (five) years w.e.f 20th January 2019 subject to approval of the members in the ensuing Annual General Meeting.

Late Shri M. D. Mallya, ceased to be Director effective from 25th November 2018 due to his sudden demise. The Board puts on record its appreciation for the valuable guidance provided by him during his tenure as an Independent Director of the Company.

Shri Debabrata Sarkar was appointed as an Additional-cum-Independent Director of the Company with effect from February 21, 2019 for a term of 5 (five) years, by the Board of Directors subject to the approval of shareholders at the 36th Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors that they meet the criteria of independence as prescribed in the Companies Act, 2013 and SEBI Listing Regulations, 2015.

None of the Directors of the Company is disqualified for being appointed as Director, as specified under 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.

19. 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, 2019 is attached as part of the Annual Report.

20. Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy, which is disclosed in **(Annexure V)**. The same is also displayed on the website of the Company, http://www.emamiltd.in/investor-info/pdf/Dividend_Distribution_Policy_Emamiltd.pdf

21. 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 role, functions, and responsibilities of the Director are also explained in detail and informed 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 about the business and operations of the Company from time to time.

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 familiarisation programme for the Independent Directors can be accessed at: http://www.emamiltd.in/investor-info/pdf/EmamiLtdFamiliarizationProgrammeForIndependentDirectors.pdf

22. Performance evaluation

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder, Regulation 17(10) of 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.

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 the criteria laid down by the NR Committee. The Board members were satisfied with evaluation process.

23. Number of meetings of the Board

The Board of Directors held four meetings during the year on 3rd May 2018, 1st August 2018, 30th October 2018 and 31st January 2019. The maximum 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.

24. Committees of the Board

The Company has constituted various Board-level committees in accordance with the requirements of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. 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.

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. Whistleblower policy

The Company has established an effective Whistle-blower policy (Vigil mechanism) and procedures for its Directors and employees. The details of the same 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

27. Remuneration policy

The remuneration policy of the Company aims to attract, retain and motivate qualified people at the executive and 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 seeks to provide well-balanced and performance-related compensation packages, taking into account 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 on the Company's website: http://www.emamiltd.in/investor-info/pdf/Remuneration-Policy-Emami-Ltd.pdf and annexed the Directors' Report which forms part of the Annual Report **(Annexure VI)**

28. Related party transactions

All related party transactions entered into by the Company during the financial year were conducted at an arm's length basis. No material contracts or arrangements with related parties were entered into during the year under review. During the year, the Audit Committee had granted an omnibus approval for transactions, which were repetitive in nature for one financial year. All such omnibus approvals were reviewed by the Audit Committee on a quarterly basis. 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 for transactions with the related party was reviewed by the Audit Committee and approved by the Board, can be accessed at: http://www.emamiltd.in/investor-info/pdf/PolicyforTransactionswithRelatedParties.pdf Accordingly, disclosure of Related party Transaction as required under Section 134(3)(h) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 in form AOC-2 is not applicable.

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

29. 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, provided guarantee and made investment in its wholly owned subsidiary (ies) for their business purpose. The Company has also subscribed to securities of other bodies corporate as strategic investors and the said bodies corporate have issued the said securities for their business purposes. Details of loans granted, guarantee provided and investment made are provided in the notes to the accounts.

30. Particulars of employees and managerial remuneration

The information of employees and managerial remuneration, as required under Section 197(2) of the Companies Act, 2013 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 VII)

31. 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.

32. Risk management system

The Company has developed and implemented a risk management policy which is periodically reviewed by the management. The system also complies with the requirements laid down under the ISO 31000: 2009 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.

33. 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.

As per the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), your Company has established a policy to prevent sexual harassment of its women employees. The policy allows every employee to freely report any such act with the assurance of prompt action to be taken thereon. The policy lays down severe punishment for any such act. The Company has complied with provisions relating to the constitution of internal complaints committee under POSH. During the year under review, the company has received two complaints which were redressed as per policy and law.

Several initiatives were undertaken during the year to demonstrate the Company's zero tolerance philosophy against discrimination and sexual harassment including awareness programme, which included creation and dissemination of comprehensive and easy-to-understand training and communication material.

34. 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.

35. Directors' Responsibility Statement

Pursuant to the requirements laid down under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Directors confirm that:

I. In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed and no material departures have been made.

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 on March 31, 2019, 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 ensured 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 that the same are adequate and operating effectively.

36. 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 unstinted 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 27, 2019

R.S. Agarwal
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE - I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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, 2019 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, 2019, 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) The Legal Metrology Act, 2009;

   b) Drugs & Cosmetics Act and Rules thereunder;

   c) 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 specific events/actions which requires mention:

a) The Company has by passing of ordinary resolution increased its authorized capital from ₹25 Crores to ₹50 Crores.

b) The Company has by passing of special resolution issued Bonus shares in the ratio of 1:1 to the equity shareholders of the Company upon capitalization of its free reserves.

c) The Company has by passing of ordinary resolution approved payment of commission to Non-executive directors to the extent of 1% of net profits of the Company.

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: 24th May, 2019
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: 24th May, 2019
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 a negligible 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	70.06
Recurring	2052.68
Total	2122.74
R&D as a percentage of total turnover	0.86%

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 2018-19 was 9977.09 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	2,745.06
Capital goods	657.51
Professional fees	407.91
Others	2,275.58
Total	**6086.06**

C. Foreign exchange earnings during the year

	₹ In Lacs
Export of goods on FOB basis	9,977.09
Dividend	642.72
Royalty	118.12
Total	**10737.93**

ANNEXURE-III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2019

[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:

Emami Tower, 687, Anandapur, E.M. Bypass, Kolkata – 700107, West Bangal, India,
Contact - +91 33 6133 6264

Whether listed company: Yes

Name, Address and Contact details of Registrar and Transfer Agent,
Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th floor Kolkata 700001,
West Bengal, India.

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	76.20%
2	Cosmetic & Toiletries	20237	21.20%

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 of Companies Act, 2013
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 of Companies Act, 2013
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	Emami Rus (LLC), Russia House # 11/1, Domodedovskaya Street, Office # 145 Room # 1 115551, Moscow, Russia	N.A.	Subsidiary of Emami International FZE	99.99%	2(87)
5	Fentus 113. GMBH, Germany, Kaiser-Friedrich-Promenade 28, 61348 Bad Homburg v.d. Hohe Germany	N.A.	Subsidiary of Emami International FZE	100%	2(87)
6	Emami Indo Lanka Pvt Ltd, Srilanka No. 200, Lukmanjee Squre, Colombo-14, Srilanka	N.A.	Subsidiary of Emami Limited	100%	2(87)
7	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)
8	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)
9	Greenlab Organics Ltd. 10 John Street, London, WC1N 2EB	N.A.	Subsidiary of Fravin Pty. Ltd.	100%	2(87)
10	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)
11	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)
12	Helios Lifestyle Pvt Ltd, India Spazedge Tower, Tower-B, office No. 522-526 Sector-47, Sohna Road, Gurgaon-122001, India	U2429HR2013PTC04437	Associate Compny	30.87%	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 1st April 2018]				No of Shares held at the end of the year [As on 31st March 2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	20285971	0	20285971	8.9378	29334244	0	29334244	6.4622	-2.4756
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	140122471	0	140122471	61.7368	250848342	0	250848342	55.2608	-6.4760
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	**160408442**	**0**	**160408442**	**70.6746**	**280182586**	**0**	**280182586**	**61.7230**	**-8.9516**
(2) Foreign									
a) NRIs - Individuals	4680413	0	4680413	2.0622	4610826	0	4610826	1.0157	-1.0465
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	**4680413**	**0**	**4680413**	**2.0622**	**4610826**	**0**	**4610826**	**1.0157**	**-1.0465**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	165088855	0	165088855	72.7368	284793412	0	284793412	62.7387	-9.9981
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	11861919	0	11861919	5.2263	59696098	0	59696098	13.1508	7.9245
b) Banks/FI	114289	0	114289	0.0504	284766	0	284766	0.0627	0.0123
c)Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	2623	0	2623	0.0012	5246	0	5246	0.0012	0.0000
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds	390751	0	390751	0.1722	18946636	0	18946636	4.1739	4.0017
Foreign Portfolio Investors	29641973	0	29641973	13.0600	51338115	0	51338115	11.3096	-1.7504
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	42011555	0	42011555	18.5101	130270861	0	130270861	28.6982	10.1881
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	9821059	3948	9825007	4.3288	17295592	7896	17303488	3.8119	-0.5169
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8217846	730625	8948471	3.9426	17645580	1083847	18729427	4.1260	0.1834
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.0000	1012596	245364	1257960	0.2771	0.2771
c) Others (Specify)									
Non Resident Indians	542342	168	542510	0.2390	1156975	3360	1160335	0.2556	0.0166
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals	110	0	110	0.0000	550	0	550	0.0001	0.0001
Clearing Members	128311	0	128311	0.0565	225827	0	225827	0.0497	-0.0068

Category of Shareholders	No of Shares held at the beginning of the year [As on 1st April 2018]				No of Shares held at the end of the year [As on 31st March 2019]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Trusts	348455	0	348455	0.1535	9859	0	9859	0.0022	-0.1513
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	4044	0	4044	0.0018	7553	0	7553	0.0017	-0.0001
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority	**70301**	**0**	**70301**	**0.0310**	**175966**	**0**	**175966**	**0.0388**	**0.0078**
Sub-total(B)(2):-	**19132468**	**734741**	**19867209**	**8.7532**	**37530498**	**1340467**	**38870965**	**8.5631**	**-0.1901**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**61144023**	**734741**	**61878764**	**27.2633**	**167801359**	**1340467**	**169141826**	**37.2613**	**9.9980**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**226232878**	**734741**	**226967619**	**100.0000**	**452594771**	**1340467**	**453935238**	**100.0000**	**0.0000**

ii) Shareholding of Promoters and Promoter Group

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 1 April 2018]			Shareholding at the end of the year [As on 31st March 2019]			% 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	61.1095	58633849	12.9168	58.8232	-1.9628
2	Suntrack Commerce Private Limited	33136016	14.5994	44.0344	58234107	12.8287	49.3908	-1.7707
3	Bhanu Vyapaar Private Limited	27791381	12.2446	56.8697	51045902	11.2452	87.2724	-0.9994
4	Raviraj Viniyog Private Limited	13886007	6.1181	31.9746	25096984	5.5288	45.6230	-0.5893
5	Prabhakar Viniyog Private Limited	13199961	5.8158	20.6819	24131492	5.3161	38.9905	-0.4997
6	Suraj Viniyog Private Limited	12957139	5.7088	32.0287	23645848	5.2091	9.7988	-0.4997
7	Priti A Sureka	3410000	1.5024	0.0000	11609702	2.5576	0.0000	1.0552
8	Tmt Viniyogan Limited	4866580	2.1442	36.4733	9033160	1.9900	18.0668	-0.1542
9	Amitabh Goenka	3785748	1.6680	44.9053	3571496	0.7868	87.8539	-0.8812
10	Rohin Raj Sureka	1750000	0.7710	0.0000	3500000	0.7710	0.0000	0.0000
11	Avishi Sureka	700000	0.3084	0.0000	1400000	0.3084	0.0000	0.0000
12	Emami Paper Mills Ltd	466500	0.2055	0.0000	933000	0.2055	0.0000	0.0000
13	Sachin Goenka	534500	0.2355	0.0000	717000	0.1580	0.0000	-0.0775
14	Sobhna Agarwal	225000	0.0991	0.0000	630000	0.1388	0.0000	0.0397
15	Saswat Goenka	565000	0.2489	0.0000	580000	0.1278	0.0000	-0.1211
16	Vibhash Vardhan Agarwal	536739	0.2365	0.0000	573478	0.1263	0.0000	-0.1102
17	Manan Goenka	282500	0.1245	0.0000	565000	0.1245	0.0000	0.0000
18	Darsh Goenka	282500	0.1245	0.0000	565000	0.1245	0.0000	0.0000
19	Advay Goenka	502000	0.2212	0.0000	554000	0.1220	0.0000	-0.0992
20	Jyoti Agarwal	244000	0.1075	0.0000	488000	0.1075	0.0000	0.0000
21	Ritu Goenka	452465	0.1994	0.0000	454930	0.1002	0.0000	-0.0992
22	Reyansh Goenka	303875	0.1339	0.0000	407750	0.0898	0.0000	-0.0441
23	Devarsh Goenka	303875	0.1339	0.0000	407750	0.0898	0.0000	-0.0441
24	Radheshyam Goenka	683638	0.3012	0.0000	392076	0.0864	0.0000	-0.2148
25	Chikky Goenka	305850	0.1348	0.0000	371700	0.0819	0.0000	-0.0529
26	Smriti Agarwal	89000	0.0392	0.0000	334000	0.0736	15.2695	0.0344
27	Rachana Goenka	158850	0.0700	0.0000	317700	0.0700	0.0000	0.0000
28	Rajkumar Goenka	773982	0.3410	0.0000	297964	0.0656	0.0000	-0.2754
29	Rachna Bagaria	105000	0.0463	0.0000	270000	0.0595	0.0000	0.0132
30	Indu Goenka	459850	0.2026	0.0000	269700	0.0594	0.0000	-0.1432
31	Nikunj Goenka	282500	0.1245	0.0000	265000	0.0584	0.0000	-0.0661

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 1 April 2018]			Shareholding at the end of the year [As on 31st March 2019]			% 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	
32	Yogesh Goenka	122700	0.0541	0.0000	245400	0.0541	0.0000	0.0000
33	Nimisha Goenka	247000	0.1088	0.0000	244000	0.0538	0.0000	-0.0550
34	Reha Goenka	120000	0.0529	0.0000	240000	0.0529	0.0000	0.0000
35	Shreya Goenka	240000	0.1057	0.0000	230000	0.0507	0.0000	-0.0550
36	Saroj Goenka	482620	0.2126	0.0000	215240	0.0474	0.0000	-0.1652
37	Aditya Vardhan Agarwal	102139	0.0450	0.0000	204278	0.0450	0.0000	0.0000
38	Shruti Goenka	273065	0.1203	0.0000	196130	0.0432	0.0000	-0.0771
39	Radheshyam Agarwal	439500	0.1936	0.0000	195000	0.0430	0.0000	-0.1506
40	Prashant Goenka	95000	0.0419	0.0000	190000	0.0419	0.0000	0.0000
41	Mohan Goenka	87000	0.0383	0.0000	174000	0.0383	0.0000	0.0000
42	Sushil Kumar Goenka	87000	0.0383	0.0000	174000	0.0383	0.0000	0.0000
43	Manish Goenka	87000	0.0383	0.0000	174000	0.0383	0.0000	0.0000
44	Usha Agarwal	836548	0.3686	0.0000	173096	0.0381	0.0000	-0.3305
45	Harsh Vardhan Agarwal	86000	0.0379	0.0000	172000	0.0379	0.0000	0.0000
46	Vihan Vardhan Agarwal	536000	0.2362	0.0000	172000	0.0379	0.0000	-0.1983
47	Puja Goenka	84699	0.0373	0.0000	169398	0.0373	0.0000	0.0000
48	Jayant Goenka	232127	0.1023	0.0000	156254	0.0344	0.0000	-0.0679
49	Mansi Agarwal	225000	0.0991	0.0000	150000	0.0330	0.0000	-0.0661
50	Laxmi Devi Bajoria	39000	0.0172	0.0000	143000	0.0315	0.0000	0.0143
51	Manish Goenka	246098	0.1084	0.0000	142196	0.0313	0.0000	-0.0771
52	Aditya Vardhan Agarwal	1232334	0.5430	0.0000	134668	0.0297	0.0000	-0.5133
53	Ashish Goenka	65000	0.0286	0.0000	130000	0.0286	0.0000	0.0000
54	Rashmi Goenka	185700	0.0818	0.0000	121400	0.0267	0.0000	-0.0551
55	Santosh Goenka	198120	0.0873	0.0000	115640	0.0255	0.0000	-0.0618
56	Harsha Vardhan Agarwal	535133	0.2358	0.0000	110266	0.0243	0.0000	-0.2115
57	Sushil Kumar Goenka	179250	0.0790	0.0000	109900	0.0242	0.0000	-0.0548
58	Richa Agarwal	145861	0.0643	0.0000	91722	0.0202	0.0000	-0.0441
59	Epl Securities Ltd	42000	0.0185	0.0000	84000	0.0185	0.0000	0.0000
60	Vidhishree Agarwal	240000	0.1057	0.0000	80000	0.0176	0.0000	-0.0881
61	Vidula Agarwal	240000	0.1057	0.0000	80000	0.0176	0.0000	-0.0881
62	Jayant Goenka	37000	0.0163	0.0000	74000	0.0163	0.0000	0.0000
63	Ashish Goenka	37000	0.0163	0.0000	74000	0.0163	0.0000	0.0000
64	Prashant Goenka	37000	0.0163	0.0000	74000	0.0163	0.0000	0.0000
65	Amitabh Goenka	37000	0.0163	0.0000	74000	0.0163	0.0000	0.0000
66	Mohan Goenka	130950	0.0577	0.0000	61900	0.0136	0.0000	-0.0441
67	Madan Lal Agarwal	30000	0.0132	0.0000	60000	0.0132	0.0000	0.0000
68	Jyoti Goenka	124388	0.0548	0.0000	48776	0.0107	0.0000	-0.0441
69	Kusum Agarwal	18900	0.0083	0.0000	37800	0.0083	0.0000	0.0000
70	Pradeep Agarwal	20575	0.0091	0.0000	31150	0.0069	0.0000	-0.0022
71	Sangita Agarwal	13000	0.0057	0.0000	26000	0.0057	0.0000	0.0000
72	Divya Agarwal	13000	0.0057	0.0000	26000	0.0057	0.0000	0.0000
73	Shubham Agarwal	12230	0.0054	0.0000	24460	0.0054	0.0000	0.0000
74	Abhishek Agarwal	12000	0.0053	0.0000	24000	0.0053	0.0000	0.0000
75	Dhiraj Agarwal	8375	0.0037	0.0000	16750	0.0037	0.0000	0.0000
76	Emami Frank Ross Limited	5000	0.0022	0.0000	10000	0.0022	0.0000	0.0000
77	Sumangal Agarwal	4100	0.0018	0.0000	8200	0.0018	0.0000	0.0000
78	Vishal Agarwal	4100	0.0018	0.0000	8200	0.0018	0.0000	0.0000
	TOTAL	**165088855**	**72.7367**	**39.8749**	**284793412**	**62.7388**	**47.6831**	**-9.9979**

Note: Change in Promoters' share holdings due to issue of bonus shares in a ratio 1:1, sale of shares by the promoters and inter-se transfer

iii) Change in Promoters' Shareholding

Sl No	Name	Shareholding at the beginning [1st April 2018]/ end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	EPL SECURITIES LTD				
	01/04/2018	42000	0.0185		
	29/06/2018 - Transfer	42000	0.0093	84000	0.0185
	31/03/2019	84000	0.0185	84000	0.0185
2	EMAMI FRANK ROSS LIMITED				
	01/04/2018	5000	0.0022		
	29/06/2018 - Transfer	5000	0.0011	10000	0.0022
	31/03/2019	10000	0.0022	10000	0.0022
3	TMT VINIYOGAN LIMITED				
	01/04/2018	4866580	2.1442		
	29/06/2018 - Transfer	4866580	1.0721	9733160	2.1442
	22/02/2019 - Transfer	-700000	0.1542	9033160	1.9900
	31/03/2019	9033160	1.9900	9033160	1.9900
4	BHANU VYAPAAR PRIVATE LIMITED				
	01/04/2018	27791381	12.2446		
	29/06/2018 - Transfer	27791381	6.1223	55582762	12.2446
	31/08/2018 - Transfer	3140	0.0007	55585902	12.2453
	22/02/2019 - Transfer	-4540000	1.0001	51045902	11.2452
	31/03/2019	51045902	11.2452	51045902	11.2452
5	DIWAKAR VINIYOG PRIVATE LIMITED				
	01/04/2018	33771887	14.8796		
	29/06/2018 - Transfer	33771887	7.4398	67543774	14.8796
	31/08/2018 - Transfer	1075	0.0002	67544849	14.8798
	22/02/2019 - Transfer	-8911000	1.9631	58633849	12.9168
	31/03/2019	58633849	12.9168	58633849	12.9168
6	PRABHAKAR VINIYOG PRIVATE LIMITED				
	01/04/2018	13199961	5.8158		
	29/06/2018 - Transfer	13199961	2.9079	26399922	5.8158
	31/08/2018 - Transfer	1570	0.0003	26401492	5.8161
	22/02/2019 - Transfer	-2270000	0.5001	24131492	5.3161
	31/03/2019	24131492	5.3161	24131492	5.3161
7	RAVIRAJ VINIYOG PRIVATE LIMITED				
	01/04/2018	13886007	6.1181		
	29/06/2018 - Transfer	13886007	3.0590	27772014	6.1181
	31/08/2018 - Transfer	1570	0.0003	27773584	6.1184
	22/02/2019 - Transfer	-2676600	0.5896	25096984	5.5288
	31/03/2019	25096984	5.5288	25096984	5.5288
8	EMAMI PAPER MILLS LTD				
	01/04/2018	466500	0.2055		
	29/06/2018 - Transfer	466500	0.1028	933000	0.2055
	31/03/2019	933000	0.2055	933000	0.2055
9	RICHA AGARWAL				
	01/04/2018	145861	0.0643		
	29/06/2018 - Transfer	145861	0.0321	291722	0.0643
	22/02/2019 - Transfer	-200000	0.0441	91722	0.0202
	31/03/2019	91722	0.0202	91722	0.0202
10	HARSH VARDHAN AGARWAL				
	01/04/2018	86000	0.0379		
	29/06/2018 - Transfer	86000	0.0189	172000	0.0379
	31/03/2019	172000	0.0379	172000	0.0379

Sl No	Name	Shareholding at the beginning [1st April 2018]/ end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	SUNTRACK COMMERCE PRIVATE LIMITED				
	01/04/2018	33136016	14.5994		
	29/06/2018 - Transfer	33136016	7.2997	66272032	14.5994
	31/08/2018 - Transfer	1075	0.0002	66273107	14.5997
	22/02/2019 - Transfer	-8039000	1.7710	58234107	12.8287
	31/03/2019	58234107	12.8287	58234107	12.8287
12	MOHAN GOENKA				
	01/04/2018	87000	0.0383		
	29/06/2018 - Transfer	87000	0.0192	174000	0.0383
	31/03/2019	174000	0.0383	174000	0.0383
13	JAYANT GOENKA				
	01/04/2018	37000	0.0163		
	29/06/2018 - Transfer	37000	0.0082	74000	0.0163
	31/03/2019	74000	0.0163	74000	0.0163
14	MANSI AGARWAL				
	01/04/2018	225000	0.0991		
	29/06/2018 - Transfer	225000	0.0496	450000	0.0991
	24/08/2018 - Transfer	-300000	0.0661	150000	0.0330
	31/03/2019	150000	0.0330	150000	0.0330
15	ADITYA VARDHAN AGARWAL				
	01/04/2018	102139	0.0450		
	29/06/2018 - Transfer	102139	0.0225	204278	0.0450
	31/03/2019	204278	0.0450	204278	0.0450
16	SURAJ VINIYOG PRIVATE LIMITED				
	01/04/2018	12957139	5.7088		
	29/06/2018 - Transfer	12957139	2.8544	25914278	5.7088
	31/08/2018 - Transfer	1570	0.0003	25915848	5.7092
	22/02/2019 - Transfer	-2270000	0.5001	23645848	5.2091
	31/03/2019	23645848	5.2091	23645848	5.2091
17	RASHMI GOENKA				
	01/04/2018	185700	0.0818		
	29/06/2018 - Transfer	185700	0.0409	371400	0.0818
	22/02/2019 - Transfer	-250000	0.0551	121400	0.0267
	31/03/2019	121400	0.0267	121400	0.0267
18	ASHISH GOENKA				
	01/04/2018	37000	0.0163		
	29/06/2018 - Transfer	37000	0.0082	74000	0.0163
	31/03/2019	74000	0.0163	74000	0.0163
19	PRASHANT GOENKA				
	01/04/2018	37000	0.0163		
	29/06/2018 - Transfer	37000	0.0082	74000	0.0163
	31/03/2019	74000	0.0163	74000	0.0163
20	MANISH GOENKA				
	01/04/2018	87000	0.0383		
	29/06/2018 - Transfer	87000	0.0192	174000	0.0383
	31/03/2019	174000	0.0383	174000	0.0383
21	SUSHIL KUMAR GOENKA				
	01/04/2018	87000	0.0383		
	29/06/2018 - Transfer	87000	0.0192	174000	0.0383
	31/03/2019	174000	0.0383	174000	0.0383

Sl No	Name	Shareholding at the beginning [1st April 2018]/ end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
22	AMITABH GOENKA				
	01/04/2018	37000	0.0163		
	29/06/2018 - Transfer	37000	0.0082	74000	0.0163
	31/03/2019	74000	0.0163	74000	0.0163
23	DIVYA AGARWAL				
	01/04/2018	13000	0.0057		
	29/06/2018 - Transfer	13000	0.0029	26000	0.0057
	31/03/2019	26000	0.0057	26000	0.0057
24	JYOTI AGARWAL				
	01/04/2018	244000	0.1075		
	29/06/2018 - Transfer	244000	0.0538	488000	0.1075
	31/03/2019	488000	0.1075	488000	0.1075
25	KUSUM AGARWAL				
	01/04/2018	18900	0.0083		
	29/06/2018 - Transfer	18900	0.0042	37800	0.0083
	31/03/2019	37800	0.0083	37800	0.0083
26	MADAN LAL AGARWAL				
	01/04/2018	30000	0.0132		
	29/06/2018 - Transfer	30000	0.0066	60000	0.0132
	31/03/2019	60000	0.0132	60000	0.0132
27	DHIRAJ AGARWAL				
	01/04/2018	8375	0.0037		
	29/06/2018 - Transfer	8375	0.0018	16750	0.0037
	31/03/2019	16750	0.0037	16750	0.0037
28	SANGITA AGARWAL				
	01/04/2018	13000	0.0057		
	29/06/2018 - Transfer	13000	0.0029	26000	0.0057
	31/03/2019	26000	0.0057	26000	0.0057
29	ADITYA VARDHAN AGARWAL				
	01/04/2018	1232334	0.5430		
	29/06/2018 - Transfer	1232334	0.2715	2464668	0.5430
	24/08/2018 - Transfer	-1830000	0.4031	634668	0.1398
	22/02/2019 - Transfer	-500000	0.1101	134668	0.0297
	31/03/2019	134668	0.0297	134668	0.0297
30	SOBHNA AGARWAL				
	01/04/2018	225000	0.0991		
	29/06/2018 - Transfer	225000	0.0496	450000	0.0991
	24/08/2018 - Transfer	180000	0.0397	630000	0.1388
	31/03/2019	630000	0.1388	630000	0.1388
31	USHA AGARWAL				
	01/04/2018	836548	0.3686		
	29/06/2018 - Transfer	836548	0.1843	1673096	0.3686
	24/08/2018 - Transfer	-1000000	0.2203	673096	0.1483
	22/02/2019 - Transfer	-500000	0.1101	173096	0.0381
	31/03/2019	173096	0.0381	173096	0.0381
32	HARSHA VARDHAN AGARWAL				
	01/04/2018	535133	0.2358		
	29/06/2018 - Transfer	535133	0.1179	1070266	0.2358
	24/08/2018 - Transfer	-960000	0.2115	110266	0.0243
	31/03/2019	110266	0.0243	110266	0.0243
33	AMITABH GOENKA				
	01/04/2018	3785748	1.6680		
	29/06/2018 - Transfer	3785748	0.8340	7571496	1.6680
	22/02/2019 - Transfer	-4000000	0.8812	3571496	0.7868
	31/03/2019	3571496	0.7868	3571496	0.7868

Sl No	Name	Shareholding at the beginning [1st April 2018]/ end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
34	RITU GOENKA				
	01/04/2018	452465	0.1994		
	29/06/2018 - Transfer	452465	0.0997	904930	0.1994
	22/02/2019 - Transfer	-450000	0.0991	454930	0.1002
	31/03/2019	454930	0.1002	454930	0.1002
35	RACHNA BAGARIA				
	01/04/2018	105000	0.0463		
	29/06/2018 - Transfer	105000	0.0231	210000	0.0463
	24/08/2018 - Transfer	60000	0.0132	270000	0.0595
	31/03/2019	270000	0.0595	270000	0.0595
36	ABHISHEK AGARWAL				
	01/04/2018	12000	0.0053		
	29/06/2018 - Transfer	12000	0.0026	24000	0.0053
	31/03/2019	24000	0.0053	24000	0.0053
37	SMRITI AGARWAL				
	01/04/2018	89000	0.0392		
	29/06/2018 - Transfer	89000	0.0196	178000	0.0392
	24/08/2018 - Transfer	156000	0.0344	334000	0.0736
	31/03/2019	334000	0.0736	334000	0.0736
38	JAYANT GOENKA				
	01/04/2018	232127	0.1023		
	29/06/2018 - Transfer	232127	0.0511	464254	0.1023
	22/02/2019 - Transfer	-308000	0.0679	156254	0.0344
	31/03/2019	156254	0.0344	156254	0.0344
39	INDU GOENKA				
	01/04/2018	459850	0.2026		
	29/06/2018 - Transfer	459850	0.1013	919700	0.2026
	22/02/2019 - Transfer	-650000	0.1432	269700	0.0594
	31/03/2019	269700	0.0594	269700	0.0594
40	PRASHANT GOENKA				
	01/04/2018	95000	0.0419		
	29/06/2018 - Transfer	95000	0.0209	190000	0.0419
	31/03/2019	190000	0.0419	190000	0.0419
41	SAROJ GOENKA				
	01/04/2018	482620	0.2126		
	29/06/2018 - Transfer	482620	0.1063	965240	0.2126
	22/02/2019 - Transfer	-750000	0.1652	215240	0.0474
	31/03/2019	215240	0.0474	215240	0.0474
42	MANISH GOENKA				
	01/04/2018	246098	0.1084		
	29/06/2018 - Transfer	246098	0.0542	492196	0.1084
	22/02/2019 - Transfer	-350000	0.0771	142196	0.0313
	31/03/2019	142196	0.0313	142196	0.0313
43	YOGESH GOENKA				
	01/04/2018	122700	0.0541		
	29/06/2018 - Transfer	122700	0.0270	245400	0.0541
	31/03/2019	245400	0.0541	245400	0.0541
44	SANTOSH GOENKA				
	01/04/2018	198120	0.0873		
	29/06/2018 - Transfer	198120	0.0436	396240	0.0873
	22/02/2019 - Transfer	-280600	0.0618	115640	0.0255

Sl No	Name	Shareholding at the beginning [1st April 2018]/ end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	31/03/2019	115640	0.0255	115640	0.0255
45	MOHAN GOENKA				
	01/04/2018	130950	0.0577		
	29/06/2018 - Transfer	130950	0.0288	261900	0.0577
	22/02/2019 - Transfer	-200000	0.0441	61900	0.0136
	31/03/2019	61900	0.0136	61900	0.0136
46	RAJKUMAR GOENKA				
	01/04/2018	773982	0.3410		
	29/06/2018 - Transfer	773982	0.1705	1547964	0.3410
	22/02/2019 - Transfer	-1250000	0.2754	297964	0.0656
	31/03/2019	297964	0.0656	297964	0.0656
47	RADHESHYAM GOENKA				
	01/04/2018	683638	0.3012		
	29/06/2018 - Transfer	683638	0.1506	1367276	0.3012
	24/08/2018 - Transfer	-461000	0.1016	906276	0.1996
	22/02/2019 - Transfer	-514200	0.1133	392076	0.0864
	31/03/2019	392076	0.0864	392076	0.0864
48	RACHANA GOENKA				
	01/04/2018	158850	0.0700		
	29/06/2018 - Transfer	158850	0.0350	317700	0.0700
	31/03/2019	317700	0.0700	317700	0.0700
49	JYOTI GOENKA				
	01/04/2018	124388	0.0548		
	29/06/2018 - Transfer	124388	0.0274	248776	0.0548
	22/02/2019 - Transfer	-200000	0.0441	48776	0.0107
	31/03/2019	48776	0.0107	48776	0.0107
50	SHRUTI GOENKA				
	01/04/2018	273065	0.1203		
	29/06/2018 - Transfer	273065	0.0602	546130	0.1203
	22/02/2019 - Transfer	-350000	0.0771	196130	0.0432
	31/03/2019	196130	0.0432	196130	0.0432
51	PRADEEP AGARWAL				
	01/04/2018	20575	0.0091		
	29/06/2018 - Transfer	20575	0.0045	41150	0.0091
	31/08/2018 - Transfer	-10000	0.0022	31150	0.0069
	31/03/2019	31150	0.0069	31150	0.0069
52	RADHESHYAM AGARWAL				
	01/04/2018	439500	0.1936		
	29/06/2018 - Transfer	439500	0.0968	879000	0.1936
	24/08/2018 - Transfer	-684000	0.1507	195000	0.0430
	31/03/2019	195000	0.0430	195000	0.0430
53	PUJA GOENKA				
	01/04/2018	84699	0.0373		
	29/06/2018 - Transfer	84699	0.0187	169398	0.0373
	31/03/2019	169398	0.0373	169398	0.0373
54	ASHISH GOENKA				
	01/04/2018	65000	0.0286		
	29/06/2018 - Transfer	65000	0.0143	130000	0.0286
	31/03/2019	130000	0.0286	130000	0.0286
55	SUSHIL KUMAR GOENKA				
	01/04/2018	179250	0.0790		
	29/06/2018 - Transfer	179250	0.0395	358500	0.0790
	22/02/2019 - Transfer	-248600	0.0548	109900	0.0242

Sl No	Name	Shareholding at the beginning [1st April 2018]/ end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	31/03/2019	109900	0.0242	109900	0.0242
56	LAXMI DEVI BAJORIA				
	01/04/2018	39000	0.0172		
	29/06/2018 - Transfer	39000	0.0086	78000	0.0172
	24/08/2018 - Transfer	65000	0.0143	143000	0.0315
	31/03/2019	143000	0.0315	143000	0.0315
57	VIHAN VARDHAN AGARWAL				
	01/04/2018	536000	0.2362		
	29/06/2018 - Transfer	536000	0.1181	1072000	0.2362
	22/02/2019 - Transfer	-900000	0.1983	172000	0.0379
	31/03/2019	172000	0.0379	172000	0.0379
58	VIDHISHREE AGARWAL				
	01/04/2018	240000	0.1057		
	29/06/2018 - Transfer	240000	0.0529	480000	0.1057
	22/02/2019 - Transfer	-400000	0.0881	80000	0.0176
	31/03/2019	80000	0.0176	80000	0.0176
59	VIDULA AGARWAL				
	01/04/2018	240000	0.1057		
	29/06/2018 - Transfer	240000	0.0529	480000	0.1057
	22/02/2019 - Transfer	-400000	0.0881	80000	0.0176
	31/03/2019	80000	0.0176	80000	0.0176
60	VIBHASH VARDHAN AGARWAL				
	01/04/2018	536739	0.2365		
	29/06/2018 - Transfer	536739	0.1182	1073478	0.2365
	22/02/2019 - Transfer	-500000	0.1101	573478	0.1263
	31/03/2019	573478	0.1263	573478	0.1263
61	PRITI A SUREKA				
	01/04/2018	3410000	1.5024		
	01/06/2018 - Transfer	7851	0.0035	3417851	1.5059
	29/06/2018 - Transfer	3417851	0.7529	6835702	1.5059
	24/08/2018 - Transfer	4774000	1.0517	11609702	2.5576
	31/03/2019	11609702	2.5576	11609702	2.5576
62	CHIKKY GOENKA				
	01/04/2018	305850	0.1348		
	29/06/2018 - Transfer	305850	0.0674	611700	0.1348
	22/02/2019 - Transfer	-240000	0.0529	371700	0.0819
	31/03/2019	371700	0.0819	371700	0.0819
63	SASWAT GOENKA				
	01/04/2018	565000	0.2489		
	29/06/2018 - Transfer	565000	0.1245	1130000	0.2489
	22/02/2019 - Transfer	-550000	0.1212	580000	0.1278
	31/03/2019	580000	0.1278	580000	0.1278
64	NIMISHA GOENKA				
	01/04/2018	247000	0.1088		
	29/06/2018 - Transfer	247000	0.0544	494000	0.1088
	22/02/2019 - Transfer	-250000	0.0551	244000	0.0538
	31/03/2019	244000	0.0538	244000	0.0538
65	SHREYA GOENKA				
	01/04/2018	240000	0.1057		
	29/06/2018 - Transfer	240000	0.0529	480000	0.1057
	22/02/2019 - Transfer	-250000	0.0551	230000	0.0507
	31/03/2019	230000	0.0507	230000	0.0507
66	SACHIN GOENKA				
	01/04/2018	534500	0.2355		
	29/06/2018 - Transfer	534500	0.1177	1069000	0.2355
	22/02/2019 - Transfer	-352000	0.0775	717000	0.1580

Sl No	Name	Shareholding at the beginning [1st April 2018]/ end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	31/03/2019	717000	0.1580	717000	0.1580
67	DEVARSH GOENKA				
	01/04/2018	303875	0.1339		
	29/06/2018 - Transfer	303875	0.0669	607750	0.1339
	22/02/2019 - Transfer	-200000	0.0441	407750	0.0898
	31/03/2019	407750	0.0898	407750	0.0898
68	MANAN GOENKA				
	01/04/2018	282500	0.1245		
	29/06/2018 - Transfer	282500	0.0622	565000	0.1245
	31/03/2019	565000	0.1245	565000	0.1245
69	SUMANGAL AGARWAL				
	01/04/2018	4100	0.0018		
	29/06/2018 - Transfer	4100	0.0009	8200	0.0018
	31/03/2019	8200	0.0018	8200	0.0018
70	VISHAL AGARWAL				
	01/04/2018	4100	0.0018		
	29/06/2018 - Transfer	4100	0.0009	8200	0.0018
	31/03/2019	8200	0.0018	8200	0.0018
71	SHUBHAM AGARWAL				
	01/04/2018	12230	0.0054		
	29/06/2018 - Transfer	12230	0.0027	24460	0.0054
	31/03/2019	24460	0.0054	24460	0.0054
72	REHA GOENKA				
	01/04/2018	120000	0.0529		
	29/06/2018 - Transfer	120000	0.0264	240000	0.0529
	31/03/2019	240000	0.0529	240000	0.0529
73	AVISHI SUREKA				
	01/04/2018	700000	0.3084		
	29/06/2018 - Transfer	700000	0.1542	1400000	0.3084
	31/03/2019	1400000	0.3084	1400000	0.3084
74	ROHIN RAJ SUREKA				
	01/04/2018	1750000	0.7710		
	29/06/2018 - Transfer	1750000	0.3855	3500000	0.7710
	31/03/2019	3500000	0.7710	3500000	0.7710
75	DARSH GOENKA				
	01/04/2018	282500	0.1245		
	29/06/2018 - Transfer	282500	0.0622	565000	0.1245
	31/03/2019	565000	0.1245	565000	0.1245
76	REYANSH GOENKA				
	01/04/2018	303875	0.1339		
	29/06/2018 - Transfer	303875	0.0669	607750	0.1339
	22/02/2019 - Transfer	-200000	0.0441	407750	0.0898
	31/03/2019	407750	0.0898	407750	0.0898
77	ADVAY GOENKA				
	01/04/2018	502000	0.2212		
	29/06/2018 - Transfer	502000	0.1106	1004000	0.2212
	22/02/2019 - Transfer	-450000	0.0991	554000	0.1220
	31/03/2019	554000	0.1220	554000	0.1220
78	NIKUNJ GOENKA				
	01/04/2018	282500	0.1245		
	29/06/2018 - Transfer	282500	0.0622	565000	0.1245
	22/02/2019 - Transfer	-300000	0.0661	265000	0.0584
	31/03/2019	265000	0.0584	265000	0.0584

Note: Transfer on 29.06.2018 indicates issue of Bouns Shares, transfer on 22.02.2019 indicates sale of shares by the promoters and other transfer indicates inter-se transfer.

iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Name	Shareholding at the beginning [1st April 2018] end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		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 #				
	01/04/2018	3638433	1.6031		
	18/05/2018 - Transfer	-238000	0.1049	3400433	1.4982
	25/05/2018 - Transfer	-472531	0.2082	2927902	1.2900
	08/06/2018 - Transfer	-250000	0.1101	2677902	1.1799
	15/06/2018 - Transfer	-732000	0.3225	1945902	0.8573
	22/06/2018 - Transfer	-53775	0.0237	1892127	0.8337
	29/06/2018 - Transfer	1892127	0.4168	3784254	0.8337
	20/07/2018 - Transfer	-1500000	0.3304	2284254	0.5032
	27/07/2018 - Transfer	-55500	0.0122	2228754	0.4910
	03/08/2018 - Transfer	-1000000	0.2203	1228754	0.2707
	10/08/2018 - Transfer	-450000	0.0991	778754	0.1716
	17/08/2018 - Transfer	-230000	0.0507	548754	0.1209
	07/09/2018 - Transfer	-250000	0.0551	298754	0.0658
	14/09/2018 - Transfer	-70000	0.0154	228754	0.0504
	21/09/2018 - Transfer	-118754	0.0262	110000	0.0242
	28/09/2018 - Transfer	-110000	0.0242	0	0.0000
	31/03/2019	0	0.0000	0	0.0000
2	HDFC SL SHAREHOLDERS SOLVENCY MARGIN ACCOUNT #				
	01/04/2018	1292279	0.5694		
	13/04/2018 - Transfer	-16450	0.0072	1275829	0.5621
	11/05/2018 - Transfer	-6918	0.0030	1268911	0.5591
	18/05/2018 - Transfer	-31154	0.0137	1237757	0.5453
	25/05/2018 - Transfer	-5091	0.0022	1232666	0.5431
	15/06/2018 - Transfer	-31837	0.0140	1200829	0.5291
	29/06/2018 - Transfer	1200829	0.2645	2401658	0.5291
	20/07/2018 - Transfer	-13513	0.0030	2388145	0.5261
	27/07/2018 - Transfer	-11487	0.0025	2376658	0.5236
	03/08/2018 - Transfer	9058	0.0020	2385716	0.5256
	05/10/2018 - Transfer	50100	0.0110	2435816	0.5366
	12/10/2018 - Transfer	141306	0.0311	2577122	0.5677
	02/11/2018 - Transfer	24536	0.0054	2601658	0.5731
	09/11/2018 - Transfer	-5000	0.0011	2596658	0.5720
	15/03/2019 - Transfer	25000	0.0055	2621658	0.5775
	31/03/2019	2621658	0.5775	2621658	0.5775
3	DSP BLACKROCK EQUITY OPPORTUNITIES FUND *				
	01/04/2018	0	0.0000		
	08/06/2018 - Transfer	146000	0.0643	146000	0.0643
	15/06/2018 - Transfer	351162	0.1547	497162	0.2190
	29/06/2018 - Transfer	497162	0.1095	994324	0.2190
	20/07/2018 - Transfer	1335000	0.2941	2329324	0.5131
	27/07/2018 - Transfer	3674	0.0008	2332998	0.5139
	03/08/2018 - Transfer	729118	0.1606	3062116	0.6746
	07/09/2018 - Transfer	250000	0.0551	3312116	0.7296

Sl No	Name	Shareholding at the beginning [1st April 2018] end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	14/09/2018 - Transfer	118000	0.0260	3430116	0.7556
	21/09/2018 - Transfer	105000	0.0231	3535116	0.7788
	12/10/2018 - Transfer	122895	0.0271	3658011	0.8058
	02/11/2018 - Transfer	226408	0.0499	3884419	0.8557
	09/11/2018 - Transfer	278330	0.0613	4162749	0.9170
	28/12/2018 - Transfer	-201938	0.0445	3960811	0.8725
	15/02/2019 - Transfer	500000	0.1101	4460811	0.9827
	22/03/2019 - Transfer	-311862	0.0687	4148949	0.9140
	31/03/2019	4148949	0.9140	4148949	0.9140
4	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE ADVANTAG				
	01/04/2018	3269191	1.4404		
	06/04/2018 - Transfer	-15300	0.0067	3253891	1.4336
	11/05/2018 - Transfer	-357559	0.1575	2896332	1.2761
	18/05/2018 - Transfer	-175518	0.0773	2720814	1.1988
	25/05/2018 - Transfer	-10000	0.0044	2710814	1.1944
	15/06/2018 - Transfer	-21600	0.0095	2689214	1.1848
	22/06/2018 - Transfer	-37000	0.0163	2652214	1.1685
	29/06/2018 - Transfer	2652214	0.5843	5304428	1.1685
	14/09/2018 - Transfer	-4000	0.0009	5300428	1.1677
	21/09/2018 - Transfer	-49000	0.0108	5251428	1.1569
	28/09/2018 - Transfer	-111000	0.0245	5140428	1.1324
	05/10/2018 - Transfer	100000	0.0220	5240428	1.1544
	12/10/2018 - Transfer	-97000	0.0214	5143428	1.1330
	19/10/2018 - Transfer	-376000	0.0828	4767428	1.0502
	07/12/2018 - Transfer	-109000	0.0240	4658428	1.0262
	04/01/2019 - Transfer	50000	0.0110	4708428	1.0372
	01/02/2019 - Transfer	100000	0.0220	4808428	1.0593
	15/02/2019 - Transfer	100000	0.0220	4908428	1.0813
	22/02/2019 - Transfer	2820000	0.6212	7728428	1.7025
	29/03/2019 - Transfer	-55453	0.0122	7672975	1.6903
	31/03/2019	7672975	1.6903	7672975	1.6903
5	L AND T MUTUAL FUND TRUSTEE LIMITED - L AND T HYBRID EQUITY FUND				
	01/04/2018	1570933	0.6921		
	20/04/2018 - Transfer	62111	0.0274	1633044	0.7195
	27/04/2018 - Transfer	53689	0.0237	1686733	0.7432
	18/05/2018 - Transfer	261200	0.1151	1947933	0.8582
	22/06/2018 - Transfer	99600	0.0439	2047533	0.9021
	29/06/2018 - Transfer	2147533	0.4731	4195066	0.9242
	06/07/2018 - Transfer	55000	0.0121	4250066	0.9363
	13/07/2018 - Transfer	205600	0.0453	4455666	0.9816
	20/07/2018 - Transfer	175504	0.0387	4631170	1.0202
	27/07/2018 - Transfer	519718	0.1145	5150888	1.1347
	03/08/2018 - Transfer	276078	0.0608	5426966	1.1955
	24/08/2018 - Transfer	149200	0.0329	5576166	1.2284
	28/09/2018 - Transfer	30100	0.0066	5606266	1.2350
	05/10/2018 - Transfer	62500	0.0138	5668766	1.2488
	12/10/2018 - Transfer	201000	0.0443	5869766	1.2930

Sl No	Name	Shareholding at the beginning [1st April 2018] end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	19/10/2018 - Transfer	9000	0.0020	5878766	1.2951
	14/12/2018 - Transfer	-45723	0.0101	5833043	1.2850
	18/01/2019 - Transfer	-200000	0.0441	5633043	1.2409
	25/01/2019 - Transfer	-150000	0.0330	5483043	1.2079
	15/02/2019 - Transfer	568918	0.1253	6051961	1.3332
	22/02/2019 - Transfer	852473	0.1878	6904434	1.5210
	01/03/2019 - Transfer	381206	0.0840	7285640	1.6050
	08/03/2019 - Transfer	500000	0.1101	7785640	1.7151
	15/03/2019 - Transfer	51300	0.0113	7836940	1.7264
	22/03/2019 - Transfer	103600	0.0228	7940540	1.7493
	29/03/2019 - Transfer	316000	0.0696	8256540	1.8189
	31/03/2019	8256540	1.8189	8256540	1.8189
6	KOTAK DEBT HYBRID				
	01/04/2018	826464	0.3641		
	06/04/2018 - Transfer	20000	0.0088	846464	0.3729
	11/05/2018 - Transfer	78306	0.0345	924770	0.4074
	29/06/2018 - Transfer	924770	0.2037	1849540	0.4074
	20/07/2018 - Transfer	593144	0.1307	2442684	0.5381
	03/08/2018 - Transfer	-16539	0.0036	2426145	0.5345
	14/09/2018 - Transfer	718	0.0002	2426863	0.5346
	21/09/2018 - Transfer	5960	0.0013	2432823	0.5359
	28/09/2018 - Transfer	96817	0.0213	2529640	0.5573
	02/11/2018 - Transfer	106374	0.0234	2636014	0.5807
	23/11/2018 - Transfer	-3400	0.0007	2632614	0.5800
	14/12/2018 - Transfer	-2589	0.0006	2630025	0.5794
	04/01/2019 - Transfer	-7500	0.0017	2622525	0.5777
	01/02/2019 - Transfer	-40000	0.0088	2582525	0.5689
	15/02/2019 - Transfer	109000	0.0240	2691525	0.5929
	01/03/2019 - Transfer	-2000	0.0004	2689525	0.5925
	31/03/2019	2689525	0.5925	2689525	0.5925
7	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND				
	01/04/2018	0	0.0000		
	16/11/2018 - Transfer	650000	0.1432	650000	0.1432
	30/11/2018 - Transfer	1000000	0.2203	1650000	0.3635
	07/12/2018 - Transfer	209684	0.0462	1859684	0.4097
	14/12/2018 - Transfer	585316	0.1289	2445000	0.5386
	28/12/2018 - Transfer	200000	0.0441	2645000	0.5827
	18/01/2019 - Transfer	125000	0.0275	2770000	0.6102
	01/02/2019 - Transfer	75000	0.0165	2845000	0.6267
	15/02/2019 - Transfer	245000	0.0540	3090000	0.6807
	22/02/2019 - Transfer	530000	0.1168	3620000	0.7975
	29/03/2019 - Transfer	50000	0.0110	3670000	0.8085
	31/03/2019	3670000	0.8085	3670000	0.8085
8	UTI - BLUECHIP FLEXICAP FUND				
	01/04/2018	2579387	1.1365		
	06/04/2018 - Transfer	397	0.0002	2579784	1.1366
	13/04/2018 - Transfer	12576	0.0055	2592360	1.1422
	20/04/2018 - Transfer	11336	0.0050	2603696	1.1472
	27/04/2018 - Transfer	-9176	0.0040	2594520	1.1431

Sl No	Name	Shareholding at the beginning [1st April 2018] end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	04/05/2018 - Transfer	4140	0.0018	2598660	1.1449
	11/05/2018 - Transfer	16226	0.0071	2614886	1.1521
	18/05/2018 - Transfer	16528	0.0073	2631414	1.1594
	15/06/2018 - Transfer	-14000	0.0062	2617414	1.1532
	22/06/2018 - Transfer	-20000	0.0088	2597414	1.1444
	29/06/2018 - Transfer	2597327	0.5722	5194741	1.1444
	06/07/2018 - Transfer	36541	0.0080	5231282	1.1524
	13/07/2018 - Transfer	-37403	0.0082	5193879	1.1442
	27/07/2018 - Transfer	66750	0.0147	5260629	1.1589
	03/08/2018 - Transfer	-208	0.0000	5260421	1.1588
	10/08/2018 - Transfer	388	0.0001	5260809	1.1589
	17/08/2018 - Transfer	7513	0.0017	5268322	1.1606
	24/08/2018 - Transfer	12998	0.0029	5281320	1.1635
	31/08/2018 - Transfer	238	0.0001	5281558	1.1635
	07/09/2018 - Transfer	676	0.0001	5282234	1.1637
	14/09/2018 - Transfer	-17993	0.0040	5264241	1.1597
	21/09/2018 - Transfer	19728	0.0043	5283969	1.1640
	28/09/2018 - Transfer	-51669	0.0114	5232300	1.1527
	05/10/2018 - Transfer	-266	0.0001	5232034	1.1526
	12/10/2018 - Transfer	78017	0.0172	5310051	1.1697
	19/10/2018 - Transfer	28634	0.0063	5338685	1.1761
	02/11/2018 - Transfer	30000	0.0066	5368685	1.1827
	23/11/2018 - Transfer	-25000	0.0055	5343685	1.1772
	30/11/2018 - Transfer	42637	0.0094	5386322	1.1866
	07/12/2018 - Transfer	-135000	0.0297	5251322	1.1568
	14/12/2018 - Transfer	-64000	0.0141	5187322	1.1427
	28/12/2018 - Transfer	-40000	0.0088	5147322	1.1339
	04/01/2019 - Transfer	-7106	0.0016	5140216	1.1324
	11/01/2019 - Transfer	-14682	0.0032	5125534	1.1291
	18/01/2019 - Transfer	-174662	0.0385	4950872	1.0907
	22/02/2019 - Transfer	-385000	0.0848	4565872	1.0058
	01/03/2019 - Transfer	-133000	0.0293	4432872	0.9765
	08/03/2019 - Transfer	-100000	0.0220	4332872	0.9545
	15/03/2019 - Transfer	-30000	0.0066	4302872	0.9479
	22/03/2019 - Transfer	-145000	0.0319	4157872	0.9160
	29/03/2019 - Transfer	-148000	0.0326	4009872	0.8834
	31/03/2019	4009872	0.8834	4009872	0.8834
9	BMO INVESTMENTS II (IRELAND) PUBLIC LIMITED COMPANY - BMO LGM GLOBAL EMERGING MA				
	01/04/2018	866047	0.3816		
	08/06/2018 - Transfer	12203	0.0054	878250	0.3869
	15/06/2018 - Transfer	1063	0.0005	879313	0.3874
	22/06/2018 - Transfer	295380	0.1301	1174693	0.5176
	29/06/2018 - Transfer	1174693	0.2588	2349386	0.5176
	27/07/2018 - Transfer	1369	0.0003	2350755	0.5179
	10/08/2018 - Transfer	132566	0.0292	2483321	0.5471
	17/08/2018 - Transfer	106384	0.0234	2589705	0.5705
	24/08/2018 - Transfer	7730	0.0017	2597435	0.5722
	31/08/2018 - Transfer	518480	0.1142	3115915	0.6864

Sl No	Name	Shareholding at the beginning [1st April 2018] end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	07/09/2018 - Transfer	52715	0.0116	3168630	0.6980
	12/10/2018 - Transfer	127223	0.0280	3295853	0.7260
	19/10/2018 - Transfer	126043	0.0278	3421896	0.7538
	26/10/2018 - Transfer	38826	0.0086	3460722	0.7624
	18/01/2019 - Transfer	1030	0.0002	3461752	0.7626
	22/02/2019 - Transfer	88503	0.0195	3550255	0.7821
	15/03/2019 - Transfer	65406	0.0144	3615661	0.7965
	22/03/2019 - Transfer	251060	0.0553	3866721	0.8518
	29/03/2019 - Transfer	11337	0.0025	3878058	0.8543
	31/03/2019	3878058	0.8543	3878058	0.8543
10	ABERDEEN GLOBAL INDIAN EQUITY LIMITED #				
	01/04/2018	2328795	1.0260		
	20/04/2018 - Transfer	-120000	0.0529	2208795	0.9732
	01/06/2018 - Transfer	-62500	0.0275	2146295	0.9456
	08/06/2018 - Transfer	-202500	0.0892	1943795	0.8564
	29/06/2018 - Transfer	1943795	0.4282	3887590	0.8564
	19/10/2018 - Transfer	-25840	0.0057	3861750	0.8507
	26/10/2018 - Transfer	-474160	0.1045	3387590	0.7463
	02/11/2018 - Transfer	-290103	0.0639	3097487	0.6824
	09/11/2018 - Transfer	-110447	0.0243	2987040	0.6580
	16/11/2018 - Transfer	-59450	0.0131	2927590	0.6449
	30/11/2018 - Transfer	-564378	0.1243	2363212	0.5206
	07/12/2018 - Transfer	-319437	0.0704	2043775	0.4502
	14/12/2018 - Transfer	-734185	0.1617	1309590	0.2885
	21/12/2018 - Transfer	-137768	0.0303	1171822	0.2581
	28/12/2018 - Transfer	-157738	0.0347	1014084	0.2234
	31/12/2018 - Transfer	-25000	0.0055	989084	0.2179
	04/01/2019 - Transfer	-989084	0.2179	0	0.0000
	31/03/2019	0	0.0000	0	0.0000
11	MATTHEWS INDIA FUND				
	01/04/2018	2250122	0.9914		
	29/06/2018 - Transfer	2250122	0.4957	4500244	0.9914
	31/03/2019	4500244	0.9914	4500244	0.9914
12	PI OPPORTUNITIES FUND I *				
	01/04/2018	0	0.0000		
	22/02/2019 - Transfer	5633000	1.2409	5633000	1.2409
	31/03/2019	5633000	1.2409	5633000	1.2409
13	SBI CONSUMPTION OPPORTUNITIES FUND *				
	01/04/2018	1057	0.0005		
	06/04/2018 - Transfer	39	0.0000	1096	0.0005
	11/05/2018 - Transfer	26	0.0000	1122	0.0005
	01/06/2018 - Transfer	53	0.0000	1175	0.0005
	08/06/2018 - Transfer	150000	0.0661	151175	0.0666
	22/06/2018 - Transfer	27	0.0000	151202	0.0666
	29/06/2018 - Transfer	151230	0.0333	302432	0.0666
	13/07/2018 - Transfer	789	0.0002	303221	0.0668
	20/07/2018 - Transfer	52	0.0000	303273	0.0668
	03/08/2018 - Transfer	2	0.0000	303275	0.0668
	10/08/2018 - Transfer	54	0.0000	303329	0.0668

Sl No	Name	Shareholding at the beginning [1st April 2018] end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	31/08/2018 - Transfer	1101055	0.2426	1404384	0.3094
	07/09/2018 - Transfer	310000	0.0683	1714384	0.3777
	14/09/2018 - Transfer	-2	0.0000	1714382	0.3777
	21/09/2018 - Transfer	104	0.0000	1714486	0.3777
	28/09/2018 - Transfer	415748	0.0916	2130234	0.4693
	05/10/2018 - Transfer	20766	0.0046	2151000	0.4739
	12/10/2018 - Transfer	154852	0.0341	2305852	0.5079
	26/10/2018 - Transfer	805148	0.1774	3111000	0.6853
	15/02/2019 - Transfer	-11000	0.0024	3100000	0.6829
	22/02/2019 - Transfer	20360013	4.4852	23460013	5.1681
	08/03/2019 - Transfer	-85000	0.0187	23375013	5.1494
	29/03/2019 - Transfer	-70000	0.0154	23305013	5.1340
	31/03/2019	23305013	5.1340	23305013	5.1340
14	AMUNDI FUNDS SBI FM EQUITY INDIA *				
	01/04/2018	450000	0.1983		
	06/04/2018 - Transfer	50000	0.0220	500000	0.2203
	22/06/2018 - Transfer	-172768	0.0761	327232	0.1442
	29/06/2018 - Transfer	365141	0.0804	692373	0.1525
	20/07/2018 - Transfer	-692373	0.1525	0	0.0000
	09/11/2018 - Transfer	55190	0.0122	55190	0.0122
	16/11/2018 - Transfer	201306	0.0443	256496	0.0565
	23/11/2018 - Transfer	2568	0.0006	259064	0.0571
	30/11/2018 - Transfer	784473	0.1728	1043537	0.2299
	14/12/2018 - Transfer	641463	0.1413	1685000	0.3712
	22/02/2019 - Transfer	2260000	0.4979	3945000	0.8691
	31/03/2019	3945000	0.8691	3945000	0.8691
15	MIRAE ASSET EMERGING BLUECHIP FUND #				
	01/04/2018	1202832	0.5300		
	27/04/2018 - Transfer	-30632	0.0135	1172200	0.5165
	11/05/2018 - Transfer	-65266	0.0288	1106934	0.4877
	18/05/2018 - Transfer	-5517	0.0024	1101417	0.4853
	25/05/2018 - Transfer	-11274	0.0050	1090143	0.4803
	01/06/2018 - Transfer	-89437	0.0394	1000706	0.4409
	15/06/2018 - Transfer	-10431	0.0046	990275	0.4363
	22/06/2018 - Transfer	-2523	0.0011	987752	0.4352
	29/06/2018 - Transfer	987752	0.2176	1975504	0.4352
	06/07/2018 - Transfer	-100000	0.0220	1875504	0.4132
	13/07/2018 - Transfer	-329852	0.0727	1545652	0.3405
	20/07/2018 - Transfer	-225000	0.0496	1320652	0.2909
	03/08/2018 - Transfer	-651983	0.1436	668669	0.1473
	10/08/2018 - Transfer	-156745	0.0345	511924	0.1128
	24/08/2018 - Transfer	-371411	0.0818	140513	0.0310
	31/08/2018 - Transfer	-140513	0.0310	0	0.0000
	31/03/2019	0	0.0000	0	0.0000
16	PIONEER INVESTMENT FUND *				
	01/04/2018	0	0.0000		
	22/02/2019 - Transfer	11267000	2.4821	11267000	2.4821
	31/03/2019	11267000	2.4821	11267000	2.4821

Sl No	Name	Shareholding at the beginning [1st April 2018] end of the year [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
17	KOTAK FUNDS - INDIA MIDCAP FUND #				
	01/04/2018	1406661	0.6198		
	29/06/2018 - Transfer	1405851	0.3097	2812512	0.6196
	06/07/2018 - Transfer	-1545	0.0003	2810967	0.6192
	03/08/2018 - Transfer	-64064	0.0141	2746903	0.6051
	21/12/2018 - Transfer	-647	0.0001	2746256	0.6050
	18/01/2019 - Transfer	-83032	0.0183	2663224	0.5867
	25/01/2019 - Transfer	-10000	0.0022	2653224	0.5845
	31/03/2019	2653224	0.5845	2653224	0.5845
18	AVEES TRADING AND FINANCE PRIVATE LIMITED				
	01/04/2018	4906891	2.1619		
	29/06/2018 - Transfer	4906891	1.0810	9813782	2.1619
	31/08/2018 - Transfer	-500000	0.1101	9313782	2.0518
	21/09/2018 - Transfer	-60000	0.0132	9253782	2.0386
	12/10/2018 - Transfer	145000	0.0319	9398782	2.0704
	19/10/2018 - Transfer	30000	0.0066	9428782	2.0771
	26/10/2018 - Transfer	170000	0.0375	9598782	2.1146
	16/11/2018 - Transfer	67524	0.0149	9666306	2.1294
	23/11/2018 - Transfer	112935	0.0249	9779241	2.1543
	30/11/2018 - Transfer	-582500	0.1283	9196741	2.0260
	07/12/2018 - Transfer	130000	0.0286	9326741	2.0546
	28/12/2018 - Transfer	100000	0.0220	9426741	2.0767
	11/01/2019 - Transfer	-100000	0.0220	9326741	2.0546
	18/01/2019 - Transfer	-80000	0.0176	9246741	2.0370
	08/02/2019 - Transfer	160000	0.0352	9406741	2.0723
	15/02/2019 - Transfer	-63000	0.0139	9343741	2.0584
	22/02/2019 - Transfer	-980000	0.2159	8363741	1.8425
	01/03/2019 - Transfer	-122000	0.0269	8241741	1.8156
	15/03/2019 - Transfer	-590000	0.1300	7651741	1.6856
	22/03/2019 - Transfer	-93405	0.0206	7558336	1.6651
	31/03/2019	7558336	1.6651	7558336	1.6651

* Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

Note: Transfer on 29.06.2018 indicates issue of Bonus Shares in ratio of 1:1

v) Shareholding of Directors and Key Managerial Personnel

Sl No	Name		Shareholding at the beginning [1st April 2018] to [31st March 2019]		Cumulative Shareholding during the year [1st April 2018] to [31st March 2019]	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SHRI RADHESHYAM AGARWAL , EXECUTIVE CHAIRMAN	01/04/2018	439500	0.1936		
		29/06/2018 - Transfer	439500	0.0968	879000	0.1936
		24/08/2018 - Transfer	-684000	0.1507	195000	0.0430
		31/03/2019	195000	0.0430	195000	0.0430
2	SHRI RADHESHYAM GOENKA , WHOLE TIME DIRECTOR	01/04/2018	683638	0.3012		
		29/06/2018 - Transfer	683638	0.1506	1367276	0.3012
		24/08/2018 - Transfer	-461000	0.1016	906276	0.1996
		22/02/2019 - Transfer	-514200	0.1133	392076	0.0864
		31/03/2019	392076	0.0864	392076	0.0864
3	SHRI KASHI NATH MEMANI, INDEPENDENT DIRECTOR	01/04/2018	-	-	-	-
		31/03/2019	-	-	-	-
4	SHRI YOGENDRA P TRIVEDI, INDEPENDENT DIRECTOR	01/04/2018	-	-	-	-
		31/03/2019	-	-	-	-
5	SHRI PRADIP KUMAR KHAITAN, INDEPENDENT DIRECTOR	01/04/2018	-	-	-	-
		31/03/2019	-	-	-	-
6	SHRI AMIT KIRAN DEB, INDEPENDENT DIRECTOR	01/04/2018	-	-	-	-
		31/03/2019	-	-	-	-
7	SHRI SATYABRATA GANGULY, INDEPENDENT DIRECTOR	01/04/2018	-	-	-	-
		31/03/2019	-	-	-	-
8	SHRI CHANDRA KUMAR DHANUKA, INDEPENDENT DIRECTOR	01/04/2018	-	-	-	-
		31/03/2019	-	-	-	-
9	SMT. RAMA BIJAPURKAR, INDEPENDENT DIRECTOR	01/04/2018	-	-	-	-
		31/03/2019	-	-	-	-
10	SHRI DEBRABRATA SARKAR, INDEPENDENT DIRECTOR	01/04/2018	-	-	-	-
		31/03/2019	-	-	-	-
11	SHRI SUSHIL KUMAR GOENKA, MANAGING DIRECTOR	01/04/2018	179250	0.0790		
		29/06/2018 - Transfer	179250	0.0395	358500	0.0790
		22/02/2019 - Transfer	-248600	0.0548	109900	0.0242
		31/03/2019	109900	0.0242	109900	0.0242
12	SHRI MOHAN GOENKA, WHOLE TIME DIRECTOR	01/04/2018	130950	0.0577		
		29/06/2018 - Transfer	130950	0.0288	261900	0.0577
		22/02/2019 - Transfer	-200000	0.0441	61900	0.0136
		31/03/2019	61900	0.0136	61900	0.0136
13	SHRI ADITYA VARDHAN AGARWAL, NON-EXCUTIVE DIRECTOR	01/04/2018	1232334	0.5430		
		29/06/2018 - Transfer	1232334	0.2715	2464668	0.5430
		24/08/2018 - Transfer	-1830000	0.4031	634668	0.1398
		22/02/2019 - Transfer	-500000	0.1101	134668	0.0297
		31/03/2019	134668	0.0297	134668	0.0297
14	SHRI HARSHA VARDHAN AGARWAL, WHOLE TIME DIRECTOR	01/04/2018	535133	0.2358		
		29/06/2018 - Transfer	535133	0.1179	1070266	0.2358
		24/08/2018 - Transfer	-960000	0.2115	110266	0.0243
		31/03/2019	110266	0.0243	110266	0.0243
15	SMT. PRITI SUREKA, WHOLE TIME DIRECTOR	01/04/2018	3410000	1.5024		
		01/06/2018 - Transfer	7851	0.0035	3417851	1.5059
		29/06/2018 - Transfer	3417851	0.7529	6835702	1.5059
		24/08/2018 - Transfer	4774000	1.0517	11609702	2.5576
		31/03/2019	11609702	2.5576	11609702	2.5576
16	SHRI PRASHANT GOENKA, WHOLE TIME DIRECTOR	01/04/2018	95000	0.0419		
		29/06/2018 - Transfer	95000	0.0209	190000	0.0419
		31/03/2019	190000	0.0419	190000	0.0419
17	SHRI NARESH HIRALAL BHANSALI, CHIEF FINANCIAL OFFICER	01/04/2018	33738	0.0149		
		29/06/2018 - Transfer	33738	0.0074	67476	0.0149
		31/03/2019	67476	0.0149	67476	0.0149
18	SHRI ARUN KUMAR JOSHI, COMPANY SECRETARY	01/04/2018	900	0.0004		
		29/06/2018 - Transfer	900	0.0002	1800	0.0004
		31/03/2019	1800	0.0004	1800	0.0004

Note: Transfer on 29.06.2018 indicates issue of Bonus Shares in ratio 1:1, transfer on 22.02.2019 indicates sale of shares by promoters and other transfers indicate inter-se transfer.

vi) Indebtedness as on 31st March 2019

₹ 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	-	5,782.38	22,154.56	834.93	28,771.87
ii) Interest due but not paid		-	-	-	-
iii) Interest accrued but not due		9.63	8.03	-	17.66
Total (i+ii+iii)	**-**	**5,792.01**	**22,162.59**	**834.93**	**28,789.53**
Change in Indebtedness during the financial year					
- Addition	-	4,000.00	28,000.00	188.84	32,188.84
- Reduction	-	4,327.76	50,154.56	334.21	54,816.53
Net Change	**-**	**(327.76)**	**(22,154.56)**	**(145.37)**	**(22,627.69)**
Indebtedness at the end of the financial year					
i) Principal Amount	-	5,434.06	-	689.56	6,123.62
ii) Interest due but not paid		-	-	-	-
iii) Interest accrued but not due	-	30.19	8.03	-	38.22
Total (i+ii+iii)	**-**	**5,464.25**	**8.03**	**689.56**	**6,161.84**

* Trade Deposits

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	360.00	360.00	114.00	96.00	96.00	96.00	96.00	**1,218.00**
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.40	0.40	0.22	8.80	0.40	0.40	0.40	**11.02**
	(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: contribution to PF	43.20	43.20	13.68	11.52	11.52	11.52	11.52	**146.16**
	Total (A)	**653.60**	**653.60**	**127.90**	**116.32**	**107.92**	**107.92**	**107.92**	**1,875.18**

B. Remuneration to other directors

₹ in Lacs

Sl. No.	Particulars of Remuneration	Name of Directors Independent Directors									Other Non-Executive Director	Total
		Shri K.N. Memani	Shri Y.P. Trivedi	Shri P. K. Khaitan	Late M. D. Mallya	Shri S. B. Ganguly	Shri Sajjan Bhajanka	Shri Amit Kiran Deb	Smt Rama Bijapurkar	Shri D.Sarkar	Shri A. V. Agarwal	
1	Fee for attending Board / Committee meetings	2.25	2.50	1.75	0.50	6.00	3.35	5.75	2.25	-	5.75	**24.35**
2	Commission	7.50	4.50	4.50	3.00	4.50	4.50	4.50	84.25	-	-	**117.25**
3	Others, please specify	-	-	-	-	-		-	-	-	-	**-**
	Total	**9.75**	**7.00**	**6.25**	**3.50**	**10.50**	**7.85**	**10.25**	**86.50**	**-**	**5.75**	**147.35**
	Total Managerial Remuneration											**2,022.53**
	Overall Ceiling as per the Act											**4,563.43**

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	48.26	235.96	284.22
	(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**	**48.58**	**235.96**	**284.54**

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			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
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.

Composition of CSR Committee:

1. Shri S. K. Goenka, Managing Director (Chairman)
2. Shri A. K. Deb, Independent Director (Member)
3. Shri Mohan Goenka, Whole Time Director (Member)
4. Shri H. V. Agarwal, Whole Time Director (Member)
5. Smt. Priti A. Sureka, Whole Time Director (Member)
6. Shri Prashant Goenka, Whole Time Director (Member)

Average Net Profit for the three previous Financial years: ₹39,531 lacs

Prescribed CSR Expenditure: ₹791 lacs

Total amount spent in the Financial Year 2018-19: ₹796.57 lacs

CSR Expenditure FY 2018-2019 ₹ in Lacs

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.	(ii)	Infrastructure support to schools, colleges & institutions	Pushkar (Ajmer, Rajasthan); Haripal (Hooghly), BT Road (Kolkata), Nepalgung Joka (24Parganas South) West Bengal	267	33.31		By Units, Emami Foundation, Help Us Help Them (Kolkata);Brahma Savitri Ved Vidhya Peet (Rajasthan),
			Scholarship/ Assistance to students and Education Support Program	Panthnagar (Uttarakhand); BT Road, Kolkata; Haripal Hoogly, Jalpaiguri, South Dinajpur, North 24 PGS, Malda, West Bengal; Abhoypur, Amingaon, Pachoria Kamroop, Assam; Dongari Palgarh (Maharashtra);		90.56		By Units, Emami Foundation; Friends of Tribal Society (Kolkata); Vanvasi Kanya Chatrawas & Dudhiya Baba Kanya Chatrawas (Panthnagar)
			Skill Development Program through Vocational Training Centres; Creating public awareness, Learning Enhancement Programs and other educational initiatives.	Haripal Hooghly, Kolkata, West Bengal; Badiadka & 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); Abhoypur, Kamroop, Assam; Dongari Palgarh Maharashtra; Vapi, Ahmedabad (Gujarat); Jaipur (Rajasthan);Ambala, Gurugram (Harayana); Delhi; Lucknow (Uttar Pradesh);Patna (Bihar); Kolkata (West Bengal); Cuttack, Bhubneshwar (Odisha); Visakhapatnam, Vijayawada, Rajahmundry (Andhra Pradesh); Hyderabad (Telangana); Aurangabad, Pune, Thane, Navi Mumbai,Nagpur, Dhule, Solapur, Jalgaon, Manmad, Nashik, Bhiwandi, (Maharastra)		139.08		By Units, Emami Foundation; Gramothan India Foundation
				Sub Total	**267**	**262.96**		

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
2	Social Upliftment	(i), (iii), (v), (x)	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);	325	37.10		By Units, Emami Foundation
			Promoting Art & Culture by supporting Art & Dance form training and supporting Social Infrastructure	Gokarna, Uttara Kannada district (Karnataka); Pachoria, Kamrup, Guwhati, (Assam); Kolkata, (West Bengal);		117.80		Dharma Chakra Trust; Uzantol gopla gosai community; Pach milanpur shiva community; Dadara Puja Committee; Ananda Shankar Centre for Performing Arts
			Support to the under priviliged community through Distribution of Ayurvedic Items	Kakdwip, 24Pgs (S), West Bengal, Kolkata, West Bengal, Bhubaneswar, Odissa, Mumbai, Maharastra, Guwhati Assam		47.66		By units, HO
			Rural Development Program- support, in building Cold Storage for better crop management, Capacity Building of Grass root organizations, supporting sports & others	Khandapada district, Odissa; Badiadka & Mujungavu, Kasaragod, District 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; Kolkata, West Bengal		39.86		Association For Active Social & Humanitarian Aid (Odisha), Gramothan India Foundation; Emami Foundation
			Disaster Management Program & Support during natural calamalities	Thiruvalla, Pathanamthitta (Kerala); Kolkata and suburban , (West Bengal); Mumbai (Maharastra)		35.24		By Emami Foundation & HIVE India
			Animal Welfare and Environment Program	Siddapura Taluk, Uttara Kannada District (Karnataka)		51.00		Dharma Chakra Trust
				Sub Total	**325**	**328.67**		
3	Promoting Health care, Water & Sanitation	(i)	Health Care Infrastructure Development Program	Kolkata,West Bengal	159	17.00		By Emami Foundation,Vishwa Jagriti Mission Trust
			Promoting health Care activities through Clinics & Camps	Ram Ram Bhawan, Ananddham, CN Roy Road, Nonadanga, Udayvilla BT Rd, Kolkata, Liluah, Howrah Aradhanadham, Haripal, Hoogly,		144.30		By Emami Foundation OPD Clinics & Health Camps, SAAOL Heart Centre
			Water & Sanitation Program	Haripal, Hooghly and Kolkata, (West Bengal); Panthnagar (Uttarakhand); Pachoria, Kamrup, Guwhati, (Assam);		4.14		By Units & Emami Foundation
				Sub Total	**159**	**165.44**		
4	Administrative overhead**	-		Kolkata, West Bengal	40	39.50		-
				Sub Total	**40**	**39.50**		
				Total	**791**	**796.57**		

* All the expenditures are Direct Expenditures and no Overheads
# based on the Notification issued by the Ministry of Corporate affairs dated 27th February, 2014
** As per rule 4(6) of the CSR Rules 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

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 VI

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.

ANNEXURE VII

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 2018-19

Sr. No.	Name	Ratio
1	Shri R.S Agarwal	219.26 : 1
2	Shri R. S. Goenka	219.26 : 1
3	Shri S. K. Goenka	42.91 : 1
4	Shri Mohan Goenka	39.02 :1
5	Shri H. V. Agarwal	36.20 : 1
6	Smt. Priti A Sureka	36.20 : 1
7	Shri Prashant Goenka	36.20 : 1

(ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in Financial Year 2018-19:

₹ In Lacs

Sr. No.	Name	Designation	2018-2019	% Increase
1	Shri R.S. Agarwal	Executive Chairman	653.60	11.46%
2	Shri R. S. Goenka	Whole Time Director	653.60	11.46%
3	Shri S. K. Goenka	Managing Director	127.90	18.72%
4	Shri Mohan Goenka	Whole Time Director	116.32	40.63%
5	Shri H. V. Agarwal	Whole Time Director	107.92	33.18%
6	Smt. Priti A Sureka	Whole Time Director	107.92	33.18%
7	Shri Prashant Goenka	Whole Time Director	107.92	33.18%
8	Shri N. H Bhansali	CEO - Finance, Strategy & Business Development & CFO	235.96	8.35%
9	Shri A. K. Joshi	Company Secretary & VP - Legal	48.58	11.83%

(iii) Percentage increase in the median remuneration of employees in the Financial Year 2018-19 : 16.40%

(iv) Number of permanent employees on the rolls of company as on March 31, 2019 : 3185

(v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 11.02% whereas the increase in the managerial remuneration was 16.73%. 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.

(vi) The Company affirms that remuneration is as per the Remuneration Policy of the Company.

Statement pursuant to Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31st, 2019

Sl.No., Name, Designation, Remuneration (in C), 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, 65359600, Contractual, 49, FCA, FCS, M.Com, LLB, 03.05.1994, 73, HGI Industries Ltd., President & Secretary, 0.04, Father of Shri H.V. Agarwal, Shri A.V. Agarwal & Smt. Priti A Sureka; 2. Shri R.S. Goenka, Whole-Time Director, 65359600, Contractual, 49, B.Com, M.Com, 08.11.2012, 72, Emami Paper Mills Ltd., Executive Chairman, 0.08, Father of Shri Mohan Goenka and Brother of Shri S.K. Goenka; 3. Shri S.K. Goenka, Managing Director, 12789600, Contractual, 39, B.Com, 17.05.1994, 62, Not applicable, Not applicable, 0.03, Brother of Shri R.S. Goenka; 4. Shri Mohan Goenka, whole-Time Director, 11631600, contractual, 14, B.Com, MBA, 15.01.2005, 46, Not applicable, Not applicable, 0.03, Son of Shri R.S. Goenka; 5. Smt. Priti A Sureka, Whole-Time Director, 10791600, Contractual, 18, BA, 30.01.2010, 46, JB Marketing & Finance Ltd., Executive, 2.55, Daughter of Shri R.S. Agarwal & sister of Shri H.V. Agarwal & Shri A.V. Agarwal; 6. Shri H.V. Agarwal, Whole-Time Director, 10791600, Contractual, 14, B.Com, 15.01.2005, 42, Not Applicable, Not applicable, 0.03, Son of Shri R.S. Agarwal & Brother of Shri A.V Agarwal & Smt. Priti A. Sureka; 7. Shri Prashant Goenka, Whole-Time Director, 10791600, Contractual, 15, B.Com, MBA, 01.09.2004, 45, Not applicable, Not applicable, 0.04; 8. Shri N.H. Bhansali, CEO-Finance, Strategy and Business Development & CFO, 23596017, Employee, 29, FCA, 01.11.2001, 53, Reliance Industries Ltd., Business Analyst, 0.01; 9. Smt. Punita Kalra, CEO-R&D & Innovation, 33402410, Employee, 21, Masters in Pharmaceutical Sciences, 01.04.2010, 47, Hindustan Unilever Ltd., Product Technology Group Head Skin Care, Skin Regional Technology Centre, 10. Shri C.K. Katiyar, CEO-Technical (HC), 22517322, Employee, 36, PHD, 01.11.2012, 65, Dabur India Ltd., Vice President & Head (R&D), 11. Shri Vivek Dhir, CEO-IMD, 22118745, Employee, 25, MBA, 15.01.2018, 50, Dabur International Ltd., Chief Marketing Officer; 12. Shri Mohan Rajabhau Panchabhai, COO-Operations, 18699334, Employee, 33, BE, 09.06.2014, 56, Hindustan Unilever Ltd., Head of Innovation, Technology & Planning, 13. Shri George Angelo*, COO-Sales-CCD & Supply Chain, 1790579, Employee, 35, PGDM, 04.03.2019, 57, Anchor Health & Beauty Care Pvt. Ltd, CEO; 14. Shri Nihar Ranjan Ghosh, President –HR, 11501348, Employee, 34, Master of Social Work, 16.08.2016, 57, HR, RPSG GROUP, Executive Director –HR; 15. Shri Rana Banerji, President –HCD, 19079493, Employee, 24, MBA, 02.01.2017, 53, Dabur India Ltd., Head of the Marketing; 16. Shri Venkata Rao Damera, President- IT, 11885851, Employee, 20, MCA, 04.07.2017, 47, Godfrey Phillips India Limited, Chief Information Officer and Group Digital Head. 17. Shri Pradeep Kumar Pandey, Sr. VP-Packaging, 14367474, Employee, 22, PGD in Packaging Technology, Management in Material Science, 05.09.2015, 48, Procter & Gamble, First Level Section Manager; 18. Shri Ashok Bhattacharya*, President-International Sales, 3657136, Employee, 23, MBA, 01.03.2017, 48, JAPFA – Singapore, VP-Consumer Business; 19. Shri Madan Mohan Pandey*, President-Sales, 11289707, Employee, 20, BE, PGDM, 22.12.2015, 47, Marico Ltd., Head Sales, Supply chain and Business Development-South East Asia; 20. Shri Lalit Parmar*, Sr.GM-Marketing, 1181063, Employee, 14, MBA,BE, 07.05.2018, 40 Hasbro India, Head of Marketing.

* Employees who were employed for part of the financial year

Note: None of the employees as 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 or along with his spouse and dependent children, not less than 2% of the equity shares of the company

Corporate Governance Report



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, 2015}.

The Company lays a strong emphasis on ethical corporate citizenship and the establishment of good corporate culture. The corporate governance processes and systems have gradually been strengthened over the years. The objective of an effective corporate governance mechanism according to a global consensus entails long-term maximisation of shareholder 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 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 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 strategising 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, its management policies and their effectiveness. It also ensures 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 the Board hail from diverse backgrounds skilled and experienced in areas like taxation, banking, finance, entrepreneurship, marketing, consumer behaviour mapping as well as legal and general managerial aspects. Many of them have worked extensively in senior managements of global corporations and formed an in-depth 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 2019,

the Board comprised an Executive Chairman, a Managing Director, five Executive Directors and nine Non-Executive Directors including eight Independent Directors. The Company also had two women Directors on its Board. The detailed profiles of all the Directors are available on the Company's website: www.emamiltd.in. The Company 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 C. K. Dhanuka
5)	Shri A. V. Agarwal, Non- Executive Director	5)	Shri S.B. Ganguly
6)	Shri H. V. Agarwal, Whole time Director	6)	Shri Amit Kiran Deb
7)	Smt. Priti A. Sureka, Whole time Director	7)	Smt. Rama Bijapurkar
8)	Shri Prashant Goenka, Whole time Director	8)	Shri Debabrata Sarkar

Shri M. D. Mallya ceased to be Independent Director due to his sudden demise on 25th November, 2018. Shri Debabrata Sarkar was appointed as an Additional-cum-Independent Director with effect from 21st February, 2019.

The names of listed companies wherein the above Board members are directors and category of their directorship is annexed. None of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director by SEBI/MCA or any such statutory authority, a certificate in this respect from a Company Secretary in practice is annexed.

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 by 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 Regulations, 2015. While appointing/ reappointing any independent Directors/Non-Executive Directors on the Board, Nomination and Remuneration Committee (NR Committee) considers the criteria as laid down in the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations, 2015 and Board Diversity policy. 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 for 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 interests 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. 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 of 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 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.

The Company has evaluated system based compliance monitoring software. Trial run for the same has been started.

g. Risk management

The Company has a comprehensive ISO 31000:2009 certified Enterprise Risk Management System at work, duly approved by the Board of Directors of the Company. The Risk Management System is reviewed regularly by risk owners and necessary steps are taken for the risks identified.

Composite reports of all risk areas including cyber laws are 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, Senior Vice President - 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 3, 2018, August 1, 2018, October 30, 2018 and January 31, 2019.

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 3, 2018	16	15
2	August 1, 2018	16	15
3	October 30, 2018	16	15
4	January 31, 2019	15*	14

*Due to sudden demise of Shri M. D. Mallya on 25th November 2018, the total strength of the Board became fifteen from sixteen.

The maximum time gap between any two meetings was less than 120 days as prescribed under Regulation 17(2) of SEBI Listing Regulations, 2015. Videoconferencing facilities are also used to facilitate Directors at other locations to participate in the Board/Board-level Committee Meetings. All necessary compliances were made by the Company wherever, the Directors used the videoconferencing facility in the Board/Board-level Committee 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 on March 31, 2019

Sl. No.	Name of Director and DIN	Position	Relationship with other Directors	Date of joining	Number of Board meetings attended	Number of directorship held as on 31.03.2019*	Number of committee positions held**	Attendance at the last AGM
1	Shri R.S. Agarwal, DIN 00152996	Promoter Executive (Chairman) Director	Father of shri A.V. Agarwal, Shri H.V. Agarwal and smt. Priti A Sureka	03.05.94	4	6	None	Yes
2	Shri R.S. Goenka, DIN 00152880	Promoter Executive Director	Brother of Shri S.K. Goenka and father of Shri Mohan Goenka	03.05.94	4	8	Chairman-2 Member-2	Yes
3	Shri S. K. Goenka, DIN 00149916	Promoter Executive, (Managing Director)	Brother of Shri R.S. Goenka	17.05.95	4	5	Chairman-1 Member-2	Yes
4	Shri K.N. Memani, DIN 00020696	Non – Executive Independent Director	-	15.05.06	4	5	Chairman-3 Member-5	No
5	Shri Y.P. Trivedi, DIN 00001879	Non – Executive Independent Director	-	30.01.10	4	6	Chairman- 5 Member- 5	Yes

Sl. No.	Name of Director and DIN	Position	Relationship with other Directors	Date of joining	Number of Board meetings attended	Number of directorship held as on 31.03.2019*	Number of committee positions held**	Attendance at the last AGM
6	Shri P K Khaitan, DIN 00004821	Non-Executive Independent Director	-	24.06.13	3	9	Chairman-8 Member-18	Yes
7	Shri M. D. Mallya, DIN 01804955#	Non-Executive Independent Director	-	20.01.14	1	-	-	No
8	Shri C. K. Dhanuka, DIN 00005684	Non – Executive Independent Director	-	02.08.17	3	16	Chairman- 13 Member- 19	Yes
9	Shri S.B. Ganguly, DIN 00012220	Non – Executive Independent Director	-	30.01.10	4	6	Chairman-4 Member-10	Yes
10	Shri Amit Kiran Deb, DIN 02107792	Non – Executive Independent Director	-	30.01.10	4	7	Chairman-3 Member-8	Yes
11	Smt. Rama Bijapurkar, DIN 00001835	Non-Executive Independent Director-	-	01.09.15	4	7	Chairman-3 Member-5	Yes
12	Shri Mohan Goenka, DIN 00150034	Promoter Executive Director	Son of Shri R. S. Goenka	15.01.05	4	3	Chairman-1 Member-4	Yes
13	Shri A. V. Agarwal, DIN 00149717	Promoter Non-Executive Director	Son of Shri R.S. Agarwal and brother of Shri H.V. Agarwal and Smt. Priti A Sureka	01.07.07	4	7	Chairman-3 Member-4	Yes
14	Shri H. V. Agarwal, DIN 00150089	Promoter Executive Director	Son of Shri R.S. Agarwal and brother of Shri A.V. Agarwal and Smt. Priti A Sureka	15.01.05	4	7	Member-5	Yes
15	Smt. Priti A Sureka, DIN 00319256	Promoter Executive Director	Daughter of Shri R S Agarwal and sister of Shri A.V. Agarwal and Shri H.V. Agarwal	30.01.10	4	6	Member-4	Yes
16	Shri Prashant Goenka, DIN 00703389	Promoter Executive Director	Nephew of Shri R.S. Goenka and Shri S.K. Goenka	20.01.14	4	5	Member-2	Yes
17	Shri Debabrata Sarkar ##	Additional and Independent Director	-	21.02.2019	-	10	Chairman-1 Member-2	NA

** Includes directorship in private limited companies, Section 8 companies and other organisations*

*** Committees also include non-statutory committees*

#Note: Shri M. D. Mallya ceased to be Independent Director with effect from 25th November 2018 due to his sudden demise

##Shri Debabrata Sarkar was appointed as an Additional-cum-Independent Director with effect from 21st February 2019

None of the Directors is member of more than ten board-level statutory committees or Chairman of more than five such Committees

^ Shri R.S. Goenka became a Whole Time Director and before that he was Non-Executive Director with effect from 3rd May 1994.

Name of the listed companies in which the company's directors are holding position of Directors and the category of their directorship as on 31st March 2019 is as under:

Sl No	Name of Director	Name of Listed Company	Category
1	Shri R.S. Agarwal	Emami Limited	Promoter Director /Executive Chairman
2	Shri R.S. Goenka	Emami Limited	Promoter Director / Whole Time Director
3	Shri K.N. Memani	JK Lakshmi Cement Ltd.	Independent Director
		HT Media ltd	Independent Director
		DLF Ltd	Independent Director
		Emami Limited	Independent Director
4	Shri Y.P. Trivedi	Reliance Industries Ltd	Independent Director
		Supreme Industries Ltd	Independent Director
		Zodiac Clothing Company Ltd	Independent Director
		Emami Ltd	Independent Director
5	Shri P.K. Khaitan	Dhunseri Ventures Ltd.	Non- Independent Director
		Emami Limited	Independent Director
		CESC Ltd.	Non- Independent Director
		Electrosteel Castings Ltd.	Independent Director
		Firstsource Solutions Ltd.	Non- Independent Director
		Graphite India Ltd.	Independent Director
		India Glycols Ltd.	Independent Director
		Odisha Cement Ltd.	Independent Director
6	Smt. Rama Bijapurkar	Nestle India Ltd.	Independent Director
		Emami Ltd.	Independent Director
		ICICI Bank Ltd.	Independent Director
		VST Industries Ltd.	Independent Director
		Mahindra & Mahindra Financial Services Ltd	Independent Director
7	Shri C.K. Dhanuka	Dhunseri Investments Ltd.	Non- Independent Director
		CESC Ltd.	Independent Director
		Dhunseri Tea & Industries Ltd.	Non- Independent Director
		Emami Ltd.	Independent Director
		Dhunseri Ventures Ltd	Non- Independent Director
		Naga Dhunseri Group Ltd	Non- Independent Director
		Mint Investments Ltd	Non- Independent Director
8	Shri S.B. Ganguly	Magma Fincorp Ltd.	Independent Director
		Emami Ltd.	Independent Director
9	Shri A. K. Deb	Emami Ltd	Independent Director
		Skipper Ltd	Independent Director
		India Power Corp Ltd	Independent Director
10	Shri Debobrata Sarkar	Emami Ltd.	Independent Director
		Bank of India	Independent Director
11	Shri S.K. Goenka	Emami Ltd.	Promoter Director /Managing Director
		Emami Paper Mills Ltd	Promoter Director

Sl No	Name of Director	Name of Listed Company	Category
12	Shri Mohan Goenka	Emami Ltd.	Promoter Director/Whole Time Director
13	Shri A.V. Agarwal	Emami Ltd.	Promoter Director
		Emami Paper Mills Ltd	Promoter Director / Whole Time Director
14	Shri H.V. Agarwal	Emami Ltd.	Promoter Director / Whole Time Director
15	Smt. Priti A Sureka	Emami Ltd.	Promoter Director / Whole Time Director
16	Shri Prashant Goenka	Emami Ltd.	Promoter Director / Whole Time Director

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;
- Show cause, 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 the management to limit the risks pertaining to adverse exchange rate movements, 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 matters.

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, performance of subsidiary companies, 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 Familiarisation Programme for Independent Directors

At Emami, all the members of the Board of Directors are experienced professionals who are well-acquainted with the nature of industry, the business model and other aspects of the Company and keep themselves updated about the changes in laws relating to Company's business and their roles and responsibilities as Directors of the Company.

At each of the Board Meeting, Board members are provided with presentations containing details about the Company, the FMCG business as a whole, the business model and new launches, among others.

In each of the Audit Committee Meetings, committee members are updated about changes in laws relating to reporting and disclosures.

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 discussions in the form of training exercises enable them to take better decisions when it comes to discharging their responsibilities.

During the year under review, Directors were imparted training on the Companies (Amendment) Act, 2018, the SEBI Listing (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The relevant statutory changes/updates are discussed with the Directors from time to time so that they can take better and informed decisions.

The new Independent Director inducted on the Board was given in a formal orientation about the operation of the Company and his role and responsibilities.

The Company initiated a Familiarisation Programme for the Independent Directors as required under Regulation 25(7) of the SEBI Listing Regulations, 2015.

The details of the Familiarisation 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 familiarise themselves with the Company's operations and the industry at large. The Company also organises factory visits for Independent Directors as a part of the familiarisation programme. During the financial year, the Company organised an orientation programme for Independent Directors to familiarise them with manufacturing/business operation of all the units of the Company.

n. Whistleblower mechanism

The Company has a strong and effective whistleblower policy in place, which aims to deter and detect actual or suspected misconducts. 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 to the Head – Internal Audit.

During the year, the Company made necessary amendments to the Whistleblower policy, in line with the provisions of the SEBI Insider Trading (Amendment) Regulations, 2018.

The above mechanism was appropriately communicated within the Company, across levels, and was displayed on the Company's intranet as well as the website: http://www.emamiltd.in/investor-info/pdf/WhistleBlowerPolicyEmami.pdf.

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 were denied access to the Audit Committee.

o. **Criteria for selection of Directors**

The selection process of Board members is dependent on several parameters. The Board has identified skill, expertise and competency required in context to its business for it to function effectively and these are taxation, legal, banking, finance, entrepreneurship, marketing and consumer behavior which are available with the Board. The Company recognises and embraces the benefits of having a diverse Board and believes that it will enhance the quality of the decisions of the Board by utilising their varied skills, qualifications, professional experience, gender and 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 recommends 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 recognises and embraces the benefits of having a diverse Board of Directors. The Company believes that increasing diversity at the Board level is an essential for maintaining a competitive advantage in the complex business segment that it operates in. It recognises that a Board comprising appropriately qualified people, with a broad range of experience relevant to the business of the Company, is imperative 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 roles and responsibilities as Directors. The Board evaluation process is carried out on the basis of criteria laid down by the Nomination and Remuneration Committee and can be accessed at: http://www.emamiltd.in/investor-info/pdf/Board-Evaluation-Policy.pdf

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.

t. Code of conduct

The Company has established a code of conduct for all the members of the Board including Independent Directors, Committees and 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 Directors.

The said code is displayed on the Company's website, http://www.emamiltd.in/investor-info/pdf/CodeofConduct.pdf 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 committees, which comply with the requirements of the Companies Act, 2013 as well as SEBI Listing Regulations, 2015, these comprise:

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 audits and ensure effective discharging 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 and Business Development and Chief Financial Officer and Senior Vice President – Finance and Investor Relations attend the Audit Committee as special invitees.

As on March 31, 2019 the Audit Committee comprised four (4) Directors, out of whom, three (3) were 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 the Chief Secretary to the Government of West Bengal. Shri C. K. Dhanuka is a commerce graduate and well-known industrialist and promoter of Dhunseri Group of Companies.

Shri A. K. Joshi, Company Secretary and Vice President - Legal, is the Secretary of the Committee and Shri Manoj Agarwal is the Internal Auditor of the Company.

The Audit Committee held five (5) meetings during the year on May 3, 2018, July 31, 2018, August 1, 2018 (adjourned), October 30, 2018, January 16, 2019 and January 31, 2019.

Shri S.B. Ganguly, Chairman of the Committee, was duly present at the Annual General Meeting held on August 1, 2018.

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 statements are correct, sufficient and credible;

- Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors of the Company including the 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 areas of concern;
- To look into the reasons for substantial defaults in payments to 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	5
Shri R.S. Goenka	Promoter/Executive Director	5
Shri Amit Kiran Deb	Independent	5
Shri C. K. Dhanuka	Independent	4

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 the 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 of the Committee 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 Vice President - Legal, as its Secretary.

The Committee held one (1) meeting during the year on May 3, 2018.

Shri A. K. Deb, Chairman of the Committee was duly present at the Annual General Meeting held on August 1, 2018. 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 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 meeting held during the year:

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri Amit Kiran Deb, Chairman	Independent	1
Shri S. B. Ganguly	Independent	1
Shri C. K. Dhanuka	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 periodic 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 FY2018-19 amounted to ₹30.10 lacs (excluding 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 a commission, as approved by the Board of Directors in terms of approval of members under Section 149(9) 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, banking, legal, marketing, consumer behaviours and corporate strategy. Using their experience and knowledge, they safeguard the interest of investors by exercising appropriate control at various levels. The Company has also inducted them in the various committees of the Board – Audit Committee, Nomination and Remuneration Committee, Stakeholders 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/Committee(s) within the prescribed limits and profit related commission being paid to Non Executive Independent Directors under Section 149(9) of the Companies Act, 2013 as per the Company's Remuneration Policy for the inputs and guidance provided by them.

As per the provisions of SEBI Listing Regulations, 2015 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 are 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 that the Board has used for a formal annual evaluation of its own performance, performance of the Committees and the individual Directors of the Company.

Details of remuneration for the financial year 2018-19 (₹ 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)	-	360.00	250.00	43.20	0.40	**653.60**
2	Shri R.S. Goenka (Whole Time Director)	-	360.00	250.00	43.20	0.40	**653.60**
3	Shri S.K. Goenka (Managing Director)	-	114.00	-	13.68	0.22	**127.90**
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) [ceased to be an Independent Director from 25th November 2018 due to his sudden demise]	0.50	-	3.00	-	-	**3.50**
8	Shri C. K. Dhanuka (Independent Director) (Appointed in AGM held on 2.08.18)	3.35	-	4.50	-	-	**7.85**
9	Shri S.B. Ganguly (Independent Director)	6.00	-	4.50	-	-	**10.50**
10	Shri Amit Kiran Deb (Independent Director)	5.75	-	4.50	-	-	**10.25**

Sl. No	Name of Director	Sitting fees	Salary	Commission	Contribution to PF	Value of perquisites	Total
11	Smt. Rama Bijapurkar (Independent director)	2.25	-	84.25	-	-	**86.50**
12	Shri Debabrata Sarkar (Additional and Independent Director) (w.e.f. 21st February 2019)	-	-	-	-	-	-
13	Shri Mohan Goenka (Whole-time Director)	-	96.00	-	11.52	8.80	**116.32**
14	Shri A. V. Agarwal (Non-Executive Director)	5.75	-	-	-	-	**5.75**
15	Shri H. V. Agarwal (Whole-time Director)	-	96.00	-	11.52	0.40	**107.92**
16	Smt. Priti A. Sureka (Whole Time Director)	-	96.00	-	11.52	0.40	**107.92**
17	Shri Prashant Goenka (Whole-time Director)	-	96.00	-	11.52	0.40	**107.92**

Service contracts, notice period, severance fees:

Appointment of Whole-time Directors is on contractual basis for a period of five years 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, 2019

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 C. K. Dhanuka	Independent	Nil
5	Shri Amit Kiran Deb	Independent	Nil
6	Shri S.B. Ganguly	Independent	Nil
7	Smt. Rama Bijapurkar	Independent	Nil
8	Shri A.V. Agarwal	Promoter Non-Executive	1,34,668
9	Shri Debabrata Sarkar	Independent	Nil

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 Committees and profit linked commission and dividend on their shareholding, if any, in the Company.

3. Share Transfer Committee

Share Transfer Committee was constituted on August 19, 2010.

Share Transfer Committee comprises three (3) Executive Directors and one (1) Non-Executive Director. Shri A. K. Joshi, Company Secretary and Vice President - Legal, is the secretary of the Committee.

The Committee held twelve (12) meetings during the year on June 11, 2018, June 22, 2018, June 25, 2018, July 13, 2018, September 24, 2018, September 29, 2018, November 17, 2018, December 11, 2018, January 10, 2019, February 11, 2019, March 8, 2019 and March 30, 2019.

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	8
Shri A. V. Agarwal	Promoter Non-Executive	11
Shri H. V. Agarwal	Promoter Executive	11
Smt. Priti A. Sureka	Promoter Executive	7

4. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee was constituted by the Board on August 19, 2010 under the name and styling of 'Investors' Grievance Committee' in terms of the 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

Stakeholders' Relationship Committee comprises two (2) Independent Directors and three (3) Promoter Executive Directors.

Shri A. K. Joshi, Company Secretary and Vice President - 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 31, 2019 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	Independent	-
Shri S. B. Ganguly	Independent	1
Shri Mohan Goenka	Promoter Executive	-
Shri H. V. Agarwal	Promoter Executive	1
Shri Prashant Goenka	Promoter Executive	1

Shri A K Joshi Company Secretary & V P- Legal is the Compliance Officer as per the SEBI Listing Regulations, 2015.

During the year ended March 31, 2019, 14 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 2018	Received during the year	Disposed during the year	Pending as on 31st March, 2019
1. Non-receipt of dividend	Nil	2	2	Nil
2.Non-receipt of share certificate	Nil	2	2	Nil
3. Non-receipt of annual report	Nil	10	10	Nil
Total	**Nil**	**14**	**14**	**Nil**

5. Finance Committee

Finance Committee was constituted on May 28, 2008. Subsequently, the Board changed the nomenclature of the committee to 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 was constituted by the Board on October 29, 2015 and the committee has now been renamed as the Finance Committee.

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 Vice President - Legal, is the Secretary of the Committee.

The Committee held four (4) meetings during the year on May 10, 2018, August 17, 2018, November 19, 2018 and January 15, 2019.

The functions of the Committee include:

- Opening, modification and closure of bank accounts;
- Reviewing and considering periodical budgets of the Company and approval of capital expenditures;
- Execution of power 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/tenders/expressions 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	4
Shri Mohan Goenka	Promoter Executive	2
Shri Aditya V. Agarwal	Promoter Non-Executive	4
Shri Harsha V. Agarwal	Promoter Executive	3
Smt. Priti A. Sureka	Promoter Executive	4

6. Corporate Governance Committee

Corporate Governance Committee was constituted by the Board on July 30, 2010.

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 Vice President - Legal, is the Secretary of the Committee

The functions of the committee include

- Review best-in-class corporate governance practices;
- Review compliance with corporate governance across levels and offer suggestions for its furtherance wherever necessary;
- Enhancement of shareholders' value and protection of their interests;
- Building an environment of trust and confidence with an eye on corporate performance and accountability;
- Review of compliances as per the Listing Regulations.

The committee held one (1) meeting during the year on January 31, 2019.

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 comprises five (5) Promoter Executive Directors and one (1) Non-Executive/Independent Director.

ShriA.K. Joshi Company Secretary and Vice President - 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 under the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on 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 held four (4) meetings during the year on May 3, 2018, July 31, 2018, October 30, 2018 and January 31, 2019.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri S. K. Goenka, Chairman	Promoter Executive	4
Shri Amit Kiran Deb	Independent	4
Shri Mohan Goenka	Promoter Executive	4
Shri Harsha V. Agarwal	Promoter Executive	3
Smt. Priti A. Sureka	Promoter Executive	4
Shri Prashant Goenka	Promoter Executive	4

8. Risk Management Committee

In terms of Regulation 21 of the SEBI Listing Regulations, 2015, the Board 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 Vice President - Legal, is the Secretary of the Committee.

The Committee held four (4) meetings during the year on May 3, 2018, July 31, 2018, October 30, 2018, and January 31, 2019.

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	4
Shri S. B. Ganguly	Independent	4
Shri S.K. Goenka	Promoter Executive	4
Shri Mohan Goenka	Promoter Executive	3
Shri Harsha V. Agarwal	Promoter Executive	3
Smt. Priti A. Sureka	Promoter Executive	4

Separate meeting of the Independent Directors

A separate meeting of Independent Directors was held on January 31, 2019 without the presence of the Non-Independent Directors. In accordance with Schedule IV of the Companies Act 2013 and SEBI 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 management and the Board, which 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 minutes of the board meeting 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, 2019 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, a 90.60%-subsidiary of Emami Overseas FZE.
5. Fravin Pty. Ltd, Australia, an 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.
10. Emami Rus (LLC), Russia, a subsidiary of Emami International FZE, UAE.
11. Fentus 113 Gmbh Germany, a wholly-owned subsidiary of Emami International FZE, UAE.

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. During the year the Audit Committee reviewed the policy for transactions with related parties, which can be accessed at: http://www.emamiltd.in/investor-info/pdf/PolicyforTransactionswithRelatedParties.pdf

All related-party transactions are approved by the Audit Committee prior to the transaction. Related-party transactions of repetitive nature are approved by the Audit Committee on an 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 of compliance pertaining to related-party transaction as per SEBI Listing Regulations, 2015, is also sent along with the quarterly compliance report on corporate governance.

There were no materially-significant related-party transactions that may have potentially conflict with interest of the company at large and all contracts/agreements/transactions entered into during the period with the related parties were carried out at an arm's length basis at fair market value.

Details of such transactions as per requirements of IND-AS 24 are disclosed in Note 3.51 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 minimise their impact. This policy is periodically reviewed by the management and the risk management committee in consultation with reputed and specialised 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

The Institute of Company Secretaries of India 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 and, SS-2 with respect to board meetings and general meetings respectively. The Company has complied with these two standards and voluntarily complied with the other standards.

h. Audit report for reconciliation of share capital:

A qualified practicing company secretary, Shri Manoj 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 the NSDL and the CDSL 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 dematerialised shares held with the NSDL and the CDSL.

i. Disclosure on compliance with corporate governance requirements specified in SEBI Listing Regulations, 2015

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the SEBI Listing Regulations, 2015.

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 SEBI Listing Regulations, 2015 (as applicable) 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 risks with respect to commodity price fluctuations for a wide range of materials, which are drawn from the agricultural and petrochemical value chains. The Company considering verious market forcast availability, commodity stock and over all price stability during the year, hedges its exposure to commodity risks through a judicious mix of long-term contracts for seasonal items and strategic buying initiatives for other commodities as and when required; however, during the year under review the Company has not hedged any commodity risk. A robust framework and governance mechanism is in place to ensure that the Company is effectively safeguarded from market volatilities in terms of price and availability. A robust planning and strategy framework ensures that the Company's interests are protected despite volatilities in commodity prices. With regard to foreign exchange risks, keeping in view the position of rupee in the market vis-à-vis foreign currency, the Company has been taking forward cover for foreign currency exports and imports from time to time and the same are fully-hedged at the time of inception itself, as per the forex policy framework of the Company.

k. **Disclosure of payment to statutory auditors and other firms under network of the statutory auditors:**

During the financial year ended March 31, 2019, the Company has paid the following amounts to M/S S.R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company and other firms in the network of which the Statutory Auditor is a part:

Particulars	Amount (In lakhs)
Audit fee paid to M/S S.R. Batliboi & Co. LLP	93.29
Non audit fees paid to Ernst & Young LLP for:	
Management Consultancy	531.27
Taxation services	18.42

l. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the year under review, the company has received two complaints which were redressed as per policy and law. No complaint is pending at the end of the financial year.

General shareholders' information
Resignation /Appointment of Director

In accordance with provisions of Section 152 of the Act read with Rules made thereunder, Shri A.V. Agarwal (DIN 00149717), Shri R.S. Goenka (DIN 00152880) and Shri S.K. Goenka (DIN 00149916) are liable to retire by rotation at the 36th Annual General Meeting and being eligible, offer themselves for reappointment.

The Board of Directors reappointed Shri Prashant Goenka, as Whole-time Director of the Company upon completion of his present term on 19th January 2019 for a period of five years w.e.f 20th January, 2019 subject to approval of the members in the ensuing Annual General Meeting.

The Board in its meeting held on 31st January 2019 took note of with profound grief and deep regret, the sad and sudden demise of Shri M. D. Mallya, an Independent Director of the Company on 25th November 2018.

The Board of Directors has appointed Shri Debabrata Sarkar, as an Additional and Independent Director of the Company for a term of five years, w.e.f. 21st February 2019, subject to approval of members in the ensuing Annual General Meeting.

GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings and special resolutions passed therein were as follows:

For March 31, 2018: Wednesday, August 1, 2018 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11.30 a.m.

Special resolutions passed: 1. Reappointment of Smt. Rama Bijapurkar as an Independent Director for a period of five years. 2. Continuation of directorship of Shri Y. P. Trivedi, Shri K.N. Memani, Shri S.B Ganguly and Shri P.K. Khaitan who were re-appointed as Independent Directors of the Company on attaining the age of 75 years.

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 a.m.

Special resolutions passed: 1. Reappointment of Shri K. N. Memani as an Independent Director for a term of five years. 2. Reappointment of Shri Y. P. Trivedi as an Independent Director for a term of five years. 3. Reappointment of Shri S. B. Ganguly as an Independent Director for a term of five years. 4. Reappointment of Shri A. K. Deb as an Independent Director for a term of five years. 5. Reappointment of Shri P. K. Khaitan as an Independent Director for a term of five years. 6. Reappointment of Shri M. D. Mallya as an Independent Director for a term of five years. 7. Reappointment of Shri R. S. Agarwal as an Executive Chairman of the Company. 8. 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 a.m.

Special resolutions passed: 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 years.

Whether any special resolution passed through postal ballot in the previous year: Yes

At the Board Meeting held on 3rd May 2018, the Board resolved to seek approval of the shareholders for the following business:-

- Increase in authorised share capital from ₹25 Crore to ₹50 Crore and consequent amendment to memorandum of association of the Company

- 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.
- Payment of commission to the Non-Executive Directors including Independent Directors

The Board appointed M/s MKB & Associates, Practising Company Secretaries, as the scrutiniser for conducting the postal ballot and e-voting process in a fair and transparent manner.

The shareholders' approval was sought through postal ballot and e-voting, pursuant to the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Amendment Rules, 2015 and the above resolutions were approved by the shareholders with the requisite majority on 9th June 2018.

Voting pattern of the Postal Ballot

Sl No	Resolution	Assent	Dissent
1	Increase in authorised share capital from ₹25 Crore to ₹50 Crore and consequent amendment to memorandum of association of the Company	99.07%	0.93%
2	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	99.99%	0.01%
3	Payment of commission to the Non-Executive Directors including Independent Directors	98.42%	1.58%

Whether any special resolution is proposed to be conducted through postal ballot: None

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 of evoting as provided by CDSL to exercise their right to vote on resolutions transacted at AGM .

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 sending of 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 while 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.

In accordance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018, the code was revised and communicated to all the insiders.

All the Promoters, Directors on the Board, senior management 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

In terms of SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018, the Board has formulated policy of legitimate purpose for sharing of unpublished price- sensitive information as part of code of practices and procedures for fair disclosure of unpublished price-sensitive information.

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 at: 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 at: 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. An exclusive section is for investors wherein annual reports, quarterly/half-yearly financial results, notices, shareholding patterns and 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 e-mail ID exclusive for investor services: investors@ emamigroup.com, which has been displayed on the Company's website at: 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 36th Annual General Meeting for the financial year 2018-19 will be held on Thursday, 8th.August , 2019 at 11:30 a.m. at the auditorium of South City International School, 375, Prince Anwar Shah Road, Kolkata- 700 068.

Last date of receipt of proxy: Tuesday 6th August 2019 till 11:30 a.m.

Dividend payment date: 8th August 2019 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 36th Annual General Meeting. The voting will begin from Sunday 4th August 2019 (at 9 a.m.) and end on Wednesday, 7th August 2019 (at 5 p.m.) (both days inclusive).

Financial calendar

Financial year: April 1, 2018 to March 31, 2019

The board meetings for approval of financial results for financial year 2018-19 were held on the following dates:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	August 1, 2018	October 30, 2018	January 31, 2019	May 27, 2019

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2019-20 are as follows:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	On or before August 14, 2019	On or before November 14, 2019	On or before February 14, 2020	On or before May 30, 2020

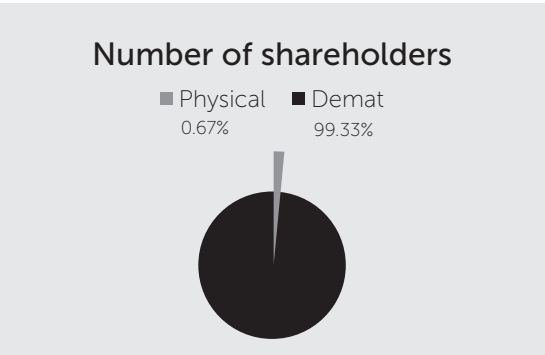
Market Information

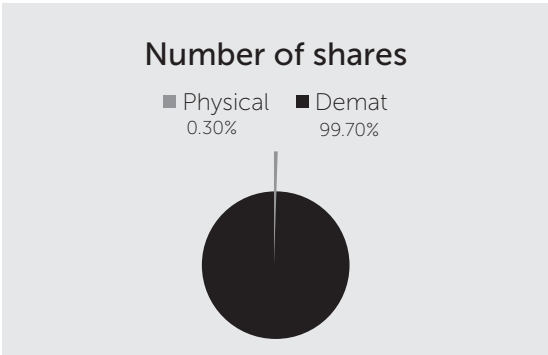
Listing on stock exchanges

The Company's shares are listed on the following stock exchanges and the listing fees have been duly paid:

Name and address of the exchange	Stock code
The National Stock Exchange of India Ltd Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai 400 051, India	EMAMILTD
BSE Ltd Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 023, India	531162
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, 2019:





Dematerialisation of shares and liquidity as on March 31, 2019

Nature of holding	Holders	Percentage	Shares	Percentage
DEMAT	69,767	99.33	452,594,771	99.70
Physical	470	0.67	134,0467	0.30
Total	**70,237**	**100.00**	**453,935,238**	**100.00**

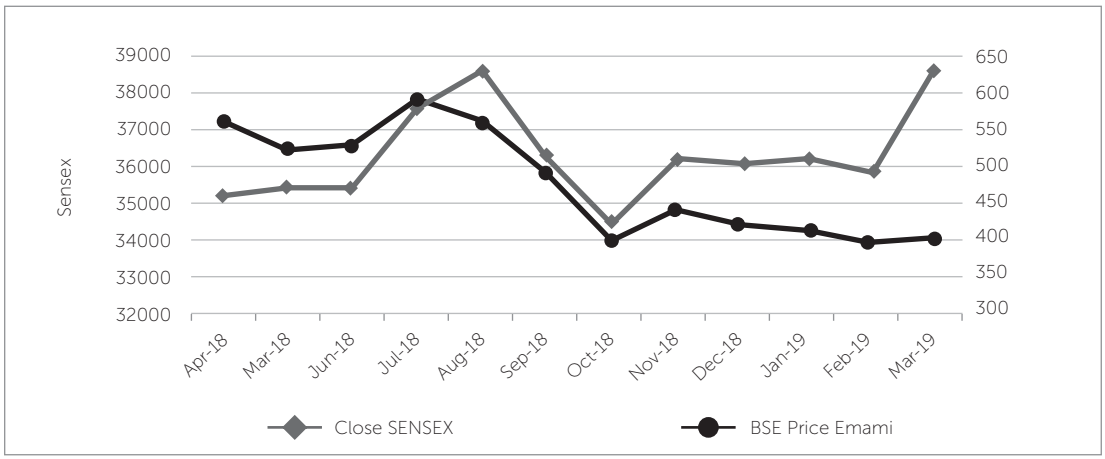
share price at BSE and NSE

April 2018-March 2019 (Face value of shares: ₹1 each)

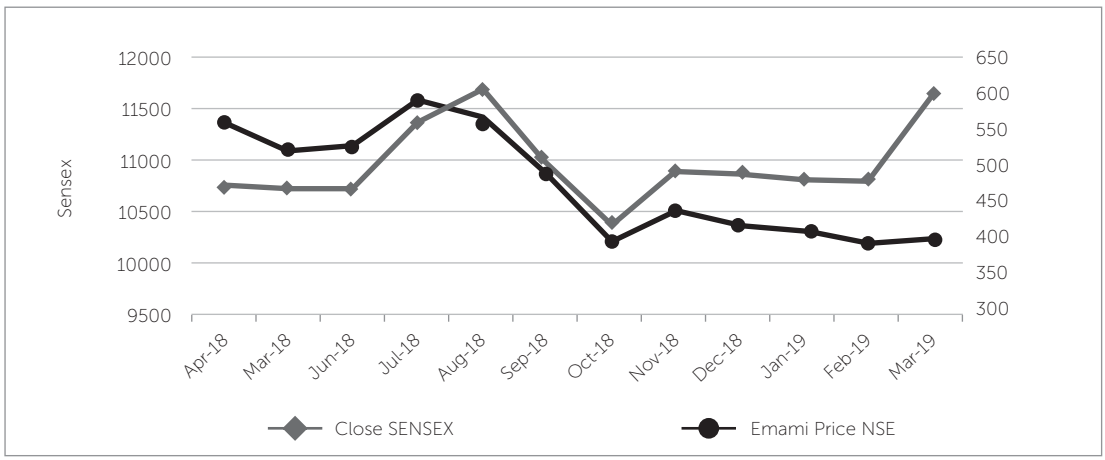
Month	Emami share price on BSE			Emami share price on NSE		
	High	Low	Close	High	Low	Close
April 2018	1204.00	1054.10	1122.60	1200.00	1055.00	1115.20
May 2018	1135.00	1010.00	1047.45	1129.00	1007.00	1046.00
June 2018	1123.90	499.05	527.90	1130.00	498.00	529.15
July 2018	594.80	511.75	591.25	595.00	501.40	591.20
August 2018	598.95	534.60	565.95	599.80	536.10	564.65
September 2018	584.95	476.05	493.35	588.00	475.05	494.45
October 2018	515.00	386.05	395.10	514.95	385.20	395.10
November 2018	466.00	392.00	438.05	469.70	394.50	437.45
December 2018	442.95	395.10	418.20	445.80	396.00	420.10
January 2019	447.85	392.00	411.00	447.80	391.00	410.90
February 2019	418.50	338.00	392.00	419.30	336.20	391.75
March 2019	411.00	381.80	400.00	411.60	381.10	400.00

Issue of Bonus shares in ratio 1:1 in the month of June, 2018

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



Commercial papers

During the year, the Company availed short-term fund requirements by way of issue of commercial papers as per the guidelines of Reserve Bank of India. The Company has received credit ratings for the short-term borrowing from CARE and CRISIL. Credit Ratings given by CARE and CRISIL are CARE A1+ and CRISIL A1+ respectively.

Registrar and Share Transfer Agent

M/s Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, Kolkata – 700001
West Bengal, India
Telephone: 91- 033- 2248 2248, 2243 5809/5029
Fax: 91-033-2248 4787
E-mail: 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 year with the requirements of Sub- regulation 7(3) of SEBI Listing Regulations, 2015.

Now Phisical transfer has been stoped as per SEBI Regulation with effect from 1st April 2019, Prior to the said notification 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, as a 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 dematerialised 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 the Company's shares are listed.

Distribution of shareholding by size as on March 31, 2019

Shareholding of nominal Value (₹1/-)	Shareholders		Share amount	
	Number	% of total	in ₹	% of total
Up to - 500	63,678	90.66	64,50,015	1.42
501 - 1,000	3,462	4.93	24,09,110	0.53
1,001 – 2,000	1,464	2.08	20,60,244	0.45
2,001 – 3,000	497	0.71	12,02,698	0.27
3,001 – 4,000	197	0.28	6,79,847	0.15
4,001 – 5,000	148	0.21	6,58,016	0.15
5,001 – 10,000	307	0.44	21,92,676	0.48
10,001 and above	484	0.69	438,282,632	96.55
Grand total	**70,237**	**100.00**	**453,935,238**	**100.00**

Shareholding pattern as on 31 March, 2019

Category	Number of shares held	% of shareholding
Promoters and promoter group holding	284,793,412	62.74
Public		
1. Institutional investors		
a. Mutual funds and UTIs	59,696,098	13.16
b. Alternate investment funds	18,946,636	4.17
c. Banks, financial institutions and insurance companies	284,766	0.06
d. Foreign institutional investors	51,343,361	11.31
Sub-total	130,270,861	28.70

2. Central Government / State Government(s) / President of India	-	-
3. Others		
a. Private corporate bodies	17,303,488	3.81
b. Indian public	19,987,387	4.40
c. NRIs/OCBs	11,60,335	0.26
d. NBFCs	7,553	0.00
e. Trusts	9,859	0.00
f. Clearing members	225,827	0.05
g. Foreign nationals	550	0.00
h. IEPF Authority	175,966	0.04
Sub-total	**38,694,999**	**8.52**
Grand total	**453,935,238**	**100.00**

Top-ten shareholders as on 31st March, 2019

Sl. No.	Name	No. of shares held	% of shareholding
1	Diwakar Viniyog Private Limited	58,633,849	12.92
2	Suntrack Commerce Private Limited	58,234,107	12.83
3	Bhanu Vyapaar Private Limited	51,045,902	11.25
4	Raviraj Viniyog Private Limited	25,096,984	5.53
5	Prabhakar Viniyog Private Limited	24,131,492	5.32
6	Suraj Viniyog Private Limited	23,645,848	5.21
7	SBI Consumption Opportunity Fund	23,305,013	5.13
8	Smt. Priti A. Sureka	11,609,702	2.56
9	Pioneer Investment Fund	11,267,000	2.48
10	SBI Equity Hybrid Fund	10,986,813	2.42

Corporate benefits offered to investors during the year:

Dividend

The Board of Directors at their meeting held on May 27, 2019 recommended payment of dividend @ ₹4/- 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 on Thursday 1st August, 2019 as fixed by the Board for determining entitlement of said dividend.

Unclaimed dividends

Unclaimed dividend for FY2010-11, amounting to ₹5,30,016, was transferred into Investors Education & Protection Fund (IEPF) of the Central Government on September 16, 2018 in compliance with Section 124 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 the IEPF on the date given hereunder in table:

Financial Year	Type of Dividend	Date of Declaration	Due date for transfer to IEPF
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
2017-18	Final	1st August 2018	3rd September 2025

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 filed with the Ministry of Corporate Affairs and uploaded on the Company's website at www.emamiltd.in.

Equity shares lying with the Company in suspense account as per Listing Regulations

As per the provisions of Regulation 39(4) of the SEBI Listing Regulations 2015, the unclaimed shares certificates which were lying in the possession of the Company were transferred into a special demat account held by the Company. This account is being held by the Company purely on behalf of the shareholders entitled for these shares.

33 equity shares of Emami Realty Ltd. (earlier Emami Infrastructure Ltd.) 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, 2019.

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 and 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 and 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 'Emami Ltd Unclaimed Securities Suspense Account' lying at the beginning of the year.	38	16,364
2	Number of shareholders along with shares held whose shares transferred in 'Emami Ltd Unclaimed Securities Suspense Account' during the year.	NIL	NIL
3	Number of shareholders along with shares held who approached the Company for transfer of shares from suspense account during the year.	NIL	NIL
4	Number of shareholders along with shares held whose shares have been transferred to Investor Education and Protection Fund	9	2,458
5	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	29	13,906
6	Voting rights on shares held in shares suspense account and IEPF Authority shall remain frozen till the rightful owner of such shares claims the shares.	229	189,872

Transfer of unclaimed shares to Investor Education & Protection Fund (IEPF)

As per provisions of 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 on the Company's website.

During the financial year, the Company has transferred 35,364 equity shares, on which dividend were unclaimed for seven consecutive years, to the IEPF of the Central Government maintained with the CDSL within the prescribed time.

175,966 equity shares of the Company are lying in the IEPF account of the Central Government maintained with the CDSL as on 31st March 2019. The Company has uploaded the Guidelines for claiming the shares transferred to IEPF account of the Central Government at the Company's website at www.emamiltd.in. During the year, the Company has received one claim for 168 shares which was rejected as the documents were not in conformity with the rules prescribed by the IEPF authority.

Dividend history of the Company with EPS and payout ratio:

Financial year	Dividend (%)	Dividend per share (₹)	Earnings per share (₹)	Payout Ratio* (%)
2012-13	800%	8.00	20.80	45.00%
2013-14	Interim: 300%	7.00	17.73	46.24%
	Final: 400%			
2014-15	Interim: 400%	7.00	21.40	38.75%
	Final: 300%			
2015-16	700%	7.00	15.82	53.26%
2016-17	Interim: 175%	1.75	14.98	55.00%
	Final: 525%	5.25		
2017-18	700%	7.00	13.64	61.90%

*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 dematerialised form should correspond with the depository participant with whom they have opened demat account(s).

The Company has entered into agreements with both the NSDL and the CDSL, whereby shareholders have an option to dematerialise 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 and Vice President -Legal
Institutional investors/ Financial analysts	Shri Rajesh Sharma, Senior Vice President - Finance and 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 Contact Person: Shri S Rajagopalan, Vice President and Compliance Officer Telephone: 91-033-2248 2248,2243 5809/25029 Fax: 91-033-2248 4787, E-mail : mdpldc@yahoo.com

Communication channels:

Category	Channels
Shareholders	Annual reports, shareholders meetings, formal communications, website announcements, e-mails and newspaper publications
Financial analysts	Annual reports, press releases and website announcements
General public	Website announcements and newspaper publications

Details of publication of financial results

Quarter ended	National	Vernacular
31.03.2018	Business Standard (published on May 4, 2018)	Ei Samay (published on May 4, 2018)
30.06.2018	Business Standard (published on August 2, 2018)	Ei Samay (published on August 2, 2018)
30.09.2018	Business Standard (published on October 31, 2018)	Ei Samay (published on October 31, 2018)
31.12.2018	Business Standard (published on February 1, 2019)	Ei Samay (published on February 1, 2019)

CEO's (Managing Director)/CFO's certification

The CEO's and CFO's 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 the mandatory requirements of the 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-circulating 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.

Certificate

To

The Members of Emami Limited

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by Emami Limited, having its Registered office at 687, Anandapur, E.M. Bypass, Kolkata - 700107, West Bengal and also the information provided by the Company, its officers, agents and authorized representatives and based on the verification of the Ministry of Corporate Affairs website, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory authority.

For **MKB & Associates**
Company Secretaries

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

Date: 24 May, 2019
Place: Kolkata

Certification by Managing Director and CEO - Finance, Strategy and Business Development and CFO of the Company

We, Sushil Kr. Goenka, Managing Director and N H Bhansali, CEO - Finance, Strategy and 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, 2019, 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 of head of the department have affirmed compliance with the Code of Conduct of the Company for the financial year 2018-19.

Date: May 27, 2019
Place: Kolkata

Sushil Kr Goenka
Managing Director

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

Auditors' certificate on corporate governance

The members of
Emami Limited

We have examined the compliance of conditions of corporate governance by Emami Limited ('the Company'), for the year ended 31st March 2019 as referred to in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations, as applicable.

We further state that such compliance 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.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Sanjay Kumar Agarwal
Partner
Membership Number: 060352

Place : Kolkata
Date: May 27, 2019

Business Responsibility Report



Introduction

Emami views sustainability as being socially cognizant along with delivering stakeholder expectations. The company believes that overall growth can be strengthened if the entire society is made inclusive. To achieve this vision, the Company strives to create value for its stakeholders by elevating the quality of life across the entire socio-economic spectrum.

This report conforms to the Business Responsibility Reporting requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India. This Report is one of the avenues to communicate the Company's obligations and performance to all its stakeholders for FY 2018-19.

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:** 2018-19
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 Ayurvedic Hair & Scalp 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 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 11 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, 5 mother depots and 24 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):**	45.39 crore
2.	**Total Turnover (INR):**	2,693 crore
3.	**Total Profit after Taxes (INR)**	303 crore
4.	**Total spending on CSR as a percentage of Profit After Tax**	2.6%

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 11 subsidiaries as under:

   i. Emami Bangladesh Ltd.
   ii. Emami International FZE
   iii. Emami Indo Lanka Pvt. Ltd.
   iv. Emami Overseas FZE
   v. Fravin PTY Ltd
   vi. Emami Rus LLC
   vii. Fentus 113. GmbH
   viii. Pharmaderm Company SAE
   ix. Diamond Bio-Tech Laboratories PTY Ltd.
   x. Greenlab Organics Ltd.
   xi. Abache PTY 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.

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.	033-66136264
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?	*http://www.emamiltd.in/investor-info/pdf/Business_Responsibility_Policy.pdf*								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	*The policies have been communicated to key stakeholders. Besides, the Company continues to explore other formal channels to communicate more with relevant stakeholders.*								
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?	*The BR policies and its implementation are evaluated internally*								

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 FY19	Complaints Resolved during FY19	Complaints Resolved (%)
Investors' Complaints	14	14	100%
Consumers' Complaints	248	248	100%
Total	**262**	**262**	**100%**

Principle 2:
Products Lifecycle Sustainability

For more than 35 years 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 this respect -

   i. To reduce power consumption, the company conducted the following initiatives-
      a. **Minimizing Fossil Fuel usage:** Installed dedicated 33 kV lines in 2 manufacturing units producing ~60% of the goods and 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.
      b. **Optimization of power consumption:** Set up dedicated Air Handling of HVAC system for separate areas to facilitate optimization of power consumption and upgraded to energy efficient lights i.e. LED's in manufacturing units. The company has also formed an Energy

Optimization Cell in FY 2018-19 to complete Energy Mapping in phased manner which will help in development of an Energy Reduction Plan for FY 2019-20.

c. **Using Renewable Energy:** Initiated using energy from renewable sources by using Windmills.

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.

The company also initiated a comprehensive supplier assessment process including SHE & TQM process audit lead by the company's Central Quality Assurance Team and supported by the procurement team to engage and work with suppliers supporting sustainability. The self-assessment program is leveraged to identify areas of improvement and to provide critical inputs in this process.

Further, while selecting and introducing any business partner the company ensures due diligence to understand whether the selected partner is conscious of its social obligations. 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 organizations, 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 lacs 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

Organisation	Initiatives
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, Uttarakhan	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

Further, to reduce the Carbon footprint and to support sustainability, majority of packaging suppliers (over 80%) are located close to the manufacturing plants, thereby reducing transportation & fuel consumption as well vehicle emission into environment.

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 less than 5%, 5-10%, greater than 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. In FY19, the company joined a FMCG consortium for collection and treatment of packaging waste on a pan-India basis.

Principle 3:
Employees' Well-being

Emami considers human resource as its most valuable asset and aims to create a competitive, and supportive work environment. Understanding and appreciating the need of the employees, people policies and practices are constantly improvised to make the experience of the employees worthy during their stay in the organization. The company being a pro-employee organisation continuously focuses on improvement and development of its internal talent. Over a period of time with experience and research done across the functions in the organisation and with various levels/types of talent available, the company has improved on the processes to enable its internal talents usher and release/share knowledge in their individual or cross functional domains. To name a few initiatives which are towards establishing processes and also understanding key employee need are- Performance Management, Leadership Capability Building Programme, participation in Great Place to Work, Enterprise Risk Management etc.

It is also noteworthy to observe that innovation in all stages of different processes and sub processes across various functions and levels is of pivotal importance to nurture the creative talent hidden in employees. Emami's leadership team has constituted multiple projects and initiatives to drive innovation across product categories and processes of various business lines to institutionalize innovation as a guiding force for a long term sustainability and exist between fierce competitiveness in the market through an environment that encourages creativity, questioning and experimentation. This is also resulting into richness in employee experience as far as power of creation in domain/function is concerned.

The company has also constituted a structure towards ensuring women safety at workplace and has created a structured internal mechanism complying with the Prevention of Sexual Harassment & Redressal at Workplace 2013. The company has also introduced an e-certification initiative to drive awareness for all employees. This sensitization exercise has been widely acknowledged across the entire working community of the organization.

Emami has also introduced flexible working schedule with easy leave option for its employees to address personal needs and better work life balance. The company also encourages a culture of appreciating and recognizing people through for their efforts and contribution and hence making people feel happy and engaged at workplace.

As a part of Employee well-being and social security, a Term Insurance Policy for all the employees under the corporate coverage was also rolled out bringing in a huge amount of security among the employees for their immediate families. The Company also contributes to the medical insurance of its employees and organises health check-ups and camps for employees as well as their family members.

The organization believes in continual focus on improvement and development of its internal talent. Team capability intervention was one of the significant areas that has been scaled up during the last few months. Leadership development continues to be one of the thrust areas along with few other upskilling needs. Many initiatives were conducted during the year as a part of leadership enhancement intervention. In FY19 the HR team conducted many training programs covering nearly 5,960 man days.

1. **Please indicate the total number of employees**: 3,185 permanent employees
2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis**: 2,700
3. **Please indicate the number of permanent women employees:** 451
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?** 30%

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	2	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	41%
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 its 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?**

   Yes. 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. Further details have been provided in the CSR report in the Annual Report of the Company.

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 and 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. In FY19, some of the initiatives taken by the company across its premises to reduce environmental impact are as below –

- Striving for Zero discharge.
- Following stringent ETP discharge norms higher than stipulated by law.
- Strict compliance to Waste Management rules.
- Corporate standard of ISO 14001 certification on Environmental Management System for all units.
- Observing & Celebrating World Environment Day at all units.

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. We encourage our business partners to follow the policy and due care is taken while selecting suppliers/contractors on this front who are selected on the basis of a Comprehensive Assessment Process to ensure sustainability. Further, suppliers/contractors having related ISO certification given preferential treatment in selection process.

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 FY19, 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. Confederation of Indian Industry (CII)
   b. Federation of Indian Chamber of Commerce and Industry (FICCI)
   c. Associated Chamber of Commerce and Industry of India (ASSOCHAM)
   d. Merchants' Chamber of Commerce and Industry (MCCI)
   e. Bharat Chamber of Commerce (BCC)
   f. Indian Chamber of Commerce (ICC)

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.**

   Yes, 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 crore and the details of the projects undertaken?**

Sl.	CSR Projects	Expenditure
1	Promotion of Education & Vocational Skills	2.63
2	Providing Health-care, water & sanitation facilities	1.65
3	Social Upliftment Programmes and others	3.29
4	Administrative overhead	0.40
	TOTAL	**7.97**

   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 passed 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.

INDEPENDENT AUDITOR'S REPORT



To
The Members of
Emami Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Emami Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Non-recognition of Unused Minimum Alternate Tax ("MAT") Credit *(as described in note 3.45 of the standalone Ind AS financial statements)*	
As at March 31, 2019, the Company has unused MAT credit balance of INR 24,866.39 lacs which has not been recognized in the books. Some of the manufacturing facilities of the Company are availing tax benefits under section 80IC / 80IE of Income Tax Act, 1961 as a result of which the Company is paying taxes under MAT to the government basis book profits. The credit of such taxes paid under MAT shall be allowed to be set off by the Company in subsequent years when tax becomes payable on the total income in accordance with the normal provisions of the Act. In order to determine the utilization of such credit in future years, the management has forecasted its book profits and tax profits basis which MAT credit has not been recognized. Significant management judgement is required to determine the forecasted profits, expected future market, economic conditions, tax laws and the management's expansion plans and these factors impact the timing of utilization of MAT credits. Accordingly, the non-recognition of MAT credit basis the forecasted profits is determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures amongst others included the following: • Understood the income tax computation process for normal tax and minimum alternate tax and reviewed controls around recognition of MAT credit, and evaluated the design and tested the effectiveness of relevant controls in this regard. • Reviewed management's assumptions that substantiate the probability that the unused MAT credit will not be recovered through taxable income under normal provision in future years and also assessed the tax planning strategies, budgets and the plans prepared by the management and the relevant tax legislations. • Assessed the historical accuracy of management's assumptions. • Evaluated the adequacy of the disclosures made by the Company in this regard in the standalone Ind AS financial statements.
Impairment assessment of Intangible assets *(as described in note 3.52(v) of the standalone Ind AS financial statements)*	
The Company has significant intangible assets arising from the acquisition of brand, trademark, know-how etc. in the normal course of its business. There are indicators that the carrying value of the intangibles may not be recovered through its continuing use and hence, the management has performed impairment testing in accordance with Ind AS 36. Recoverability of the intangible asset is based on forecast of projected cash flows over the remaining useful life of underlying intangible assets and their discounted present value (after considering terminal value), which are inherently highly judgmental and is subject to achieving forecasted results. Accordingly, the impairment testing of intangible asset is considered as a key audit matter because the underlying assumptions are highly judgmental and are affected by future market and economic conditions which are inherently uncertain.	Our audit procedures amongst others included the following: • Tested the Company's internal controls around cash flow projections. • Assessed the adequacy of the Company's valuation methodology applied in determining the recoverable amount. • Evaluated the assumptions used in forecasting cash flows and arriving at discounted cash flows. We also evaluated the adequacy of sensitivity analysis on key assumptions performed by the management. We involved specialists when performing these procedures. • Assessed the relevant disclosures made in the standalone Ind AS financial statements.

Revenue from sale of goods *(as described in note 2.2.a, note 3.28 and note 3.58 to the standalone Ind AS financial statements)*	
The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues. The risk is, therefore, that revenue is not recognised in the correct period in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included the following: • Considered the adequacy of the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. • Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the incoterms in accordance with Ind AS 115. • Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying supporting documents. • Assessed the relevant disclosures made in the standalone Ind AS financial statements.

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT 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 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 the 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes 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 the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) 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, as amended 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 3.27, Note 3.37 and Note 3.40 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 27, 2019

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 IND AS 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 of all the fixed assets over a period of 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 except for following 9 number of immovable properties aggregating to ₹544.76 lacs as at March 31, 2019, details of which are set out in note 3.1 to the standalone Ind AS financial statements.

Asset Class	Gross Block As at 31st March 2019 (in ₹ Lacs)	Net Block As at 31st March 2019 (in ₹ Lacs)	No. of cases
Building	410.06	403.94	4
Freehold Land	140.82	140.82	5
Grand Total	**550.88**	**544.76**	**9**

(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 the receipt of interest is regular. Repayment of principal 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, goods and service tax, duty of custom, 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, goods and service tax, duty of custom, 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	2,334.63	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 /Addl. Commissioner (Appeals) / DC(Appeal)
The Central Excise Act, 1994	Excise duty demand	635.86	1993-94 to 1995-96, 2008-09 to 2012-13	Assistant Commissioner
MP Entry Tax Act, 1976	Entry Tax demand	9.28	2001-02	High Court
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012.	Entry Tax demand	456.87	2013-14 to 2015-16	High Court
Customs Act, 1962	Custom Duty demand	25.39	2008-09	Commissioner (A)
Service Tax (Finance Act, 1994)	Service tax demand	336.33	2008-09 to 2011-12	Assistant Commissioner/ Commissioner (A)
Income Tax Act, 1961	Income Tax	0.16	2013-14	Tribunal

(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. The Company did not have any outstanding loans or borrowings dues in respect of a financial institution or to government or dues to debenture holders 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 standalone Ind AS 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 standalone Ind AS 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 as referred to in section 192 of Companies Act, 2013.

(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 27, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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")

We have audited the internal financial controls over financial reporting of Emami Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS 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 with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 standalone Ind AS 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 over financial reporting with reference to these standalone Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE IND AS FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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 27, 2019

BALANCE SHEET

as at 31st March, 2019

₹ in Lacs

	Notes	As at 31.03.2019		As at 31.03.2018	
ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment	3.1	72,718.36		72,024.56	
(b) Capital Work-in-Progress	3.1	3,521.61		2,212.68	
(c) Investment Property	3.2	4,560.00		4,709.44	
(d) Intangible Assets	3.3	87,056.15		99,600.59	
(e) Intangible Assets under Development	3.3	111.67		789.52	
(f) Financial Assets					
(i) Investments	3.4	17,917.12		18,725.94	
(ii) Loans	3.5	970.64		816.22	
(iii) Other Financial assets	3.6	2,906.89		2,720.81	
(g) Non-Current Tax Assets	3.7	1,259.22		1,259.60	
(h) Other Non-Current Assets	3.8	1,775.90	1,92,797.56	2,733.61	2,05,592.97
2. Current Assets					
(a) Inventories	3.9	21,353.61		18,385.02	
(b) Financial Assets					
(i) Investments	3.10	785.64		12,805.86	
(ii) Trade Receivables	3.11	14,225.44		7,002.74	
(iii) Cash and Cash Equivalents	3.12	10,833.93		969.92	
(iv) Bank balance other than (iii) above	3.13	233.51		1,185.35	
(v) Loans	3.14	442.66		266.10	
(vi) Other Financial Assets	3.15	5,168.42		5,630.69	
(c) Other Current Assets	3.16	12,462.79	65,506.00	7,949.17	54,194.85
TOTAL ASSETS			**2,58,303.56**		**2,59,787.82**
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	3.17	4,539.35		2,269.68	
(b) Other Equity	3.18	2,01,901.08	2,06,440.43	1,94,854.28	1,97,123.96
1. Non-Current Liabilities					
(a) Financial Liabilities					
(i) Other Financial Liabilities	3.19	689.56		834.93	
(b) Provisions	3.20	1,668.37		2,167.58	
(c) Deferred Tax Liabilities (net)	3.21	1,548.85		1,394.00	
(d) Other Non-Current Liabilities	3.22	2,367.55	6,274.33	2,576.36	6,972.87
2. Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.23	5,434.06		27,936.94	
(ii) Trade Payables	3.24				
Total outstanding dues of Micro & Small Enterprises		303.48		129.39	
Total outstanding dues of creditors other than Micro & Small Enterprises		22,195.65		18,304.73	
(iii) Other Financial Liabilities	3.25	12,289.92		5,358.10	
(b) Other Current Liabilities	3.26	2,243.10		2,111.72	
(c) Provisions	3.27	3,122.59	45,588.80	1,850.11	55,690.99
TOTAL EQUITY AND LIABILITIES			**2,58,303.56**		**2,59,787.82**
Summary of Significant Accounting Policies	2				

The accompanying notes are an integral part of these standalone Ind AS financial statements
As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no: 301003E/E300005

Sanjay Kumar Agarwal
Partner
Membership No: 060352

Kolkata
27th May, 2019

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, 2019

₹ in Lacs

		Notes	2018-2019	2017-2018
INCOME				
Revenue from Operations		3.28	2,48,326.62	2,36,426.94
Other Income		3.29	4,262.72	2,827.68
Total Income	(A)		**2,52,589.34**	**2,39,254.62**
EXPENSES				
Cost of Materials Consumed		3.30	74,303.43	62,915.47
Purchases of Stock-in-Trade			14,690.22	15,942.42
(Increase)/Decrease in Inventories of Finished Goods,Stock-in-Trade and Work-in-Progress		3.31	(1,446.61)	(1,047.88)
Excise duty on sale of Goods			-	1,027.99
Employee Benefits Expense		3.32	23,728.61	21,593.80
Other Expenses		3.34	66,951.06	66,051.00
Total Expenses before Exceptional items, Interest, Depreciation, Amortisation and Tax	(B)		**1,78,226.71**	**1,66,482.80**
Earnings before Exceptional items, Interest, Depreciation, Amortisation and Tax	(A-B)		**74,362.63**	**72,771.82**
Finance Costs	(C)	3.33	1,928.94	3,317.43
Depreciation & Amortisation Expense:				
a) Amortisation of Intangible Assets		3.3	24,828.22	24,340.54
b) Depreciation of Tangible Assets		3.1 & 3.2	6,976.06	6,190.27
	(D)		**31,804.28**	**30,530.81**
Total Expenses before Exceptional items and Tax	(B+C+D)=E		**2,11,959.93**	**2,00,331.04**
Profit before Exceptional Items and Tax	(A-E)=F		**40,629.41**	**38,923.58**
Exceptional Items	(G)	3.53	979.89	-
Profit Before Tax	(F-G)=H		**39,649.52**	**38,923.58**
Tax Expense:	(I)	3.45		
Current Tax (MAT)			8,637.00	6,564.66
MAT Credit Entitlement			-	1,400.00
Deferred Tax charge			488.36	7.39
Profit for the year	(H-I)=J		**30,524.16**	**30,951.53**
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)			(1,565.36)	8,934.66
Remeasurement of the net defined benefit liability/asset (net of tax)			356.19	195.53
Total Other Comprehensive Income, net of tax			**(1,209.17)**	**9,130.19**
Total Comprehensive Income for the year			**29,314.99**	**40,081.72**
Cash Profit	(J+D)		**62,328.44**	**61,482.34**
Earnings Per Equity Share		3.56		
(1) Basic (Face Value of Re 1 each)			6.72	6.82
(2) Diluted (Face Value of Re 1 each)			6.72	6.82
(3) Cash (Face Value of Re 1 each)			13.73	13.54
Summary of Significant Accounting Policies		2		

The accompanying notes are an integral part of these standalone Ind AS financial statements
As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no: 301003E/E300005

Sanjay Kumar Agarwal
Partner
Membership No: 060352

Kolkata
27th May, 2019

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, 2019

₹ 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 1.04.2017	**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**
Balance as at 1.04.2018	**2,269.68**	**79.64**	**33,205.16**	**59,082.00**	**-**	**87,500.00**	**14,987.48**	**1,97,123.96**
Profit for the Year	-	-	-	30,524.16	-	-	-	30,524.16
Other Comprehensive Income								
Fair value gain on Equity instrument through other comprehensive income	-	-	-	-	-	-	(1,565.36)	(1,565.36)
Remeasurement of the net defined benefit liability/ asset	-	-	-	547.56	-	-	-	547.56
Income Tax Effect	-	-	-	(191.37)	-	-	-	(191.37)
Total Comprehensive Income	**-**	**-**	**-**	**30,880.35**	**-**	**-**	**(1,565.36)**	**29,314.99**
Effect of Adoption of new accounting standard i.e Ind AS 115 ##	-	-	-	(1,501.98)	-	-	-	(1,501.98)
Income Tax Effect		-	-	524.85	-	-	-	524.85
Dividend Paid#	-	-	-	(15,887.73)	-	-	-	(15,887.73)
Corporate Dividend Tax#	-	-	-	(3,133.66)	-	-	-	(3,133.66)
Issue of Bonus Shares @	2,269.67	-	(2,269.67)	-	-	-	-	-
Balance as at 31.03.2019	**4,539.35**	**79.64**	**30,935.49**	**69,963.83**	**-**	**87,500.00**	**13,422.12**	**2,06,440.43**

Refer Note No : 3.46
Refer Note No 3.59
@ Refer Note No : 3.56

The accompanying notes are an integral part of these standalone Ind AS financial statements
As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no: 301003E/E300005

Sanjay Kumar Agarwal
Partner
Membership No: 060352

Kolkata
27th May, 2019

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, 2019

₹ in Lacs

	2018-2019	2017-2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	39,649.52	38,923.58
Adjustments for :		
Dividend from investment in mutual funds	-	(8,071.41)
(Profit) / loss on fair value of mutual funds	(924.01)	7,660.29
Depreciation and Amortisation Expense	31,804.28	30,530.81
Finance Costs	1,928.94	3,317.43
Interest income on loans & deposits	(1,326.66)	(143.74)
(Profit) / Loss on Sale/Disposal of Property, Plant & Equipments (net)	(1.39)	45.83
Dividend Income from equity investment carried at fair value through OCI	(95.35)	(95.35)
Sundry balances written (back) / off (net)	16.65	(42.11)
Unrealised Foreign Exchange Gain	(237.54)	(75.04)
Dividend Income from equity investment carried at cost	(642.72)	(629.93)
(Profit)/ loss on Derivative Instruments	(160.07)	(133.03)
	70,011.65	71,287.33
Adjustments for working capital changes :		
Increase /(Decrease) in Trade Payables and Other Liabilities	3,621.58	6,266.51
(Increase)/Decrease in Inventories	(2,968.59)	(1,464.88)
(Increase)/Decrease in Trade Receivables	(7,255.20)	(3,514.51)
(Increase)/Decrease in Loans and Advances and Other Financial Assets	411.14	(174.46)
(Increase)/Decrease in Other Non Financial Assets	(3,741.99)	(7,170.27)
Increase /(Decrease) in Provisions	(181.15)	(114.16)
	(10,114.21)	(6,171.77)
CASH GENERATED FROM OPERATIONS	59,897.44	65,115.56
Less : Direct Taxes Paid	8,636.65	7,374.91
NET CASH FLOW FROM OPERATING ACTIVITIES	51,260.79	57,740.65
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Property, Plant & Equipment	612.01	48.23
Interest Received	1,350.44	120.40
Dividend Received	738.07	8,796.70
Sale of Investments	96,857.75	91,942.97
Loans given	(28,500.00)	-
Proceeds from repayment of loan given	28,500.00	-
Purchase of Property, Plant & Equipment & Intangible Assets	(13,463.81)	(12,197.09)
Investment in Subsidiary & Associates	(250.00)	(800.00)
Investment in Preference Shares	(200.00)	(404.79)
Loans given to Subsidiary Company	(122.54)	(295.95)
Purchases of Investments	(84,490.73)	(1,10,576.77)
Fixed Deposits made	(21.00)	(373.95)
Proceeds from maturity of Fixed Deposit	1,008.02	-
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	2,018.21	(23,740.25)

CASH FLOW STATEMENT

for the year ended 31st March, 2019

₹ in Lacs

	2018-2019	2017-2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(29,919.38)	(66,837.44)
Proceeds from Short Term Borrowings from Banks	8,000.64	48,465.00
Interest Paid	(1,890.72)	(3,325.31)
Dividend Paid	(15,887.73)	(11,936.35)
Corporate Dividend Tax paid	(3,133.66)	(2,297.54)
Cash Credit taken / (repaid) (net)	(584.14)	2,838.94
NET CASH USED IN FINANCING ACTIVITIES	**(43,414.99)**	**(33,092.70)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**9,864.01**	**907.70**
Add- CASH & CASH EQUIVALENTS-OPENING BALANCE	969.92	62.22
CASH & CASH EQUIVALENTS-CLOSING BALANCE	10,833.93	969.92
Cash & Cash Equivalents includes:		
Balances with Banks	3,709.67	953.87
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	7,114.14	-
Cash on hand	10.12	16.05
Total Cash & Cash Equivalents (Refer Note No : 3.12)	**10,833.93**	**969.92**

The accompanying notes are an integral part of these standalone Ind AS financial statements
As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no: 301003E/E300005

Sanjay Kumar Agarwal
Partner
Membership No: 060352

Kolkata
27th May, 2019

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, 2019

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

The standalone Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 .These standalone Ind AS 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 standalone Ind AS financial statements were approved for issue in accordance with the resolution of the Board of Directors on 27th May, 2019.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Revenue Recognition

Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes including goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the Company believes that the control gets transferred to the customer on dispatch of the goods from the factory/depot and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

Variable consideration

Volume rebates

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them. To estimate the variable consideration for the expected future rebates, the Company applies the expected value method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future rebates.

Rights of return

Certain contracts provide a customer with a right to return the damaged goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises a provision for rebate and damage return and net it from revenue.

For impact on adoption of Ind AS 115, refer note 3.59.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Advance from customer

Advance from customer is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Advance from customer is recognised as revenue when the Company performs under the contract.

Provision for rebates and damage return

Provision for rebates and damage return is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of Provision for rebates and damage return (and the corresponding change in the transaction price) at the end of each reporting period.

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 derecognized 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.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

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 & Licenses (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
- 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. 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 in finance income in the profit or loss.

Equity investments

All equity investments (excluding investments in subsidiaries and associate) 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

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. These equity shares are designated as FVTOCI as they are not held for trading and disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding.

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.

Investment in mutual funds / alternate investment funds

Investment in mutual funds / alternate investment funds falls within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derivative Instruments

Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

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.

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.

Income recognition

Interest Income - Interest income from debt instruments is recognised using the effective interest rate method (EIR). The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend - Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

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 115 (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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

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, equity instruments and 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.

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. The Company has determined that it does not meet criteria for recognition of lease rental income on a basis other than straight-line basis. 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.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

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.
- 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.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

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.

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

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.

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 expense, 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 expense, 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, finance costs and tax expense, but includes other income.

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, 2019

3.1 PROPERTY PLANT & EQUIPMENT (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2018	Additions	(Disposals)/ Transfer in/ (Out)	As at 31.3.2019	As at 1.4.2018	For the year	(Disposals)/ Transfer in/ (Out)	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
Land										
Leasehold	334.63	-	-	334.63	14.79	5.33	-	20.12	314.51	319.84
Freehold	4,877.92	768.44	-	5,646.36	-	-	-	-	5,646.36	4,877.92
Building (including roads)*	29,222.46	1,914.38	(424.89)	30,711.95	1,764.46	873.30	(20.07)	2,617.69	28,094.26	27,458.00
Plant & Equipment	45,364.32	4,285.55	(572.10)	49,077.77	9,982.69	4,985.02	(303.61)	14,664.10	34,413.67	35,381.63
Furniture & Fixture	1,861.69	295.34	(24.63)	2,132.40	382.36	257.96	(13.14)	627.18	1,505.22	1,479.33
Office Equipment	2,434.58	526.78	(19.60)	2,941.76	899.55	298.79	(10.31)	1,188.03	1,753.73	1,535.03
Computer	800.78	76.82	(1.07)	876.53	531.32	156.60	(0.57)	687.35	189.18	269.46
Motor Vehicles	1,008.18	263.73	(58.76)	1,213.15	304.83	147.49	(40.60)	411.72	801.43	703.35
Property, Plant & Equipment Total	**85,904.56**	**8,131.04**	**(1,101.05)**	**92,934.55**	**13,880.00**	**6,724.49**	**(388.30)**	**20,216.19**	**72,718.36**	**72,024.56**
Capital Work- In-Progress	2,212.68	2,548.86	(1,239.93)	3,521.61	-	-	-	-	3,521.61	2,212.68
Total	**88,117.24**	**10,679.90**	**(2,340.98)**	**96,456.16**	**13,880.00**	**6,724.49**	**(388.30)**	**20,216.19**	**76,239.97**	**74,237.24**

*Transfer includes ₹ 107.38 Lacs (accumulated depreciation ₹ 5.25 Lacs) transferred to Investment property.

Title deeds of immovable properties set out above, where applicable, are in the name of the Company except as set out below

₹ in Lacs

Particulars	Gross Block		Net Block		No. of cases
	As at 31.3.2019	As at 31.3.2018	As at 31.3.2019	As at 31.3.2018	
Building	410.06	-	403.94	-	4
Freehold Land	140.82	140.82	140.82	140.82	5
Grand Total	**550.88**	**140.82**	**544.76**	**140.82**	**9**

Management is in the process of getting the above properties transferred in the name of the Company.

3.2 INVESTMENT PROPERTY (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2018	Additions	(Disposals)/ Transfer in/ (Out)	As at 31.3.2019	As at 1.4.2018	For the year	(Disposals)/ Transfer in/ (Out)	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
Building*	5,034.74	-	107.38	5,142.12	325.30	251.57	5.25	582.12	4,560.00	4,709.44
	5,034.74	**-**	**107.38**	**5,142.12**	**325.30**	**251.57**	**5.25**	**582.12**	**4,560.00**	**4,709.44**

*Transfer includes ₹ 107.38 Lacs (accumulated depreciation ₹ 5.25 Lacs) transferred from Property, Plant & Equipment.

Refer Note No 3.42 for disclosure of fair value of investment property.

3.3 INTANGIBLE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				Amortisation				Net Block	
	As at 1.4.2018	Additions	(Disposals)/ Transfer in/ (Out)	As at 31.3.2019	As at 1.4.2018	For the year	(Disposals)/ Transfer in/ (Out)	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
Goodwill	1,050.00	-	-	1,050.00	1,050.00	-	-	1,050.00	-	-
Software	1,518.50	1,621.36	-	3,139.86	899.29	647.57	-	1,546.86	1,593.00	619.21
Brands, Trade Marks & Others	1,48,068.50	10,662.41	-	1,58,730.91	58,183.92	20,035.41	-	78,219.33	80,511.58	89,884.58
Copy Rights	20,720.00	-	-	20,720.00	11,623.20	4,145.23	-	15,768.43	4,951.57	9,096.80
Intangible Assets Total	**1,71,357.00**	**12,283.77**	**-**	**1,83,640.77**	**71,756.41**	**24,828.22**	**-**	**96,584.62**	**87,056.15**	**99,600.59**
Intangible Assets under Development	789.52	454.09	(1,131.94)	111.67	-	-	-	-	111.67	789.52
Grand Total	**1,72,146.52**	**12,737.86**	**(1,131.94)**	**1,83,752.44**	**71,756.41**	**24,828.22**	**-**	**96,584.62**	**87,167.82**	**1,00,390.11**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.1 PROPERTY PLANT & EQUIPMENT (PREVIOUS 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 31.3.2018	As at 31.3.2018	As at 31.3.2017
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)*	25,712.53	3,879.75	(369.82)	29,222.46	931.55	871.58	(38.67)	1,764.46	27,458.00	24,989.95
Plant & Equipment	39,446.80	6,076.16	(158.64)	45,364.32	5,682.40	4,383.47	(83.18)	9,982.69	35,381.63	33,889.94
Furniture & Fixture	1,536.02	331.52	(5.85)	1,861.69	97.03	290.22	(4.89)	382.36	1,479.33	1,332.23
Office Equipment	2,161.89	284.32	(11.63)	2,434.58	676.96	227.84	(5.25)	899.55	1,535.03	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 (PREVIOUS 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 31.3.2018	As at 31.3.2018	As at 31.3.2017
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 3.42 for disclosure of fair value of investment property.

3.3 INTANGIBLE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Amortisation				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 31.3.2018	As at 31.3.2018	As at 31.3.2017
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
Copy Rights	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, 2019

3.4 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Non Current		
Investments carried at cost (Unquoted, fully paid, unless otherwise stated)		
Equity shares		
In Subsidiaries		
Emami Bangladesh Limited		
37,916 (31.03.2018- 37,916) Equity Shares of Taka 100 each	27.82	27.82
Emami International FZE		
1 (31.03.2018 - 1) Equity Share of AED 1,50,000 each	18.98	18.98
Emami Indo Lanka (Pvt) Limited		
1,13,850 (31.03.2018 - 1,13,850) Equity Shares of LKR 10 each	4.79	4.79
In Associate		
Helios Lifestyle Private Limited	1,944.18	1,944.18
72,261 (31.03.2018 - 60,649) Equity Shares of ₹10 each		
{Refer note (b) & (c) below}		
Investments carried at amortised cost (Unquoted)		
Government & Trust Securities		
6 Years' National Savings Certificate	0.24	0.24
(Lodged With Government Authority)		
(i)	1,996.01	1,996.01
Investments carried at FVTPL (Unquoted,fully paid)		
Equity Shares		
Brillare Science Private Limited	0.70	0.70
100 (31.03.2018 - 100) Equity shares of ₹ 10 each		
Preference Shares		
Brillare Science Private Limited	978.30	799.32
1,42,383 (31.03.2018 - 1,13,887) shares of ₹ 10 each		
Units of Alternate Investment Fund		
Fireside Ventures Investment Fund I	1,274.98	697.43
1105 (31.03.2018 - 750) Units of INR 1,00,000 each		
(ii)	2,253.98	1,497.45
Investments Carried at FVTOCI (Quoted, fully Paid)		
Equity Shares		
Emami Paper Mills Limited	13,667.13	15,232.48
79,46,000 (31.03.2018 - 79,46,000) Equity Shares of ₹ 2 each		
(iii)	13,667.13	15,232.48
Total (i) + (ii) + (iii)	17,917.12	18,725.94
Aggregate Amount of Quoted Investments & Market Value thereof	13,667.13	15,232.48
Aggregate Amount of Unquoted Investments	4,249.99	3,493.46

Notes -

(a) Refer Note No 3.43 for determination of fair value

(b) 24,662 no. of shares of Helios Lifestyle Private Limited was subsequently allotted.

(c) During the year, 11,612 shares of Helios Lifestyle Private Limited were allotted to the Company without any consideration pursuant to the shareholders agreement.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.5 LOANS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Unsecured, Considered Good		
Security Deposits to related parties (Refer Note No 3.51)	31.75	21.45
Security Deposits to others	464.81	461.26
Loans to related parties (Refer Note No 3.51)	418.49	295.95
Loans to employees	55.59	37.56
Total	**970.64**	**816.22**

3.6 OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
At amortised cost				
Unsecured, Considered Good unless otherwise stated				
Incentive Receivable*	3,020.87		2,840.63	
Less: Provision for Doubtful Receivables	(113.98)	2,906.89	(119.82)	2,720.81
Total		**2,906.89**		**2,720.81**

*It includes Subsidy, Export incentives, GST Refund etc.

3.7 NON-CURRENT TAX ASSETS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Advance Income tax (Net of Provision)	1,259.22	1,259.60
Total	**1,259.22**	**1,259.60**

3.8 OTHER NON-CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, Considered Good unless otherwise stated		
Capital Advances	1,305.42	2,232.19
Deposit with Government authorities	441.69	498.42
Prepaid Expenses	28.79	3.00
Total	**1,775.90**	**2,733.61**

3.9 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
(At lower of cost and net realisable value)				
Raw materials and Packing materials				
Raw Material	5,024.84		3,946.65	
Packing Material	2,917.69	7,942.53	2,825.86	6,772.51
Work-in-Progress		411.41		376.50
Finished Goods		8,757.59		8,143.26
Stock- in- Trade		3,445.72		2,648.35

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.9 INVENTORIES (Contd.)

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
Stores and Spares		796.36		444.40
Total		**21,353.61**		**18,385.02**

(a) During the year ended 31st March 2019, ₹ 143.86 lacs (31st March 2018: ₹ 139.28 lacs) was recognised as an expense for inventories carried at net realisable value.

(b) Above includes Inventories in Transit:

Raw Materials : ₹ 795.43 lacs (31.03.2018 : Nil)

Packing Materials : ₹ 31.10 lacs (31.03.2018 : Nil)

Finished Goods : ₹ 98.74 lacs (31.03.2018 : Nil)

(c) Refer Note No 3.23 for information on inventories pledged as security

3.10 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2019	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
Nil (31.03.2018 - 102,440,386.680) Units of ₹ 10 each		
HDFC Floating Rate Debt - Direct Plan - Wholesale Growth Option	785.64	728.07
24,02,320 (31.03.2018-24,02,320) Units of ₹ 10 each		
Total	**785.64**	**12,805.86**
Aggregate Amount of Unquoted Investments	**785.64**	**12,805.86**

3.11 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Secured		
Considered Good	44.39	318.36
Unsecured		
Considered Good	14,181.05	6,684.38
Total	**14,225.44**	**7,002.74**

(a) Refer Note No 3.23 for information on receivables secured against borrowings

3.12 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
Cash and Cash Equivalents				
Balances with Banks	3,709.67		953.87	
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	7,114.14		-	
Cash on hand	10.12	10,833.93	16.05	969.92
Total		**10,833.93**		**969.92**

3.13 OTHER BANK BALANCES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Other Bank Balances		
Unpaid Dividend account #	175.05	139.87
Deposits with Original maturity of more than 3 months but less than 12 months*	58.46	1,045.48
Total	**233.51**	**1,185.35**

Earmarked for payment of Unclaimed Dividend

* Includes deposits amounting to ₹ 58.17 lacs (31.03.2018 : ₹ 647.82 lacs) under lien.

3.14 LOANS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Unsecured, considered good		
Security Deposits	-	37.61
Loans to Employees	442.66	228.49
Total	**442.66**	**266.10**

3.15 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Unsecured, considered good		
Interest Receivable on Deposits	10.39	34.17
Other Receivable	570.79	164.17
Incentive receivable*	4,215.88	5,393.27
At FVTPL		
Derivative assets - Forward & Option**	371.36	39.08
Total	**5,168.42**	**5,630.69**

* It includes Subsidy, Export incentives, GST Refund etc.

** Refer Note No. 3.43 for determination of fair value

3.16 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good		
Advances other than Capital Advances		
- For goods and services	5,254.25	2,717.74
Balances with Government Authorities	6,710.89	4,906.96
Prepaid Expenses	497.65	324.47
Total	**12,462.79**	**7,949.17**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.17 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised		
50,00,00,000 (31.03.2018-25,00,00,000) Equity Shares of Re 1/- each	5,000.00	2,500.00
Issued		
45,39,35,238 (31.03.2018-22,69,67,619) Equity Shares of Re 1/- each fully paid up	4,539.35	2,269.68
Subscribed & Paid up*		
45,39,35,238 (31.03.2018-22,69,67,619) Equity Shares of Re 1/- each fully paid up	4,539.35	2,269.68
Total Issued, Subscribed and Fully paid up Share Capital	**4,539.35**	**2,269.68**

* Of the above, 22,69,67,619 (31.03.2018 :75,655,873) 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 outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2019		As at 31.03.2018	
	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
Bonus shares issued during the year #	22,69,67,619	2,269.67	-	-
Shares outstanding at the end of the year	**45,39,35,238**	**4,539.35**	**22,69,67,619**	**2,269.68**

Refer Note No. 3.56 for Bonus issue

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of Re 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

Names of the shareholders	As at 31.03.2019		As at 31.03.2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	5,86,33,849	12.92	3,37,71,887	14.88
Suntrack Commerce Private Limited	5,82,34,107	12.83	3,31,36,016	14.60
Bhanu Vyapaar Private Limited	5,10,45,902	11.25	2,77,91,381	12.24
Raviraj Viniyog Private Limited (Formerly Known as Emami Enclave Makers Private Limited)	2,50,96,984	5.53	1,38,86,007	6.12
Suraj Viniyog Private Limited	2,36,45,848	5.21	1,29,57,139	5.71
Prabhakar Viniyog Private Limited (Formerly Known as Emami High Rise Private Limited)	2,41,31,492	5.32	1,31,99,961	5.82
SBI Consumption Opportunities Fund	2,33,05,013	5.13	-	-

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.18 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
Retained Earnings				
Opening balance	59,082.00		42,148.28	
Net Profit for the Year	30,524.16		30,951.53	
Remeasurements of the Net Defined Benefit Plans (net of tax)	356.19		195.53	
Effects of adoption of new accounting standard, i.e, Ind AS 115*	(1,501.98)		-	
Income Tax Effect	524.85		-	
Final Dividend#	(15,887.73)		(11,915.80)	
Corporate Dividend Tax#	(3,133.66)		(2,297.54)	
Closing Balance		69,963.83		59,082.00
Other Comprehensive Income				
Opening Balance	14,987.48		6,052.82	
Equity Instruments through Other Comprehensive Income (net of tax)	(1,565.36)		8,934.66	
Closing Balance		13,422.12		14,987.48
Other Reserves				
Capital Reserves		79.64		79.64
Securities Premium				
Opening balance	33,205.16		33,205.16	
Issue of Bonus Shares (Refer note no. 3.56)	(2,269.67)		-	
Closing Balance		30,935.49		33,205.16
General Reserve				
Opening Balance	87,500.00		80,000.00	
Transferred from DRR on Redemption of Debentures	-		7,500.00	
Closing Balance		87,500.00		87,500.00
Debenture Redemption Reserves (DRR)				
Opening Balance	-		7,500.00	
Transferred to General Reserve on Redemption of Debentures	-		(7,500.00)	
Closing Balance		-		-
Total		**2,01,901.08**		**1,94,854.28**

Refer Note No : 3.46

* Refer Note No : 3.59

Nature and purpose of reserves

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.18 OTHER EQUITY (Contd.)

profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years.

Retained Earnings

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013. "

Other Comprehensive Income

This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

3.19 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Unsecured		
Trade Deposits	264.62	594.58
Security Deposits	424.94	240.35
Total	**689.56**	**834.93**

3.20 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits		
Gratuity (Refer Note No: 3.35)	1,668.37	2,167.58
Total	**1,668.37**	**2,167.58**

3.21 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in depreciable assets	3,516.61	2,826.00
Tax impact arising on fair value gain on financial instruments	159.69	-
Deferred Tax Assets		
Tax Impact of expenses allowable against taxable income in future years	(2,127.46)	(1,432.00)
Total	**1,548.85**	**1,394.00**

3.22 OTHER NON-CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Government Grants*	2,367.55	2,576.36
Total	**2,367.55**	**2,576.36**

* To be amortised to income over the life of the assets against which such grants are received / receivable.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.23 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
At amortised cost				
Secured				
From Banks				
Cash Credit (including working capital demand loan)	3,572.52		4,156.66	
Packing Credit	1,861.54	5,434.06	1,625.72	5,782.38
(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
Total		**5,434.06**		**27,936.94**

Notes :

1. Cash credit is repayable on demand & carries interest in the range of 7.9%-10% (31.03.2018 : Interest rate 7.9% - 8.5%)
2. Working Capital demand loan is repayable within 60 days & carries interest in the range of 7.5% - 9.2% (31.03.2018 : Interest rate 7.9% - 8.5%)
3. Packing credit is repayable within 6 months & carries interest in the range of 4.8%- 5.5% (31.03.2018 : Interest rate 4.8% -5.0%)
4. Commercial paper is repayable within 3 months & carries interest in the range of Nil (31.03.2018 : Interest rate 6.7% - 6.8%)

3.24 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Total outstanding dues of Micro & Small Enterprises (Refer Note No: 3.38)	303.48	129.39
Total outstanding dues of creditors other than Micro & Small Enterprises	22,195.65	18,304.73
Total	**22,499.13**	**18,434.12**

3.25 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Interest Accrued but not due on Borrowings	30.19	9.63
Interest Accrued and due on Trade Deposits	8.03	8.03
Creditors for Capital Goods	8,947.96	1,635.72
Unpaid Dividend	175.05	139.87
Employee Benefits	2,499.19	2,503.23
Security Deposit	79.50	300.00
Other payables	550.00	761.62
Total	**12,289.92**	**5,358.10**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.26 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Government Grants*	212.19	205.65
Advance from Customers	1,012.30	687.63
Duties & Taxes	1,018.61	1,218.44
Total	**2,243.10**	**2,111.72**

* To be amortised to income over the life of the assets against which such grants are received / receivable.

3.27 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits		
Provident Fund (Refer Note No: 3.36)	102.11	64.73
Leave Encashment	770.99	851.85
Others		
Provision for Litigation (Refer Note No: 3.37)	773.50	933.53
Provision for rebates and damage return	1,475.99	-
Total	**3,122.59**	**1,850.11**

3.28 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2018-2019	2017-2018
Revenue from contracts with customers		
Sale of Products (Refer Note No 3.58)	2,44,924.52	2,32,344.49
Other Operating Revenues*	3,402.10	4,082.45
Total	**2,48,326.62**	**2,36,426.94**

*It includes amortisation of Capital Subsidy, Export incentives and GST Refund

3.29 OTHER INCOME

₹ in Lacs

Particulars	2018-2019		2017-2018	
Interest Received on financial assets carried at amortised cost				
Loans & Deposits		1,326.66		143.74
Dividend Income from equity investment carried at cost		642.72		629.93
Dividend Income from equity investment carried at fair value through OCI		95.35		95.35
Income received on investment carried at fair value through Profit or Loss				
Dividend from investment in mutual funds	-		8,071.41	
Profit/(loss) on fair value of mutual funds	924.01	924.01	(7,660.29)	411.12
Profit on Derivative instruments (net)		160.07		133.03
Profit on Sale of Property, Plant & Equipments (net)		1.39		-
Rent and Maintenance Charges Received		396.57		426.35
Sundry Balances Written Back		-		42.11
Miscellaneous Receipts		459.88		466.31
Foreign exchange gain (net)		256.07		479.74
Total		**4,262.72**		**2,827.68**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.30 COST OF MATERIALS CONSUMED

₹ in Lacs

Particulars	2018-2019		2017-2018	
Raw materials and Packing materials				
Opening Stock	6,772.51		6,604.92	
Add : Purchases during the year	75,473.45		63,083.06	
Less : Closing Stock	7,942.53		6,772.51	
Total		**74,303.43**		**62,915.47**

3.31 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK- IN- PROGRESS

₹ in Lacs

Particulars	2018-2019		2017-2018	
(I) Opening 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
(II) Closing Stock				
Work-in-progress	411.41		376.50	
Finished Goods	8,757.59		8,143.26	
Stock-in-Trade	3,445.72	12,614.72	2,648.35	11,168.11
(I) - (II)		**(1,446.61)**		**(1,047.88)**

3.32 EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	2018-2019	2017-2018
Salaries and Wages	20,975.78	19,162.09
Staff Contribution to Provident and Other Funds	1,380.62	1,253.07
Gratuity Expenses (Refer Note No 3.35)	645.68	638.11
Welfare Expense	726.53	540.53
Total	**23,728.61**	**21,593.80**

3.33 FINANCE COSTS

₹ in Lacs

Particulars	2018-2019	2017-2018
Interest expenses	1,928.94	3,317.43
Total	**1,928.94**	**3,317.43**

3.34 OTHER EXPENSES

₹ in Lacs

Particulars	2018-2019		2017-2018	
Consumption of Stores and Spare parts		499.01		429.03
Power and Fuel		2,217.64		1,782.30
Rent (Refer Note No 3.47)		735.99		737.57
Repairs & Maintenance :				
Building	262.61		197.19	
Machinery	1,054.33		885.68	
Others	1,892.01	3,208.95	1,680.66	2,763.53

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.34 OTHER EXPENSES (Contd.)

₹ in Lacs

Particulars	2018-2019	2017-2018
Insurance	195.98	283.75
Freight & Forwarding	6,203.96	6,173.42
Directors' Fees and Commission	647.35	647.45
Advertisement & Sales Promotion	39,859.84	40,490.15
Packing Charges	4,565.83	4,239.04
Commission	940.69	1,031.66
Loss on Sale/Disposal of Property, Plant & Equipments (net)	-	45.83
Sundry Balance Written Off	16.65	-
Legal and Professional Fees	2,249.69	1,614.74
Travelling and Conveyance	2,549.28	2,361.77
Expenditure on CSR Activities (Refer Note No 3.50)	796.56	962.07
Miscellaneous Expenses (Refer Note No 3.41)	2,263.64	2,488.69
Total	**66,951.06**	**66,051.00**

3.35 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. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death.

The 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.

(ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs

	Particulars	Gratuity Funded	
		As at 31.03.2019	As at 31.03.2018
A	**Expenses Recognised in the Income Statement**		
1	Current Service Cost	478.89	483.57
2	Past Service Cost	-	-
3	Loss/(Gain) on settlement	-	-
4	Net Interest Cost/(Income) on the Net Defined Benefit Liability/ (Asset)	166.79	154.54
5	Total Expenses recognised in the Statement of Profit & Loss	**645.68**	**638.11**
B	**Assets and Liability**		
1	Present value of Obligation	3,899.13	4,273.94
2	Fair Value of Plan Assets	2,230.76	2,106.36
3	Funded Status [Surplus/(deficit)]	**(1,668.37)**	**(2,167.58)**
4	Net asset/(liability) recognised in balance sheet	**(1,668.37)**	**(2,167.58)**
C	**Change in Present Value of Obligation**		
1	Present value of Obligation as at beginning of period	**4,273.94**	**4,141.74**
2	Current Service Cost	478.89	483.57
3	Interest Expense or Cost	328.85	295.97

3.35 DEFINED BENEFIT PLAN (GRATUITY) (Contd.)

₹ in Lacs

Particulars		Gratuity Funded	
		As at 31.03.2019	As at 31.03.2018
4	Re-measurement (or Acturial)(gain)/loss arising from :		
	- Change in demographic assumptions	(54.27)	(226.44)
	- Change in financial assumptions	(525.83)	(171.02)
	- Experience variance (i.e.Actual experience vs assumptions)	14.30	(80.86)
5	Past Service Cost	-	-
6	Benefits Paid	(616.75)	(169.02)
7	Acquisition Adjustment	-	-
8	Effect of business combinations or disposals	-	-
9	Present value of Obligation as at the end of period	**3,899.13**	**4,273.94**
D	**Change in Fair Value of Plan Assets**		
1	Fair Value of Plan Assets at beginning of period	**2,106.36**	**1,938.69**
2	Investment Income	162.07	141.42
3	Employer's Contribution	597.32	221.15
4	Benefits paid	(616.75)	(160.46)
5	Return on plan assets,excluding amount recognised in net interest expense	(18.24)	(34.44)
6	Acquisition Adjustment	-	-
7	Fair Value of Plan Assets at end of period	**2,230.76**	**2,106.36**
E	**Other Comprehensive Income**		
1	Acturial (gains)/losses		
	- Change in demographic assumptions	(54.27)	(226.44)
	- Change in financial assumptions	(525.83)	(171.02)
	- Experience variance (i.e.Actual experience vs assumptions)	14.30	(80.86)
2	Return on plan assets,excluding amount recognised in net interest expense	18.24	34.44
3	Components of defined benefit costs recognised in other comprehensive income	**(547.56)**	**(443.88)**

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2019	As at 31.03.2018
Funds managed by Insurer	100%	100%

(iv) Assumptions

Particulars	As at 31.03.2019	As at 31.03.2018
Financial Assumptions		
Discount Rate (%)	7.60%	7.70%
Salary Growth Rate (per annum)	8.00%	10.00%
Demographic Assumptions		
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal Rate (per annum)	10.00%	5.00%

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.35 DEFINED BENEFIT PLAN (GRATUITY) (Contd.)

(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 31.03.2019	As at 31.03.2018
Defined Benefit Obligation (Base)	3,899.13	4,273.94

Particulars	As at 31.03.2019		As at 31.03.2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)(₹ in Lacs)	4,097.57	3,719.83	4,594.64	3,993.28
(% change compared to base due to sensitivity)	5.10%	-4.60%	7.50%	-6.60%
Salary Growth Rate (- / + 1%) (₹ in Lacs)	3,718.88	4,094.89	3,996.41	4,584.46
(% change compared to base due to sensitivity)	-4.60%	5.00%	-6.50%	7.30%
Attrition Rate (- / + 50% of present attrition rate) (₹ in Lacs)	3,953.41	3,855.74	4,403.74	4,172.75
(% change compared to base due to sensitivity)	1.40%	-1.10%	3.00%	-2.40%
Mortality Rate (- / + 10%)(₹ in Lacs)	3,899.22	3,899.05	4,275.32	4,272.55
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

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 31.03.2019	As at 31.03.2018
The Company's best estimate of Contribution during the next year	300.00	300.00

c) Maturity Profile of Defined Benefit Obligation

Particulars	As at 31.03.2019	As at 31.03.2018
Weighted average duration (based on discounted cashflows)	5 Years	7 Years

₹ in Lacs

Expected cash flows over the next (valued on undiscounted basis):	2018-2019	2017-2018
1 Year	1,270.92	982.29
2 to 5 Years	1,629.32	1,417.57
6 to 10 Years	1,384.08	1,731.94
More than 10 Years	1,822.92	4,463.57

3.35 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.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions considered for the valuation.

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. (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

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.

3.36 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 31.03.2019	As at 31.03.2018
Accumulated Account Value of Employee's Fund	10,049.36	8,910.65
Interest Rate Guarantee Liability	210.59	176.15
Present value of benefit obligation at end of the period	**10,259.95**	**9,086.80**
Fair Value of Plan Assets	10,157.84	9,022.07
Net Asset / (Liability)	**(102.11)**	**(64.73)**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.36 DEFINED BENEFIT PLAN (PROVIDENT FUND) (Contd.)

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Interest Rate Guarantee Liability	210.59	176.15
Fund Reserve and Surpluses	108.48	111.42
Net Liability	**102.11**	**64.73**

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2019	As at 31.03.2018
Government of India securities	10.28%	13.99%
State Government securities	37.32%	32.71%
High quality corporate bonds	45.23%	48.46%
Equity shares of listed companies	3.36%	2.47%
Special Deposit Scheme	0.29%	0.69%
Bank balance	1.48%	1.61%
Other Investments	2.04%	0.07%
Total	**100%**	**100%**

(iv) Assumptions

Particulars	As at 31.03.2019	As at 31.03.2018
Discount Rate	7.00%	7.60%
Expected Guarantee Interest Rate	8.65%	8.55%
Mortality Rate (% of IALM 2006-08)	100.00%	100.00%
Attrition Rate (for all ages; per annum)	10.00%	5.00%

(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 31.03.2019	As at 31.03.2018
Defined Benefit Obligation (Base)	10,259.94	9,086.80

Particulars	As at 31.03.2019		As at 31.03.2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)(₹ in Lacs)	10,261.21	10,228.67	9,087.69	9,058.46
(% change compared to base due to sensitivity)	0.01%	-0.30%	0.00%	-0.30%
Interest rate guarantee (-/+ 1%)(₹ in Lacs)	10,049.36	10,713.84	8,865.46	9,490.79
(% change compared to base due to sensitivity)	-2.05%	4.42%	-2.40%	4.40%

3.37 THE COMPANY HAS MADE A PROVISION OF ₹ NIL (31.03.2018 - ₹ 83.65 LACS) TOWARDS CASES WHICH ARE UNDER LITIGATION/DISPUTE AS SHOWN BELOW :

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Opening Balance	933.53	1,131.37
Provisions made during the year	-	83.65
Payment/reversals during the year	(160.03)	(281.49)
Closing Balance	**773.50**	**933.53**

3.38 INFORMATION RELATING TO MICRO & SMALL ENTERPRISES (MSME)'S:

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	303.48	129.39
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	**303.48**	**129.39**

3.39 (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 31.03.2019	As at 31.03.2018
Loan to subsidiary : Emami Indo Lanka Private Limited (including interest)	451.95	306.12
Maximum amount outstanding at any time during the year (including interest)	451.95	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 31.03.2019	As at 31.03.2018
Loan to Emami Indo Lanka Private Limited	3.51	Working Capital Requirements	418.49	295.95
Corporate Guarantee given on behalf of Emami International FZE.	3.40	Working Capital Requirements	5,533.70	5,203.53

(C) Security Deposit of ₹ 5.55 Lacs (31.03.2018 - ₹ 5.65 Lacs) given to Directors of the Company against tenancies. (Maximum amount outstanding during the year - ₹ 5.65 Lacs (31.03.2018 - ₹ 5.75 Lacs).

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.40 CONTINGENT LIABILITIES & COMMITMENTS

I) Contingent Liabilities

₹ in Lacs

(a) Claims against the Company not acknowledged as debt :	As at 31.03.2019	As at 31.03.2018
i) Excise Duty and Customs demands	364.95	365.46
ii) Sales Tax demands under appeal	493.41	451.85
iii) Entry Tax	12.89	12.89
iv) Others	23.05	16.48

Based on discussions with the solicitors/favourable 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

(b) Guarantees	As at 31.03.2019	As at 31.03.2018
Bank Guarantees	484.22	1,553.04
Corporate Guarantee issued on behalf of a subsidiary company	5,533.70	5,203.53

II) Commitments:

₹ in Lacs

	As at 31.03.2019	As at 31.03.2018
(a) **Capital Commitments :** Estimated amount of commitments [net of advances of ₹ 2,037.98 Lacs (31.03.2018- ₹ 2,232.19 lacs)] on capital account not provided for	2,854.77	2,880.39

(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 ₹ 2,077.91 Lacs (31.03.2018 -₹ 4,629.54 Lacs). In addition, the Company needs to maintain the average annual export turnover of ₹ 2,249.80 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 85,490 Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each to be issued by 'Brilliare Science Private Limited' amounting to ₹ 600.00 Lacs @ ₹ 701.85 per CCPS.

3.41 PAYMENT TO AUDITORS

₹ in Lacs

Particulars	2018-2019	2017-2018
As Statutory Auditors :		
Audit Fees	37.50	30.00
Limited Review	35.00	25.00
Other Services	18.00	0.26
Other Reimbursement	2.79	2.00
	93.29	**57.26**
Payment to Cost Auditors		
Audit Fees	1.50	1.35

3.42 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lacs

Particulars	2018-2019	2017-2018
Income derived from investment properties	357.11	438.66
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	95.20	50.79
Profit arising from investment properties before depreciation and indirect expenses	**261.91**	**387.87**
Less – Depreciation	251.57	109.61
Profit arising from investment properties before indirect expenses	**10.34**	**278.26**

Reconciliation of fair value:

₹ in Lacs

Particulars	2018-2019	2017-2018
Fair value of opening balance of Investment Property	5,095.41	2,574.25
Fair value adjustment on opening balance of Investment Property	993.83	787.27
Fair value of transfer in/(out)	934.11	1,733.89
Fair value of closing balance of Investment Property	**7,023.35**	**5,095.41**

These valuations are based on valuations performed by the management based on the available market prices of the properties.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

3.43 CATEGORIZATION OF FINANCIAL INSTRUMENTS

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2019	As at 31.03.2018
(i) Financial Assets		
a) Measured at FVTPL		
- Investments in mutual funds / alternate investment fund	2,060.62	13,503.29
- Investments in Preference Shares	978.30	799.32
- Investments in Equity Shares	0.70	0.70
- Other Financial Assets (Derivative assets - Forward & Option)	371.36	39.08
b) Measured at FVOCI		
- Investments in Equity Shares	13,667.13	15,232.48
c) Measured at Amortised Cost*		
- Loans	1,413.30	1,082.32
- Other Financial Assets	7,703.95	8,312.42
TOTAL	**26,195.36**	**38,969.61**
(ii) Financial Liabilities		
a) Measured at Amortised Cost*		
- Borrowings (Secured & Unsecured)	5,434.06	27,936.94
- Other Financial Liabilities	12,979.48	6,193.03
TOTAL	**18,413.54**	**34,129.97**

*Fair values of assets / liabilities carried at amortised cost are reasonable approximation of its carrying values.

The Company has not 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.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.44 FAIR VALUE HIERACHY

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, 2019 :

₹ in Lacs

Particulars	Fair value measurement at end of the reporting year using			As at 31.03.2019
	Level 1	*Level 2	*Level 3	Total
Assets				
Investments in mutual fund units / alternate investment fund	-	2,060.62	-	2,060.62
Investments in Equity Shares	13,667.13	-	0.70	13,667.83
Investments in Preference Shares	-	-	978.30	978.30
Derivative financial instruments - Derivative assets - Forward & Option	-	-	371.36	371.36

₹ 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

* Refer note below for valuation technique and inputs used.

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Unquoted Preference Shares in Brilliare Science Private Limited.	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will decrease Profit before tax by ₹ 28 Lacs and 1% decrease will increase Profit before tax by ₹ 29 Lacs
	Discounting Cash Flow Method	Discount on Exit Multiple	5% increase in discount on exit multiple will decrease Profit before tax by ₹ 114 Lacs and 5% decrease will increase Profit before tax by ₹ 116 Lacs
Derivative Financial instrument - Options Contract	Discounting Cash Flow Method	Volatility Factors	5% increase in Volatility factors will increase Profit before tax by ₹ 60 Lacs and 5% decrease will decrease Profit before tax by ₹ 59 lacs

3.44 FAIR VALUE HIERACHY (Contd.)

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

Reconciliation of fair value measurement of Level 3 assets.

Particulars	Amount (₹ in Lacs)
As at 01.04.2017	-
Purchases	800.02
As at 31.03.2018	800.02
Purchases	200.00
Fair Value Changes	350.34
As at 31.03.2019	1,350.36

3.45 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	2018-2019	2017-2018
Profit before Income Taxes	39,649.52	38,923.58
Enacted Tax Rate in India	34.94%	34.61%
Computed expected tax expenses	13,855.13	13,470.67
Tax Incentives for 80IC/IE units	(4,692.63)	(6,890.11)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	2,033.56	(1,210.10)
CSR expenses	284.79	339.63
Excess of MAT liability over normal tax not recognized as asset	-	1,149.12
MAT credit (availment) / reversal	(2,219.85)	1,400.00
Other Adjustments	(135.64)	(287.16)
Income Tax expense	**9,125.36**	**7,972.05**

Details of current tax (MAT) for the year :

₹ in Lacs

Particulars	2018-2019	2017-2018
Current tax / MAT	10,856.85	6,564.66
Less : MAT credit utilised	(2,219.85)	-
Add : MAT credit reversal	-	1,400.00
Add : Deferred tax charge	488.36	7.39
Income Tax expense	**9,125.36**	**7,972.05**

Deferred Tax Assets for MAT Credit entitlement amounting to ₹ 24866.39 Lacs (31.03.2018 - ₹ 25,344.22 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.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.45 INCOME TAXES (Contd.)

Table showing assessment years till which unutilised MAT credits can be carried forward:

Assessment Year (A.Y)	Net Balance available (₹ in Lacs)	MAT Credit available till A.Y
2010-11	574.86	2025-26
2011-12	1,473.75	2026-27
2012-13	1,943.09	2027-28
2013-14	4,285.57	2028-29
2014-15	2,647.87	2029-30
2016-17	6,642.52	2031-32
2017-18	4,793.46	2032-33
2018-19	2,505.27	2033-34
TOTAL	**24,866.39**	

3.46 DISTRIBUTION OF DIVIDEND

₹ in Lacs

Particulars	2018-2019	2017-2018
Dividend on equity shares declared and paid :		
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
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 ₹ 132.11 Lacs (31.03.2018 : 128.24 Lacs)}	3,133.66	2,297.54
	19,021.39	**14,213.34**
Proposed dividends on Equity Shares		
Final dividend for the year ended 31.03.2019 :- ₹ 4.00 per share (31.03.2018 :- ₹ 7.00 per share*)	18,157.41	15,887.73
DDT on Proposed dividend	3,732.31	3,265.77
	21,889.72	**19,153.50**

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.

* During the year, Bonus Shares were allotted on 25th June, 2018 in the ratio of 1 equity share of Re. 1 each for every 1 equity share. Therefore, previous year's Dividend per share is not comparable.

3.47 LEASES

The lease rentals charged during the year is as under:

₹ in Lacs

Particulars	2018-2019	2017-2018
Lease Rentals recognised during the year	735.99	737.57

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 31.03.2019	As at 31.03.2018
Not later than 1 year	54.88	101.31
Later than 1 year and not later than 5 years	-	54.88
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.

3.48 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. 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 31.03.2019	As at 31.03.2018
Net Debt	(5,369.68)	26,976.65
Total equity	2,06,440.43	1,97,123.96
Net Debt plus Total Equity	2,01,070.75	2,24,100.61
Gearing Ratio	-	12.04%

3.49 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

Foreign Currency 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 31.03.2019	As at 31.03.2018
Exposure Currency (USD)		
Trade Receivable	4,071.37	2,168.51
Loan given	418.49	295.95
Interest Receivable	33.46	10.17
Other Receivable	298.70	127.29
Exposure Currency (EURO)		
Trade Receivable	205.26	-
	5,027.28	**2,601.92**

For the year ended 31.03.2019 and 31.03.2018, every percentage appreciation in the exchange rate between the Indian rupee and U.S. dollar, would increase the Company's Profit before tax by approx ₹ 50.27 Lacs and ₹ 4.33 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.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.49 FINANCIAL RISK MANAGEMENT (Contd.)

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Less than 1 year		
Forward Contract (Currency - USD) - to cover both present and future export receivables	-	4,039.12
Total derivative financial instruments	**-**	**4,039.12**

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 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 Company 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 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 ₹ 14,225.44 Lacs and ₹ 7,002.74 Lacs as at 31.03.2019 and 31.03.2018, 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 31.03.2019	As at 31.03.2018
Less than 30 days	10,914.85	5,874.16
31 - 90 Days	2,091.93	841.11
91 to 180 days	893.44	100.88
More than 180 days	325.22	186.59
Total	**14,225.44**	**7,002.74**

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.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.49 FINANCIAL RISK MANAGEMENT (Contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities.

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Less than 1 year		
Borrowings	5,434.06	27,936.94
Interest Payable on Borrowings in future	61.51	34.98
Trade Payables	22,499.13	18,434.12
Other financial Liabilities	12,289.92	5,358.10
	40,284.62	**51,764.14**
More than 1 year		
Other financial Liabilities	689.56	834.93
	689.56	**834.93**
Total	**40,974.18**	**52,599.07**

3.50 DETAILS OF CSR EXPENDITURE

₹ in Lacs

Particulars	2018-2019	2017-2018
a) Gross amount required to be spent by the Company during the year	791.00	921.00
b) Amount spent during the year		
i) Construction/Acquisition of any Asset	186.05	436.18
ii) On Purposes other than (i) above	610.51	525.89
Total	**796.56**	**962.07**

3.51 RELATED PARTY TRANSACTIONS

A.	Parties where Control exists /significance influence exist :	Country of Incorporation	As at 31.03.2019 % of Holding	As at 31.03.2018 % 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	Sri Lanka	100.00%	100.00%
iv)	Emami RUS (LLC) w.e.f 14th August 2018 - Subsidiary of Emami International FZE	Russia	99.99%	-
v)	Fentus 113. GMBH w.e.f 24th January 2019- Subsidiary of Emami International FZE	Germany	100.00%	-
vi)	Emami Overseas FZE - Subsidiary of Emami International FZE	UAE	100.00%	100.00%
vii)	PharmaDerm Company SAE.- Subsidiary of Emami Overseas FZE	Egypt	90.60%	90.60%
viii)	Fravin Pty.Ltd, Australia-Subsidiary of Emami International FZE	Australia	85.00%	85.00%
ix)	Greenlab Organics, Subsidiary of Fravin Pty Ltd.	United Kingdom	85.00%	85.00%
x)	Diamond Bio-tech Laboratories Pty Ltd., - Subsidiary of Fravin Pty Ltd.	Australia	85.00%	85.00%
xi)	Abache Pty Ltd, - Subsidiary of Diamond Bio Tech.	Australia	85.00%	85.00%
	ASSOCIATE			
i)	Helios Lifestyle Private Limited	India	33.80%	30.87%

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.51 RELATED PARTY TRANSACTIONS (Contd.)

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 A. 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

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 P.K.Khaitan	Independent Director
7	Shri M.D.Mallya	Independent Director (Ceased on 25th November, 2018)
8	Shri C.K.Dhanuka	Independent Director
9	Smt. Rama Bijapurkar	Independent Director
10	Shri Debabrata Sarkar	Independent Director (Appointed w.e.f 22nd February, 2019)

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	7	Emami Frank Ross Limited
2	Diwakar Viniyog Private Limited	8	Pan Emami Cosmed Limited
3	Bhanu Vyapaar Private Limited	9	Emami Infrastructure Limited
4	Suraj Viniyog Private Limited	10	Emami Agrotech Limited
5	Emami Paper Mills Limited	11	CRI Limited
6	Emami Cement Limited	12	Aviro Vyapar Private Limited

3.51 RELATED PARTY TRANSACTIONS (Contd.)

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 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 Resources Private Limited
29 Emami Constructions Private Limited
30 Emami Buildcon Private Limited
31 Dev Infracity Private Limited
32 Emita Limited- w.e.f 01st Nov 2018
33 Emami Beverages Limited
34 TMT Viniyogan Limited
35 EPL Securities
36 Khaitan & Co.
37 Khaitan & Co. LLP

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	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1. Remuneration and Employee Benefits										
i) EXECUTIVE DIRECTORS										
- Short Term Employee benefits	-	-	-	-	1,375.18	1,106.83	-	-	**1,375.18**	**1,106.83**
- Post Employment benefits	-	-	-	-	58.60	47.33	-	-	**58.60**	**47.33**
- Commission	-	-	-	-	500.00	500.00	-	-	**500.00**	**500.00**
ii) OTHER DIRECTORS										
- Sitting Fees	-	-	-	-	30.10	28.65	-	-	**30.10**	**28.65**
- Commission	-	-	-	-	117.25	116.75	-	-	**117.25**	**116.75**
iii) CEO & COMPANY SECRETARY										
- Short Term Employee benefits	-	-	-	-	284.54	261.23	-	-	**284.54**	**261.23**
- Post Employment benefits	-	-	-	-	12.97	9.93	-	-	**12.97**	**9.93**
2. Sales										
- Sale of Goods	7,783.73	9,542.68	-	-	-	-	250.68	174.82	**8,034.41**	**9,717.50**
- Sale of Export Benefit Licence	-	-	-	-	-	-	280.94	190.09	**280.94**	**190.09**
3. Other Income										
- Sale of Property, Plant & Equipment	4.03	1.00	-	-	-	-	5.06	-	**9.09**	**1.00**
- Rent, Maintenance & Other Charges Received	-	-	-	-	-	-	582.47	306.47	**582.47**	**306.47**
- Royalty Received	118.12	78.22	-	-	-	-	191.77	119.62	**309.89**	**197.84**

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.51 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	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
- Dividend Received	642.72	629.93	-	-	-	-	95.35	95.35	**738.07**	**725.28**
- Guarantee Commission Received	55.34	48.78	-	-	-	-	-	-	**55.34**	**48.78**
- Interest Received	33.46	10.17	-	-	-	-	-	-	**33.46**	**10.17**
4. Purchase										
- Purchase of Gift and Promotional Items	-	-	0.07	0.67	-	-	15.78	73.63	**15.85**	**74.30**
- Purchase of Raw Materials	-	-	-	-	-	-	2,893.57	1,210.66	**2,893.57**	**1,210.66**
5. Other Expenses										
- Rent, Maintenance & Other Charges Paid	-	-	-	-	12.80	4.53	50.64	4.89	**63.44**	**9.42**
- Donation Paid	-	-	-	-	-	-	352.22	256.23	**352.22**	**256.23**
- Commission Paid	-	-	-	-	-	-	-	2.05	**-**	**2.05**
- Business Promotion Allowance	-	1,508.50	-	-	-	-	-	-	**-**	**1,508.50**
- Others	-	-	-	-	-	-	135.34	49.17	**135.34**	**49.17**
6. Dividend Paid	-	-	-	-	1,241.11	928.47	9,808.58	7,356.43	**11,049.69**	**8,284.90**
7. Loan Given	97.53	295.95	-	-	-	-	-	-	**97.53**	**295.95**
8. Investment including Commitments	-	4.79	-	1,944.19	-	-	-	-	**-**	**1,948.98**
9. Security Deposit Received	-	-	-	-	-	-	5.28	3.50	**5.28**	**3.50**
10. Security Deposit Given	-	-	-	-	-	-	10.50	-	**10.50**	**-**
11. Refund against Security Deposit Paid	-	-	-	-	0.20	0.20	-	-	**0.20**	**0.20**
12. Refund against Security Deposit Received	-	-	-	-	-	-	15.73	4.18	**15.73**	**4.18**
13. Reimbursement of Expenses	72.55	77.55	-	9.82	-	-	12.50	175.22	**85.05**	**262.59**
14. Contribution to Provident Fund	-	-	-	-	-	-	609.50	531.63	**609.50**	**531.63**

D. The details of amount due to or due from related parties as at 31.03.2019 and 31.03.2018 as follows :

₹ in Lacs

Particulars	Related Party	As at 31.03.2019	As at 31.03.2018
Investment	Subsidiaries	51.59	51.59
	Associate	1,944.19	1,944.19
	Entities where Key Management Personnel and their relatives have significant influence	13,667.12	15,232.48
		15,662.90	**17,228.26**
Trade Receivable	Subsidiaries	3,274.69	1,720.01
	Entities where Key Management Personnel and their relatives have significant influence	8.84	9.56
		3,283.53	**1,729.57**
Loan Receivable	Subsidiaries	418.49	295.95
Other Receivable	Subsidiaries	332.16	137.46
	Associate	-	0.35
	Entities where Key Management Personnel and their relatives have significant influence	57.50	-
		389.66	**137.81**

3.51 RELATED PARTY TRANSACTIONS (Contd.)

₹ in Lacs

Particulars	Related Party	As at 31.03.2019	As at 31.03.2018
Trade Payables	Entities where Key Management Personnel and their relatives have significant influence	99.11	33.78
Other Payable	Entities where Key Management Personnel and their relatives have significant influence	6.69	14.74
	Associate	550.00	744.19
		556.69	**758.93**
Security Deposit Paid	Key Management Personnel & Relatives	14.25	14.45
	Entities where Key Management Personnel and their relatives have significant influence	17.50	7.00
		31.75	**21.45**
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	11.26	21.71
Corporate Guarantee given	Subsidiaries	5,533.70	5,203.53
Remuneration, Siting Fees & Commission Payable	Key Management Personnel & Relatives	617.25	616.75
Advance from Customer	Entities where Key Management Personnel and their relatives have significant influence	5.56	-

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.

3.52 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 group arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions Refer Note no. 3.35 for significant assumption used.

ii) **Estimation of tax expenses, assets and payable**

Deferred tax assets are recognised for unused tax credit and on unused losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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. 3.21 and 3.45.

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

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.52 CRITICAL ESTIMATES AND JUDGEMENTS (Contd.)

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. 3.27,3.37 and 3.40.

iv) **Estimation of expected useful lives and residual values of property, plants and equipment and intangible assets.**
Property, plant and equipment and intangible assets are depreciated/ amortized at historical cost using straight-line method based on the estimated useful life, taking into account 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, 3.2 & 3.3.

v) **Impairment of intangible assets**
The Company has significant intangible assets arising from the acquisition of brand, trademark, know-how etc. in the normal course of its business. There are indicators that the carrying value of the intangibles may not be recovered through its continuing use and hence, the management has performed impairment testing in accordance with Ind AS 36. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget over the remaining useful life (including terminal value) and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. Recoverability of these assets is based on forecast of projected cash flows over the remaining useful life of underlying intangible assets and their discounted present value (after considering terminal value), which are inherently highly judgmental and is subject to achieving forecasted results. Based on the impairment testing done, the Company believes that no impairment charge is required in this regard. "

vi) **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. 3.44

3.53 Pursuant to Voluntary Retirement Scheme at Kolkata Unit, the company has paid compensation amounting to ₹ 979.89 Lacs (31.03.2018 - ₹ Nil) to its employees which has been charged as exceptional expense.

3.54 On 25th January 2019, the Company has acquired Skin and Body Care brand "Creme 21". The Company has recorded this transaction as asset acquisition as per Ind AS 38 and recognised the Brand under Intangible assets. The brand has been recorded at the amount of consideration paid along with the related transaction costs.

3.55 During the year Emami International FZE, Dubai a wholly owned Subsidiary of the company has incorporated its subsidiary namely "Emami Rus (LLC) in Russia and "Fentus 113. GMBH" in Germany which is registered with the Registrar of Companies of Russia and Germany respectively for business purpose.

3.56 INFORMATION FOR EARNINGS PER SHARE AS PER IND AS 33

Particulars	As at 31.03.2019	As at 31.03.2018
Net Profit (₹ in Lacs)	30,524.16	30,951.53
Cash Profit (₹ in Lacs)	62,328.44	61,482.34
Weighted average number of shares	4,539.36	4,539.36
Earnings Per Share - Basic & Diluted (₹)	6.72	6.82
Earnings Per Share - Cash (₹)	13.73	13.54

The shareholders of the Company had approved issuance of Bonus shares on 9th June 2018. During the year, Bonus Shares were allotted on 25th June 2018 in the ratio of 1 equity share of Re. 1 each for every 1 equity share. Consequently, basis, diluted & cash earnings per share for previous year have been restated in terms of Ind AS 33, Earnings per Share.

3.57 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.

3.58 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

₹ in Lacs

Particulars	2018-2019	2017-2018
India	2,30,431.32	2,18,220.99
Outside India	14,493.20	14,123.50
Total revenue from contracts with customers	**2,44,924.52**	**2,32,344.49**

Contract balances

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Trade receivables	14225.44	7002.74	3413.19
Contract liabilities			
Advance from customers	1012.30	687.63	547.06

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
Contract liabilities includes advance from customers received for supply of goods.

Set out below is the amount of revenue recognised from:

₹ in Lacs

Particulars	2018-2019	2017-2018
Amounts included in contract liabilities at the beginning of the year	687.63	547.06

Performance obligation

Sale of products

The performance obligation is satisfied upon delivery/dispatch of the goods. Sales are made generally after receipt of advance except for certain customers where payment is due within 30 to 90 days from day of sales.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.59 NEW AND AMENDED ACCOUNTING STANDARDS (IND AS)

A. Standards effective during the year

Ind AS 115	Revenue from Contracts with Customers
Ind AS 20	Government grant related to non-monetary asset
Appendix B to Ind AS 21	Foreign Currency Transactions and Advance Considerations
Ind AS 40	Investment Property
Ind AS 28	Long-term interests in associates and joint ventures

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. The cumulative effect of initially applying Ind AS 115 under modified retrospective application approach is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

The Company has done adjustments in respect of expected claims for volume rebates and return of damaged goods from its customers. The same is in the nature of variable consideration as per Ind AS 115 and should be netted off with Revenue. The Company has netted off the estimated cost of such rebates and returns to be incurred in the subsequent year based on actual claims made by the end- customer from revenue.

Following impact has been considered in respect of this adjustment:

As on April 1, 2018, provision for rebates & damage return amounting to ₹ 977.13 lacs has been created with a corresponding debit to retained earnings of ₹ 977.13 lacs.

Ind AS 20- Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. The Company has adopted the method of deducting grant from the carrying amount of the asset. However, this amendment does not have any significant impact on the financial statements

Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any significant impact on the financial statements.

Ind AS 40 - Transfers of 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

3.59 NEW AND AMENDED ACCOUNTING STANDARDS (IND AS) (Contd.)

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. These amendments have been considered while transferring property into investment property.

Ind AS 28 - Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April 2019. These amendments does not have any significant impact on the financial statements.

B. Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

Ind AS 116	Standards Issued but not yet effective
Appendix C to Ind AS 12	Uncertainty over Income Tax Treatment
Ind AS 109	Prepayment Features with Negative Compensation
Ind AS 19	Plan Amendment, Curtailment or Settlement

Ind AS 116 - Leases

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

NOTES TO FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.59 NEW AND AMENDED ACCOUNTING STANDARDS (IND AS) (Contd.)

The Company intends to adopt this standard. However, adoption of this standard is not likely to have a significant impact in its Financial Statements.

Appendix C to Ind AS 12 - Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date.

Ind AS 109 - Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019.

Ind AS 19 - Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

3.59 NEW AND AMENDED ACCOUNTING STANDARDS (IND AS) (Contd.)

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

C. Annual improvement to Ind AS (2018)

Ind AS 12	Income Tax
Ind AS 23	Borrowing Costs

Ind AS 12- Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Companies current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

Ind AS 23- Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Companies current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

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 Agarwal
Partner
Membership No: 060352

Kolkata
27th May, 2019

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 AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

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 2019, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 Companies Act, 2013, as amended ("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 associates as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Non-recognition of Unused Minimum Alternate Tax ("MAT") Credit *(as described in note 3.47 of the consolidated Ind AS financial statements)*	
As at March 31, 2019, the Holding Company has unused MAT credit balance of INR 24,866.39 lacs which has not been recognized in the books. Some of the manufacturing facilities of the Holding Company are availing tax benefits under section 80IC / 80IE of Income Tax Act, 1961 as a result of which the Holding Company is paying taxes under MAT to the government basis book profits. The credit of such taxes paid under MAT shall be allowed to be set off by the Holding Company in subsequent years when tax becomes payable on the total income in accordance with the normal provisions of the Act. In order to determine the utilization of such credit in future years, the management has forecasted its book profits and tax profits basis which MAT credit has not been recognized. Significant management judgement is required to determine the forecasted profits, expected future market, economic conditions, tax laws and the management's expansion plans and these factors impact the timing of utilization of MAT credit. Accordingly, the non-recognition of MAT credit basis the forecasted profits is determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures amongst others included the following: • Understood the income tax computation process for normal tax and minimum alternate tax and reviewed controls around recognition of MAT credit, and evaluated the design and tested the effectiveness of relevant controls in this regard. • Reviewed management's assumptions that substantiate the probability that the unused MAT credit will not be recovered through taxable income under normal provision in future years and also assessed the tax planning strategies, budgets and the plans prepared by the management and the relevant tax legislations. • Assessed the historical accuracy of management's assumptions. • Evaluated the adequacy of the disclosures made by the Group in this regard in the consolidated Ind AS financial statements.
Impairment assessment of Intangible assets *(as described in note 3.55(v) of the consolidated Ind AS financial statements)*	
The Holding Company has significant intangible assets arising from the acquisition of brand, trademark, know-how etc. in the normal course of its business. There are indicators that the carrying value of the intangibles may not be recovered through its continuing use and hence, the management has performed impairment testing in accordance with Ind AS 36. Recoverability of the intangible asset is based on forecast of projected cash flows over the remaining useful life of underlying intangible assets and their discounted present value (after considering terminal value), which are inherently highly judgmental and is subject to achieving forecasted results. Accordingly, the impairment testing of intangible asset is considered as a key audit matter because the underlying assumptions are highly judgmental and are affected by future market and economic conditions which are inherently uncertain.	Our audit procedures amongst others included the following: • Tested the Holding Company's internal controls around cash flow projections. • Assessed the adequacy of the Holding Company's valuation methodology applied in determining the recoverable amount. • Evaluated the assumptions used in forecasting cash flows and arriving at discounted cash flows. We also evaluated the adequacy of sensitivity analysis on key assumptions performed by the management. We involved specialists when performing these procedures. • Assessed the relevant disclosures made in the consolidated Ind AS financial statements.

Revenue from sale of goods *(as described in note 2.3.c, 3.30 and 3.61 to the consolidated Ind AS financial statements)*	
The Group recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. In determining the sales price, the Group considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues. The risk is, therefore, that revenue is not recognised in the correct period in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.	Audit procedures included the following: • Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. • Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the incoterms in accordance with Ind AS 115. • Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying supporting documents. • Assessed the relevant disclosures made in the consolidated Ind AS financial statements.

OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 the 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. 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 associates 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 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried

out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

(a) We did not audit the financial statements and other financial information, in respect of five (5) subsidiaries (including two stepdown subsidiaries), whose financial statements include total assets of ₹ 32,273 lacs as at March 31, 2019, and total revenues of ₹ 28,695 lacs and net cash inflows of ₹ 109 lacs for the year ended on that date. These financial statement 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. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 219 lacs for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose Ind AS financial statements, other financial information have been audited by other auditors and whose 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 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 subsidiaries and associate, is based solely on the reports of such other auditors.

The aforesaid 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 Holding Company's management has converted the financial statements of such subsidiaries located outside India 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 Holding 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 accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of Six (6) stepdown subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 1,822 lacs as at March 31, 2019, and total revenues of ₹ 53 lacs and net cash inflows of ₹ 55 lacs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been approved by the Board of Directors of the respective Companies and furnished to us by the management. Our opinion, in so far as it relates to 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 stepdown subsidiaries, 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 report 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 purposes 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, the consolidated Statement of Profit and Loss including 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 Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019, 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, none of the directors of the Holding Company and its associate incorporated in India is disqualified as on March 31, 2019, 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 with reference to these consolidated Ind AS financial statements of the Holding Company and its associate company incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company in accordance with the provisions of section 197 read with Schedule V to the Act. Based on the consideration of reports of other statutory auditors of the associate incorporated in India, the provisions of section 197 read with Schedule V of the Act are not applicable to the associate incorporated in India for the year ended March 31, 2019;

(h) 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, as amended, 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 in its consolidated Ind AS financial statements – Refer Note 3.28, Note 3.40 and Note 3.43 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, 2019;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2019. Based on the consideration of reports of other statutory auditors of the associate there were no amounts which were required to be transferred to Investor Education and Protection Fund during the year ended March 31, 2019.

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 27, 2019

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, 2019, we have audited the internal financial controls over financial reporting of Emami Limited (hereinafter referred to as the "Holding Company") and its associate company, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its associate company, which are companies 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 with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 over financial reporting with reference to these consolidated Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 WITH REFERENCE TO THESE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, 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 with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to an associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such associate 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 27, 2019

CONSOLIDATED BALANCE SHEET

as at 31st March, 2019

₹ in Lacs

	Notes	As at 31.03.2019		As at 31.03.2018	
ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment	3.1	74,900.02		74,458.93	
(b) Capital Work-in-Progress	3.1	3,521.61		2,257.70	
(c) Investment Property	3.2	5,478.18		5,588.95	
(d) Goodwill on Consolidation		408.05		408.05	
(e) Other Intangible Assets	3.3	87,220.66		99,749.76	
(f) Intangible Assets under Development	3.3	111.67		789.52	
(g) Financial Assets					
(i) Investments	3.4				
a) Investment in Associate		1,603.29		1,822.78	
b) Others		16,308.80		16,730.17	
(ii) Loans	3.5	1,424.97		1,188.33	
(iii) Other Financial assets	3.6	2,906.89		2,720.81	
(h) Deferred Tax Assets (net)	3.7	384.51		289.36	
(i) Non-Current Tax Assets	3.8	1,259.22		1,259.90	
(j) Other Non-Current Assets	3.9	1,775.90	1,97,303.77	2,733.61	2,09,997.87
2. Current Assets					
(a) Inventories	3.10	22,173.19		19,395.48	
(b) Financial Assets					
(i) Investments	3.11	785.64		12,805.86	
(ii) Trade Receivables	3.12	21,635.45		15,589.27	
(iii) Cash and Cash Equivalents	3.13	11,646.58		1,618.64	
(iv) Bank Balance other than (iii) above	3.14	8,693.95		6,333.13	
(v) Loans	3.15	471.46		299.36	
(vi) Other Financial Assets	3.16	4,978.18		5,677.28	
(c) Other Current Assets	3.17	14,548.39	84,932.84	8,357.23	70,076.25
TOTAL ASSETS			**2,82,236.61**		**2,80,074.12**
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	3.18		4,539.35		2,269.68
(b) Other Equity	3.19		2,03,066.93		1,99,091.11
Total Equity attributable to owners of the Company			**2,07,606.28**		**2,01,360.79**
(c) Non-Controlling Interest			(20.04)		56.83
Total Equity			**2,07,586.24**		**2,01,417.62**
LIABILITIES					
1. Non-Current Liabilities					
(a) Financial Liabilities					
(i) Other Financial Liabilities	3.20	689.56		834.93	
(b) Provisions	3.21	1,995.33		2,383.32	
(c) Deferred Tax Liabilities (net)	3.22	1,603.86		1,467.41	
(d) Other Non-Current Liabilities	3.23	2,367.55	6,656.30	2,576.56	7,262.22
2. Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.24	10,986.93		32,591.43	
(ii) Trade Payables	3.25				
Total outstanding dues of Micro & Small Enterprises		303.48		129.39	
Total outstanding dues of creditors other than Micro & Small Enterprises		28,832.51		24,073.61	
(iii) Other Financial Liabilities	3.26	13,256.35		5,980.45	
(b) Other Current Liabilities	3.27	2,454.17		2,215.98	
(c) Provisions	3.28	11,532.57		6,215.85	
(d) Current Tax Liabilities	3.29	628.06	67,994.07	187.57	71,394.28
TOTAL EQUITY AND LIABILITIES			**2,82,236.61**		**2,80,074.12**
Summary of Significant Accounting Policies	2				

The accompanying notes are an integral part of these standalone Ind AS financial statements
As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no: 301003E/E300005

Sanjay Kumar Agarwal
Partner
Membership No: 060352

Kolkata
27th May, 2019

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 PROFIT AND LOSS

for the year ended as at 31st March, 2019

₹ in Lacs

		Notes	2018-2019	2017-2018
INCOME				
Revenue From Operations		3.30	2,69,293.81	2,54,082.81
Other Income		3.31	3,659.34	1,949.72
Total Income	**(A)**		**2,72,953.15**	**2,56,032.53**
EXPENSES				
Cost of Materials Consumed		3.32	77,967.51	65,879.61
Purchases of Stock-in-Trade			15,616.38	16,245.46
(Increase)/ Decrease in Inventories of Finished Goods, Stock in trade and Work-in-Progress		3.33	(1,283.19)	(1,140.21)
Excise Duty on Sale of Goods			-	1,027.99
Employee Benefits Expense		3.34	27,972.36	25,464.68
Other Expenses		3.36	76,467.62	74,661.11
Total Expenses before Exceptional items, Interest, Depreciation, Amortisation and Tax	(B)		**1,96,740.68**	**1,82,138.64**
Earnings before Share of loss of an Associate, Exceptional Items, Interest, Depreciation, Amortisation and Tax	(A-B)		**76,212.47**	**73,893.89**
Finance Costs	(C)	3.35	2,140.29	3,430.95
Depreciation & Amortisation Expense :				
a) Amortisation of Intangible Assets		3.3	24,849.66	24,357.95
b) Depreciation of Tangible Assets		3.1 & 3.2	7,681.72	6,727.82
	(D)		**32,531.38**	**31,085.77**
Total Expenses before Exceptional items and Tax	(B+C+D)=E		**2,31,412.35**	**2,16,655.36**
Share of loss of an Associate	F		**(219.50)**	**(121.40)**
Profit Before Exceptional Items and Tax	(A-E-F)=G		**41,321.30**	**39,255.77**
Exceptional Items	(H)	3.57	979.89	-
Profit Before Tax	(G-H)=I		**40,341.41**	**39,255.77**
Tax Expense:	(J)	3.47		
Current Tax (Including MAT)			9,722.70	7,274.60
MAT Credit Entitlement			-	1,400.00
Deferred Tax charge/(credit)			365.64	(48.50)
Profit for the year	(I-J)=K		**30,253.07**	**30,629.67**
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)			(1,565.36)	8,934.66
Remeasurement of the net defined benefit liability/ asset (net of tax)			294.26	172.53
B Items that will be reclassified to Profit or Loss in subsequent periods				
Exchange difference on translation of foreign operations			(239.99)	283.62
Total Other Comprehensive Income, net of tax			**(1,511.09)**	**9,390.81**
Total Comprehensive Income for the year			**28,741.98**	**40,020.48**
Profit attributable to:				
Equityholders of the parent	L		30,323.02	30,714.11
Non-Controlling Interests			(69.95)	(84.44)
Total Comprehensive Income attributable to:				
Equityholders of the parent			28,818.85	40,104.92
Non-Controlling Interests			(76.87)	(84.44)
Cash Profit	(L+D)		**62,854.40**	**61,799.88**
Earnings Per Equity Share		3.60		
(1) Basic (Face value of Re. 1 each)			6.68	6.77
(2) Diluted (Face value of Re. 1 each)			6.68	6.77
(3) Cash (Face value of Re. 1 each)			13.85	13.62
Summary of Significant Accounting Policies		2		

The accompanying notes are an integral part of these standalone Ind AS financial statements
As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no: 301003E/E300005

Sanjay Kumar Agarwal
Partner
Membership No: 060352

Kolkata
27th May, 2019

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, 2019

₹ in Lacs

Particulars	Equity Share Capital	OTHER EQUITY							Total Equity attributable to equity-holders of the parent	Non-Controlling Interests (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 1.04.2017	**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)	-
Closing Balance	-	-	-	-	-	-	-	-	-	
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**
Balance as at 1.04.2018	**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**
Profit for the Year	-	-	-	30,323.02	-	-	-	-	30,323.02	(69.95)
Other Comprehensive Income										
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	(233.07)	(233.07)	(6.92)
Fair value gain on Equity instrument through other comprehensive income	-	-	-	-	-	-	(1,565.36)	-	(1,565.36)	-
Reversal of Deferred Tax Effect	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset	-	-	-	485.63	-	-	-	-	485.63	-
Income Tax Effect	-	-	-	(191.37)	-	-	-	-	(191.37)	-
Total Comprehensive Income	**-**	**-**	**-**	**30,617.28**	**-**	**-**	**(1,565.36)**	**(233.07)**	**28,818.84**	**(76.87)**
Effect of Adoption of new accounting standard i.e Ind AS 115 ##	-	-	-	(4,076.82)	-	-	-	-	(4,076.82)	-
Income Tax Effect	-	-	-	524.85	-	-	-	-	524.85	-
Dividend Paid#	-	-	-	(15,887.73)	-	-	-	-	(15,887.73)	-
Corporate Dividend Tax#	-	-	-	(3,133.66)	-	-	-	-	(3,133.66)	-
Transfer of DRR to General reserves on Redemption of Debentures	-	-	-	-	-	-	-	-	-	-
Issue of Bonus Shares ###	2,269.67	-	(2,269.67)	-	-	-	-	-	-	-
Balance as at 31.03.2019	**4,539.35**	**79.64**	**30,935.49**	**71,121.16**	**-**	**87,500.00**	**13,422.12**	**8.52**	**2,07,606.28**	**(20.04)**

Refer Note No : 3.48

Refer Note No 3.62

Refer Note No : 3.18

The accompanying notes are an integral part of these standalone Ind AS financial statements
As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no: 301003E/E300005

Sanjay Kumar Agarwal
Partner
Membership No: 060352

Kolkata
27th May, 2019

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 31st March, 2019

₹ in Lacs

	2018-2019	2017-2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	40,341.41	39,255.77
Adjustments for :		
Dividend from investment in mutual funds	-	(8,071.41)
(Profit) / loss on fair value of mutual funds	(924.01)	7,660.29
Depreciation and Amortisation Expense	32,531.38	31,085.77
Finance Costs	2,140.29	3,430.95
Interest income on loans & deposits	(1,722.28)	(270.97)
(Profit) / Loss on Sale/Disposal of Property, Plant & Equipments (net)	(7.15)	45.83
Dividend Income from equity investment carried at fair value through OCI	(95.35)	(95.35)
Share of loss of an Associate	219.50	121.40
Unrealised Foreign Exchange Gain	(270.03)	7.09
Sundry balances written (back) / off (net)	(15.14)	(41.29)
(Profit)/ loss on Derivative Instruments	(160.07)	(133.03)
	72,038.55	**72,995.05**
Adjustments for working capital changes :		
Increase /(Decrease) in Trade Payables and Other Liabilities	4,970.28	8,460.21
(Increase)/Decrease in Inventories	(2,777.71)	(1,480.12)
(Increase)/Decrease in Trade Receivables	(6,197.39)	(5,710.81)
(Increase)/Decrease in Loans and Advances and Other Financial Assets	694.17	(677.84)
(Increase)/Decrease in Other Non Financial Assets	(5,419.53)	(7,451.02)
Increase /(Decrease) in Provisions	1,337.54	735.60
	(7,392.64)	**(6,123.98)**
CASH GENERATED FROM OPERATIONS	**64,645.91**	**66,871.07**
Less : Direct Taxes Paid	9,272.39	8,089.80
NET CASH FLOW FROM OPERATING ACTIVITIES	**55,373.52**	**58,781.27**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Property, Plant & Equipment	632.44	48.23
Interest Received	1,650.75	223.45
Dividend Received	95.35	8,166.76
Sale of Investments	96,857.75	91,942.97
Loans given	(28,500.00)	-
Proceeds from repayment of loan given	28,500.00	-
Purchase of Property, Plant & Equipment & Intangible Assets	(13,921.74)	(12,369.68)
Investment in Associates	(250.00)	(1,200.00)
Purchases of Investments	(84,878.34)	(1,10,171.98)
Investment in Preference Shares	(200.00)	(404.79)
Fixed Deposits made	(3,333.66)	(4,147.11)
Proceeds from maturity of Fixed Deposit	1,008.02	-
NET CASH USED IN INVESTING ACTIVITIES	**(2,339.43)**	**(27,912.15)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2019

₹ in Lacs

	2018-2019	2017-2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(29,919.58)	(66,837.00)
Proceeds from Short Term Borrowings from Banks	8,028.31	48,467.98
Interest Paid	(2,140.27)	(3,438.82)
Dividend Paid	(15,887.73)	(11,936.35)
Corporate Dividend Tax paid	(3,133.66)	(2,297.54)
Cash Credit taken / (repaid) (net)	286.77	3,668.04
NET CASH USED IN FINANCING ACTIVITIES	**(42,766.16)**	**(32,373.69)**
D. Effect of Foreign Exchange Fluctuation	(239.99)	283.62
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	**10,027.94**	**(1,220.95)**
Add- CASH & CASH EQUIVALENTS-OPENING BALANCE	1,618.64	2,839.59
CASH & CASH EQUIVALENTS-CLOSING BALANCE	11,646.58	1,618.64
Cash & Cash Equivalents includes:		
Balances with banks	4,186.43	1,597.66
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	7,114.15	-
Cheque-in-hand	329.36	-
Cash on hand	16.64	20.98
Total Cash & Cash Equivalents (Refer Note No : 3.13)	**11,646.58**	**1,618.64**

The accompanying notes are an integral part of these standalone Ind AS financial statements
As per our report of even date

For S. R. BATLIBOI & Co. LLP
Chartered Accountants
Registration no: 301003E/E300005

Sanjay Kumar Agarwal
Partner
Membership No: 060352

Kolkata
27th May, 2019

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, 2019

1. COMPANY OVERVIEW

The consolidated Ind AS 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, 2019. 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

The consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 These Consolidated Ind AS 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 consolidated Ind AS financial statements were approved for issue in accordance with the resolution of the Board of Directors on 27th May, 2019.

2.2. BASIS OF CONSOLIDATION

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries and associate as at March 31, 2019. 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 Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS 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 Ind AS 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 Ind AS 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, 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

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 Ind AS 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 Ind AS 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 and 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 and 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 and 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 and 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 and Loss.

c. Revenue Recognition

Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes including goods and service tax. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from sale of products is recognized when the Group transfers the control of goods to the customer as per the terms of contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the Group believes that the control gets transferred to the customer on dispatch of the goods from the factory/depot and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Volume rebates

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future rebates.

Rights of return

Certain contracts provide a customer with a right to return the damaged goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Group recognises a provision for rebate and damage return and net it from revenue.

For impact on adoption of Ind AS 115, refer note 3.62.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Advance from customer

Advance from customer is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Advance from customer is recognised as revenue when the Group performs under the contract.

Provision for rebates and damage return

Provision for rebates and damage return is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of Provision for rebates and damage return (and the corresponding change in the transaction price) at the end of each reporting period.

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 and 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

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.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss in the period of derecognition.

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.

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.

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 and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

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 and 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. 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 in finance income in the Profit and Loss.

Equity investments

All equity investments (excluding investments in associate) 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. These equity shares are designated as FVTOCI as they are not held for trading and disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding.

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.

Investment in mutual funds / alternate investment funds

Investment in mutual funds / alternate investment funds falls within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derivative Instruments

Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

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.

Income recognition

Interest Income - Interest income from debt instruments is recognised using the effective interest rate method (EIR). The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend - Dividend is recognised in Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

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 115 (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.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Profit and 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 and 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 and Loss.

k. Fair value measurement

The Group measures financial instruments, such as, equity instruments and 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 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. The Group has determined that it does not meet criteria for recognition of lease rental income on a basis other than straight-line basis. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

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 and Loss in subsequent periods. The effect of any plan amendments are recognized in the Statement of Profit and 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.

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 and 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 and 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 and Loss is recognised outside Profit and 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').

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

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 Statement of Profit and 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 Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

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 and 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 and Loss.

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

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 profits attributable to the equityholders of the Parent.

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 and 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 non-current.

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 expense, Tax, Depreciation and Amortisation (EBITDA) in the Statement of Profit and 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 expense, 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, finance costs, share of profit/ loss from associate and tax expense, but includes other income.

x. Rounding of amounts

All amounts disclosed in the consolidated financial Statements and notes have been rounded off to the nearest Lacs (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, 2019

3.1 PROPERTY PLANT & EQUIPMENT (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1.4.2018	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 1.4.2018	For the year	(Disposals)/ Transfer in/ (Out)	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
Land												
Leasehold	379.62	-	-	3.68	383.30	14.79	5.33	-	-	20.12	363.18	364.83
Freehold	4,877.92	768.44	-	-	5,646.36	-	-	-	-	-	5,646.36	4,877.92
Building (including roads)*	30,762.60	1,982.35	(454.91)	76.45	32,366.49	2,357.71	1,092.11	(50.09)	28.68	3,428.41	28,938.08	28,404.89
Plant & Equipment	47,167.62	4,473.34	(785.80)	79.41	50,934.57	10,738.81	5,379.19	(515.20)	30.38	15,633.18	35,301.39	36,428.81
Furniture & Fixture	2,040.65	302.91	(32.20)	7.70	2,319.06	445.11	277.85	(18.19)	3.04	707.81	1,611.25	1,595.54
Office Equipment	2,716.92	554.46	(19.68)	13.97	3,265.67	996.61	327.41	(10.39)	4.63	1,318.26	1,947.41	1,720.31
Computer	931.23	85.56	(3.24)	7.85	1,021.40	604.75	173.93	(1.77)	3.97	780.88	240.52	326.48
Motor Vehicles	1,085.06	292.81	(81.48)	4.66	1,301.05	344.91	157.18	(54.24)	1.37	449.22	851.83	740.15
Property, Plant & Equipment Total	**89,961.62**	**8,459.87**	**(1,377.31)**	**193.72**	**97,237.90**	**15,502.69**	**7,413.00**	**(649.88)**	**72.07**	**22,337.88**	**74,900.02**	**74,458.93**
Capital Work- In-Progress	2,257.70	2,569.09	(1,307.40)	2.22	3,521.61	-	-	-	-	-	3,521.61	2,257.70
Total	**92,219.32**	**11,028.96**	**(2,684.71)**	**195.94**	**1,00,759.51**	**15,502.69**	**7,413.00**	**(649.88)**	**72.07**	**22,337.88**	**78,421.63**	**76,716.63**

*Transfer includes ₹ 107.38 Lacs (accumulated depreciation ₹ 5.25 Lacs)transferred to Investment property.

"Title deeds of immovable properties set out above, where applicable, are in the name of the Company except as set out below

₹ in Lacs

Particulars	Gross Block		Net Block		No. of cases
	As at 31.3.2019	As at 31.3.2018	As at 31.3.2019	As at 31.3.2018	
Building	410.06	-	403.94	-	4
Freehold Land	140.82	140.82	140.82	140.82	5
Grand Total	**550.88**	**140.82**	**544.76**	**140.82**	**9**

Management is in the process of getting the above properties transferred in the name of the Group.

3.2 INVESTMENT PROPERTY (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1.4.2018	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 1.4.2018	For the year	(Disposals)/ Transfer in/ (Out)	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
Building*	6,000.29	-	107.38	61.27	6,168.94	411.34	268.72	5.25	5.45	690.76	5,478.18	5,588.95
Total	**6,000.29**	**-**	**107.38**	**61.27**	**6,168.94**	**411.34**	**268.72**	**5.25**	**5.45**	**690.76**	**5,478.18**	**5,588.95**

*Transfer includes ₹ 107.38 Lacs (accumulated depreciation ₹ 5.25 Lacs) transferred from Property, Plant & Equipment.

Refer Note No 3.44 for disclosure of fair value of investment property.

3.3 INTANGIBLE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Amortisation					Net Block	
	As at 1.4.2018	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 1.4.2018	For the year	(Disposals)/ Transfer in/ (Out)	Exchange Fluctuation on Consolidation	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
Goodwill	1,050.00	-	-	-	1,050.00	1,050.00	-	-	-	1,050.00	-	-
Computer Software	1,518.81	1,621.47	-	(0.02)	3,140.26	899.31	647.63	-	-	1,546.94	1,593.32	619.50
Brands, Trade Marks & others	1,48,251.19	10,702.53	-	(2.63)	1,58,951.09	58,217.73	20,056.80	-	0.79	78,275.32	80,675.77	90,033.46
Copyright	20,720.00	-	-	-	20,720.00	11,623.20	4,145.23	-	-	15,768.43	4,951.57	9,096.80
Intangible Assets Total	**1,71,540.00**	**12,324.00**	**-**	**(2.65)**	**1,83,861.35**	**71,790.24**	**24,849.66**	**-**	**0.79**	**96,640.69**	**87,220.66**	**99,749.76**
Intangible Assets under Development	789.52	454.09	(1,131.94)	-	111.67	-	-	-	-	-	111.67	789.52
Grand Total	**1,72,329.52**	**12,778.09**	**(1,131.94)**	**(2.65)**	**1,83,973.02**	**71,790.24**	**24,849.66**	**-**	**0.79**	**96,640.69**	**87,332.33**	**1,00,539.28**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.1 PROPERTY PLANT & EQUIPMENT (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1.4.2017	Additions	Disposals/ Transfer	Exchange Fluctuation on Consoli-dation	As at 31.3.2018	As at 1.4.2017	For the year	(Disposals)/ Transfer in/ (Out)	Exchange Fluctuation on Consoli-dation	As at 31.3.2018	As at 31.3.2018	As at 31.3.2017
Land												
Leasehold	373.65	4.29	-	1.68	379.62	9.48	5.31	-	-	14.79	364.83	364.17
Freehold	4,393.48	484.44	-	-	4,877.92	-	-	-	-	-	4,877.92	4,393.48
Building (including roads)*	27,007.36	3,954.77	(369.82)	170.29	30,762.60	1,118.22	1,080.39	(38.67)	197.77	2,357.71	28,404.89	25,889.14
Plant & Equipment	40,921.77	6,239.20	(158.64)	165.29	47,167.62	5,978.57	4,627.76	(83.18)	215.66	10,738.81	36,428.81	34,943.20
Furniture & Fixture	1,669.80	366.39	(6.27)	10.73	2,040.65	129.47	307.97	(4.89)	12.56	445.11	1,595.54	1,540.33
Office Equipment	2,347.74	352.43	(11.63)	28.38	2,716.92	728.81	253.07	(5.25)	19.98	996.61	1,720.31	1,618.93
Computer	764.18	149.16	(0.18)	18.07	931.23	373.39	198.83	(0.08)	32.61	604.75	326.48	390.79
Motor Vehicles	731.22	363.64	(19.00)	9.20	1,085.06	215.59	128.98	(8.89)	9.23	344.91	740.15	515.63
Property, Plant & Equipment Total	**78,209.20**	**11,914.32**	**(565.54)**	**403.64**	**89,961.62**	**8,553.53**	**6,602.31**	**(140.96)**	**487.81**	**15,502.69**	**74,458.93**	**69,655.67**
Capital Work- In-Progress	1,290.74	3,516.70	(2,545.07)	(4.67)	2,257.70	-	-	-	-	-	2,257.70	1,290.74
Total	**79,499.94**	**15,431.02**	**(3,110.61)**	**398.97**	**92,219.32**	**8,553.53**	**6,602.31**	**(140.96)**	**487.81**	**15,502.69**	**76,716.63**	**70,946.41**

*Transfer includes ₹ 366.73 Lacs (accumulated depreciation ₹ 37.70 Lacs)transferred to Investment property.

3.2 INVESTMENT PROPERTY (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1.4.2017	Additions	Disposals/ Transfer	Exchange Fluctuation on Consoli-dation	As at 31.3.2018	As at 1.4.2017	For the year	(Disposals)/ Transfer in/ (Out)	Exchange Fluctuation on Consoli-dation	As at 31.3.2018	As at 31.3.2018	As at 31.3.2017
Building*	5,594.87	-	366.73	38.69	6,000.29	211.05	125.51	37.70	37.08	411.34	5,588.95	5,383.82
Total	**5,594.87**	**-**	**366.73**	**38.69**	**6,000.29**	**211.05**	**125.51**	**37.70**	**37.08**	**411.34**	**5,588.95**	**5,383.82**

*Transfer includes ₹ 366.73 Lacs (accumulated depreciation ₹ 37.70 Lacs) transferred from Property, Plant & Equipment.

Refer Note No 3.44 for disclosure of fair value of investment property.

3.3 INTANGIBLE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block					Amortisation					Net Block	
	As at 1.4.2017	Additions	Disposals/ Transfer	Exchange Fluctuation on Consoli-dation	As at 31.3.2018	As at 1.4.2017	For the year	(Disposals)/ Transfer in/ (Out)	Exchange Fluctuation on Con-solidation	As at 31.3.2018	As at 31.3.2018	As at 31.3.2017
Goodwill	1,050.00	-	-	-	1,050.00	1,050.00	-	-	-	1,050.00	-	-
Computer Software	1,344.82	176.12	(2.13)	-	1,518.81	548.11	352.72	(1.52)	-	899.31	619.50	796.71
Brands, Trade Marks & others	1,48,249.15	0.25	-	1.79	1,48,251.19	38,357.43	19,860.00	-	0.30	58,217.73	90,033.46	1,09,891.72
Copyright	20,720.00	-	-	-	20,720.00	7,477.97	4,145.23	-	-	11,623.20	9,096.80	13,242.03
Intangible Assets Total	**1,71,363.97**	**176.37**	**(2.13)**	**1.79**	**1,71,540.00**	**47,433.51**	**24,357.95**	**(1.52)**	**0.30**	**71,790.24**	**99,749.76**	**1,23,930.46**
Intangible Assets under Development	861.43	-	(71.91)	-	789.52	-	-	-	-	-	789.52	861.43
Grand Total	**1,72,225.40**	**176.37**	**(74.04)**	**1.79**	**1,72,329.52**	**47,433.51**	**24,357.95**	**(1.52)**	**0.30**	**71,790.24**	**1,00,539.28**	**1,24,791.89**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.4 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Non current		
Investments carried at amount determined using equity method of accounting (Unquoted, fully paid, unless otherwise stated)		
Equity shares		
In Associate		
Helios Lifestyle Private Limited	1,603.29	1,822.78
72,261 (31.03.2018- 60,649) Equity Shares of ₹ 10 each [net of share of loss during the year amounting to ₹ 219.50 lacs (31.03.2018 - ₹ 121.40 lacs)] {Refer note (b) & (c) below}		
(a)	1,603.29	1,822.78
Investments carried at amortised cost (Unquoted)		
Government & Trust Securities		
6 Years' National Savings Certificate	0.24	0.24
(Lodged With Government Authority)		
(i)	0.24	0.24
Investments carried at FVTPL (Unquoted,fully paid)		
Equity Shares		
Brillare Science Private Limited		
100 (31.03.2018 -100) Equity shares of ₹ 10 each	0.70	0.70
Preference Shares		
Brillare Science Private Limited		
1,42,383 (31.03.2018 - 1,13,887) shares of ₹ 10 each	978.30	799.32
Units of Alternate Investment Fund		
Fireside Ventures Investment Fund I		
1,105 (31.03.2018 - 750) Units of INR 1,00,000 each	1,274.98	697.43
(ii)	2,253.98	1,497.45
Investments Carried at FVTOCI		
Equity Shares (Quoted, fully Paid)		
Emami Paper Mills Limited		
79,46,000 (31.03.2018 - 79,46,000) Equity Shares of ₹ 2 each	13,667.13	15232.48
Securities (Unquoted, fully Paid)		
LOLI Beauty Inc.	387.45	-
12,28,261 (31.03.2018 - Nil) Securities		
(iii)	14,054.58	15,232.48
(b) = (i) + (ii) + (iii)	16,308.80	16,730.17
Total (a) + (b)	17,912.09	18,552.95
Aggregate Amount of Quoted Investments & Market Value thereof	13,667.13	15,232.48
Aggregate Amount of Unquoted Investments	4,244.96	3,320.47

Notes -

(a) Refer Note No 3.45 for determination of fair value

(b) 24,662 no. of shares of Helios Lifestyle Private Limited was subsequently allotted.

(c) During the year, 11,612 shares of Helios Lifestyle Private Limited were allotted to the Group without any consideration pursuant to the shareholders agreement.

3.5 LOANS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Unsecured, Considered Good		
Security Deposits to related parties (Refer Note No 3.54)	31.75	21.45
Security Deposits to others	580.58	578.27
Loans to Employees	58.34	37.56
Loans to Others	754.30	551.05
Total	**1,424.97**	**1,188.33**

3.6 OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Unsecured, Considered Good unless otherwise stated		
Incentive Receivable*	3,020.87	2,840.63
Less: Provision for Doubtful Receivables	(113.98)	(119.82)
Total	**2,906.89**	**2,720.81**

*It includes Subsidy, Export incentives, GST Refund etc.

3.7 DEFERRED TAX ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Tax Assets		
Tax impact of expenses allowable against taxable income in future years	384.51	289.36
Total	**384.51**	**289.36**

3.8 NON-CURRENT TAX ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Advance Income Tax(Net of Provision)	1,259.22	1,259.90
Total	**1,259.22**	**1,259.90**

3.9 OTHER NON-CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, Considered Good unless otherwise stated		
Capital Advances	1,305.42	2,232.19
Deposit with Government authorities	441.69	498.42
Prepaid Expenses	28.79	3.00
Total	**1,775.90**	**2,733.61**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.10 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
(At lower of cost and net realisable value)				
Raw materials and Packing materials				
Raw Materials	5,230.26		4,323.47	
Packing Materials	3,061.63	8,291.89	2,825.86	7,149.33
Work-in-Progress		411.41		376.50
Finished Goods		9,115.76		8,409.57
Stock-in-Trade		3,557.77		3,015.68
Stores and Spares		796.36		444.40
Total		22,173.19		19,395.48

(a) During the year ended 31st March 2019, ₹ 102.86 lacs (31st March 2018: ₹ 23.28 lacs) was recognised as an expense for inventories carried at net realisable value.

(b) Above includes Inventories in Transit:

Raw Materials : ₹ 795.43 lacs (31.03.2018 : Nil)
Packing Materials : ₹ 31.10 lacs (31.03.2018 : Nil)
Finished Goods : ₹ 98.74 lacs (31.03.2018 : Nil)

(c) Refer Note No 3.24 for information on inventories pledged as security

3.11 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2019	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
Nil (31.03.2018 - 102,440,386.680) Units of ₹ 10 each		
HDFC Floating Rate Debt - Direct Plan - Wholesale Growth Option	785.64	728.07
24,02,320 (31.03.2018-24,02,320) Units of ₹ 10 each		
Total	785.64	12,805.86
Aggregate Amount of Unquoted Investments	785.64	12,805.86

3.12 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At Amortised cost		
Secured		
Considered Good	44.39	318.36
Unsecured		
Considered Good	21,591.06	15,270.91
Total	21,635.45	15,589.27

(a) Refer Note No 3.24 for information on receivables secured against borrowings

3.13 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
Cash and Cash Equivalents				
Balances with banks	4,186.43		1,597.66	
Fixed Deposits with banks (Original Maturity of less than 3 Months)	7,114.15		-	
Cheque-in-hand	329.36		-	
Cash on hand	16.64	11,646.58	20.98	1,618.64
Total		**11,646.58**		**1,618.64**

3.14 OTHER BANK BALANCES

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
At Amortised cost				
Other Bank Balances				
Unpaid Dividend Account #	175.05		139.87	
Deposits with Original maturity of more than 3 months but less than 12 months ##	8,518.90	8,693.95	6,193.26	6,333.13
Total		**8,693.95**		**6,333.13**

Earmarked for payment of Unclaimed Dividend

Includes deposits amounting to ₹ 58.17 Lacs (31.03.2018 : ₹ 647.82 Lacs) under lien.

3.15 LOANS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Unsecured, considered good		
Security Deposits	-	37.60
Loans to Employees	471.46	261.76
Total	**471.46**	**299.36**

3.16 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Unsecured, considered good		
Interest Receivable on Deposits	152.29	80.76
Other Receivable	238.65	164.17
Incentive Receivable*	4,215.88	5,393.27
At FVTPL		
Derivative assets - Forward & Option**	371.36	39.08
Total	**4,978.18**	**5,677.28**

* It includes Subsidy, Export incentives, GST Refund etc.

** Refer Note No. 3.45 for determination of fair value

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.17 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good		
Advances other than Capital Advances		
-For goods and services	6,859.48	2,964.76
Balances with Government Authorities	7,110.53	5,014.25
Prepaid Expenses	578.38	378.22
Total	14,548.39	8,357.23

3.18 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Authorised		
50,00,00,000 (31.03.2018-25,00,00,000) Equity Shares of Re 1/- each	5,000.00	2,500.00
Issued		
45,39,35,238 (31.03.2018-22,69,67,619) Equity Shares of Re 1/- each fully paid up	4,539.35	2,269.68
Subscribed & Paid up*		
45,39,35,238 (31.03.2018-22,69,67,619) Equity Shares of Re 1/- each fully paid up	4,539.35	2,269.68
Total Issued, Subscribed and Fully paid up Share Capital	4,539.35	2,269.68

*Of the above, 22,69,67,619 (31.03.2018 :75,655,873) 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 outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2019		As at 31.03.2018	
	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
Bonus shares issued during the year #	22,69,67,619	2,269.67	-	-
Shares outstanding at the end of the year	45,39,35,238	4,539.35	22,69,67,619	2,269.68

Refer Note No. 3.60 for Bonus issue

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of Re 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.

3.18 EQUITY SHARE CAPITAL (Contd.)

(c) Shareholders holding more than 5% shares in the Company

Names of the shareholders	As at 31.03.2019		As at 31.03.2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	5,86,33,849	12.92	3,37,71,887	14.88
Suntrack Commerce Private Limited	5,82,34,107	12.83	3,31,36,016	14.60
Bhanu Vyapaar Private Limited	5,10,45,902	11.25	2,77,91,381	12.24
Raviraj Viniyog Private Limited (Formerly Known as Emami Enclave Makers Private Limited)	2,50,96,984	5.53	1,38,86,007	6.12
Suraj Viniyog Private Limited	2,36,45,848	5.21	1,29,57,139	5.71
Prabhakar Viniyog Private Limited (Formerly Known as Emami High Rise Private Limited)	2,41,31,492	5.32	1,31,99,961	5.82
SBI Consumption Opportunities Fund	2,33,05,013	5.13	-	-

3.19 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
Retained Earnings				
Opening balance	63,077.24		46,403.94	
Net Profit for the year	30,323.02		30,714.11	
Remeasurements of the Net Defined Benefit Plans (net of tax)	294.26		172.53	
Effects of adoption of new accounting standard i.e, Ind AS 115*	(4,076.82)		-	
Income Tax Effect	524.85		-	
Final Dividend#	(15,887.73)		(11,915.80)	
Corporate Dividend Tax#	(3,133.66)		(2,297.54)	
Closing Balance		71,121.16		63,077.24
Other Comprehensive Income				
Equity Instruments through Other Comprehensive Income (net of tax)				
Opening Balance	14,987.48		6,052.82	
Change during the year	(1,565.36)		8,934.66	
Closing balance		13,422.12		14,987.48
Foreign Currency Translation Reserve				
Opening Balance	241.59		(42.03)	
Addition during the year	(233.07)		283.62	
Closing Balance		8.52		241.59
Other Reserves				
Capital Reserves		79.64		79.64
Securities Premium				
Opening balance	33,205.16		33,205.16	
Issue of Bonus Shares (Refer note no. 3.60)	(2,269.67)		-	
Closing Balance		30,935.49		33,205.16
General Reserve				
Opening Balance	87,500.00		80,000.00	
Transferred from DRR on Redemption of debentures	-		7,500.00	
Closing Balance		87,500.00		87,500.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.19 OTHER EQUITY (Contd.)

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
Debenture Redemption Reserve (DRR)				
Opening Balance	-		7,500.00	
Transferred to General reserve on Redemption of debentures	-		(7,500.00)	
Closing Balance		-		-
Total		2,03,066.93		1,99,091.11

Refer Note No : 3.48

* Refer Note No : 3.62

Nature and purpose of reserves

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years.

Retained Earnings

This Reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in the accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

3.20 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Unsecured		
Trade Deposits	264.62	594.58
Security Deposits	424.94	240.35
Total	689.56	834.93

3.21 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits		
Gratuity (Refer Note No: 3.38)	1,995.33	2,383.32
Total	**1,995.33**	**2,383.32**

3.22 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in depreciable assets	3,571.62	2,899.41
Tax impact arising on fair value gain on financial instruments	159.69	-
Deferred Tax Assets		
Tax Impact of expenses allowable against taxable income in future years	(2,127.46)	(1,432.00)
Total	**1,603.86**	**1,467.41**

3.23 OTHER NON-CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Government Grants*	2,367.55	2576.56
Total	**2,367.55**	**2576.56**

*To be amortised to income over the life of the assets against which such grants are received/receivable.

3.24 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2019		As at 31.03.2018	
At amortised cost				
Secured				
From Banks				
Cash Credit (including working capital demand loan)	9,097.72		8,810.95	
Packing Credit	1,861.54	10,959.26	1,625.72	10,436.67
(Cash Credit amounting to ₹ 3,572.52 Lacs (31.03.2018: ₹ 4,156.66 Lacs) and Packing Credit are secured by hypothecation of inventories, book debts on first charge basis ranking pari passu amongst lenders.)				
(Cash Credit amounting to ₹ 5525.20 Lacs (31.03.2018: ₹ 4,654.29 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
Loan from Director		27.67		-
Total		**10,986.93**		**32,591.43**

Notes :

1. Cash credit amounting to ₹ 5,525.20 Lacs carries an interest rate of LIBOR plus 1.5% (31.03.2018 : LIBOR rate 1.75%)and for balance Cash credit amounting to ₹ 3,572.52.68 Lacs interest ranges between 7.9% - 10% (31.03.2018 : Interest rate 7.9% - 8.5%)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.24 BORROWINGS (Contd.)

2. Working Capital demand loan is repayable within 60 days & carries interest in the range of 7.5% - 9.2% (31.03.2018 : Interest rate 7.9% - 8.5%)
3. Packing credit is repayable within 6 months & carries interest in the range of 4.8%- 5.5% (31.03.2018 : Interest rate 4.8% -5.0%)
4. Commercial paper is repayable within 3 months & carries interest in the range of Nil (31.03.2018 : Interest rate 6.7% - 6.8%)
5. Loan from directors are repayable on demand & carries an interest rate of 4%

3.25 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Total outstanding dues of Micro & Small Enterprises (Refer Note No 3.41)	303.48	129.39
Total outstanding dues of creditors Other than Micro & Small Enterprises	28,832.51	24,073.61
Total	**29,135.99**	**24,203.00**

3.26 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
At amortised cost		
Interest Accrued but not due on Borrowings	76.52	19.82
Interest Accrued and due on Trade Deposits	8.05	8.03
Creditors for Capital Goods	8,988.08	1,635.72
Unpaid Dividends	175.05	139.87
Employee Benefits	3,375.39	3,115.39
Security Deposit	79.50	300.00
Other Payables	553.76	761.62
Total	**13,256.35**	**5,980.45**

3.27 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred Government Grant*	212.19	205.65
Advance from Customers	1,021.88	699.20
Duties & Taxes	1,220.10	1,311.13
Total	**2,454.17**	**2,215.98**

* To be amortised to income over the life of the assets against which such grants are received / receivable.

3.28 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits		
Provident Fund (Refer Note No 3.39)	102.11	64.73
Gratuity (Refer Note No 3.38)	38.06	35.00
Leave Encashment	820.95	892.04
Others		
Provision for Litigations (Refer Note No 3.40)	6,515.23	5,224.08
Provision for rebates and damage return	4,056.22	-
Total	**11,532.57**	**6,215.85**

3.29 CURRENT TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Direct Taxes (Net of Advances)	628.06	187.57
Total	**628.06**	**187.57**

3.30 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2018-2019	2017-2018
Revenue from contracts with customers		
Sale of Products (Refer Note No 3.61)	2,65,891.71	2,50,000.36
Other Operating Revenues*	3,402.10	4,082.45
Total	**2,69,293.81**	**2,54,082.81**

* It includes amortisation of Capital Subsidy, Export incentives and GST Refund

3.31 OTHER INCOME

₹ in Lacs

Particulars	2018-2019		2017-2018	
Interest Received on financial assets carried at amortised cost				
Loans & Deposits		1,722.28		270.97
Dividend Income from equity investment carried at fair value through OCI		95.35		95.35
Income received on investments carried at fair value through Profit and loss				
Dividend from investments in mutual funds	-		8,071.41	
Profit/ (loss) on fair value of mutual funds	924.01	924.01	(7,660.29)	411.12
Profit on Derivative Instruments (net)		160.07		133.03
Profit on Sale of Property, Plant & Equipments (net)		7.15		-
Rent and Maintenance Charges Received		420.17		473.30
Sundry Balances Written Back		15.14		41.29
Miscellaneous Receipts		315.17		343.16
Foreign exchange gain (net)		-		181.50
		3,659.34		**1,949.72**

3.32 COST OF MATERIALS CONSUMED

₹ in Lacs

Particulars	2018-2019		2017-2018	
Raw materials and Packing materials				
Opening Stock	7,149.33		7,058.93	
Add : Purchases during the year	79,110.07		65,970.01	
Less : Closing Stock	8,291.89	77,967.51	7,149.33	65,879.61
Total		**77,967.51**		**65,879.61**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.33 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK- IN- PROGRESS

₹ in Lacs

Particulars	2018-2019		2017-2018	
(I) Opening 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
(II) Closing Stock				
Work-in-progress	411.41		376.50	
Finished Goods	9,115.76		8,409.57	
Stock in trade	3,557.77	13,084.94	3,015.68	11,801.75
(I) - (II)		**(1,283.19)**		**(1,140.21)**

3.34 EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	2018-2019	2017-2018
Salaries and Wages	24,879.54	22,796.98
Staff Contribution to Provident and Other Funds	1,585.82	1,352.65
Gratuity Expenses (Refer Note No 3.38)	733.71	714.39
Welfare expenses	773.29	600.66
Total	**27,972.36**	**25,464.68**

3.35 FINANCE COSTS

₹ in Lacs

Particulars	2018-2019	2017-2018
Interest expenses	2,140.29	3,430.95
Total	**2,140.29**	**3,430.95**

3.36 OTHER EXPENSES

₹ in Lacs

Particulars	2018-2019		2017-2018	
Consumption of Stores and Spare parts		523.02		449.94
Power and Fuel		2,263.77		1,831.90
Rent (Refer Note No. 3.49)		987.99		1,003.19
Repairs & Maintenance :				
Building	269.89		205.65	
Machinery	1,069.91		896.63	
Others	1,922.17	3,261.97	1,706.20	2,808.48
Insurance		275.06		342.91
Freight & Forwarding		6,240.22		6,193.66
Directors' Fees and Commission		647.35		647.45
Advertisement & Sales Promotion		47,017.47		46,960.26
Packing Charges		4,565.83		4,239.04
Commission		996.37		1,053.01
Loss on Sale/Disposal of Property, Plant & Equipments (net)		-		45.83

3.36 OTHER EXPENSES (Contd.)

₹ in Lacs

Particulars	2018-2019		2017-2018	
Sundry Balance Written off		16.65		-
Legal and Professional Fees		2,739.48		2,093.85
Travelling and Conveyance		2,915.17		2,636.08
Expenditure on CSR Activities		796.56		962.07
Miscellaneous Expenses		3,012.23		3,393.44
Foreign Exchange Loss (net)		208.48		-
Total		**76,467.62**		**74,661.11**

3.37 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 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	2018-2019	2017-2018
India	2,33,313.62	2,22,303.44
Overseas*	35,980.19	31,779.37
Total	**2,69,293.81**	**2,54,082.81**

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 31.03.2019	As at 31.03.2018
India	1,69,743.69	1,82,070.40
Overseas*	3,672.40	3,916.12
Total	**1,73,416.09**	**1,85,986.52**

*Revenue and carrying amount of Non Current Assets from no individual country is material.

Non-current assets for this purpose consist of property, plant and equipment, intangible assets, investment properties, goodwill and other non current assets.

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues.

3.38 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.38 DEFINED BENEFIT PLAN (GRATUITY) (Contd.)

(ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme for the group.

₹ in Lacs

	Particulars	Gratuity Funded	
		As at 31.03.2019	As at 31.03.2018
A	**Expenses Recognised in the income Statement**		
1	Current Service Cost	551.24	547.93
2	Past Service Cost	-	-
3	Loss/(Gain) on Settlement	-	-
4	Net Interest Cost/(Income) on the Net Defined Benefit Liability/ (Asset)	182.47	166.46
5	Total Expenses recognised in the Statement of Profit and Loss	**733.71**	**714.39**
B	**Assets and Liability**		
1	Present value of Obligation	4,264.15	4,524.68
2	Fair Value of Plan Assets	2,230.76	2,106.36
3	Funded Status [Surplus/(Deficit)]	**(2,033.39)**	**(2,418.32)**
4	Net Asset/(Liability) recognised in Balance Sheet	**(2,033.39)**	**(2,418.32)**
C	**Change in Present Value of Obligation**		
1	Present value of Obligation as at beginning of period	**4,524.68**	**4,618.48**
2	Current Service Cost	551.24	547.93
3	Interest Expense or Cost	344.53	307.89
4	Re-measurement (or Acturial)(gain)/loss arising from :	-	-
	- Change in demographic assumptions	(54.27)	(226.44)
	- Change in financial assumptions	(501.93)	(171.02)
	- Experience variance (i.e. Actual experience vs assumptions)	52.33	(51.75)
5	Past Service Cost	-	-
6	Benefits Paid	(652.44)	(240.91)
7	Acquisition Adjustment	-	(259.50)
8	Present value of Obligation as at the end of period	**4,264.14**	**4,524.68**
D	**Change in Fair Value of Plan Assets**		
1	Fair Value of Plan Assets at beginning of period	**2,106.36**	**1,938.69**
2	Investment Income	162.07	141.42
3	Employer's Contribution	597.32	221.15
4	Benefits paid	(616.75)	(160.46)
5	Return on plan assets,excluding amount recognised in net interest expense	(18.24)	(34.44)
6	Acquisition Adjustment	-	-
7	Fair Value of Plan Assets at end of period	**2,230.76**	**2,106.36**
E	**Other Comprehensive Income**		
1	Acturial (gains)/losses		
	- Change in demographic assumptions	(54.27)	(226.44)
	- Change in financial assumptions	(501.93)	(171.02)
	- Experience variance (i.e.Actual experience vs assumptions)	52.33	(57.86)
2	Return on plan assets,excluding amount recognised in net interest expense	18.24	34.44
3	Components of defined benefit costs recognised in other comprehensive income	**(485.63)**	**(420.88)**

3.38 DEFINED BENEFIT PLAN (GRATUITY) (Contd.)

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2019	As at 31.03.2018
Funds managed by Insurer	100%	100%

(iv) Assumptions

Particulars	As at 31.03.2019	As at 31.03.2018
Financial Assumptions		
Discount Rate (%)	6.70% to 7.60%	6.40% to 7.7%
Salary Growth Rate (per annum)	5.10% to 9%	4.10% to 10%
Demographic Assumptions		
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal Rate (per annum)	10% to 30%	5% to 30%

(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 31.03.2019	As at 31.03.2018
Defined Benefit Obligation (Base)	4,263.90	4,524.45

Particulars	As at 31.03.2019		As at 31.03.2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.50% - 1%) (₹ in Lacs)	4,483.30	4,065.37	4,862.49	4,228.04
(% change compared to base due to sensitivity)	5.15%	-4.66%	7.47%	-6.55%
Salary Growth Rate (- / + 0.50% - 1%) (₹ in Lacs)	4,066.32	4,478.34	4,231.15	4,852.17
(% change compared to base due to sensitivity)	-4.63%	5.03%	-6.48%	7.24%
Attrition Rate (- / + 50% of present attrition rate) (₹ in Lacs)	4,317.14	4,221.55	4,651.70	4,425.86
(% change compared to base due to sensitivity)	1.25%	-1.00%	2.81%	-2.81%
Mortality Rate (- / + 10%) (₹ in Lacs)	4,263.42	4,264.40	4,525.01	4,523.94
(% change compared to base due to sensitivity)	-0.01%	0.01%	0.01%	-0.01%

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 31.03.2019	As at 31.03.2018
The Company's best estimate of Contribution during the next year	300.00	300.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.38 DEFINED BENEFIT PLAN (GRATUITY) (Contd.)

c) Maturity Profile of Defined Benefit Obligation

Particulars	As at 31.03.2019	As at 31.03.2018
Weighted average duration (based on discounted cashflows)	5 Years	7 Years

₹ in Lacs

Expected cash flows over the next (valued on undiscounted basis):	2018-2019	2017-2018
1 Year	1,310.37	1,003.29
2 to 5 Years	1,714.59	1,424.45
6 to 10 Years	1,445.78	1,769.71
More than 10 Years	2,546.65	4,971.49

(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 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.

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.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions considered for the valuation.

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 payouts.(e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

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.

3.39 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 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.

3.39 DEFINED BENEFIT PLAN (PROVIDENT FUND) (Contd.)

(ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs

Assets and Liability	As at 31.03.2019	As at 31.03.2018
Accumulated Account Value of Employee's Fund	10,049.36	8,910.65
Interest Rate Guarantee Liability	210.59	176.15
Present value of benefit obligation at end of the period	**10,259.95**	**9,086.80**
Fair Value of Plan Assets	10,157.84	9,022.07
Net Asset / (Liability)	**(102.11)**	**(64.73)**

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Interest Rate Guarantee Liability	210.59	176.15
Fund Reserve and Surpluses	108.48	111.42
Net Liability	**102.11**	**64.73**

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2019	As at 31.03.2018
Government of India securities	10.28%	13.99%
State Government securities	37.32%	32.71%
High quality corporate bonds	45.23%	48.46%
Equity shares of listed companies	3.36%	2.47%
Special Deposit Scheme	0.29%	0.69%
Bank balance	1.48%	1.61%
Other Investments	2.04%	0.07%
Total	**100%**	**100%**

(iv) Assumptions

Particulars	As at 31.03.2019	As at 31.03.2018
Discount Rate	7.00%	7.60%
Expected Guarantee Interest Rate	8.65%	8.55%
Mortality Rate (% of IALM 2006-08)	100.00%	100.00%
Attrition Rate (for all ages; per annum)	10.00%	5.00%

(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 31.03.2019	As at 31.03.2018
Defined Benefit Obligation (Base)	10,259.94	9,086.80

Particulars	As at 31.03.2019		As at 31.03.2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)(₹ in Lacs)	10,261.21	10,228.67	9,087.69	9,058.46
(% change compared to base due to sensitivity)	0.01%	-0.30%	0.00%	-0.30%
Interest rate guarantee (-/+ 1%)(₹ in Lacs)	10,049.36	10,713.84	8,865.46	9,490.79
(% change compared to base due to sensitivity)	-2.05%	4.42%	-2.40%	4.40%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.40 THE GROUP HAS MADE A PROVISION OF ₹ 1,451.18 LACS (31.03.2018 - ₹ 1,197.01 LACS) TOWARDS CASES WHICH ARE UNDER LITIGATION/DISPUTE AS SHOWN BELOW :

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Opening Balance	5,224.08	4,308.56
Provisions made during the year	1,451.18	1,197.01
Payment/reversals during the year	(160.03)	(281.49)
Closing Balance	**6,515.23**	**5,224.08**

3.41 INFORMATION RELATING TO MICRO & SMALL ENTERPRISES (MSME)'S

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	303.48	129.39
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	**303.48**	**129.39**

3.42 Security Deposit of ₹ 5.55 Lacs (31.03.2018 -₹. 5.65 Lacs) given to Directors of the Holding Company against tenancies. (Maximum amount outstanding during the year - ₹ 5.65 Lacs (31.03.2018 -₹ 5.75 Lacs).

3.43 CONTINGENT LIABILITIES & COMMITMENTS

I) **Contingent Liabilities**

₹ in Lacs

(a) Claims against the Company not acknowledged as debt :	As at 31.03.2019	As at 31.03.2018
i) Excise Duty and Customs demands	364.95	365.46
ii) Sales Tax demands under appeal	493.41	451.85
iii) Entry Tax	12.89	12.89
iv) Others	23.05	16.48

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

(b) Guarantees	As at 31.03.2019	As at 31.03.2018
Bank Guarantees	592.89	1,553.04

II) **Commitments:**

₹ in Lacs

	As at 31.03.2019	As at 31.03.2018
(a) **Capital Commitments :** Estimated amount of commitments [net of advances of ₹ 2037.98 Lacs (31.03.2018 - ₹ 2,232.19 lacs)] on capital account not provided for	2,854.77	3,030.19

3.43 CONTINGENT LIABILITIES & COMMITMENTS (Contd.)

(b) **EPCG Commitments :** The Group 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 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 ₹ 2,077.91 Lacs (P.Y.-₹ 4,629.54 Lacs). In addition, the Group needs to maintain the average annual export turnover of ₹ 2,249.80 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 Company has commitment to make investments in 85,490 Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each to be issued by ' Brillare Science Private Limited' amounting to ₹ 600.00 Lacs @ ₹ 701.85 per CCPS.

3.44 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lacs

Particulars	2018-2019	2017-2018
Income derived from investment properties	380.71	485.61
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	101.83	57.94
Profit arising from investment properties before depreciation and indirect expenses	**278.88**	**427.67**
Less: Depreciation	268.72	125.51
Profit arising from investment properties before indirect expenses	**10.16**	**302.16**

Reconciliation of fair value:

₹ in Lacs

Particulars	2018-2019	2017-2018
Fair value of opening balance of Investment property	5,827.64	3,304.15
Fair value adjustment on opening balance of Investment property	1,040.27	789.60
Fair value of transfer in/(out)	934.11	1,733.89
Fair value of closing balance of Investment property	**7,802.02**	**5,827.64**

These valuations are based on valuations performed by the management based on the available market prices of the properties.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

3.45 CATEGORISATION OF FINANCIAL INSTRUMENTS

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2019	As at 31.03.2018
(i) Financial Assets		
a) Measured at FVTPL		
- Investments in mutual funds / alternate investment fund	2060.62	13,503.29
- Investments in Preference Shares	978.30	799.32
- Investments in Equity Shares	0.70	0.70
- Other Financial Assets (Derivative assets - Forward & Option)	371.36	39.08
b) Measured at FVOCI		
- Investments in Equity Shares	14,054.58	15,232.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.45 CATEGORISATION OF FINANCIAL INSTRUMENTS (Contd.)

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2019	As at 31.03.2018
c) Measured at Amortised Cost*		
- Loans	1896.43	1,487.69
- Other Financial Assets	7,513.71	8,359.01
TOTAL	**26,875.70**	**39,421.57**
(ii) Financial Liabilities		
a) Measured at Amortised Cost*		
- Borrowings (Secured & Unsecured)	10,986.93	32,591.23
- Other Financial Liabilities	13,945.91	6,815.38
TOTAL	**24,932.84**	**39,406.61**

*Fair values of assets / liabilities carried at amortised cost are reasonable approximation of its carrying values.

The Company has not 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.

3.46 FAIR VALUE HIERACHY

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, 2019 :

₹ in Lacs

Particulars	Fair value measurement at end of the reporting year using			As at 31.03.2019
	Level 1	*Level 2	*Level 3	Total
Assets				
Investments in mutual fund units / alternate investment fund	-	2,060.62	-	2,060.62
Investments in Equity Shares	13,667.13	-	388.15	14,055.28
Investments in Preference Shares	-	-	978.30	978.30
Derivative financial instruments - Derivative assets - Forward & Option	-	-	371.36	371.36

₹ 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

* Refer note below for valuation technique and inputs used.

3.46 FAIR VALUE HIERACHY (Contd.)

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Unquoted Preference Shares in Brilliare Science Private Limited.	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will decrease Profit before tax by ₹ 28 Lacs and 1% decrease will increase Profit before tax by ₹ 29 Lacs
	Discounting Cash Flow Method	Discount on Exit Multiple	5% increase in discount on exit multiple will decrease Profit before tax by ₹ 114 Lacs and 5% decrease will increase Profit before tax by ₹ 116 Lacs
Derivative Financial instrument - Options Contract	Discounting Cash Flow Method	Volatility Factors	5% increase in Volatility factors will increase Profit before tax by ₹ 60 Lacs and 5% decrease will decrease Profit before tax by ₹ 59 lacs
Unquoted Securities in Loli Beauty	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will decrease profit before tax by ₹ 3.87 Lacs and 1% decrease will increase profit before tax by ₹ 3.87 Lacs.

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

Reconciliation of fair value measurement of Level 3 assets.

Particulars	Amount (₹ in Lacs)
As at 01.04.2017	-
Purchases	800.02
As at 31.03.2018	800.02
Purchases	587.45
Fair Value Changes	350.34
As at 31.03.2019	1,737.81

3.47 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	2018-2019	2017-2018
Profit before Income Taxes	40,341.41	39,255.77
Enacted Tax Rate in India	34.94%	34.61%
Computed expected tax expenses	14,096.90	13,585.64
Tax Incentives for 80IC/IE units	(4,692.63)	(6,890.11)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	2,033.56	(1,210.10)
CSR expenses	284.79	339.63
Effect of differential tax rates applicable to Foreign Subsidiaries	496.77	351.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.47 INCOME TAXES (Contd.)

₹ in Lacs

Particulars	2018-2019	2017-2018
Others	88.79	(99.81)
Excess of MAT liability over normal tax not recognised as asset	-	1,149.12
MAT credit (availment)/reversal	(2,219.85)	1,400.00
Income Tax Expense	**10,088.34**	**8,626.10**

Details of current tax (MAT) for the year :

₹ in Lacs

Particulars	2018-2019	2017-2018
Current tax / MAT	11,942.55	7,274.60
Less : MAT credit utilised	(2,219.85)	-
Add : MAT credit reversal	-	1,400.00
Add : Deferred tax charge/(credit)	365.64	(48.50)
Income Tax expense	**10,088.34**	**8,626.10**

Deferred Tax Assets for MAT Credit entitlement amounting to ₹ 24,866.39 Lacs (31.03.2018 - ₹ 25,344.22 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.

Table showing assessment years till which unutilised MAT credits can be carried forward:

Assessment Year (A.Y)	Net Balance available (₹ in Lacs)	MAT Credit available till A.Y
2010-11	574.86	2025-26
2011-12	1,473.75	2026-27
2012-13	1,943.09	2027-28
2013-14	4,285.57	2028-29
2014-15	2,647.87	2029-30
2016-17	6,642.52	2031-32
2017-18	4,793.46	2032-33
2018-19	2,505.27	2033-34
TOTAL	**24,866.39**	

In respect of taxable temporary differences relating to undistributed reserves of subsidiaries amounting to ₹ 4,487.50 lacs (31.03.2018 - ₹ 4,070.27 Lacs), no deferred tax liability has been recognised considering that the Group controls the timing of the reversal of such temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

3.48 DISTRIBUTION OF DIVIDEND

₹ in Lacs

Particulars	2018-2019	2017-2018
Dividend on equity shares declared and paid :		
Final dividend for the year ended on 31.03.2018 :- ₹ 7.00 per share (31.03.2017 :- ₹ 5.25 per share)	15,887.73	11,915.80
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 ₹ 132.11 Lacs (31.03.2018 : 128.24 Lacs)}	3,133.66	2,297.54
	19,021.39	**14,213.34**

3.48 DISTRIBUTION OF DIVIDEND (Contd.)

₹ in Lacs

Particulars	2018-2019	2017-2018
Proposed dividends on Equity Shares		
Final dividend for the year ended 31.03.2019 :- ₹ 4.00 per share (31.03.2018 :- ₹ 7.00 per share*)	18,157.41	15,887.73
DDT on Proposed dividend	3,732.31	3,265.77
	21,889.72	**19,153.50**

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.

* During the year, Bonus Shares were allotted on 25th June, 2018 in the ratio of 1 equity share of Re. 1 each for every 1 equity share. Therefore, previous year's Dividend per share is not comparable.

3.49 LEASES

The lease rentals charged during the year is as under:

₹ in Lacs

Particulars	2018-2019	2017-2018
Lease Rentals recognised during the year	987.99	1,003.19

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 31.03.2019	As at 31.03.2018
Not later than 1 year	54.88	101.31
Later than 1 year and not later than 5 years	-	54.88
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.

3.50 CAPITAL MANAGEMENT

The Group'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 Group's capital. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. 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 31.03.2019	As at 31.03.2018
Net Debt	(583.13)	30,992.41
Total equity	2,07,606.28	2,01,361.19
Net Debt plus Total Equity	2,07,023.15	2,32,353.60
Gearing Ratio	-	13.34%

3.51 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.51 FINANCIAL RISK MANAGEMENT (Contd.)

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 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 31.03.2019	As at 31.03.2018
Exposure Currency (USD)		
Trade Receivable	8,761.89	8,443.08
Exposure Currency (AED)		
Trade Receivable	1,182.00	1,597.00
Exposure Currency (AUD)		
Trade Receivable	44.03	66.90
Exposure Currency (EGP)		
Trade Receivable	25.76	106.50
Exposure Currency (EURO)		
Trade Receivable	205.26	-
Exposure Currency (BDT)		
Trade Receivable	1,219.56	264.55
Exposure Currency (LKR)		
Trade Receivable	248.49	280.71
	11,686.99	**10,758.74**

For the year ended 31.03.2019 and 31.03.2018, every percentage appreciation in the exchange rate between the INR and Foreign Currency, would increase the Group's Profit before tax by approximately ₹ 116.87 Lacs and ₹ 85.91 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 31.03.2019	As at 31.03.2018
Less than 1 year		
Forward Contract (Currency - USD) - to cover both present and future export receivables	-	4,039.12
Total derivative financial instruments	**-**	**4,039.12**

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.

3.51 FINANCIAL RISK MANAGEMENT (Contd.)

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. 3.46

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 ₹ 21,635.45 Lacs and ₹ 15,589.27 Lacs as at 31.03.2019 and 31.03.2018, 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.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

₹ in Lacs

Trade Receivable	As at 31.03.2019	As at 31.03.2018
Less than 30 days	16,348.93	12,769.85
31 - 90 days	3,659.94	1,598.18
91 to 180 days	911.99	979.39
More than 180 days	714.59	241.85
Total	**21,635.45**	**15,589.27**

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 31.03.2019	As at 31.03.2018
Less than 1 year		
Borrowings	10,986.93	32,591.43
Interest Payable on Borrowings in future	61.51	34.98
Trade Payables	29,135.99	24,203.00
Other financial Liabilities	13,256.35	5,980.45
	53,440.78	**62,809.86**
More than 1 year		
Other financial Liabilities	689.56	834.93
	689.56	**834.93**
Total	**54,130.34**	**63,644.79**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.52 GROUP INFORMATION

	Country of Incorporation	As at 31.03.2019 % of Holding	As at 31.03.2018 % of Holding
SUBSIDIARIES			
Emami Bangladesh Limited	Bangladesh	100.00%	100.00%
Emami International FZE	UAE	100.00%	100.00%
Emami Indo Lanka (Pvt) Limited	Sri Lanka	100.00%	100.00%
Emami RUS (LLC) w.e.f 14th August 2018 - Subsidiary of Emami International FZE	Russia	99.99%	-
Fentus 113. GMBH w.e.f 24th January 2019- Subsidiary of Emami International FZE	Germany	100.00%	-
Emami Overseas FZE - Subsidiary of Emami International FZE	UAE	100.00%	100.00%
PharmaDerm Company SAE.- Subsidiary of Emami Overseas FZE	Egypt	90.60%	90.60%
Fravin Pty.Ltd- Subsidiary of Emami International FZE	Australia	85.00%	85.00%
Greenlab Organics- Subsidiary of Fravin Pty Ltd.	United Kingdom	85.00%	85.00%
Diamond Bio-tech Laboratories Pty Ltd. - Subsidiary of Fravin Pty Ltd.	Australia	85.00%	85.00%
Abache Pty Ltd - Subsidiary of Diamond Bio-tech Laboratories Pty Ltd.	Australia	85.00%	85.00%
ASSOCIATE			
Helios Lifestyle Private Limited	India	33.80%	30,87%

As at the balance sheet date, there are no subsidiaries that have non-controlling interests that are material to the Group.

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 through investment in associate, has been entirely allocated. The Group's share of carrying amount of goodwill and brand as at 31st March, 2019 is ₹25.87 lacs and ₹1,384.91 lacs respectively.

3.54 RELATED PARTY TRANSACTIONS

A. Related Parties with whom transactions have taken place during the period

i) Associate

Helios Lifestyle Private Limited

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 Amitabh Goenka	Executive Director of Emami International FZE
9	Sri N.H.Bhansali	CEO - Finance,Strategy & Business Development and CFO
10	Sri Arun Kumar Joshi	Company Secretary & VP- Legal

3.54 RELATED PARTY TRANSACTIONS (Contd.)

iii) Other Directors

1	Shri Aditya Vardhan Agarwal	Non Executive Director
2	Shri Ashish Goenka	Non Executive Director of Emami Bangladesh Limited
3	Shri K.N.Memani	Independent Director
4	Shri Amit Kiran Deb	Independent Director
5	Shri Y.P.Trivedi	Independent Director
6	Shri S.B.Ganguly	Independent Director
7	Shri P.K.Khaitan	Independent Director
8	Shri M.D.Mallya	Independent Director (Ceased on 25th November, 2018)
9	Shri C.K.Dhanuka	Independent Director
10	Smt. Rama Bijapurkar	Independent Director
11	Shri Debabrata Sarkar	Independent Director (Appointed w.e.f 22nd February, 2019)

iv) 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

v) 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 Power Limited
25 Khaitan & Co.
26 Khaitan & Co. LLP
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 Emita Limited- w.e.f 01st Nov, 2018
33 Emami Beverages Limited
34 TMT Viniyogan Limited
35 EPL Securities
36 Emami Centre for Ceativity Pvt. Ltd. (Formerly known as Emami Institute Of Corporate Solutions Private Limited)
37 Narcissus Bio-Crops Private Limited (Formerly known as Emami International Private Limited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.54 RELATED PARTY TRANSACTIONS (Contd.)

vi) Trust where Key Management Personnel and their relatives have significant influence

1 Himani Limited Staff Provident Institution
2 Emami Foundation
3 Aradhana Trust

B. Disclosure of Transactions between the Company and Related Parties.

₹ in Lacs

Particulars	Associates		Directors,Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Total	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
1. Remuneration and Employee Benefits								
i) EXECUTIVE DIRECTORS								
- Short Term Employee benefits	-	-	1,455.72	1,179.64	-	-	**1,455.72**	**1,179.64**
- Post Employment benefits	-	-	58.60	47.33	-	-	**58.60**	**47.33**
- Commission	-	-	500.00	500.00	-	-	**500.00**	**500.00**
ii) OTHER DIRECTORS								
- Sitting Fees	-	-	30.10	28.65	-	-	**30.10**	**28.65**
- Commission	-	-	117.25	116.75	-	-	**117.25**	**116.75**
iii) CEO & COMPANY SECRETARY								
- Short Term Employee benefits	-	-	284.54	261.23	-	-	**284.54**	**261.23**
- Post Employment benefits	-	-	12.97	9.93	-	-	**12.97**	**9.93**
2. Sales								
- Sale of Goods	-	-	-	-	250.68	174.82	**250.68**	**174.82**
- Sale of Export Benefit Licence	-	-	-	-	280.94	190.09	**280.94**	**190.09**
3. Other Income								
- Sale of Property, Plant & Equipment	-	-	-	-	5.06	-	**5.06**	**-**
- Rent, Maintenance & Other Charges Received	-	-	-	-	582.47	306.47	**582.47**	**306.47**
- Royalty Received	-	-	-	-	191.77	119.62	**191.77**	**119.62**
- Dividend Received	-	-	-	-	95.35	95.35	**95.35**	**95.35**
4. Loan Received	-	-	3,158.00	-	-	-	**3,158.00**	**-**
5. Purchase								
- Purchase of Gift and Promotional Items	0.07	0.67	-	-	15.78	73.63	**15.85**	**74.30**
- Purchase of Raw Materials	-	-	-	-	2,893.57	1,210.66	**2,893.57**	**1,210.66**
6. Other Expenses								
- Rent, Maintenance & Other Charges Paid	-	-	12.80	4.53	50.64	4.89	**63.44**	**9.42**
- Donation Paid	-	-	-	-	352.22	256.23	**352.22**	**256.23**
- Commission Paid	-	-	-	-	-	2.05	**-**	**2.05**
- Others	-	-	4.66	4.24	135.34	49.17	**140.00**	**53.41**
7. Dividend Paid	-	-	1,241.29	928.61	9,808.58	7,356.43	**11,049.87**	**8,285.04**
8. Investment including Commitments	-	1,944.19	-	-	-	-	**-**	**1,944.19**
9. Security Deposit Received	-	-	-	-	5.28	3.50	**5.28**	**3.50**
10. Security Deposit Given	-	-	-	-	10.50	-	**10.50**	**-**

3.54 RELATED PARTY TRANSACTIONS (Contd.)

₹ in Lacs

Particulars	Associates		Directors,Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Total	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
11. Refund against Security Deposit Paid	-	-	0.20	0.20	-	-	**0.20**	**0.20**
12. Refund against Security Deposit Received	-	-	-	-	15.73	4.18	**15.73**	**4.18**
13. Refund against Loan Received	-	-	3,130.33	-	-	-	**3,130.33**	**-**
14. Reimbursement of Expenses	-	9.82	-	-	12.50	175.22	**12.50**	**185.04**
15. Contribution to Provident Fund	-	-	-	-	609.50	531.63	**609.50**	**531.63**

C. The details of amount due to or due from related parties as at March 31, 2019 and March 31, 2018 as follows :

₹ in Lacs

Particulars	Related Party	As at 31.03.2019	As at 31.03.2018
Investment	Associate (Net of Share of Loss)	1,603.29	1,822.78
	Entities where Key Management Personnel and their relatives have significant influence	13,667.12	15,232.48
		15,270.41	**17,055.26**
Trade Receivable	Entities where Key Management Personnel and their relatives have significant influence	8.84	9.56
Other Receivable	Associate	-	0.35
	Entities where Key Management Personnel and their relatives have significant influence	57.50	-
		57.50	**0.35**
Trade Payable	Entities where Key Management Personnel and their relatives have significant influence	99.11	33.78
Loan Payable	Key Management Personnel & Relatives	27.67	-
Other Payable	Entities where Key Management Personnel and their relatives have significant influence	6.69	14.74
	Associate	550.00	744.19
		556.69	**758.93**
Security Deposit Paid	Key Management Personnel & Relatives	14.25	14.45
	Entities where Key Management Personnel and their relatives have significant influence	17.50	7.00
		31.75	**21.45**
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	11.26	21.71
Remuneration, Siting Fees & Commission Payable	Key Management Personnel & Relatives	617.25	616.75
Advance from Customer	Entities where Key Management Personnel and their relatives have significant influence	5.56	-

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.55 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. 3.38 for significant assumption used.

ii) Estimation of tax expenses, assets and payable

Deferred tax assets are recognised for unused tax credit and on unused losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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. 3.7, 3.22 and 3.47

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. 3.28, 3.40 and 3.43.

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, 3.2 & 3.3

v) Impairment of intangible assets

The Group has significant intangible assets arising from the acquisition of brand, trademark, know-how etc. in the normal course of its business. There are indicators that the carrying value of the intangibles may not be recovered through its continuing use and hence, the management has performed impairment testing in accordance with Ind AS 36. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget over the remaining useful life (including terminal value) and do not include restructuring activities that

3.55 CRITICAL ESTIMATES AND JUDGEMENTS (Contd.)

the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. Recoverability of these assets is based on forecast of projected cash flows over the remaining useful life of underlying intangible assets and their discounted present value (after considering terminal value), which are inherently highly judgmental and is subject to achieving forecasted results. Based on the impairment testing done, the Group believes that no impairment charge is required in this regard. "

vi) 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. 3.46

3.56 ADDITIONAL INFORMATION

a) Information as at and for the year ended 31st March 2019

₹ 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	99.45%	2,06,440.43	100.90%	30,524.16	80.02%	(1,209.17)	101.99%	29,314.99
Subsidiaries :								
Emami Indo Lanka (Pvt) Limited	-0.04%	(85.11)	-0.19%	(58.97)	-	-	-0.21%	(58.97)
Emami Bangladesh Limited	2.19%	4,553.27	6.68%	2,020.62	0.01	(8.98)	7.00%	2,011.64
Emami International FZE	-0.29%	(594.47)	-2.22%	(672.73)	3.51%	(52.97)	-2.52%	(725.70)
Emami Overseas FZE	-0.18%	(377.22)	-0.02%	(7.47)	-	-	-0.03%	(7.47)
PharmaDerm Company SAE	-0.49%	(1,007.58)	-1.09%	(330.98)	-	-	-1.15%	(330.98)
Fravin Pty.Ltd.	0.27%	569.00	-0.81%	(246.29)	-	-	-0.86%	(246.29)
Greenlab Organics Ltd.	0.00%	-	-	-	-	-	-	-
Diamond Bio-tech Laboratories Pty. Ltd.	-0.04%	(73.21)	-0.01%	(4.41)	-	-	-0.02%	(4.41)
Abache Pty Ltd.	-0.03%	(60.64)	-0.03%	(8.02)	-	-	-0.03%	(8.02)
Emami Rus LLC	0.00%	4.14	-0.04%	(11.71)	-	-	-0.04%	(11.71)
Fentus 113. Gmbh	0.01%	19.43	0.00%	-	-	-	0.00%	-
Intra-group eliminations	-0.87%	(1,801.80)	-2.42%	(731.63)	15.88%	(239.97)	-3.38%	(971.60)
Associate:								
Helios Lifestyle Private Limited			-0.73%	(219.50)		-	-0.76%	(219.50)
Total	**100.00%**	**2,07,586.24**	**100.00%**	**30,253.07**	**100.00%**	**(1,511.09)**	**100.00%**	**28,741.98**

b) 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.56 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
Subsidiaries :								
Emami Indo Lanka (Pvt) Limited	-0.02%	(33.00)	-0.11%	(34.82)	0.00%		-0.09%	(34.82)
Emami Bangladesh Limited	1.55%	3,131.00	4.13%	1,264.56	0.00%	-	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	0.00%	-	2.01%	804.73
PharmaDerm Company SAE	-0.30%	(613.00)	-1.73%	(528.98)	0.00%	-	-1.32%	(528.98)
Fravin Pty.Ltd.	0.41%	824.00	-0.65%	(198.56)	0.00%	-	-0.50%	(198.56)
Greenlab Organics Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Diamond Bio-tech Laboratories Pty. Ltd.	-0.03%	(70.00)	-0.05%	(15.38)	0.00%	-	-0.04%	(15.38)
Abache Pty Ltd.	-0.03%	(54.00)	-0.06%	(17.19)	0.00%	-	-0.04%	(17.19)
Intra-group eliminations	-0.66%	(1,332.34)	-1.62%	(494.81)	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**

3.57 Pursuant to Voluntary Retirement Scheme at Kolkata Unit, the group has paid compensation amounting to ₹ 979.89 Lacs (31.03.2018 - ₹ Nil) to its employees which has been charged as exceptional expense.

3.58 On 25th January 2019, the group has acquired Skin and Body Care brand "Creme 21". The group has recorded this transaction as asset acquisition as per Ind AS 38 and recognised the Brand under Intangible assets. The brand has been recorded at the amount of consideration paid along with the related transaction costs.

3.59 During the year Emami International FZE, Dubai a wholly owned Subsidiary of the company has incorporated its subsidiary namely "Emami Rus (LLC) in Russia and "Fentus 113. GMBH" in Germany which is registered with the Registrar of Companies of Russia and Germany respectively for business purpose.

3.60 INFORMATION FOR EARNINGS PER SHARE AS PER IND AS 33

	As at 31.03.2019	As at 31.03.2018
Net Profit attributable to equity holders of the Parent (₹ in Lacs)	30,323.02	30,714.11
Cash Profit (₹ in Lacs)	62,854.40	61,799.88
Weighted average number of shares (in Lacs)	4,539.35	4,539.36
Earnings Per Share - Basic & Diluted (₹)	6.68	6.77
Earnings Per Share - Cash (₹)	13.85	13.62

The shareholders of the Company had approved issuance of Bonus shares on 9th June,2018. During the year, Bonus Shares were allotted on 25th June, 2018 in the ratio of 1 equity share of Re. 1 each for every 1 equity share . Consequently, basis, diluted & cash earnings per share for previous year have been restated in terms of Ind AS 33, Earnings per Share.

3.61 REVENUE FROM CONTRACTS WITH CUSTOMERS:

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

₹ in Lacs

Particulars	2018-2019	2017-2018
India	2,30,593.31	2,18,206.16
Outside India	35,298.40	31,794.20
Total revenue from contracts with customers	**2,65,891.71**	**2,50,000.36**

Contract balances

₹ in Lacs

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Trade receivables	21,635.45	15,589.27	9,701.27
Contract liabilities			
Advance from customers	1,021.88	699.20	561.06

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
Contract liabilities includes advance from customers received for supply of goods.

Set out below is the amount of revenue recognised from:

₹ in Lacs

Particulars	2018-2019	2017-2018
Amounts included in contract liabilities at the beginning of the year	699.20	561.06

Performance obligation

Sale of products

The performance obligation is satisfied upon delivery/dispatch of the goods. Sales are made generally after receipt of advance except for certain customers where payment is due within 30 to 90 days from day of sales.

3.62 NEW AND AMENDED ACCOUNTING STANDARDS (IND AS)

A. Standards effective during the year

Ind AS 115	Revenue from Contracts with Customers
Ind AS 20	Government grant related to non-monetary asset
Appendix B to Ind AS 21	Foreign Currency Transactions and Advance Considerations
Ind AS 40	Investment Property
Ind AS 28	Long-term interests in associates and joint ventures

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. The cumulative effect of initially applying Ind AS 115 under modified retrospective application approach is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under Ind AS 11 and Ind AS 18.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.62 NEW AND AMENDED ACCOUNTING STANDARDS (IND AS) (Contd.)

The Group has done adjustments in respect of expected claims for volume rebates and return of damaged goods from its customers. The same is in the nature of variable consideration as per Ind AS 115 and should be netted off with Revenue. The Group has netted off the estimated cost of such rebates and returns to be incurred in the subsequent year based on actual claims made by the end- customer from revenue.

Following impact has been considered in respect of this adjustment:

As on April 1, 2018, provision for rebates & damage return amounting to ₹ 3,551.97 lacs has been created with a corresponding debit to retained earnings of ₹ 3,551.97 lacs.

Ind AS 20- Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the consolidated financial statements as the Group continues to present grant relating to asset by setting up the grant as deferred income.

Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any significant impact on the Group's consolidated financial statements.

Ind AS 40 - Transfers of 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. These amendments have been considered while transferring property into investment property.

Ind AS 28 - Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April 2019. These amendments does not have any significant impact on the Consolidated financial statements.

3.62 NEW AND AMENDED ACCOUNTING STANDARDS (IND AS) (Contd.)

B. Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

Ind AS 116	Standards Issued but not yet effective
Appendix C to Ind AS 12	Uncertainty over Income Tax Treatment
Ind AS 109	Prepayment Features with Negative Compensation
Ind AS 19	Plan Amendment, Curtailment or Settlement

Ind AS 116 - Leases

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group intends to adopt this standard. However, adoption of this standard is not likely to have a significant impact in its Financial Statements.

Appendix C to Ind AS 12 - Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as at & for the year ended 31st March, 2019

3.62 NEW AND AMENDED ACCOUNTING STANDARDS (IND AS) (Contd.)

entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date.

Ind AS 109 - Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the consolidated financial statements of the Group.

Ind AS 19 - Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

C. Annual improvement to Ind AS (2018)

Ind AS 12	Income Tax
Ind AS 23	Borrowing Costs

Ind AS 12- Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

3.62 NEW AND AMENDED ACCOUNTING STANDARDS (IND AS) (Contd.)

Ind AS 23- Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

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*	**R S Agarwal** *Chairman*	**R S Goenka** *Director*	**S B Ganguly** *Director*
Sanjay Kumar Agarwal *Partner* *Membership No: 060352*	**S K Goenka** *Managing Director*	**N H Bhansali** *CEO -Finance, Strategy & Business Development and CFO*	**A K Joshi** *Company Secretary & VP-Legal*

Kolkata
27th May, 2019

Form No. AOC 1

STATEMENT REGARDING SUBSIDIARY COMPANY

Pursuant first proviso to sub- section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

₹ in Lacs

	1	2	3	4	5	6	7	8	9	10	11
Name of the Subsidiary Company	Emami Bangladesh Limited	Emami Indo Lanka (Pvt) Ltd	Emami International FZE	Emami Overseas FZE	Pharmaderm Company S.A.E	Emami Rus (LLC)	Fentus 113. GMBH	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	Emami International 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%	90.60%	99.99%	100.00%	85.00%	100%	100%	100%
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A	14th Aug 2018 to 31st March 2019	3rd Jan 2019 to 31st March 2019	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 0.8234 per BDT	LKR INR 0.3949 per LKR	AED INR 18.8632 per AED	AED INR 18.8632 per AED	EGP INR 4.0014 per EGP	RUBLE INR 1.0636 per RUBLE	EURO INR 77.7024 per EURP	AUD INR 49.1643 per AUD	AUD INR 49.1643 per AUD	GBP INR 91.2655 per GBP	AUD INR 49.1643 per AUD
Share capital	27.82	4.78	18.98	3.08	168.46	16.72	20.28	1,875.64	0.0010	0.001655	50.16
Reserves & Surplus	4,525.44	(89.86)	(613.45)	(380.30)	(1,176.18)	(12.58)	(0.85)	(1,306.63)	(73.21)	(0.000780)	(110.82)
Total assets	13,023.38	729.09	16,925.39	1,299.16	296.42	17.22	19.43	1,537.69	67.87	0.000875	146.10
Total Liabilities	8,470.12	814.17	17,519.86	1,676.39	1,304.14	13.08	-	968.69	141.08	-	206.76
Investments	-		2,147.60	-	-	-	-	0.0021	0.0005	-	-
Turnover	11,136.16	752.44	16,873.17	-	(66.84)	-	-	53.28	-	-	-
Profit before taxation	3,069.56	(43.90)	(672.73)	(7.47)	(330.99)	(11.71)	-	(346.16)	(8.86)	-	(4.73)
Provision for taxation	1,048.93	15.07	-	-	-	-	-	(99.86)	(4.45)	-	3.28
Profit after taxation	2,020.64	(58.97)	(672.73)	(7.47)	(330.99)	(11.71)	-	(246.29)	(4.41)	-	(8.02)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1) Names of subsidiaries which are yet to commence operations - **Emami Rus (LLC) and Fentus 113. GMBH**
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
27th May, 2019


Navratna
SMART
COOL
कूलिंग 2 बार
पहला
लगाने पर,
दोबारा
पसीना आने पर.
Navratna
SMART
COOL BLAST
1st COOLING
WHEN YOU APPLY
2nd COOLING
WHEN YOU SWEAT
2 ACTION COOLING
Navratna
SMART
COOL FORCE
1st COOLING
2nd COOLING
2 ACTION COOLING

ZANDU

As per scientific research
Weak Digestion can make Blood Sugar difficult to control







Suitable for Diabetics

How is digestive health related to diabetes?

- High blood sugar levels may slow down the digestive process
- Weak digestion leads to delay in food being digested
- As a result, recurring digestive problems occur
- Recurring digestive problems lead to imbalance in blood sugar levels

Relieves digestive problems

Indigestion | Gas | Bloating | Loss of Appetite | Belching

New ZANDU Pancharishta

Digestion expert for a changing life

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

Research, concept and design by TRISYS
print anderson +91 99030 58982

emami limited

Corporate Identification Number: L63993WB1983PLC036030
Registered Office: Emami Tower, 687, Anandapur,
E.M. Bypass, Kolkata-700107, West Bengal, India.
Phone No. +91 33 66136264, tele fax: 91 33 6613 6600
website: www.emamiltd.in, e-mail: investors@emamigroup.com

Notice

NOTICE is hereby given that the **36th Annual General Meeting** of the Members of Emami Limited will be held on Thursday, 8th August, 2019 at 11:30 a.m. at South City International School Auditorium, 375, Prince Anwar Shah Road, Kolkata-700068, West Bengal, India to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon and the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri A.V. Agarwal (DIN 00149717) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R.S. Goenka (DIN 00152880) who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Shri S.K. Goenka (DIN 00149916) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Shri Debabrata Sarkar (DIN 02502618), who was appointed as an Additional and Independent Director of the Company with effect from February 21, 2019 in terms of section 161 (1) of the Act and article 97 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) years with effect from February 21, 2019.

   RESOLVED FURTHER THAT pursuant to the provisions of Section 149 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Debabrata Sarkar be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

   RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable in the said regard.

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the articles of association of the Company and upon the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of

Shri Prashant Goenka (DIN 00703389) as a Whole-time Director of the Company for the period of 5 (five) years with effect from January 20, 2019 on the terms and conditions as set out in the Explanatory Statement annexed to this Notice convening this meeting and as enumerated in the Agreement dated January 14, 2019, copy whereof has been submitted to this meeting, which agreement is also hereby specifically approved.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable in the said regard.

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the consent of the Company be and is hereby accorded for payment of remuneration of ₹1,50,000/- (Rupees One lac fifty thousand only) plus applicable taxes and out of pocket expenses for conducting audit of the cost accounting records of the Company for the financial year 2019-20 as may be applicable to the Company to M/s. V. K. Jain & Co., Cost Accountants(Firm Registration No 00049) who were re-appointed as Cost Auditors of the Company by the Board of Directors of the Company at its meeting held on May 27, 2019.

Registered Office:

Emami Tower,
687, Anandapur
E.M. Bypass
Kolkata 700107
Date: May 27, 2019

By Order of the Board

A. K. Joshi
Company Secretary & VP-Legal

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

2. As per section 105 of the Companies Act, 2013 and Rules thereunder, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of total share capital of the Company carrying voting rights. A member holding more than 10% of total share capital of the company carrying voting right may appoint a single person as proxy and such proxy shall not act as a proxy for any other person or shareholder.

3. The instrument appointing a proxy duly completed and signed shall be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of the AGM.

4. Proxies shall be made available for inspection during 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.

5. Corporate members intending to send their authorized representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send, a certified true copy of the board resolution authorizing their representatives to attend and vote on their behalf at the Meeting.

6. The related Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of the businesses under item no. 6 to 8 as set out above is annexed hereto.

7. The Board of Directors has recommended Dividend of 400% for the Financial year ended 31st March 2019 subject to approval of the Shareholders at the ensuing Annual General Meeting. The Dividend, if approved by the members at the ensuing Annual General Meeting will be paid to those shareholders whose names stand registered:

   a. As beneficial owners as at the end of business on Thursday, 1st August 2019 as per list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic form, and

   b. As members in the Register of Members of the Company after giving effect to valid transmission/ transposition in physical form lodged with the Company's Registrar and Share Transfer Agent (RTA) M/s. Maheswari Datamatics

Pvt. Ltd., 23 R. N. Mukherjee Road, 5th Floor, Kolkata 700 001 on or before the aforesaid date i.e. Thursday, 1st August, 2019. The transmission/ transposition requests complete in all respects should reach the Registrar and Share Transfer Agent well before the above date.

8. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Book of the Company shall remain closed from Friday, 2nd August, 2019 to Thursday, 8th August, 2019 (both days inclusive) for the purpose of this Annual General Meeting and determining the entitlement of the shareholders to the Dividend.

9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Share Transfer Agent, M/s. Maheswari Datamatics Pvt. Ltd. cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the members. Further, in case the shares are held in physical mode, members are requested to furnish Bank account particulars (viz. Account No., Name and Branch of the Bank and MICR Code) to the Company or RTA to ensure that there is no fraudulent encashment of the warrants.

10. Members holding shares in multiple folios are requested to consolidate their holdings. Members are requested to send all communications relating to shares, unclaimed dividends and change of address, etc. to the Registrar and Share Transfer Agent M/s. Maheswari Datamatics Pvt. Ltd , 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700001, West Bengal, India

11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar and Share Transfer Agent.

12. Electronic copy of the Annual Report for the financial year 2018-19 are being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their e-mail id, physical copies of the Annual Report for the financial year 2018-19 are being sent through permitted mode. Even after e-communication, members are entitled to receive such communication in physical form by post, upon making a request for the same, free of cost. For any further clarification, the shareholders may send requests to the Company's investor email id: investors@emamigroup.com

13. Electronic copy of the Notice of the 36th AGM of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their e-mail id, physical copies of the Notice of the 36th AGM of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of this Meeting and the Annual Report will also be available on the Company's website www.emamiltd.in for their download.

14. Members are informed that the dividend amount for the Financial year ended 2011-12 remaining unclaimed/unpaid shall become due for transfer on September 12, 2019 to the Investor Education and Protection Fund [IEPF] established by the Central Government in terms of the Companies Act, 2013.

    Any member, who has not claimed dividend for the financial year ended 2011-12 onwards, is requested to approach the Company/the Registrar and Share Transfer Agent of the Company in this respect.

    The Company has been sending reminders to those members having the unclaimed/unpaid dividends before transfer of such dividend(s) to Investor Education and Protection Fund (IEPF). Details of the unclaimed/unpaid dividend are also uploaded as per the requirements, on the Company's website www.emamiltd.in. Members, who have not encashed their dividend, are advised to write to the Company immediately claiming dividends declared by the Company.

    The Company has already transferred all shares (in respect of which dividend has been unclaimed/ unpaid for 7 (seven) consecutive years or more) to designated DEMAT Account of the IEPF maintained with CDSL. Members who have so far not claimed

or collected their dividends for the said period may claim their dividend and shares from the Investor Education and Protection Fund, by submitting an application in the prescribed form.

15. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are , therefore requested to submit the PAN to the Depository participant with whom they are maintaining the DEMAT account. Members holding shares in physical form can submit their copy of PAN to the Company.

16. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting; members are requested to bring their copies at the meeting.

17. Members/proxies should bring their attendance slips sent herewith, duly filled in, for attending the Meeting. Members/ proxies attending the AGM are requested to carry their identity proof.

18. Disclosure pursuant to Section 196 (4) of the Companies Act, 2013, Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard- 2 of ICSI, with respect to Directors seeking appointment/ re-appointment in the forthcoming Annual General Meeting is annexed.

19. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am to 1.00 pm on all working days except Saturdays, till the date of AGM.

20. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting.

21. Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in prescribed form SH-13 with the Registrar and Share Transfer Agent (RTA). In respect of shares held in Electronic/Demat form, members may please contact their respective Depository Participants.

22. SEBI and Ministry of Corporate Affairs encourages paperless communication as a contribution to Green environment. Members holding shares in physical mode are requested to register their e-mail id to the RTA for receiving all communications including annual reports, notices, circulars etc. from the company electronically. Members who wish to register their e-mail id can download the green initiative form from the company's website www.emamiltd.in.

23. M/s. S. R.Batliboi & Co. LLP, Chartered Accountants (Firm registration No 301003E/E300005), were appointed as Statutory Auditors of the Company to hold office from the conclusion of 34th Annual General Meeting of the Company held on 2nd August 2017 till the conclusion of the 39th Annual General Meeting of the Company.

24. A route map and prominent landmark for easy location of the venue of the meeting is enclosed with this Notice.

25. Voting Option:

(I) VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has provided e-voting facility to the members using Central Depository Securities (India) Limited (CDSL) platform. All the business to be transacted at the Annual General Meeting can be transacted through electronic voting system.

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Thursday 1st August, 2019 only shall be entitled to avail the facility of remote e-voting / voting through Ballot Form at the Meeting. A person who is not a member as on the cut- off date should treat this notice for information purpose only.

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	End of remote e-voting
From 9.00 A.M. (IST) on Sunday, 4th August, 2019	Up to 5.00 P.M. (IST) on Wednesday, 7th August, 2019

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of aforesaid period.

The instruction for members for voting electronically is given in a separate sheet.

(II) VOTING AT AGM

The members who have not cast their votes through remote e-voting may attend and cast their votes at the Annual General Meeting through Ballot Form which shall be made available for use at the meeting.

The members who have already casted their votes through remote e–voting may attend the meeting but shall not be entitled to vote thereat.

Other Instructions

1. A member can opt for only one mode of voting i.e. through e-voting or through Ballot Form, either in person or through proxy at the meeting. If a member casts votes by all the two modes, then voting done through e-voting shall prevail and voting through Ballot form at the venue of the meeting shall be treated as invalid.
2. The Company has appointed Mr. Manoj Kumar Banthia, Practicing Company Secretary (Membership No-A11470/CP-7596) of M/s. MKB & Associates, Company Secretaries, Kolkata to act as the Scrutinizer to scrutinize the Ballot Forms and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
3. The Scrutinizer shall after the conclusion of Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses, not in the employment of the Company. The scrutinizer shall submit the consolidated scrutinizer's report, not later than 48 (forty eight) hours of conclusion of the Meeting, to the Managing Director or any other person authorized by the Board.
4. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.emamiltd.in and on the notice board of the Company at its registered office and on the website of CDSL: www.evotingindia.com immediately after the results are declared and simultaneously communicated to the Stock Exchanges where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting i.e. Thursday 8th August, 2019

Registered Office:

Emami Tower,
687, Anandapur
E.M. Bypass
Kolkata 700107
Date: May 27, 2019

By Order of the Board

A. K. Joshi
Company Secretary & VP-Legal

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of resolutions at item no. 6 to 8

Item No. 6

Based on the recommendation of Nomination and Remuneration Committee (NR Committee) and pursuant to provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Shri Debabrata Sarkar (DIN : 02502618) was appointed as an Additional cum Independent Director of the Company for a term of 5 (five) years with effect from February 21, 2019 subject to approval of shareholders in the Annual General Meeting of the Company.

Shri Debabrata Sarkar is former Chairman & Managing Director of Union Bank of India and he is having banking experience of 35 years. He was awarded "Banker of the Year" by the Skoch Consultancy Services as a part of their Financial Inclusion Awards 2013 during his tenure as CMD in Union Bank of India.

Shri Debabrata Sarkar serves an as an Independent Director of HINDUJA Leyland Finance Limited and Asset Reconstruction Company (India) Limited, amongst others.

Shri Debabrata Sarkar is a Chartered Accountant, Certified Associate of Indian Institute of Banking and Finance and having Master degree in Commerce from Calcutta University.

Shri Debabrata Sarkar fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company.

The Board considered that his association as Independent Director would be of immense benefit to the Company.

Accordingly, the Board recommends the resolution for confirmation of appointment of Shri Debabrata Sarkar as an Independent Director for the approval by the shareholders of the Company by way of an ordinary resolution in this AGM.

The Company has received declaration to this effect that he meets the criteria of Independent Director as provided under section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except the appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Copy of the letter of appointment issued to Shri Debabrata Sarkar would be available for inspection without any fee by the members at the Registered Office of the Company between 11:00 am to 1:00 pm on all working days except Saturdays till the date of Annual General Meeting.

Disclosures required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI is set out as the annexure to this Notice.

Item No 7

Upon the recommendation of Nomination and Remuneration Committee, the Board of Directors re-appointed Shri Prashant Goenka (holding DIN 00703389) as Whole-time Director of the Company with effect from January 20, 2019 for a period of 5 (five) years subject to approval of the shareholders at the General Meeting.

For the purpose, an agreement has been entered into by the Company with Shri Prashant Goenka, Whole-time Director on January 14, 2019.

The main terms and conditions of his re-appointment are furnished below:

a. Term of appointment: - 5 (Five) years with effect from January 20, 2019

b. Salary: Basic Salary is Rs. 8.00 Lacs (Rupees Eight lacs only) per month. (in the range of Rs 8.00 Lacs to Rs 10.00 Lacs as approved by the Board of Directors) The annual increment will be decided by the Board of Directors of the Company.

c. Perquisites:
   1. Leave travel allowance for self and family once in a year as per rules of the Company.
   2. Medical expenses actually incurred by him and his family subject to maximum of one month salary.
   3. Club Fees.
   4. Provision for use of car with driver for official business- personal use of the car will be billed to him.
   5. Provision for telephone at residence (including payment of local calls and long distance calls, mobile phone, internet and any other communication facilities.)
   6. Medical & personal accident insurance.

d. The Company will make suitable contribution towards Provident Fund, Superannuation Fund etc. as per Rules of the Company.

e. Gratuity will be payable as per Rules of the Company.

f. Leave as per Rules of the Company including encashment of unavailed leave at the end of the tenure.

   The Board recommends the resolutions for your approval.

Except Shri Prashant Goenka (the appointee), none of the other Directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise in the Resolution.

Copy of the agreement dated January 14, 2019 referred above is available for inspection at the Registered Office of the Company between 11.00 am to 1.00 pm on all working days except Saturdays till the date of ensuing Annual General Meeting.

Item No 8

Upon the recommendation of the Audit Committee, the Board of Directors in its meeting held on May 27, 2019, has re-appointed M/s. V. K. Jain & Co., Cost Accountants at a remuneration of Rs. 1,50,000/- (Rupees One lac fifty thousand only) plus applicable taxes and out of pocket expenses for conducting audit of the cost records of the Company as applicable to the Company for the financial year 2019-20. As per the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, the remuneration to be paid to the cost auditors is subject to ratification by the members of the Company.

The Board therefore recommends the resolution under Section 148 of the Companies Act, 2013 as an ordinary resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives, is concerned or interested, financially or otherwise in this Resolution.

Registered Office:

Emami Tower,
687, Anandapur
E.M. Bypass
Kolkata 700107
Date: May 27, 2019

By Order of the Board

A. K. Joshi
Company Secretary & VP-Legal

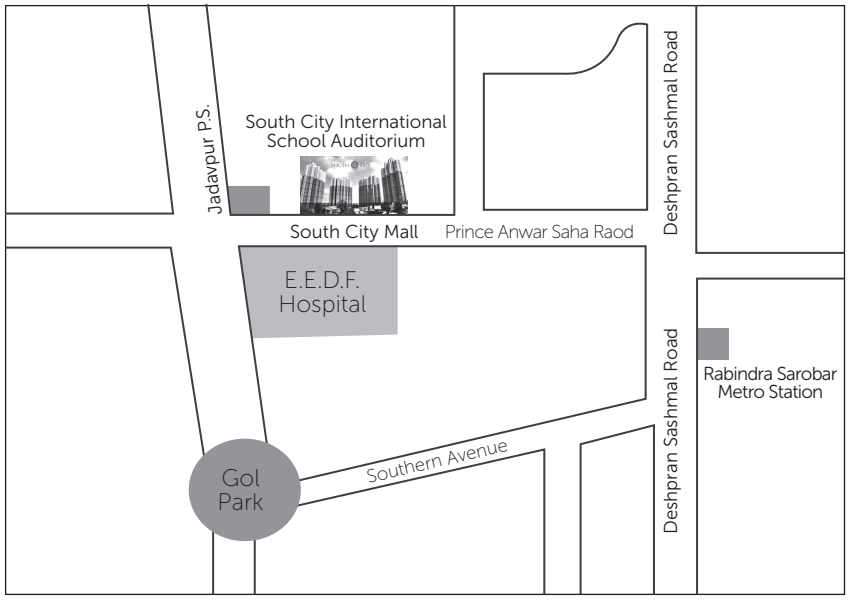
ANNEXURE TO THE NOTICE

Disclosure required under Section 196 (4) of the Companies Act, 2013,
Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI

Name	Shri A. V. Agarwal	Shri R. S. Genka	Shri S. K. Goenka	Shri Debabrata Sarkar	Shri Prashant Goenka
Director Identification Number	00149717	00152880	00149916	02502618	00703389
Date of Birth/ Age	06-01-1975 / 44 years	05-01-1947/ 72 years	06-05-1956 / 63 years	03-11-1953/ 65 years	30-10-1973 / 45 years
Date of first Appointment on the Board	15-01-2005	03-05-1994	17-05-1995	21-02-2019	20-01-2014
Experience in Specific Functional Area	Marketing and brand development	Financial planning, corporate affairs, taxation and accounting	Production, factory operations, procurement and packaging	Banking and Finance	International Marketing and Brand Development
Qualifications	Commerce Graduate	Master of Commerce and LLB	Commerce Graduate	M.Com, FCA, CAIIB	MBA (International Marketing), Diploma in Finance and Marketing
Terms and Conditions of Appointment / Re-appointment	Re-appointment on retiring by rotation	Re-appointment on retiring by rotation	Re-appointment on retiring by rotation	Regularisation/ Appointment as an Independent Director	As mentioned in explanatory statement to item no. 7 of the Notice of the AGM
Details of remuneration sought to be paid	Not applicable	Not applicable	Not applicable	Not applicable	
Last drawn remuneration	Not applicable	Not applicable	Not applicable	Not applicable	
Relationship with other Directors and Key Managerial Personnel	Son of Shri R. S. Agarwal, Brother of Shri H.V. Agarwal & Smt. Priti A Sureka	Brother of Shri S. K. Goenka, Father of Shri Mohan Goenka	Brother of Shri R. S. Goenka	None	None
Directorship in Companies	Emami Limited, Emami Paper Mills Limited, Suntrack Commerce Private Limited, Emami Cement Limited, Ajanta Suppliers Private Limited, Emami Group of Companies Private Limited, TMT Viniyogan Ltd.	Emami Limited, Bhanu Vyapaar Private Limited, Suntrack Commerce Private Limited, Suraj Viniyog Private Limited, Ajanta Suppliers Private Limited, Emami Group of Companies Pvt Ltd, Emami Education and Research Foundation, Maa Gou Products Pvt Ltd.	Emami Limited, Diwakar Viniyog Private Limited, Prabhakar Viniyog Private Limited, Emami Education and Research Foundation.	Emami Limited, Bank of India, BOI Merchant Bankers Limited, Hinduja Leyland Finance Limited, Asset Reconstruction Company (India) Limited, Vistra ITCL (India) Limited, Easy Home Finance Limited, Learning Curve Edutech Solutions Pvt. Limited, Inceptum Advisors (P) Ltd, IDL Explosives Limited.	Emami Limited, Prestige Vyapaar Limited, YPO (Calcutta), Emami Group of Companies Private Limited, Raviraj Viniyog Private Limited.

Name	Shri A. V. Agarwal	Shri R. S. Genka	Shri S. K. Goenka	Shri Debabrata Sarkar	Shri Prashant Goenka
Chairman/Member in the Committees of the Boards of companies	**Chairman**: 1.Corporate Social Responsibility Committee-Emami Paper Mills Limited 2.Corporate Social Responsibility Committee-Emami Cement Limited 3.Stakeholders Relationship Committee-Emami Cement Limited **Member:** 1.Share Transfer Committee-Emami Limited 2.Finance Committee-Emami Limited 3.Finance Committee- Emami Cement Limited 4.Nomination & Remuneration Committee- Emami Cement Limited	**Chairman:** 1.Finance Committee- Emami Limited 2.Risk Management Committee- Emami Limited **Member:** 1.Audit committee- Emami Limited 2.Corporate Governance Committee- Emami Limited	**Chairman:** 1.Corporate Social Responsibility Committee- Emami Limited **Member:** 1.Finance Committee- Emami Limited 2.Risk Management Committee- Emami Limited	**Chairman :** 1. Risk Management Committee- Hinduja Leyland Finance Limited **Member:** 1. Audit Committee- Hinduja Leyland Finance Limited 2. Nomination and Remuneration committee- Hinduja Leyland Finance Limited	**Chairman:** None **Member:** 1.Corporate Social Responsibility Committee-Emami Limited 2.Stakeholders Relationship Committee-Emami Limited
No. of Shares held in the Company as on 31st March, 2019	1,34,668	3,92,076	1,09,900	Nil	1,90,000
Number of meetings of the Board attended during the year	4(Four)	4(Four)	4(Four)	None, appointed w.e.f. 21st February 2019	4(Four)

Route Map to the Venue of AGM



DATE: AUGUST 8, 2019 AT 11:30 A.M.
VENUE : South City International School Auditorium,
375, Prince Anwar Shah Road, Kolkata-700068, West Bengal, India.

The instructions to members for voting electronically are as under:-

(i) The voting period begins on Sunday, August 4, 2019 (9:00 AM) (IST) and ends on Wednesday, August 7, 2019 (5:00 PM) (IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, August 1, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www. evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for "Emami Limited" on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.