

# EMAMI

# THE NEXT ORBIT

Best HR Practices

Creating Investor Wealth

Entering New Categories

Celeb Power

IT Driven

Professional Management

Youth-Focus

Robust Distribution

Beyond Boundaries

Lower Gearing

Unique Innovations

Entering New Categories

Creating Investor Wealth

Differentiated Mainstream Products

Deep Reach

Aggressive Marketing

Beyond Boundaries

Under Penetrated Categories

Best HR Practices

Robust Distribution

Inorganic Growth Route

Unique Innovations

Professional Management

Focused Financial Management

Consumer Insight

Lower Gearing

Aggressive Marketing

Celeb Power

Inorganic Growth Route

IT Driven

emami\* limited  
ANNUAL REPORT  
2014-15



# Corporate Information

## Chairman

R.S. Agarwal

## Managing Director

Sushil K. Goenka

## CEO-Finance, Strategy & Business Development and CFO

N.H. Bhansali

## Company Secretary & AVP-Legal

A.K. Joshi

## Auditors

M/s S.K. Agrawal & Co  
Chartered Accountants

## Directors

R.S. Goenka

K.N. Memani

Y.P. Trivedi

M.D. Mallya

P.K. Khaitan

Sajjan Bhajanka

S.B. Ganguly

Amit Kiran Deb

Vaidya S. Chaturvedi

Mohan Goenka

Aditya V. Agarwal

Harsha V. Agarwal

Priti A Sureka

Prashant Goenka

## BOARD COMMITTEES

### Audit Committee

S.B. Ganguly, Chairman

R.S. Goenka

Sajjan Bhajanka

Amit Kiran Deb

### Nomination and Remuneration Committee

Amit Kiran Deb, Chairman

Sajjan Bhajanka

S.B. Ganguly

### Share Transfer Committee

Mohan Goenka, Chairman

Aditya V. Agarwal

Harsha V. Agarwal

Priti A Sureka

### Stakeholders' Relationship Committee

Sajjan Bhajanka, Chairman

S.B. Ganguly

Mohan Goenka

Harsha V. Agarwal

### Risk Management and Finance Committee

*(formerly known as 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

### Corporate Social Responsibility Committee

Sushil K. Goenka, Chairman

Amit Kiran Deb

Mohan Goenka

Harsha V. Agarwal

Priti A Sureka

## BANKERS

CANARA BANK | ICICI BANK LTD. | CITI BANK N.A. | HDFC BANK LTD | HSBC LTD | DBS BANK LTD.

### Registrar & Transfer Agent

Maheswari Datamatics Private Limited,  
6, Mangoe Lane, Kolkata 700 001, West Bengal, India,  
Tel: +91-33-2248 2248, Fax: +91-33-2248 4787,  
Email: mdpl@cal.vsnl.net.in

### Registered Office:

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

### Our Presence

60+ Countries, 7 Factories, 1 Overseas Unit, 4 Regional  
Offices, 32 Depots, 9 Overseas Subsidiaries.

# Emami. ₹23,000 cr market capitalisation\*. Wealth creator.

 Emami Limited is one of the fastest wealth creators in India's FMCG sector.

 The Company achieved a market capitalisation of around ₹23,000 crore\* by the end of 2014-15.  The Company's market capitalisation surged 132% in 2014-15.

 It outperformed the BSE FMCG index by 9.1x and the BSE Sensex by 5.4x.

Now, it is taking the growth story ahead to the NEXT ORBIT...

\* As on 31st March, 2015.



C O N T E N T S



FOUNDERS' STATEMENT 6

"Growing wider and deeper"

R.S. Agarwal & R.S. Goenka, Founders

C O V E R S T O R Y

# NEXT ORBIT

Homegrown success. These are the two most faithful words one can use to describe Emami's outstanding performance across the last couple of decades in India's FMCG industry.

PAGE 10

Statutory Section	Financial Section
Directors' Report 82	Standalone Accounts 137
Corporate Governance Report 110	Consolidated Accounts 171

**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.

INTRODUCTORY LETTER

On behalf of the Emami family, we bring forward to you to the 32nd Annual Report of the Company. Over the years, Emami has emerged as a preferred name in households across the length and breadth of the country. Emami has received countless accolades for its innovative and clutter-breaking products, which have carved out whole new segments from scratch in the Indian FMCG space and positioned the Company as one of the fastest-growing and most profitable companies in the sector.

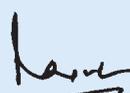
With seven manufacturing locations in India and one in Bangladesh supported by a widespread distribution network, the Company is positioned to make its products available in every corner of the country. The international business performed extremely well and is expected to continue the momentum in the coming years.

The Company's robust performance was reflected in its stock price, which appreciated by more than 132% during 2014-15 and touched an all-time high market capitalisation of ₹25,480 crore.

As a forward-looking strategy, the Company has selected to enter the mainstream and emerging segments with a slew of innovative products and take its growth to the **next orbit**.

This is just the beginning of an exciting journey.

  
 R.S. AGARWAL  
 Founder

  
 R.S. GOENKA  
 Founder

## Business support review

- 44 *Ghar-Ghar mein Emami*
- 54 *Man-edging!*
- 57 *Execution excellence*
- 68 *Enabling IT*

## Health Care Division

- 30 *Rejuvenated!*
- 34 *Ayurveda*



16

Managing Director's review: "The future appears exciting at Emami!"



- 24 Version 2.0
- Brand review:**
- 28 *Emami ratna*
- 42 *Skin Doctor*
- 48 *Pain management*
- 60 *Handsome strategy*



- 36 *Beyond boundaries*
- 53 *Emami - A Bullish Proposition*

- 74 *Moments to cherish*
- 75 *And the award goes to... Emami!*
- 76 *Management Discussion and Analysis*



- 14 *Board of Directors*
- 27 *Did you know?*
- 48 *Pain management*
- 50 *Celebrating with celebrities*
- 56 *Expanding bandwidth*
- 56 *Senior management team*
- 65 *Team Emami*
- 66 *Emami's quest for the perfect product*



72 *Human touch*



- 19 *Young and Energetic. Second Generation business leaders*

HIGHLIGHTS FY 2014-15 4



## Guest interviews

- 52 **Bugs Bhargava.** "Everything at Emami starts and ends with consumers."
- 64 **Utpal Sengupta.** Sweet spot!
- 69 **Jitu Mehta** - A cut above the rest
- 20 *Journey over the years.*
- 22 *10-year highlights*
- 62 *Reaching out*
- 70 *New launches*



## Q&A: Peter Francis

33 "Our engagement with Emami paves a strong growth opportunity for both the companies in the near-future" **Peter Francis, Founder, Fravin, Australia** talks why the strategic tie-up with Emami will be a win-win proposition for both the entities

## Special Story

40 'Oil' is well



## Feature

- 46 *Brand!*
- 58 *Going modern*



# Highlights

## FY 2014-15

### TURNOVER

- 1 Consolidated net sales at ₹2,217 crore – grew by 21.8%
- 2 Domestic sales at ₹1,800 crore – grew by 19.1%
  - Modern trade business grew by 36%
  - New launches contributed around 6% of domestic sales
- 3 International Business at ₹318 crore grew by 43.5%
- 4 Institutional Business – Sales to Military and Paramilitary force at ₹100 crore – grew by 12.7%

### PROFITS

- 1 EBIDTA at ₹540 crore – grew by 22.4%
- 2 EBIDTA margin at 24.4% – improved by 20 basis points
- 3 PAT at ₹486 crore – grew by 20.7%
- 4 PAT margin at 21.9%
- 5 EPS at ₹21.40 – grew by 20.7%
- 6 ROCE at 37.5%
- 7 ROE at 39.5%

### COSTS

- 1 Cost of goods sold at 35.2% of sales, declined by 220 bps.
- 2 Advertisement and sales promotion at ₹392 crore, increased from 15.2% to 17.7% of sales.
- 3 ₹74 crore was spent on advertising & promotions on new launches.

### OPERATIONS

- 1 Direct retail reach increased to 6.4 lac outlets along with a distributor strength of 2,800.
- 2 Covered nearly 1,100 distributors under outreach-secondary sales software, contributing 97% of CCD sales.
- 3 Setting up third manufacturing unit in North-East India under Mega Project Scheme, expected to commence operations in FY16
- 4 Enterprise Risk Management implemented and ISO 31000 : 2009-certified

## WORKING CAPITAL

- 1 Average inventory holding decreased from 28 days to 21 days of turnover equivalent.
- 2 Average collection period increased from 16 days to 17 days
- 3 Average payment period increased from 29 to 32 days
- 4 Net working capital improved from 29 days to 17 days resulting in a release of ₹41 crore
- 5 Net cash of over ₹800 crore as on 31st March, 2015.

## BRANDS

- 1 Navratna Oil increased its market share by 890 bps at 65.5%
  - Sales grew by 16.5%
  - Brand extension Cool Talc grew by 31.5% and gained market share by 290 bps to 26.7%.
- 2 Fair and Handsome enjoys leadership position in the men's fairness cream segment with a market share of 59.1%
  - Sales grew by 14.8%.
- 3 Menthoplus Balm and Zandu Balm (including Ultra Power) increased market share by 40 bps to 60.9%.
  - Sales grew by 15.6%
- 4 BoroPlus Antiseptic Cream continued to be the market leader with a market share of 76.3%.
  - Antiseptic cream sales grew 10.7%
- 5 The Zandu Ayurvedic HCD range continued its robust growth.
  - Sales grew 24.9% led by Zandu Pancharishta, which grew 54.9%.
- 6 Achieved leadership positions in international markets
  - Navratna enjoys undisputed leadership in Bangladesh, UAE and Saudi Arabia with volume market shares of 47%, 93% and 91% respectively
  - Fair and Handsome enjoys volume market share of 30% in Bangladesh, 37% in Saudi Arabia and 45% in UAE
  - BoroPlus Antiseptic Cream continues to be the market leader in Russia with a volume market share of 36%

## CAPITAL MARKET

- 1 Market capitalisation more than doubled during the year.
  - Market capitalisation at ~₹23,000 crore (31st March 2015)
- 2 Initial shareholders who invested ₹1,000 in 100 shares, which became ₹4,000 after the rights issue, are presently owners of Emami shares worth around ₹8.4 cr – a 21,105-fold appreciation
- 3 Shareholders' wealth increased more than 43 times and nearly 10-fold, on their investment in public issue in the March 2005 and OIP in July 2009 respectively.
- 4 Around 33 brokerage houses covered Emami's stock including UBS, Credit Suisse, Nomura, IIFL, ICICI securities, Edelweiss and Macquarie.
  - In 2014-15, Citi, Goldman Sachs, Motilal Oswal, Barclays, Prabhudas Liladher, and Societe Generale initiated coverage on Emami



SUCCESS

Consistent and sustainable

# “Growing wider and deeper”

Over the decades, Emami has reported one of the most attractive growth stories in the Indian FMCG space.

The Company has created wealth for its shareowners, consistently achieved high margins and reported robust year-on-year growth.

The big question: how has Emami consistently outperformed the growth of the broad FMCG sector in India?



There are a number of answers to why Emami has consistently outperformed sectoral growth. In this overview we examine some of them

**One**, we created a business model around our sensitive understanding of what the Indian consumer would need. The result is that we were continuously future-facing, focusing not as much on what had succeeded in the past but what was likely to plug emerging consumer needs.

**Two**, we leveraged India's rich ayurvedic tradition to create niche products that eventually proved groundbreaking. The ayurveda advantage was built around the therapeutic attributes of this ancient wisdom – effective, benign and without any side-effects.

**Three**, we did not just focus on brand extensions, but on the creation of entirely new categories based on extensive market research. We consciously selected relatively under-penetrated and nascent segments, which translated into the successful creation of brands like Navratna, BoroPlus, Fair and Handsome and Sona Chandi Chyawanprash, among others. This has now extended our presence to emerging categories like deodorants (urban-driven), facewashes (urban-centric), hair oils (large unmet needs) and feminine hygiene (under-penetrated).

We expect to launch a slew of products in the coming years. The Company is also increasing its presence in the international market, earmarking nearly 17% of our total A&P spends towards international markets.

**Four**, we widened and deepened our distribution reach to cover retailers, distributors and modern trade better, making it possible to put our products



**“We are confident that the mix of new and innovative personal care products, strong healthcare portfolio and our deep distribution reach are expected to help Emami grow wider and deeper”**



**“We carved a niche for ourselves by identifying nascent assets, acquiring and revamping them to turn them profitable”**

within arm's reach of consumers whenever they intended to buy.

**Five**, we accelerated inorganic growth, plugging product and category gaps through successful acquisitions of Zandu, Fravin and She *Comfort*. We focused not merely on harvesting the natural growth of these brands but evolving them to the Emami way of doing things, helping rejuvenate these brands and accelerating their growth. It would not be out of place to mention that some of these acquisitions were gutsy given the size of our Company at the time we made them. For instance, in November 2008, even as we enjoyed a turnover of ₹600 crore and a market cap of ~ ₹1,800 crore, we acquired Zandu, a century-old pharmaceutical firm for more than ₹700 crore. What we did with Zandu thereafter represents a case study: we graduated Zandu's manufacturing processes from the manual to the automated, strengthened procurement, rationalised administrative costs, branded and marketed aggressively and generated distribution synergies. The result is that within the first full year of operation, Zandu's operating profit trebled, vindicating our insight that the brand was under-invested and under-exploited.

**Six**, most companies in our position would have selected to be urban. At Emami, we are conscious of our positioning. We are a brand for the middle-class. In a country where the growth of the middle-class has extended from the urban to the semi-urban to the rural, we have widened our reach to the country's rural hinterland. In a country where not being able to service customer needs immediately and comprehensively can mean the loss of a customer, we widened and deepened our distribution network, which now comprises more than 2,800 distributors and 6.4 lac retailers. This has allowed Emami products to be directly available in 12,100 villages with a population of less than 50,000 with an indirect reach extending across nearly 4 mn retail

counters. We increased our focus on distributing products through all modern trade channels in the country. The combination of these initiatives – rural and urban – made it possible for the Company to sell nearly 112 units every second.

**Seven**, when most companies of our kind would have been happy focusing on the vast potential within India, we extended our presence abroad as well. Our international manufacturing plant in Bangladesh is fully operational and caters to local demand. Meanwhile, Emami products were available in more than 60 countries, making it possible to grow our international business to more than 14% of our turnover during the year under review.

We are happy to state that the robustness of our business model, attractiveness of our margins and our ability to grow business higher than the country's FMCG sector growth translated into an attractive market capitalisation of around ₹23,000 crore as on 31st March, 2015 with turnover and profits growing at 5 year CAGR of 16.8% and 23.4% respectively.

### Next orbit

So where does Emami go from here?

At our Company, we see attractive headroom for various reasons. India's FMCG industry is large and growing. As recently as a couple of years ago, some 8.4 million outlets addressed 1.26 billion people and accounted for US\$37 billion in sales (*Source: Nielsen*). The country has one of the largest youth population who are bigger spenders than the previous generation and increasingly conscious of their grooming. India's disposable incomes are rising; the country's middle-class is expected to emerge as the world's largest middle-class consumer market with a total consumer spend of nearly US\$ 13 trillion by 2030 (*Source: Deloitte*).

At Emami, we are addressing this

## THE YEAR 2014-15 WAS A WATERSHED FOR THE COMPANY

- A good summer strengthened the Company's business.
- Consumer inflation eased, allowing consumers to purchase more.
- We launched new products in the light hair oil and male grooming segments.
- We acquired feminine hygiene brand SHE Comfort and a controlling stake in Fravin Pty. Ltd., Australia, with major strengths in R&D and manufacturing of natural

- and organic personal care products.
- We continued to optimise operational costs through debottlenecking initiatives.
- The Zandu Healthcare Division performed well recording a 24.9% growth over 2013-14.
- Consequently, the Company grew revenues by 21.8%, EBIDTA by 22.4% and PAT by 20.7% over 2013-14.
- The gross margins and profit before tax margins

- strengthened by 220 and 160 basis points respectively from 2013-14 levels.
- The market share of most of our Power Brands increased.
- Emami's international business grew 43.5%, strengthening its market share further in focus markets like Bangladesh, Russia and GCC region.



emerging reality by extending from niche to mainstream personal care areas, marked by our entry into the feminine hygiene segment during the year under review. Even as we are widening our existing product portfolio and venturing into new categories, we intend to commission a new plant in Assam by 2016 (with attending fiscal benefits). We

intend to widen our direct retail coverage to more than 7 lac outlets in the current financial year and implement modern trade initiatives.

The overall message that we wish to leave with shareholders is that Emami is optimistic of generating superior returns on employed capital. Even as we generated a

21,105-fold appreciation over the last four decades, we are optimistic of enhancing value in an attractive way over the coming years.

R.S. Agarwal

R.S. Goenka

## FMCG facts

4th

Position of FMCG sector in the Indian economy.

17.7%

Expected CAGR in rural FMCG sector growth

93-95%

Share of traditional trade of overall FMCG sales.

267 mn

India's middle class sector expected by 2016

2.47%

Rate of urbanisation between 2010-15

US\$ 100 bn

Rural India's FMCG market by 2025 as per Nielsen .

14.7%

Expected CAGR of FMCG sector from 2012-2020

US\$ 135 bn

Estimated FMCG market size by 2020.

10-12%

The share of modern trade is expected to reach by 2016.

31.3%

Share of urban population of total population (2011)

300 mn

People in India living in metropolitan areas.

33%

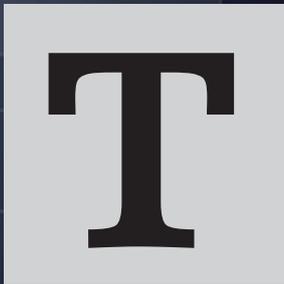
Share of rural FMCG consumer market in 2013.

A hand in a dark suit jacket holds a glowing orange and yellow orb. A white line graph with a blue highlight is overlaid on the scene, set against a dark background with faint square patterns and light spots.

COVER STORY

# NEXT ORBIT!

*Homegrown success. These are the two most faithful words one can use to describe Emami's outstanding performance across the last couple of decades in India's FMCG industry.*



**The numbers speak for themselves:** a company valued nearly at ₹ 23,000 crore (as on 31 March 2015), more than ₹800 crore cash on the books and an EBIDTA margin of 24.4 % even after substantial brand investments.

The big news at Emami is that the story has just begun.

### **The divergence**

For the last few decades, Emami selected to grow its presence in niches within India's personal care and health care category. The time has come for Emami to engage in a number of concurrent initiatives: extend from the niche to the mainstream in the personal care category and strengthen its presence in the healthcare segment.

What does this mean for Emami? It means that revenue growth could accelerate. It could mean that even as the Company extends its presence into the mainstream segment, it will prudently select 'niches' within this large space that make it easier to shrink the gestation required for product acceptance, grow market presence with a relatively moderate investment and gradually gravitate towards margins presently enjoyed by the Company.

### **So what does Emami intend to do specifically in the personal care category?**

Emami has been respected for its ability to provide a sense of prestige even to mass products, addressing relatively under-met needs of consumers. The result is that, through a process of innovation and distinctive product positioning, Emami is not just able to introduce new products but it also enjoys an attractive track record in creating completely new product categories instead.

Besides, even in categories that do exist, Emami is respected for the ability to carve out distinctive niches. For instance, even as India's hair oil category is one of

the most densely populated with brands of all kinds positioned around specific functional attributes in hair care, Emami went one step ahead: it addressed the overlooked area of hair damage. The result is that Emami's 7 Oils in One addressed a distinctive market need. And how were consumers assured that Emami's product would be effective? Emami provided a combination of seven different oils, each offering unique benefits. The result: even as a product of this nature takes a few years to attract consumer attention following sustained promotions, Emami's introduction was enthusiastically received in just the first year of launch.

The story of HE deodorant is similar. India's deodorant category is highly cluttered; most products are positioned as 'chick magnets'. Emami selected to walk the road less travelled; it identified a unique packaging and positioned the brand as a personality differentiator. The result is that HE has already emerged as a prominent brand within the country's deodorant segment.

Emami proved this strength in the near past through the successful introduction of Fair and Handsome Men's Fairness Cream for a segment which was virtually non-existent. Today, Emami is considered as the creator of men's fairness cream segment in the country.

Going ahead, Emami is widening and deepening its product pipeline through differentiated research and consumer interaction, catalysing its presence within the space.

### **Growing the healthcare segment**

Rather than creating a new product directed at consumers, Emami's healthcare division is doing the reverse: it identifies consumer needs largely unaddressed by allopathic and homeopathic products, introduces innovative features through the fusion of modern science and Ayurveda, supports the launch with focused marketing, enhances product awareness among medical practitioners and increases channel coverage to make products available across the country.

Emami's innovation continued in the healthcare segment. Take the example of Pancharishta, when Emami acquired Zandu it was a negligible brand. Emami recognised its potential, repositioned it, invested in branding and packaging, marketed rigorously, all these helped the brand to grow by five times in four years.

### Bringing a strategic shift

When Emami entered the business, it drew extensively from the passion of its promoters and a few industry professionals. Over the years, Emami engaged experts from multi-national companies; while promoters provided the strategic direction and drew periodic reports from their business heads, the professionals controlled day-to-day operations. This combination has ensured that Emami is always in a position to work on futuristic ideas while addressing the growing requirements of the day.

### Growing the overseas business

For decades, Emami was largely an India-focused company. In the last few years, the Company widened its geographic footprint with two objectives: one, to moderate risks associated by being largely present in a single geography and, two, to tweak its core products customised around the needs of countries enjoying a demographic profile similar to India.

What started as a tentative experiment is now a growing business priority. Emami products are exported to more than 60 countries. The Company has prioritised exports to MENAP, CIS, SAARC and South East Asia.

Emami could have remained content with exporting products to these countries manufactured in India. The Company selected to be different. With the objective to be closer to its desired markets, understand consumer needs better and provide distributors with the confidence of proximate supply, Emami established a manufacturing unit in Bangladesh which is fully operational, addressing local needs.

The unit has successfully seeded demand to the point that Emami is planning line extensions of products introduced and is also planning new launches, enhancing promotional activity and strengthening its distribution channel. The Company is also investing in brands in focused countries to drive growth. It invested over ₹67 crore in A&P in the international markets in FY15.

### Increasing availability

It is important for a FMCG product to be always available as and when the consumers require their products. A consumer opting for an alternate product means an opportunity lost. Keeping this in mind, the Company continued to expand its distribution network. Emami's network comprised nearly 2,800 distributors and 6.4 lac retailers, which has resulted in a presence in more than 12,100 villages in India with a population of less than 50,000. Result: the Company sells nearly 112 units per second, globally.

### Growing the existing product line

How Emami continues to rejuvenate its longstanding brands is a question that has been posed by a number of analysts.

The answer is that even though a number of Emami products have been in existence for a number of years and by a conventional yardstick would have matured, the reality is completely the opposite. The singular reason for this is traced to Emami's prudent space selection; its products continue to be more relevant today than when introduced because of

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**Over the years, Emami engaged experts from multi-national companies; while promoters provided the strategic direction and drew periodic reports from their business heads, the professionals controlled day-to-day operations.**

---

the still-moderate penetration of the categories where it is present.

Over the years, Emami progressively rejuvenated its products through innovative extensions. The result was that Navratna Oil was extended to Navratna Extra Thanda Oil and Navratna Cool Talc. Navratna Cool Talc emerged as a category creator – a specialised cool talc beating the summer heat, its unique positioning translating into exponential growth. Similarly, BoroPlus extended to prickly heat powder and moisturising lotion; Fair and Handsome extended to the men's face wash segment supported by top-of-the-mind advertising promotion.

### Multiple growth avenues

Emami is driving growth through brownfield opportunities. This distinctive capability was showcased in the acquisition of Zandu in 2008-09 and the acquisition of SHE *Comfort* in 2014-15. The latter acquisition was inspired by two realities: under-penetration of women's hygiene products in India and presence of a few major players. Emami also acquired an organic and natural personal care product manufacturing company in Australia, with major strengths in R&D, opening a host of opportunities.

### Next phase of growth

Emami is standing at an inflection point and gearing for the next phase of growth. This phase which will be dictated more by mainstream, yet differentiated products and will see a keen emphasis being laid on urban youth. This phase also be marked by the Company continuing to look for inorganic opportunities. Emami intends to launch unique offerings that meet the unfulfilled needs of consumers. This is just the beginning of Emami's entry into its next phase.

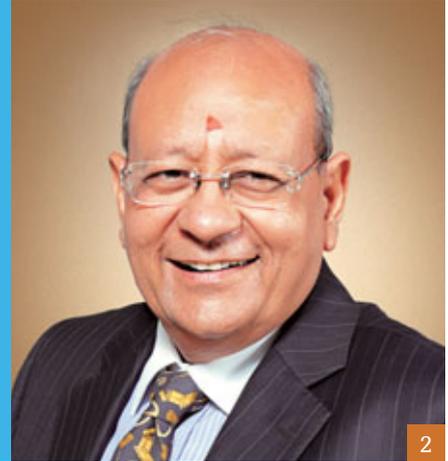


 <b>Innovate</b>	 <b>Drive Revenues</b>	 <b>Grow Profits</b>
<ul style="list-style-type: none"> <li>● Create categories by developing path breaking products and extensions</li> <li>● Offer differentiated 'Value For Money' products</li> <li>● Build world-class capabilities that drive innovation</li> </ul>	<ul style="list-style-type: none"> <li>● Enter mainstream categories with low penetration</li> <li>● Aggressively promote products through celebrities</li> <li>● Expand the existing distribution network</li> <li>● Drive exports with increased focus</li> <li>● Constantly explore inorganic routes of growth</li> </ul>	<ul style="list-style-type: none"> <li>● Stabilise new launches and brands</li> <li>● Control costs</li> <li>● Capitalise on fiscal benefits for manufacturing in tax-exempt zones</li> </ul>

# BOARD OF DIRECTORS



1



2



3



4



5



6



7

① R.S. Agarwal  
*Founder & Executive Chairman*

② R.S. Goenka  
*Founder & Wholetime Director*

③ Y.P. Trivedi (*Eminent Tax expert & Advocate, Supreme Court and Former Rajya Sabha member*)  
*Independent Director*

④ K.N. Memani (*Former Chairman & Managing Partner, EY, India*)  
*Independent Director*



8

⑤ M.D. Mallya (*Former Chairman & Managing Director, Bank of Baroda*)  
*Independent Director*

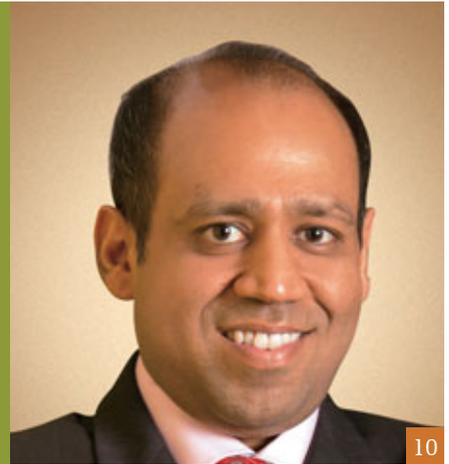
⑥ S.B. Ganguly (*Former Chairman, Exide Industries Ltd.*)  
*Independent Director*

⑦ P.K. Khaitan (*Advocate & Sr. Partner of Khaitan & Co.*)  
*Independent Director*

⑧ Sajjan Bhajanka (*Chairman, Century Plyboards (I) Ltd.*)  
*Independent Director*



9



10



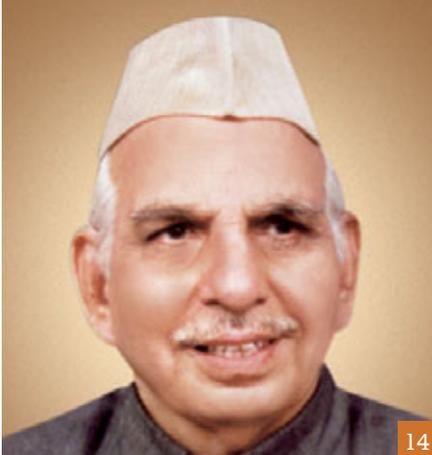
11



12



13



14



15

9 S.K. Goenka  
*Managing Director*

10 Mohan Goenka  
*Wholetime Director*

11 Aditya V. Agarwal  
*Non-Executive Director*

12 Harsha V. Agarwal  
*Wholetime Director*



16

13 Priti A Sureka  
*Wholetime Director*

14 Vaidya S. Chaturvedi  
*(Ayurvedacharya; Padmashree)*  
*Independent Director*

15 Amit Kiran Deb *(Former Chief Secretary, Govt. of West Bengal)*  
*Independent Director*

16 Prashant Goenka  
*Wholetime Director*

In conversation with

## S.K. Goenka

Managing Director, Emami Limited



“The future appears exciting at Emami!”

**Q. Can you take us through the Company's performance in 2014-15?**

2014-15 was an exciting year for Emami. There was a visible improvement in our financial numbers. The Company posted 21.8% growth in revenues from ₹1,821 crore in 2013-14 to ₹2,217 crore in 2014-15, significantly higher than the average sectoral growth.

Emami reported a gross profit growth of 26% from ₹1,140 crore in 2013-14 to ₹1,437 crore in 2014-15, corresponding to a gross profit margin (*sales less cost of goods sold*) of nearly 65%, a 220 bps improvement over the previous financial year.

Despite continuous and enhanced brand spend of ₹392 crore in the last financial year, we strengthened our profit before tax margin by 160

bps from 25.1% in 2013-14 to 26.7% in 2014-15.

These numbers demonstrate the robustness of our business model.

**Q: What were some of the things that went right for the Company during the year under review?**

One of the most effective means to appraise performance is market share growth coupled with that of a financial matrix. Permit me to explain the point. In our business, it is possible to disturb markets by dropping prices and carve out a larger market share. However, we are aware that increasing market share at lower prices would eventually lead to a decline in overall profitability. Emami strengthened market shares across most of its major brands (specifically, Power Brands). This increase was generated through focused brand building, celebrity endorsements, prudent pricing, product superiority and wider cum deeper market penetration.

The result is that despite launching several new products, the proportion of revenues derived from our Power Brands increased from 65% in 2010-11 to 70% in 2014-15.

**Q: What specific initiatives strengthened the overall Emami brand?**

It has been our experience that when Emami launches new products, the message going out to our trade and distribution partners is that they would get a wider range to showcase on their shelves. In turn, this shelf space capture makes it possible to excite consumers and trigger offtake; the higher the

offtake the stronger the coverage of fixed costs and the higher our profitability.

In 2014-15, we launched a number of products; Zandu Balm Ultra Power, HE Deo and Emami 7 Oils-in-one Damage Control Hair Oil. Fair and Handsome Instant Fairness Face Wash, which was launched in February 2014, performed exceptionally well. I am also pleased to state that our Health Care Division reported nearly 25% revenue growth.

### **Q. In what way did the Emami management strengthen the business with prospective implications?**

Over the years, Emami selected to grow its presence in specific niches. Our success lay in the fact that we consistently led the spaces of our presence. However, we recognised that Emami had gradually acquired the scale to extend beyond the niche segments to the mainstream FMCG segments for some good reasons. Over the last few years, a new India had begun to emerge – an India with larger disposable incomes, an India aspiring towards better product quality, an India intending to move from unbranded products to branded alternatives. At Emami, we perceive an opportunity in this graduation: an opportunity to introduce new variants in established price segments, an opportunity to brand products more effectively and accelerate offtake, an opportunity to leverage our distribution value chain and provide these products with an attractive headstart than if they were being launched from scratch.

A principal initiative that we undertook in this regard was the acquisition of SHE Comfort, a company already present in the feminine hygiene segment and enjoying a 'rash free' positioning. We also acquired an organic personal care product manufacturing and marketing company in Australia, which will make it possible to access its rich product portfolio and help us penetrate that market.

### **Q. What other initiatives helped the Company strengthen its competitiveness?**

It would be pertinent to explain that Emami's high margins are not the result of passing on cost increases to customers but in our relentless ability to keep examining our processes with the objective of moderating costs and enhancing efficiency. We addressed this priority through strategic and functional initiatives. We commissioned manufacturing units in tax-exempted zones. We undertook focused projects to rationalise operating costs (including raw material and logistic costs); despite a 21.8% increase in 2014-15 revenues, operating costs (excluding A&P) as a proportion of revenues declined from 60.6% in 2013-14 to 57.9% in 2014-15. We continued to focus only on high growth product segments. We continued to engage with consumers to inspire product development. We enhanced our exposure across modern trade and alternative sales channels. The overall message that we wish to send out is that the larger we have got the more profitable we are.

## **FRAVIN PTY. LTD., AUSTRALIA**

Acquired in January 2015

Competencies in R&D and manufacture of natural and organic personal care products

Manufactures the full range of hair and skin care products

These products certified as organic by international bodies (ECOCERT, USDA and NSF)

### **Q. How did Emami's international business perform in 2014-15?**

The year 2014-15 was remarkable for our international business. This business grew 43.5% in revenues, despite geo-political conflicts in a number of markets. We launched dedicated advertisements in the key markets of Russia and Middle East; we restructured trade partners in key countries. Our profitability and market shares increased across focused countries. As mentioned before, we acquired Fravin Pty. Ltd in Australia, possessing deep competencies in R&D and manufacturing natural and organic personal care products. The group manufactures a full range of hair and skin care products that are certified organic by various international bodies in Australia and USA like ECOCERT, USDA and NSF, demonstrating superior quality and adherence to the best manufacturing practices.

### Q. What provides you with optimism related to the Company's working?

Let me begin with a macro perspective, which serves as our operating landscape. India's personal care industry is at the cusp of an attractive opportunity due to an increasing incidence of a larger middle-class, disposable incomes, increased spending and wellness awareness. As India emerges from the slowdown, this trend will become more visible, strengthening the prospects of the country's FMCG business.

There is another sub-trend that will make our company increasingly relevant. Chronic ailments are affecting India like never before; our Ayurveda products address the root cause and offer sustainable solutions. A strong growth is anticipated in our Health Care products.

Besides, Emami is beginning to graduate from the niche to the mainstream. These are larger spaces than the ones that we selected to dominate in the last few decades. Our optimism is derived from the reality that we possess an extensive distribution network and professionals who can evolve the Company into the next league. This mainstream space will generate larger sales; our objective will be to leverage our established competence and ensure that we derive above-market margins and industry share.

From a slightly micro perspective, the Company's organic growth is expected to be derived from existing products, the growth of the Health Care Division across generic, ethical and OTC categories and upcoming new launches.

One of our biggest strengths is something that is seldom recognised. Emami is a brand addressing the widening needs of the country's middle-class. As an initiative towards widening and deepening our reach, we went rural through Project Swadesh. This project entered the second phase, following which we are now present in 6,040 villages with a population of less than 10,000 and in more than 12,100 villages with a population of less than 50,000 people. This presence provides me with the optimism that we are not just delivering products to existing consumers but are creating consumers in the first place.

### Q. What is your message for the shareholders?

Even though the Company more than doubled its market capitalisation over the last year, making it one of the best wealth creators, it would be fair to state that our evolution into the next orbit has only just begun. We are a high-margin business; we are evolving from the niche to the mainstream and we expect to enhance value in an attractive way for our shareholders over the foreseeable future.



### EMAMI ENHANCING PROFITABILITY

Strengthened systems and processes

Commissioned manufacturing units in tax-exempted zones

Focused on high growth product segments

Consumer feedback inspiring product development

Increased exposure across modern trade/ alternative sales channels

Exiting slow growing products and segments

Enhanced the role of process value-engineering

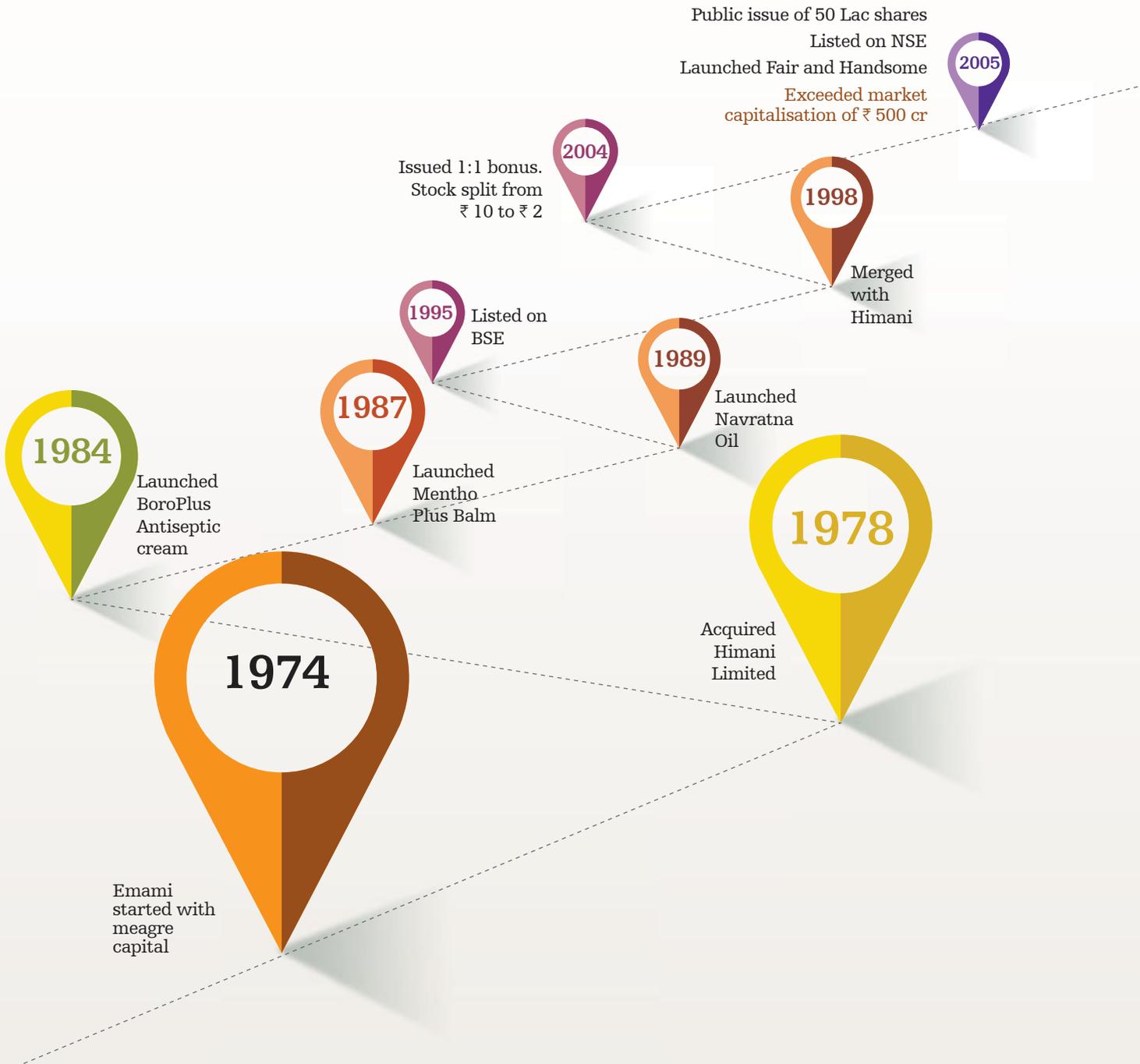
Entered into stronger vendor negotiations

# *Young and energetic* Second Generation business leaders

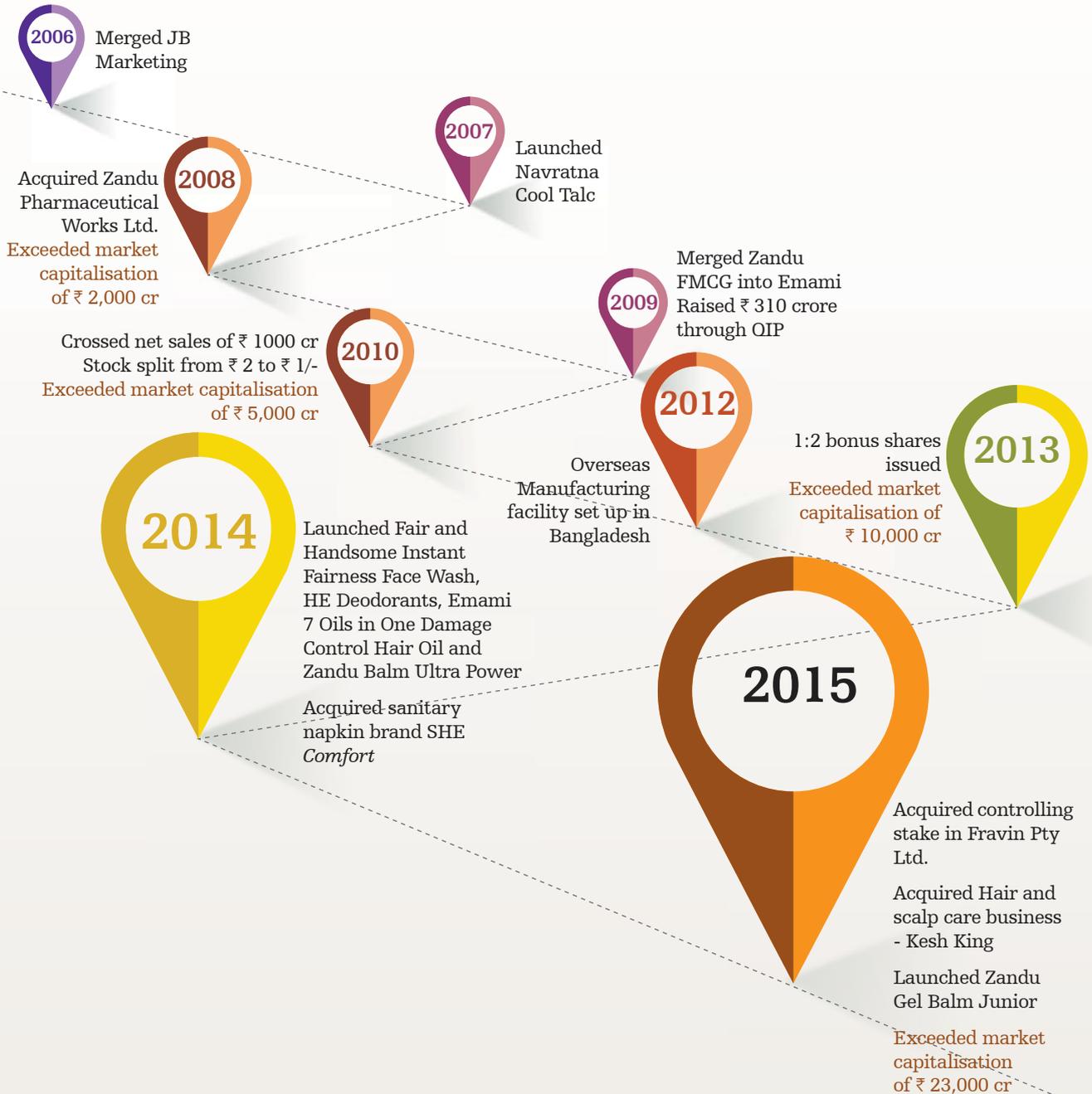


**From left to right:** Prashant Goenka, Harsha V Agarwal, Manish Goenka, Priti A Sureka, Aditya V Agarwal, Mohan Goenka

# Journey over



# the years



# 10-year highlights

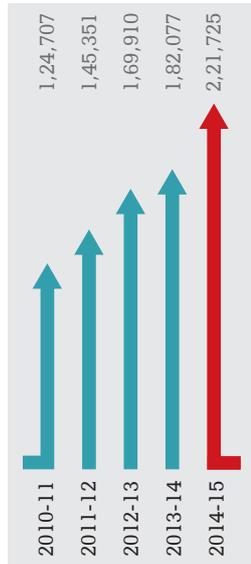
(₹ in lac)

PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
<b>A OPERATING RESULTS</b>										
Income From Operations	2,21,725	1,82,077	1,69,910	1,45,351	1,24,707	1,02,170	74,893	58,593	51,825	42,044
EBITDA	54,008	44,130	34,728	29,676	25,343	24,517	12,903	9,519	6,624	5,074
PBT	59,245	45,713	36,868	29,893	26,912	20,493	10,587	10,240	7,476	5,148
PAT (after minority interest)	48,561	40,247	31,474	25,884	22,872	16,972	9,186	9,020	6,619	4,936
Dividend incl. Tax	18,817	18,588	14,162	14,069	6,175	5,311	3,983	3,272	2,853	1,395
<b>B FINANCIAL POSITION</b>										
Fixed Assets (Net Block )	47,759	40,777	43,965	48,034	49,094	56,729	64,946	9,229	8,137	5,052
Liquid Investments	49,465	28,922	15,634	7,356	-	5,500	3,267	8,233	6,500	8,000
Other Assets	70,408	60,530	62,018	61,927	60,635	43,125	24,952	36,920	18,588	15,522
<b>TOTAL ASSETS</b>	<b>1,67,632</b>	<b>1,30,229</b>	<b>1,21,617</b>	<b>1,17,317</b>	<b>1,09,729</b>	<b>1,05,354</b>	<b>93,165</b>	<b>54,382</b>	<b>33,225</b>	<b>28,574</b>
Share Capital										
- Equity	2,270	2,270	1,513	1,513	1,513	1,513	1,313	1,243	1,243	1,223
- Preference	-	-	-	-	-	-	-	8	-	-
Reserves & Surplus	1,20,794	90,942	76,234	69,150	67,471	61,025	28,799	26,981	21,680	17,923
Net Worth	1,23,064	93,212	77,747	70,663	68,984	62,538	30,112	28,224	22,923	19,146
Minority Interest	456	1	5	12	7			48		
<b>LOAN FUNDS</b>	<b>4,697</b>	<b>4,502</b>	<b>12,010</b>	<b>16,114</b>	<b>22,937</b>	<b>25,906</b>	<b>44,822</b>	<b>12,580</b>	<b>3,836</b>	<b>3,369</b>
Deferred Tax (Net)	1,205	479	1,368	1,450	1,370	696	596	215	258	285
<b>CAPITAL EMPLOYED</b>	<b>1,29,422</b>	<b>98,194</b>	<b>91,130</b>	<b>88,239</b>	<b>93,299</b>	<b>89,140</b>	<b>75,530</b>	<b>41,075</b>	<b>27,017</b>	<b>22,800</b>
<b>C KEY RATIOS</b>										
ROE (%)	39.46	43.18	40.48	36.63	33.15	27.14	30.51	31.96	28.87	25.78
ROCE (%)	37.52	40.99	34.54	29.33	24.51	19.04	12.16	21.96	24.50	21.65
Debt-Equity Ratio	0.04	0.05	0.15	0.23	0.33	0.41	1.49	0.45	0.17	0.18
EBIDTA Margin (%)	24.36	24.24	20.44	20.42	20.32	24.00	17.23	16.25	12.78	12.07
Net Profit Margin (%)	21.90	22.10	18.52	17.81	18.34	16.61	12.27	15.39	12.77	11.74
Interest Cover	105.07	82.03	52.86	19.51	16.64	4.48	3.30	13.83	45.98	NA
<b>D EQUITY SHARE DATA*</b>										
Earnings per Share (₹)	21.40	17.73	20.80	17.11	15.12	11.63	7.23	7.26	5.33	4.03
Dividend per Share (₹)	8.29	8.19	9.36	9.30	4.08	3.51	3.13	2.63	2.30	1.14
Book Value per Share (₹)	54.22	41.07	51.38	46.70	45.59	41.33	24.23	22.71	18.44	15.66

\* Previous years' EPS, DPS and Book Value have been adjusted as per the present face value of ₹1 per share.

# Emami's growth story...

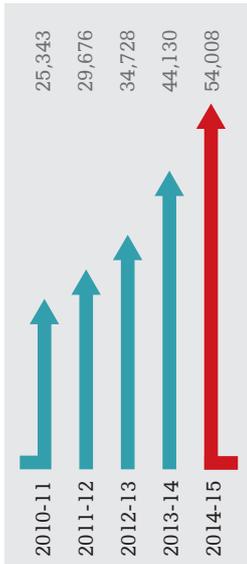
Revenue (₹ in lac)



**21.8%**  
growth over  
2013-14

**16.8%**  
5-year CAGR  
leading  
2014-15

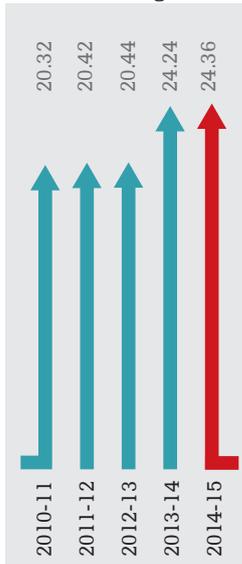
EBITDA (₹ in lac)



**22.6%**  
growth over  
2013-14

**17.2%**  
5-year CAGR  
leading  
2014-15

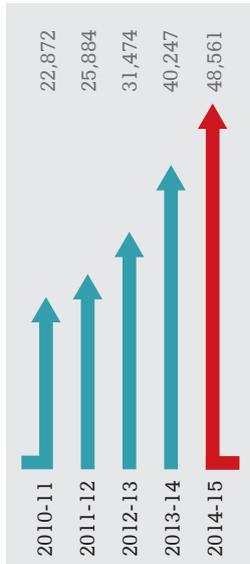
EBITDA margin (%)



**12 bps**  
growth over  
2013-14

**36 bps**  
5-year CAGR  
leading  
2014-15

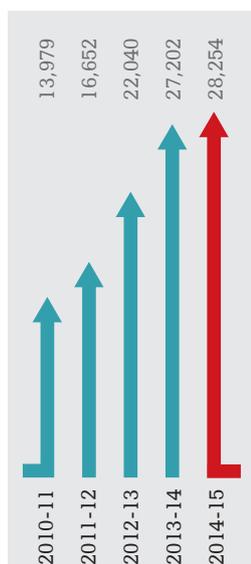
Net Profit (₹ in lac)



**20.7%**  
growth over  
2013-14

**23.4%**  
5-year CAGR  
leading  
2014-15

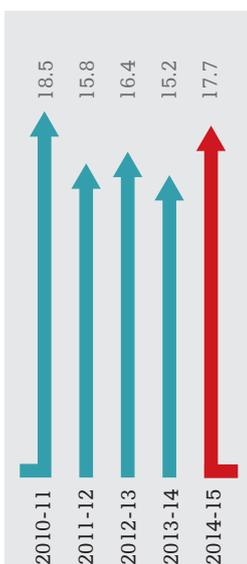
EVA (₹ in lac)



**4.6%**  
growth over  
2013-14

**16.8%**  
5-year CAGR  
leading  
2014-15

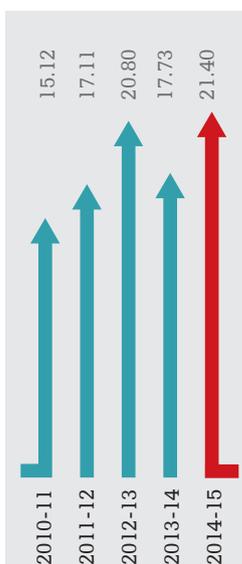
A&P (% of sales)



**250 bps**  
growth over  
2013-14

More than  
₹ **14** bn  
invested in  
A&P in last  
5 years

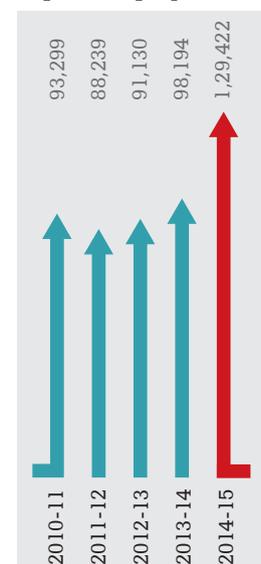
EPS (₹)



**20.7%**  
growth over  
2013-14

**13.0%**  
5-year CAGR  
leading  
2014-15

Capital Employed (₹ in lac)



**31.8%**  
growth over  
2013-14

**7.7%**  
5-year CAGR  
leading  
2014-15

# Version

# 2.0

*Driving the next phase of growth in Emami's consumer care products segment*

Emami's  
Consumer Care  
Product Range



## Relatively under-crowded space

Over the last few years, Emami has emerged as a 'masstige' (*mass + prestige*) player – one of the fastest growing FMCG companies in the country. The Company evolved the concept of personal care by widening product appeal addressed at the increasing needs of India's rapidly growing middle-class in relatively under-crowded industry segments. Emami kept competition at bay through aggressive promotion, resulting in high margins.

## Innovation

Emami established leadership in categories previously dominated by regional players. Besides, it virtually created categories (cool oil, cool talc, antiseptic cream and men's fairness cream). It fused its Ayurvedic proposition, established a presence in categories with high margins, drove volumes through smaller unit packs and invested

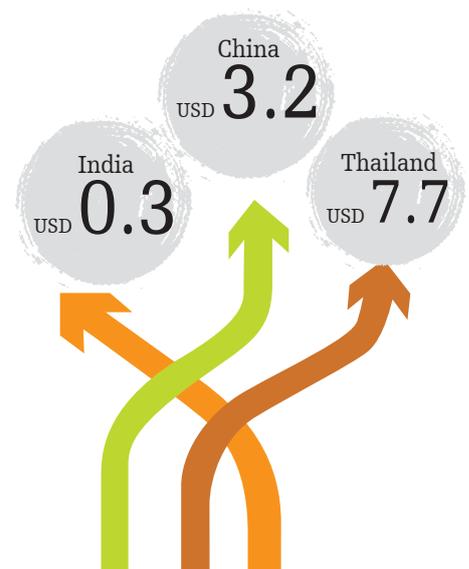
aggressively in brands. The result: four of its largest brands – BoroPlus Antiseptic Cream, Navratna Cool Oil, Fair and Handsome, and Zandu Balm – achieved dominant leadership in their respective segments.

## Low Unit Packs

Emami leveraged the LUP route to reach new customers, pricing products affordably. This route helped the Company achieve higher product acceptance and wider consumer base. The result is that Emami sells nearly 243 mn sachets each month, accounting for nearly 22% of its annual revenues.

## Under-served niche

Emami carefully selected segments that were relatively under-served by India's FMCG players. The Company entered these segments, invested in brand building, enhanced category awareness and grew dormant markets or spaces that did not exist.



Per capita consumption of skin care products

## CCD growth drivers

- Category creation
- Presence in under penetrated hi-growth segments
- Insight-driven innovation
- Leveraging low unit packs
- Competitive pricing
- Aggressive marketing through celebrities



## Emami's key market and presence

Category	Market size 2015 (₹ cr)	Five year CAGR (%)	Category penetration (%)	Emami's offering	Emami's Market Share (%)
Cooling oil	752	17	17	Navratna Cool Oil	66
Antiseptic cream (Boro Brands)	439	11	26	BoroPlus cream	76
Balm	737	13	32	Zandu and Mentho Plus	61
Men's fairness cream	380	15	70*	Fair and Handsome	59
Cool talc	441	35	43#	Navratna Cool Talc	27

\*Category penetration of the entire fairness cream category (male and female)

#Category penetration of the entire talcum powder category

### Segments

**Skin care:** Skin care accounted for around 30% of Emami's revenues and a higher share of profits. Emami is the leader in the antiseptic cream category and in the men's fairness cream segment which it pioneered. Its Navratna Cool Talc (niche cooling positioning) has substantially increased market share in the cool talc category.

**Balms and pain relief segment:** Pain relief is a segment of focus for Emami. The Company owns home-grown brands like Mentho Plus Balm, Fast Relief and category leader Zandu Balm. The pain relief category accounted for 21% of Emami's consolidated sales in FY15. Ayurvedic positioning and widening rural presence made it possible for these brands to capture the largest

category market share.

**Hair oils:** Emami plugged a gap in its portfolio through the introduction of Emami 7 Oils in One, a unique oil formula combining seven Ayurvedic ingredients effective for strong and healthy hair growth.

**Cool oil:** Emami catalysed the cool oil category in India through Navratna Oil, enjoying 67.4% market share by volume and 65.5% share by value. The Company is an undisputed leader in the cool oil category.

### Driving innovation

Innovation helped Emami create a differentiated product pipeline, rather than being a second or third launch within the category. The Company's first-mover position made it possible to carve out a large consumer mindshare, generate repeat

offtake and report one of the highest industry margins. The acquisition of Fravin that owns (produces and e-tails) organic brands in the personal care business reinforces Emami's intent to remain nimble and deliver differentiated products.

**Building brands:** Emami works with a number of celebrities endorsing its products. The Company is among the highest advertising and promotion-spending companies in the country, averaging 17% of revenues each year over the last five years to sustain its mass market focus.

### Driving ahead

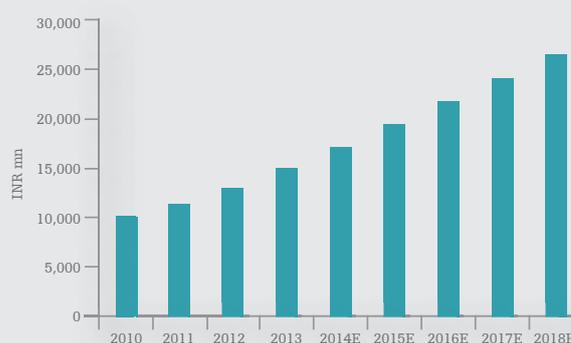
Emami is positioned to capitalise on the next phase of sectoral growth through a strong product portfolio and pipeline, capitalising on higher consumer spending and aspirations.

## SHE – A decisive step in a high-growth category

Emami forayed into the feminine hygiene category through the acquisition of She Comfort in June 2014. The Indian sanitary market is dominated by three international players, who command 90%+ market share.

**This represents an opportunity for a prominent Indian brand to carve out an attractive share.**

Sanitary protection market to grow in double digits ...





**Did you know?**

# Emami

## -*ratna*



Cool Oil  
and Cool Talc  
Thanda thanda!  
Cool cool!



The Navratna brand is a classic example of how Emami has innovated to carve

niches where none existed.

Take the instance of what the Company achieved in the Cooling Hair Oil segment in Uttar Pradesh and Bihar where unorganised players dominated. Emami advertised aggressively. Emami's communication carried a rustic touch. Emami distributed products deeper. The result was that the Company's brand made deep inroads into the rustic heartland and emerged as the market leader in UP and Bihar, overtaking a

formidable regional player. The Company selected to extend the concept to the other parts of India, strengthening its market leadership.

Emami took the 'cool' concept out of pre-existing regional boundaries. The brand offers consumer satisfaction through focused communication and a first preference across socio-economic categories. Navratna was celebrity-endorsed; the first-of-its-kind to do so.

Initiatives like door-to-door marketing [*not selling per se*] and providing samples to consumers helped the product gain visibility and generate cost-effective consumer trials. The Company addressed evolving market conditions and consumer preferences. From being 'just another cooling oil', the product was promoted as a stress reliever

in the lifestyle product segment. To capture a budding mass consumer segment, SKUs were priced at ₹1. Result: Navratna evolved into a generic name.

### Extensions

The Company introduced a stronger variant called Navratna Extra Thanda Oil with an extra cooling effect for consumers preferring strong cooling. It has become extremely popular among the users and reported strong performance over the years.

Besides, Navratna Cool Talc (launched in 2007), with a blend of mint, camphor and essential herbs, was appreciated by consumers and carved out a new 'cool talc' category in the Indian market. During the year, the market share improved substantially.

The Company keeps a tab on evolving market conditions and consumer preferences and adjusts itself proactively to the same. From being 'just another cool oil', the product was promoted as a therapeutic stress reliever in the personal care segment.



# Rejuvenate

*How the re-orientation of Emami's Health Care Division is emerging as a game-changer*



In a hectic world, people are facing various chronic ailments like indigestion, pain and lack of vitality. In addition to conventional

treatment, they need solutions that address the root of problems – solutions that are complementary to existing medicines but provide long-term relief. The goodness of ayurveda provides efficacy and safety, trusted for lower side-effects.

### Acquisition-led growth

One of Emami's most decisive research-enhancing initiatives was the acquisition of Zandu Pharmaceutical Works Limited in 2008-09. The Company was acquired essentially for Zandu's rich ayurvedic understanding that translated into

new winning products.

This single decisive move made it possible for Emami to leapfrog the scope of its ayurvedic healthcare business – OTC, generics and ethical categories – and capitalise on the rich Zandu brand equity built around a century-old brand repository trusted by medical practitioners and consumers.

Emami's biggest post-acquisition challenge lay in taking the Zandu legacy ahead. The usual response would have been to let Zandu products be made and marketed



Emami's Health Care Product Range

# nated!

the way they had been in the past; Emami recognised that even as ayurveda was a deep Indian tradition, the vast potential of this ancient science lay largely unexplored within the country of its origin itself.

## Contrarian thinking

The usual response would have been to restrict the portfolio to a few customary applications. Emami went back to consumers, emerging as one of the few ayurvedic healthcare product development companies driven by a research of emerging consumer needs.

The usual reaction would have been to pool Zandu's research team with Emami's in the pursuit of a common agenda.

Instead, Emami created a separate division called 'Health Care Division'.

Instead of launching products that would create trends, it did the reverse – studied and spoke to customers, identified needs and selected to be marketed thereafter.

The usual response would have been to respond to an ancient recipe with ancient production means. Emami reconciled the wisdom of the ages with scientific manufacturing

practices and equipment (*bioassay system and in-vitro system*), resulting in product quality, efficacy and safety.

The usual response would have been to let things run as they were. Emami developed a full-fledged bio-resource development team that liaised with forest departments and co-operative societies to enhance critical raw material security (*in addition to the creation of a captive resource base*).

## Aggressive product development

Emami's HCD R&D team identified potential gaps and initiated aggressive product development.

- It launched products addressing diverse needs (digestion to vitality to body aches).
- It developed products using contemporary scientific inputs.
- It distinctively positioned product benefits and enhanced communication.
- It made prudent and strategic recruitments at various levels.
- It revamped the Zandu product line, re-launching products in new packages.
- Its products addressed consumer need gaps.

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**Emami launched Vigorex, a vitality capsule with attractive packaging. The product reported 112.6% growth in two years.**

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- Its process focus translated into superior product quality.
- Its products were backed by clinical studies and published literatures, assuring safety.
- It introduced convenient dosage forms.
- It invested in impactful product promotion through different media.
- It enhanced category awareness-building.

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**Emami launched a tablet form of Nityam Churna (Laxative), enhancing convenience. The product became an instant success!**

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### Outlook

The outlook for ayurveda is optimistic. An ageing population provides a growing market. The concept of disease prevention is gaining traction. India's over the counter (OTC) drug market is expected to grow to US\$6.6 billion

by 2016 [Source: NDTV Profit].

Emami's HCD expects to capitalise on these opportunities by launching a number of products from FY16 onwards, addressing unmet needs and contributing substantially to revenues.

### Did you know?

An Indian spends approximately US\$62 annually on healthcare compared to US\$322 in China and nearly US\$8,000 in the United States [Source: World Bank].

**As incomes rise in India, we perceive this skew as an opportunity.**



### Zandu Pancharishta

Zandu Pancharishta, the flagship brand of Emami's Healthcare Division, is a unique ayurvedic digestive tonic enriched with the goodness of medicinal herbs and natural ingredients. It acts on the entire digestive system, building digestive immunity and reducing the recurrence of digestive problems.

## Emami's HCD segments

**Ayurvedic Generics:** Herbal solutions. Emami's portfolio of Ayurvedic generics comprises more than 160 products. During the year, HCD revamped the product range.

**OTC products:** Major brands include Pancharishta, Nithyam Churna and Vigorex, among others. Reported 36% growth in FY15.

**Ethical Range:** Proprietary ayurvedic solutions available through prescriptions. Emami's portfolio comprises 19 products. Flagship brand Rhumasyl (topical pain reliever) is a market leader in the ayurvedic topical pain management category.



**"Our HCD vision is to launch research-led products for unaddressed consumer needs; products backed by robust scientific studies proving their efficacy, safety and ensuring quality. We expect, HCD to emerge as a major contributor to Emami revenues." - Harsha V Agarwal, Director**

## “Our engagement with Emami paves a strong growth opportunity for both the companies in the near-future”

*Peter Francis, Founder, Fravin, Australia talks why the strategic tie-up with Emami will be a win-win proposition.*



PETER FRANCIS,  
FOUNDER, FRAVIN

### What was the fundamental rationale behind this association with Emami?

I have always been enthralled by synthesising plant-based formulations and, over the years, came up with several certified organic hair and skincare products. In a bid to understand the medicinal or healing value of the plants and plant-derived active ingredients, I delved deep into ayurvedic texts.

Ayurveda is a treasure trove of what in modern parlance is referred to as ‘alternative medicine’. It is rife with instances of plant-based treatments. Emami has, over the years, built a name for itself by tapping into the aeons-old knowledge firmly rooted in ayurvedic science. On the other hand, our major strengths lay in the research and development of natural and organic personal care products and this was what made me feel that there could be a synergic opportunity between Emami and Fravin.

The other factor that got me really excited about forging a relationship with Emami was the enormous potential for growth that exists in the Indian economy. With Indian growth set to outpace the growth of China over the next 20 years, the market for plant-derived personal care is expected to grow leaps and bounds.

### Why do you think this venture will be win-win for both?

The organic personal care products’ market is growing at a rapid pace. The global market for organic products, which was pegged at \$7.6 billion in 2013, is expected to double by 2019.

Fravin holds over 100 certified organic formulations ready for market release or which are currently being traded. These are synergic to Emami’s R&D activities and will help the Company develop innovative products. With the demand for certified organic personal care predicted to experience double-digit growth in each year for the coming decade, this tie-up will help both companies grow globally.

### What is the overall scope of organic skincare growth in Australia? How you are strategically positioned in the sector?

Organic skincare growth in Australia

has registered annual double-digit growth. More people are looking for effective personal care products devoid of harmful chemicals.

Fravin’s core competence lies in the realm of R&D and this is why Emami evaluated us for strategic investment rather than as an immediate profit generator.

We have made concerted efforts in gaining all applicable certifications for organic skincare products across Australia, the US and the EU, making our formulations dynamically capable of expanding into all these markets.

### What are your corporate strengths?

Innovation. We are a future-focused research company and with my background as a formulating chemist and trichologist, we plan to introduce a slew of innovative personal care products in the coming years.

### What is your growth outlook?

Our outlook is to expand our turnover in Australia to become a strong brand building force and also help Emami grow. We wish to bring our Certified Organic expertise to Emami’s Indian manufacturing capability so that Emami can take advantage of this global trend in the growing Indian market.

*Peter Francis is the founder of the Australia-based Fravin Group, which manufactures a full range of hair and skin care products, certified organic by various certification bodies in Australia and United States. A recipient of many international awards and accolades in the field of hair care technology, Peter is an internationally renowned expert trichologist.*

# Ayurveda

*Ayurveda has been practised in India for thousands of years. Ayurveda is celebrated for its long-term impact on the root of problems and its benign impact on the human body. Emami has successfully blended ayurveda with modern science to create unique products. Following are some facts on ayurveda:*

- Ayurveda is the earliest known school of medicine. The origins of Ayurveda have been traced to 5,000 BCE and earlier, when it originated as an oral tradition.
- As of 2013, India had over 180 training centres offering degrees in traditional Ayurvedic medicine.
- To fight biopiracy and unethical patents, the government set up the Traditional Knowledge Digital Library as a repository for formulations of various systems of Indian medicine, such as Ayurveda, Unani and Siddha. The formulations come from over 100 traditional Ayurveda books.
- About 75%-80% of the population of Nepal uses Ayurveda, the most practised form of medicine in the country.
- Ayurveda is widely practised on the Indian subcontinent – more than 90% of Indians use some form of ayurvedic medicine.
- There are 3,601 AYUSH hospitals, including 2,827 Ayurvedic, 252 Unani, 264 Siddha and 216 Homeopathic centres operating across India.
- The number of AYUSH dispensaries in India add up to 25,492, of which 15,520 are ayurvedic, 7,439 homeopathic and 1,453 unani dispensaries.

## **Emami carries the legacy of ayurveda forward through eminent experts**

- **Vaidya Suresh Chaturvedi**  
*Ayurvedacharya; Padmashree, Former member of Governing Council of Rashtriya Ayurveda Vidyapeeth, New Delhi and National Institute of Ayurveda, Jaipur*
- **Prof. Hari Shankar Sharma**  
*Former Dean, Gujarat Ayurveda University, Jamnagar*
- **Dr. Inamura Hiroe**  
*Aihore Foundation, Tokyo  
Promoting ayurveda in Japan and international forums*
- **Prof. R.H. Singh**  
*Distinguished Professor, Faculty of Ayurveda  
Banaras Hindu University*





# Beyond boundaries

*The transformation of  
Emami from an Indian entity  
into an international brand*



Emami entered the international market in 1998, trading products through established trade channels.

In the last few years, Emami established overseas offices, managerial teams and professional distributors in prominent countries.

In 2013-14, Emami restructured its international operating model, deconstructing its international business into clusters, with a senior manager being responsible for each cluster. "We restructured our international focus beyond trading to marketing and manufacturing of products in key markets, commissioning our first international manufacturing unit in December 2012," says Prashant Goenka, Director.

Emami's international business was divided into four clusters – MENAP, SAARC & South East Asia, CIS & Eastern Europe and Rest of the World. In turn, these clusters were segregated into specific markets to enhance focus. Emami selected to focus aggressively on three regions, namely Bangladesh, GCC and Russia across four categories – Fair and Handsome, Navratna, BoroPlus and OTC, which is summed up as '3x4 Matrix'.

"What makes our approach different is that we are not just manufacturing in India and exporting products," says Mr. Prashant Goenka. "We have

studied consumer needs in respective markets and adapted products to suit different skin types and market conditions. For instance, the formulation of Fair and Handsome in India and UAE are different, validating our commitment to those countries," says Mr. Goenka.

**MENAP:** Emami's business grew 50% CAGR from 2012-13 onwards. The Company enjoys strong fundamentals and attractive potential in GCC countries where Navratna Oil and Fair and Handsome cream lead their respective categories in UAE and Saudi Arabia. In the Middle East, the Company launched Fair and Handsome Face Wash.

**CIS and Eastern Europe:** Russia is a key market in this geography, BoroPlus leading the antiseptic topical supplement category. The Company launched a specific variety of fragrance-free BoroPlus in line with market requirements. As the rouble began to depreciate, the Company responded with proactive action to protect market share and bottom line. The Company's media promotions in Russia generated a positive response.

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**Emami's international business was divided into four clusters – MENAP, SAARC & South East Asia, CIS & Eastern Europe and rest of the world. In turn, these clusters were broken into specific markets to enhance focus.**

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**SAARC and South East Asia:** Bangladesh is a key market in this cluster, recording impressive growth despite political unrest. Emami's manufacturing unit in the country is fully operational, manufacturing Amla oil, Zandu Balm, BoroPlus Antiseptic Cream, Navratna Oil & Extra Thanda Oil and Fair and Handsome Cream. The major brands gained market shares in their respective categories. Emami also launched He Deodorant and 7 Oils in One in this market. Nepal emerged as a key market, reporting 40% growth in 2014-15. The Company strengthened its presence in Myanmar with Fair and Handsome, expecting to register stronger growth in the future.

**International acquisition:** Emami acquired Fravin Pty Ltd, a company based in Australia with strengths in R&D, a manufacture of natural and organic personal care products. Through this acquisition, Emami will gain a foothold in the rapidly-growing organic personal care products segment.

## Outlook

Emami is optimistic of its international prospects. The Company is proposing market-specific line extensions, new launches, promotions to enhance visibility and deeper distribution channels to augment product availability.

"We are upbeat about our international prospects owing to superior products, promotion campaigns and a structured distribution channel," concludes Prashant Goenka.

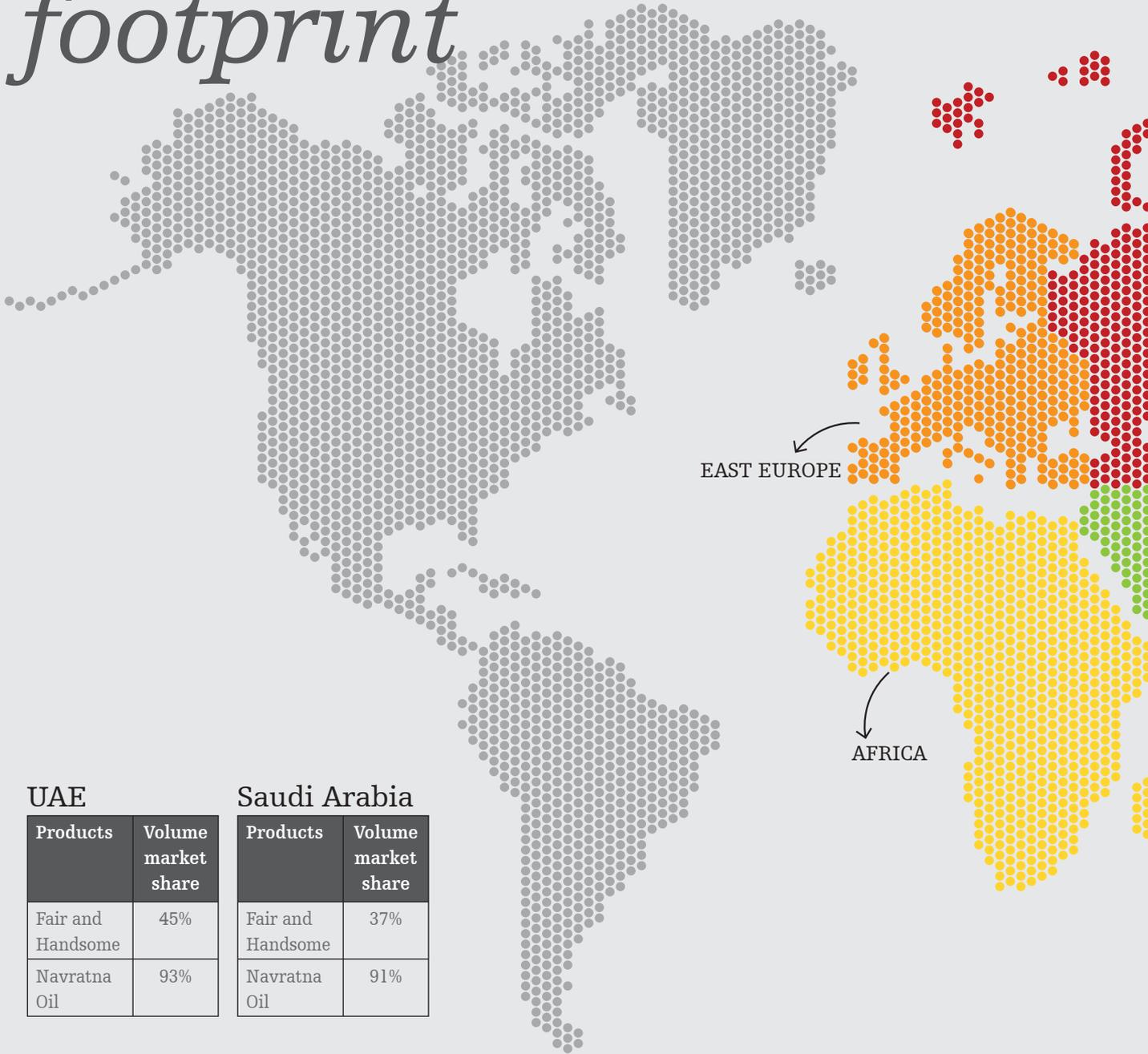


Emami acquired Fravin Pty Ltd, a company based in Australia with strengths in R&D, a manufacture of natural and organic personal care products.

Fair and Handsome has created market dominance in key export markets like Bangladesh, UAE and Saudi Arabia.

The Bangladesh manufacturing unit is fully operational and is servicing the local demand of the country.

# Emami's global footprint



## UAE

Products	Volume market share
Fair and Handsome	45%
Navratna Oil	93%

## Saudi Arabia

Products	Volume market share
Fair and Handsome	37%
Navratna Oil	91%

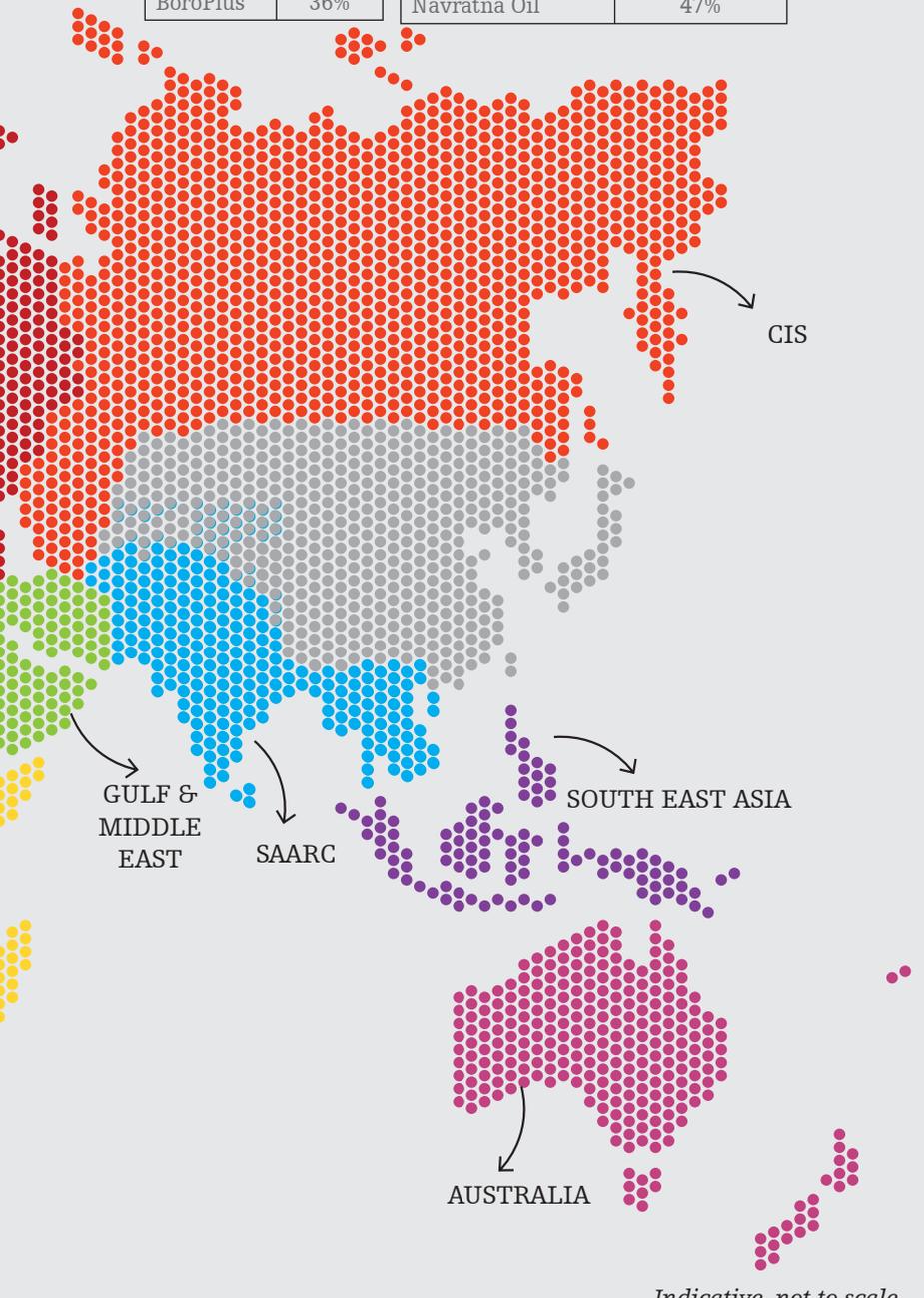


### Russia

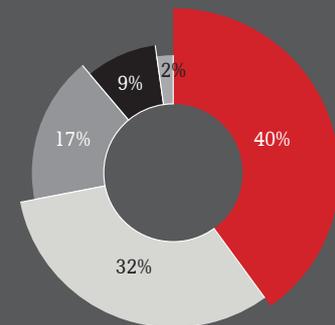
Products	Volume market share
BoroPlus	36%

### Bangladesh

Products	Volume market share
Fair and Handsome	30%
Navratna Oil	47%

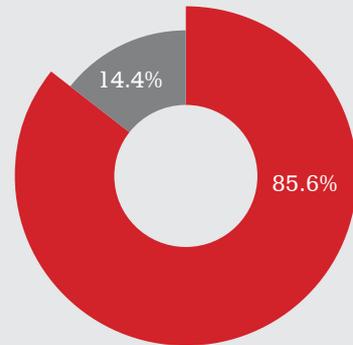


### Geographical breakup of international sales



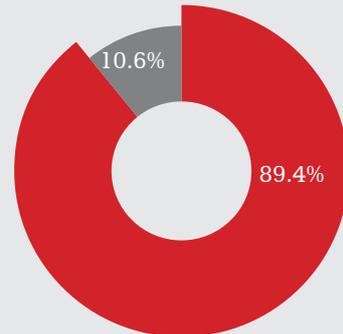
### Growing share of international revenues

2014-15



Domestic International

2012-13



Domestic International



Emami's International Product Range

# 'Oil' is well

*Emami acquired the hair and scalp care business of 'Kesh King'.*



Emami is aggressively expanding its oils portfolio in niche segments through leading products. Emami's oil portfolio includes Navratna Cool Oil in the therapeutic cooling oil segment and Emami 7 Oils in One Damage Control Hair Oil in the light hair oil segment.

The Company recently acquired the hair and scalp care business of Kesh King and its allied brands. Kesh King enjoys the numero uno position in its category.

## Excellent sense

The acquisition made excellent sense

for Emami for a number of reasons.

**One**, Kesh King is a leader in the ayurvedic medicinal oil segment in India with a 32% value market share (*MAT March 2015*) and a presence across 5.4 lac outlets.

**Two**, this is an increasingly relevant space; rising pollution and stress have led to hair fall problems among consumers. **Three**, Kesh King's unique ayurvedic formulations provide protection against premature greying, preventing hairfall and dandruff while providing nourishment. **Four**, Kesh King created novel products - ayurvedic medicinal oil, herbal shampoos and conditioners and ayurvedic capsules - for complete hairfall treatment with corresponding GMP certifications.

**Five**, the Company reported a turnover of around ₹300 crore (US\$ 47 million) in FY15 and a three-year CAGR of 61%.

**Six**, the acquisition marks

Emami's foray in the rapidly growing ayurvedic hair and scalp medicinal solution segment.

**Seven**, Kesh King enjoys margins higher than Emami.

Since, Kesh King is the market leader in the ayurvedic hair oil segment, the acquisition will further help Emami consolidate its overall leadership.

"With our foray into the niche 'hair and scalp care category' business which is poised to grow significantly, we expect to emerge as a prominent player through the Kesh King acquisition."

- Priti A Sureka, Director, Emami Ltd

**"We are happy to announce the acquisition of the Kesh King business, which offers great synergy with our business of personal and healthcare products. We plan to leverage the acquired business with our existing strengths to make our presence stronger and deeper. The transaction represents a perfect strategic fit for Emami." – Harsha V Agarwal, Director**





# Skin Doctor

Product line  
Antiseptic Cream,  
Moisturising  
Lotion, Prickly  
Heat Powder.



# Q

**Quiz question:** by what name is BoroPlus better known in Russia?

Skin doctor!

That's because BoroPlus is Emami's flagship Power Brand, the largest selling antiseptic cream in India and Russia.

The leadership is reflected in the numbers: nearly 900,000 units of this brand are sold across the world ... every single day. The brand has repeatedly reported double-digit growth within its category, accounting for a staggering 76% share of the estimated ₹450 crore segment. Even as the brand comprises three products, the flagship BoroPlus Antiseptic cream has accounted for around 85% of the brand's revenues.

## Innovation and education

Over the last few years, the

demanding minds Emami advanced a traditional formulation, endowing it with additional benefits. Suddenly, a new paradigm emerged. Even as the cream was conventionally a winter product, the additions evolved it into a product for all seasons. When supported by film celebrity endorsement, the brand emerged as a rage.

The success of BoroPlus was built around a number of reasons.

One, the antiseptic cream was positioned as a generic skincare product, not just a cosmetic offering. Two, prudent brand communication educated consumers about product efficacy. Three, what was originally a seasonal product transformed into a round-the-calendar product through strategic value-addition.

## Consumer-friendliness

While the cream has several protective influences, it is also one of the few FMCG products whose formulation has been customised as per market needs. Case in point: the BoroPlus antiseptic cream available in India is different from the one available in global markets, the latter being customised to suit different climatic conditions.

## BoroPlus Total Results Moisturising Lotion

Emami extended the goodness of its antiseptic cream into a lotion, addressing winter needs. The Company's BoroPlus Total Results Moisturising Lotion is unique as it treats eight signs of skin damage. Emami's unique communication showcases product benefits, having engaged 'Queen' celebrity Kangana Ranaut. The trendy packaging design attracted eyeballs. The on-ground and shop visibility initiatives enhanced visibility and provocative consumer offers translated into consumer purchase.

## BoroPlus Prickly Heat Powder

BoroPlus Prickly Heat Powder was launched as an ayurvedic prickly heat powder to provide quick, long-lasting relief from prickly heat rash, burning sensation and minor infections. Its ability to absorb sweat and prevent body odour has been widely appreciated.

Going forward, Emami will keep extending the BoroPlus brands through end-to-end skincare products.

Distribution

# Ghar-ghar mein Emami

What supports Emami's global sale of 112 units every second?



How do you respond to the challenge of servicing the second most populous consumer base in the

seventh largest country? How do you reach products in a timely way across 29 states and seven Union Territories across 3,287,590 sq. km?

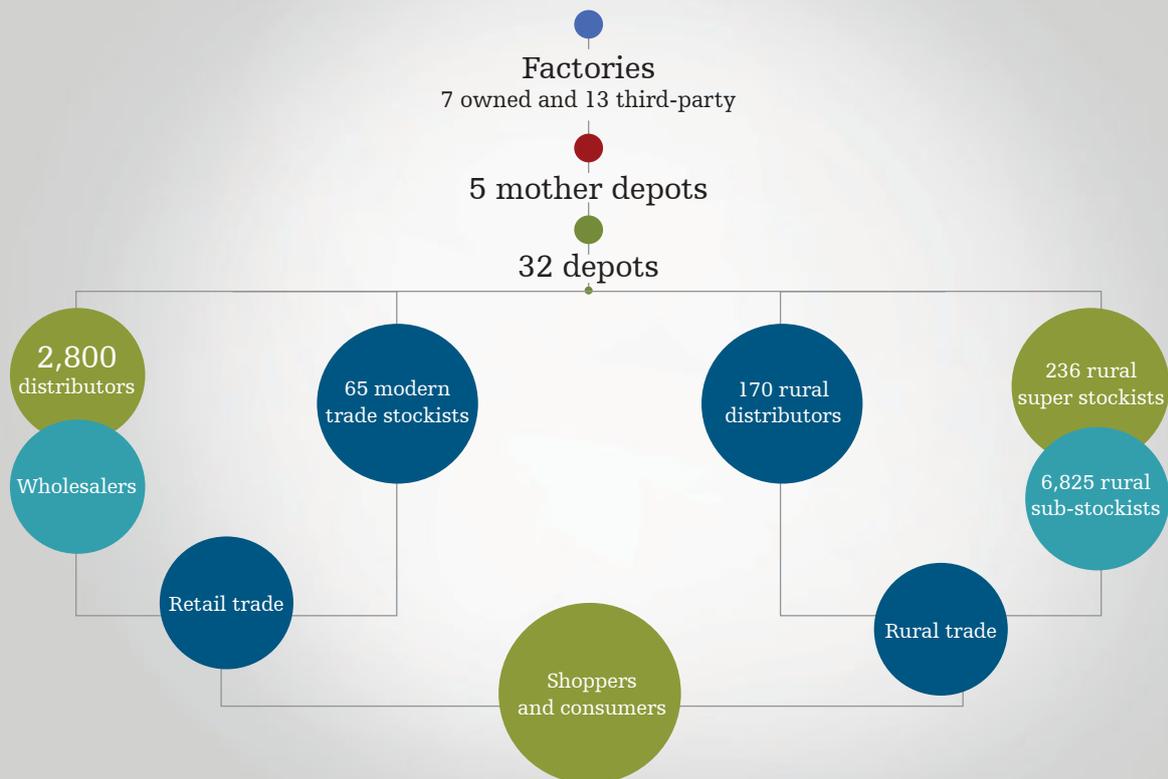
The answer: create a pan-India distribution channel that makes it possible for your products to be available in even the remotest corners.

The writing is on the wall: successful productisation alone cannot drive growth in India's FMCG industry. In India, product availability can make or break a company. As soon as the consumer finds that a brand is not available, he or she will switch to a competing alternative, perhaps never to return to the original product again.

As a result, not being on the shelf is as good as losing a consumer – for life.

In Emami's case, the premium in setting up a first rate distribution network was even higher. In the domestic market, Emami possesses more than 250 SKUs, seven manufacturing plants, 13

## Domestic Distribution Structure



third party manufacturing units and a 2000+ member field sales force across the country. There was an ongoing priority to link production, purchase, sales and distribution resulting in a seamless supply chain.

Emami responded to this challenge through a conscious de-clusterisation initiative. Emami segregated its distribution across five regional warehouses and 32 sales depots – a hub-and-spoke model. The Company's product supply is done through 32 nominated transporters, de-risking it from an excessive dependence on just a handful. The Supply Chain Planning team monitors sales in real time for superior demand estimation and advance planning.

Emami's sales and distribution at the next level is advanced by a network of 2,800 dealers, 6,825 sub dealers and more than 6.4 lac retailers (direct reach). This makes it possible for products to be placed on shelves and replenished to the extent of sale, ensuring product availability when consumers want them.

### Ramping up the supply chain management

Emami's supply chain management team embarked on the following initiatives to enhance distribution efficiency.

- The Company undertook decisive measures to reduce logistic costs as a

proportion of operating costs - from 3.5 % in 2013-14 to 3.4 %.

- The team leveraged information technology and superior demand forecasting to reduce average inventory holding days from 28 days to 21 days in 2014-15.
- The team assured stock replenishment within one day of orders being received.
- The team maintained 'Fast Moving First Out' concept, resulting in 95% stock freshness.
- The team moderated its dependence on fast mode transportation, which attracted higher freight costs.
- The team GPS-tracked most of its in-transit vehicles, resulting in predictable delivery.
- The team maintained freight cost as a proportion of turnover at 2.6%.

### Sales and distribution

Emami widened and deepened its pan-India presence with enhanced direct retail penetration to 6.4 lac retail outlets and overall retail penetration to 40 lac outlets. The Company enhanced super/sub-distributor network from 6,680 to nearly 7,100 and increased its distributor network to 2,800. Besides, the Company widened its presence to 6,040 villages with population of less than 10,000 people and 12,100 villages with population of less than

50,000 people through Project Swadesh.

Emami's sales and distribution team ensured that all the Company's brands were available across retail counters through periodic sales transactions with distributors to track market conditions, reduce stock holding period and enhance liquidity to maintain stock freshness (reducing distributor attrition). The Company revamped urban and rural channels for better efficiency. It leveraged the success of new product launches to catalyse sales of other products. The Company deployed 2,000+ members in its sales force, revamped brand equity, upgraded communication and trained continuously.

### What next?

Emami is consistently evolving. A Continuous Replenishment System is being implemented comprising vendor-to-distributor channels. The sales and distribution team is evaluating new distribution channels, focusing on underperforming geographies and formulating strategies for distributor-retailer-customer engagement.

The result is that even as 112 units of Emami products were sold every second around the world, the Company intends to grow this frequency through enhanced product availability.

### Har gaaon mein Emami!

Emami initiated Project Swadesh to increase its rural reach. The Company is now present in more than 12,100 villages with a population of less than 50,000 people.

**W**hen Surbhi Rathod wants to buy Navratna Cool Talc Powder in a Bhuj village, she knows she will never need to hear: 'Maal khatam. Baad me aaiyyega!'

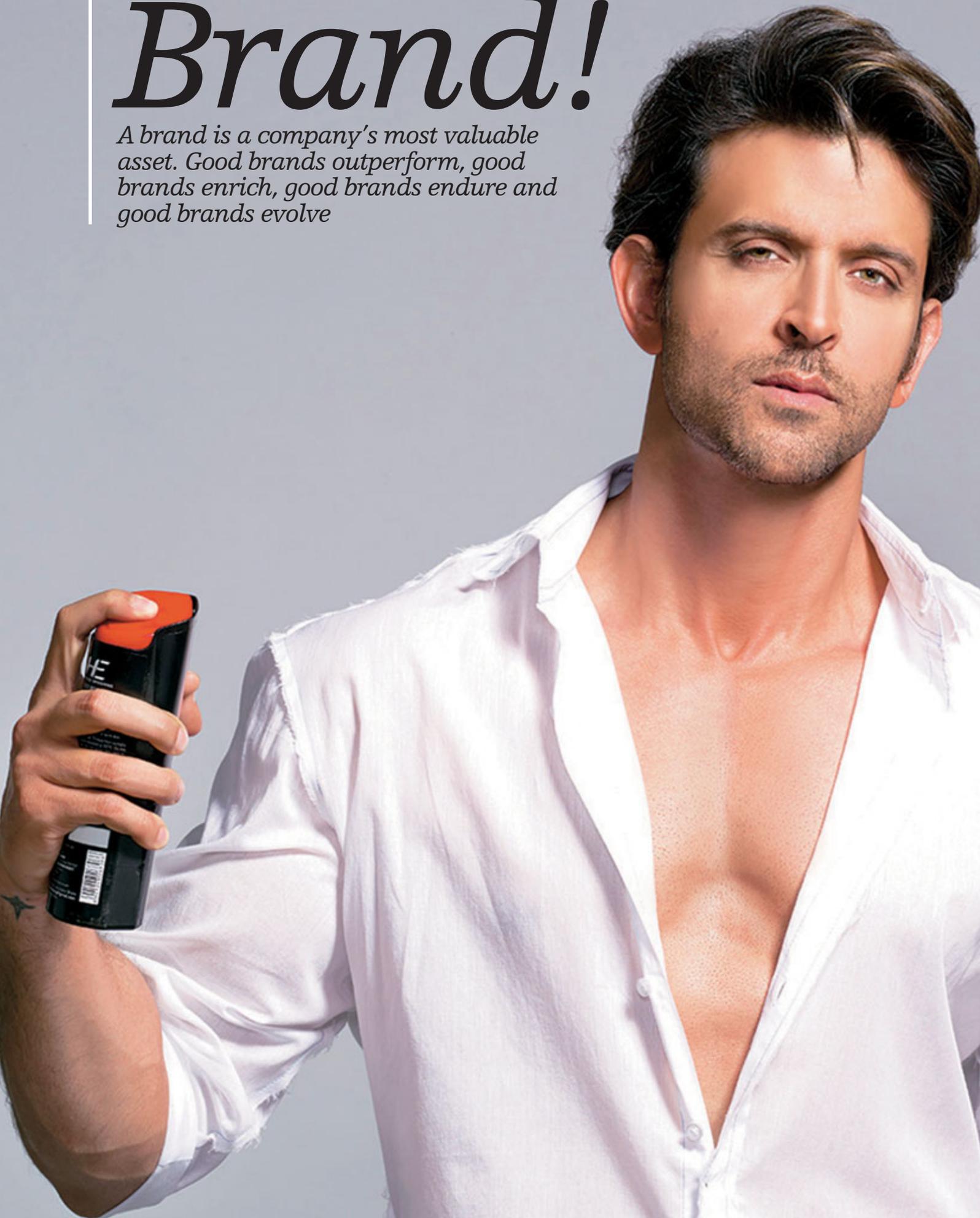
**W**hen Sunaina Sen wants BoroPlus Lotion in Malda, West Bengal, she knows she can find it at virtually every kirana store.

**I**bha Gogoi wanted Fast Relief in Assam's Darrang village. She was quick to find it in the nearest store.

**A**rmaan Khan in Hyderabad discovered Fair and Handsome in the men's grooming segment of the supermarket. Buying from the neighbourhood shop would have made him conscious; this was ideal.

# *Brand!*

*A brand is a company's most valuable asset. Good brands outperform, good brands enrich, good brands endure and good brands evolve*





Emami is one of the most aggressive brand builders in India. In 2014-15, the Company invested ₹392 crore in brand building, accounting for nearly 18% of revenues.

### Celebrity strategy

Emami possesses a diverse product range targeted at various consumer segments in diverse geographies. The Company studied product attributes, target audiences and related factors to identify the right media mix, advertisement and celebrity strategy.

Emami's ability to understand consumer minds translated into the employment of popular film celebrities based on the conviction that celebrities possess the power to market dreams that consumers aspired for. In fact, Emami pioneered celebrity endorsement in India, engaging regional state actors and sportspersons as well. Over the last five years, the Company engaged 25 celebrities to endorse its products.

The leading cooling oil brand Navratna engaged three prominent Indian

film celebrities. In the early days, Navratna was endorsed by Govinda, followed by mega stars like Amitabh Bachchan and Shahrukh Khan, making it possibly the only Indian brand jointly endorsed by the Living Legend and Bollywood Badshah.

The Company also engaged Hrithik Roshan, popular for his Greek god looks and youth appeal, to endorse the newly launched 'HE' Deodorant, helping the product stand out in a cluttered deodorant market.

The animated Ravana as the Mentho Plus balm icon emerged as a celebrity with a wide appeal that reinforced the product's visibility.

The Company enlisted Hrithik as the brand endorser for Fair and Handsome Instant Fairness Facewash, which translated into wide acceptance in a short time. The Company engaged Yami Gautam and Shruti Haasan to address urban mainstream products as well.

### Promotions

Emami was quick to realise that its media strategy would remain successful if it kept evolving with the changing consumer trends. While television accounted for the largest proportion of the Company's media spend, Emami decided to invest in the social media

to connect with the youth. The Company ramped its digital media promotion of 'HE' and '7 Oils in One'. Besides, the Company aired advertisements in English and sports channels to attract young consumers. Its in-film branding and in-theatre promotions addressed urban youth. Even as this trend is evident, Emami continued to enhance its presence in local fairs, *jatras* and *melas* to enhance rural and semi-urban visibility.

Most importantly, Emami engaged in initiatives generating a higher consumer contact. The Company pioneered the promotion of HCD products through an innovative media mix and expects to sustain this initiative.

### Youth focus

The youth is emerging as India's influential spenders, dictating lifestyle trends. The one area in which the youth is spending more than ever is personal grooming. Correspondingly, Emami has aligned its clutter-breaking promotion around the youth.

While most deodorant advertisements were positioned around 'seduction', Emami positioned 'HE' as a personality differentiator, designed the packaging using fibre exterior with snazzy graphics and promoted the product through youth-preferred media channels.

Emami's  
A&P spends

₹392 crore  
in 2014-15

14% CAGR

₹231 crore  
in 2010-11

"Emami understands consumer needs and introduced mass brands that enhanced their aspiration – creating a unique 'Masstige' in India." – *Alyque Padamsee, Brand Advisor, Emami*

# Pain management

**Product line**  
Zandu Balm &  
Ultra Power,  
Mentho Plus  
and Fast Relief  
ointment

## Zandu Balm

### Year in review

The business grew in value and volume terms during 2014-15. During a year which remained flat for the balm segment, Emami's grew its market share. The overall balm category grew moderately but Zandu Balm reported a contrarian upward trend and ended with positive numbers, outperforming its segment growth. In terms of value, the product registered double-digit growth of 15.6% during 2014-15.

### Innovation

A new variant of the pain reliever – Zandu Balm Ultra Power – was launched in 2014, which contributed to Zandu's growing market share. The solution is designed as a remedy for severe pain based on in-depth consumer need-gap analysis.

**Positioning:** This analysis revealed that currently there are no products in the balm segment that cater to severe headaches, severe body aches and cold. Analgesic tablets, the only available option, reported to have side-effects. Moreover, the prolonged use of such tablets also rendered the user immune to its curing effect.

**Logistics:** Zandu lacked a strong presence in the Northern and Eastern regions but following the introduction of Ultra Power, the scenario has improved.

### Marketing

Trade activation initiatives were undertaken in rural markets and smaller SKUs of Zandu Balm were introduced for attracting consumers across a wider spectrum. The price of the 4.5ml package of

Zandu Balm was reduced from ₹12 to ₹10 per pack, growing volumes substantially.

The launch of a new variant Zandu Balm Ultra Power supported, by revised communication strategies, resulted in better household penetration and attracted new users. Several consumer loyalty programmes and incentives were implemented to boost customer retention and accretion.

### Outlook

The fact that a number of peer product users shifted to Zandu indicates the brand's efficacy. Emami plans to add new products under the Zandu brand thereby extending the portfolio and attracting more consumers seeking topical pain relief solutions.



Emami launched Ultra Power variant in 2014-15, targeting severe body aches. Zandu Balm portfolio continues to rule the balm category in India.

The smaller SKU of 1 ml reported 30% growth. It is expected that small SKU offtake will double in 2015-16, following a growing awareness regarding the product's cost-effectiveness.

Zandu Balm emerged as the largest distributed brand in its category by engaging constantly with consumers. Emami intends to communicate strategically, distributing holistically and leverage Zandu's brand equity.

A key outlook for the upcoming fiscal will be to leverage trade equity and restoring retailer confidence by incentivising distributors and formulating specific customer-oriented policies.



## Mentho Plus

### Year in review

During the year under review, Mentho Plus grew 17.2% in terms of value and 12.5% in volume.

### Positioning

The brand communication was tactically altered towards the youth.

### Packaging

The Mentho Plus packaging was given a facelift to gain the desired visibility.

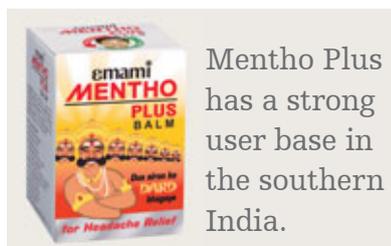
### Logistics

A larger share of the consumer wallet was captured through a smaller SKU strategy especially in Andhra Pradesh, Karnataka, Tamil Nadu, Assam and West Bengal.

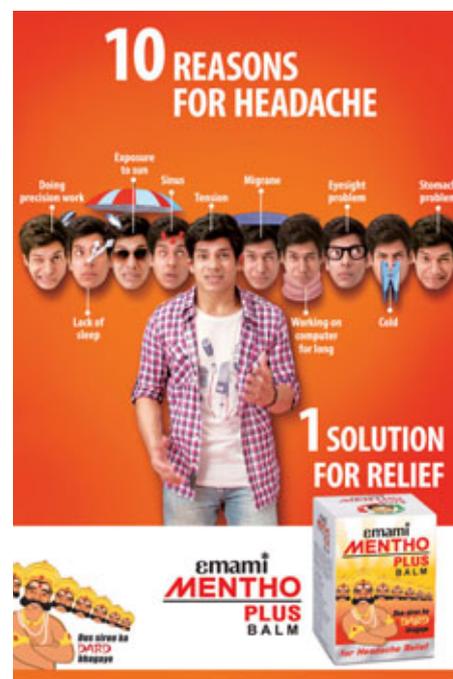
### Outlook

Emami aspires to undertake the following initiatives:

- Penetrate further in Southern India as the brands have gained considerable traction in the region
- Offer larger 9 ml packs towards metro consumers via the OTC mode
- Survey the strongest markets to understand and assess market dynamics



Mentho Plus has a strong user base in the southern India.



## Fast Relief

### Overview

The product provides quick relief from body aches.

The prime markets for Fast Relief are Madhya Pradesh, Delhi, Maharashtra, West Bengal and metro cities pan-India.

The Company's target was market and customer retention in 2014-15.

As a means to this end, Emami carried out brand renovation activities to communicate better with users.

### Outlook

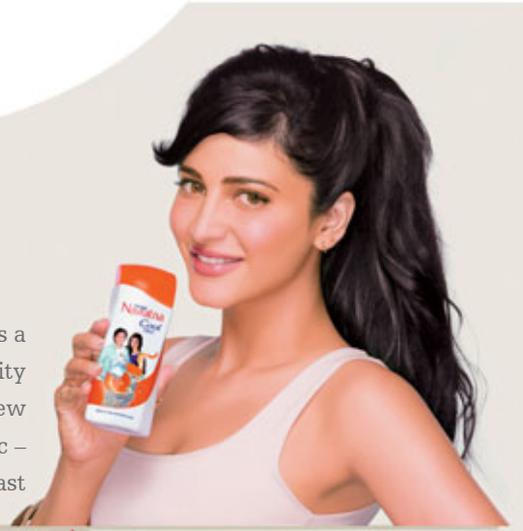
Plans are in place to continue brand consolidation and enhance awareness in key and new markets.





Sonakshi Sinha

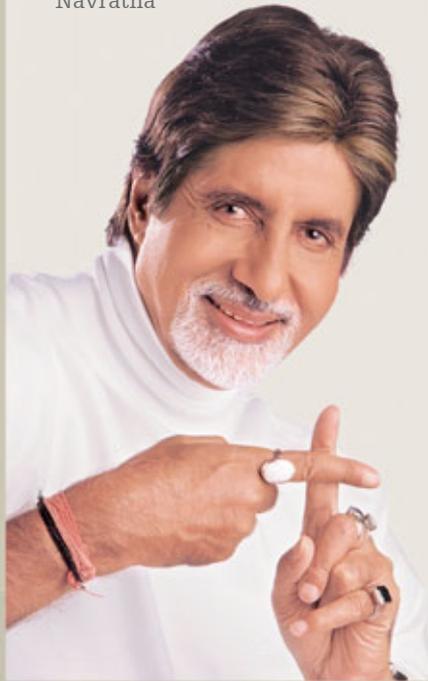
Shruti Haasan lends a fresh face to a fruity fragrance of the new Navratna Cool Talc – Orangy Blast



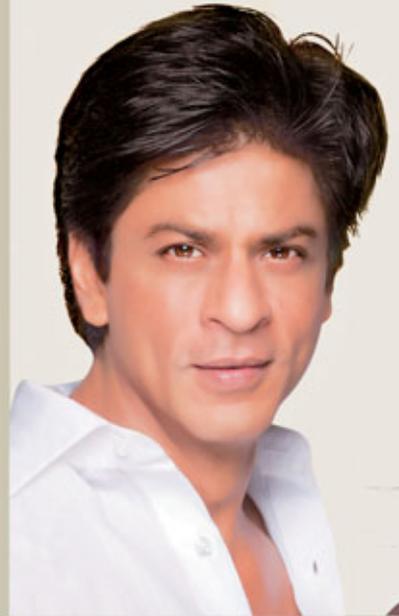
Yami Gautam endorses Emami 7 Oils in One Damage Control Hair Oil



Mega star Amitabh Bachchan continues to be the brand ambassador for BoroPlus and Navratna



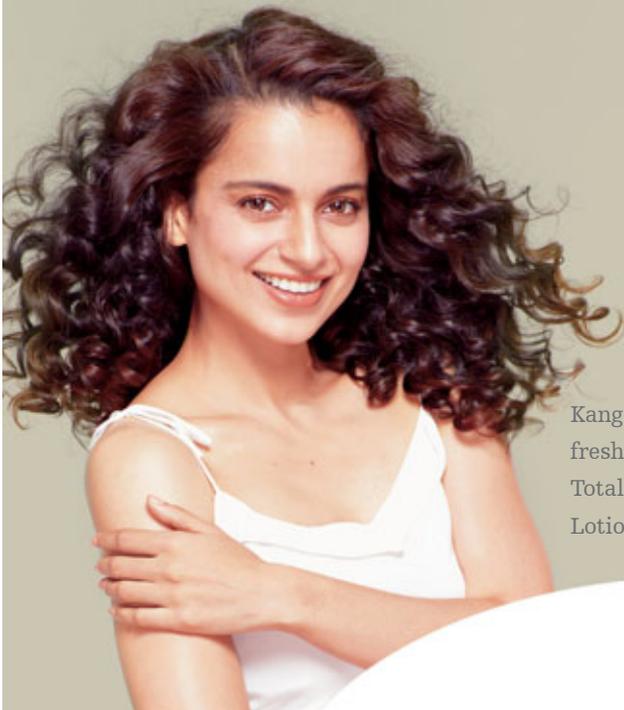
Shah Rukh Khan endorses Navratna and Fair and Handsome



Southern superstar Jr NTR endorses Navratna Cool Talc



Kangana Ranaut is the fresh face for BoroPlus Total Results Moisturising Lotion



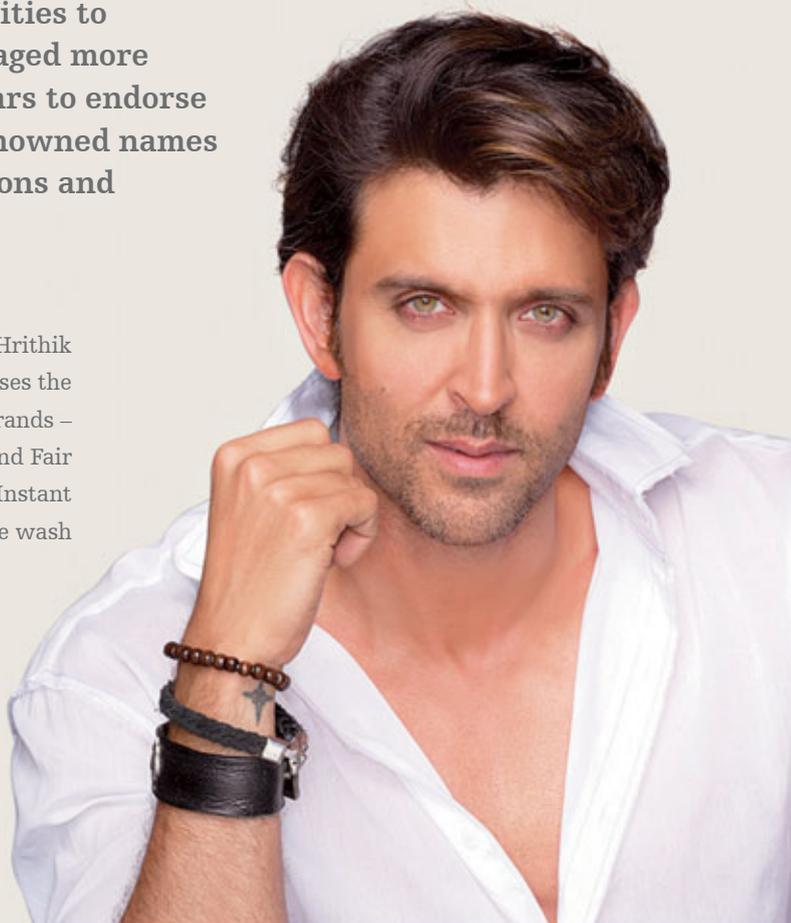
# Celebrating *with celebrities*

Emami is a pioneer in engaging celebrities to endorse its brands. The Company engaged more than 25 celebrities in the past five years to endorse different brands. These comprised renowned names from India's film industry, sportspersons and performing artists.



Bipasha Basu

Youth icon Hrithik Roshan endorses the youth-focused brands – HE Deodorant and Fair and Handsome Instant Fairness Face wash

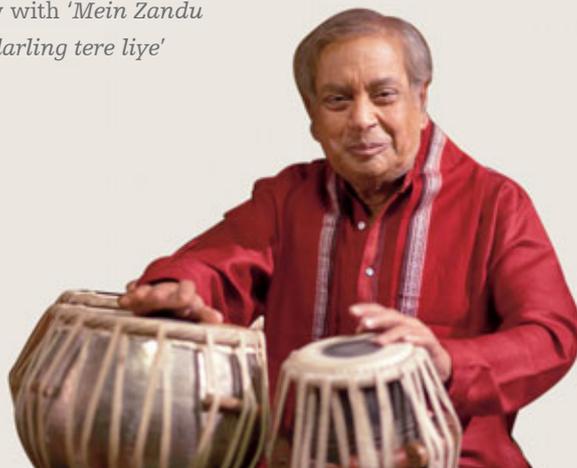


Kareena Kapoor



Malaika Arora Khan stormed the country with '*Mein Zandu Balm hui, darling tere liye*'

Kathak maestro Pt. Birju Maharaj endorses Zandu Kesari Jivan



# “Everything at Emami starts and ends with consumers”

A conversation with Bugs Bhargava, Brand & Media Consultant at Emami

## What sets Emami apart from most other industry players?

The one thing that differentiates Emami from peers is its distinctive courage in backing a brand once it is convinced that the brand possesses potential. In a world where companies have become increasingly quarter-driven, increasingly impatient with results and increasingly transactional in their approach, Emami is different.

## Why is this important?

Because there could be a number of reasons why products don't take off immediately. In fact, a number of products take off only after their tipping point has been reached. Nobody knows where these tipping points may be; Emami has demonstrated the patience required to keep investing in a brand until it begins to pay back.

## What kind of patience is required?

Patience in understanding consumer needs. Patience in identifying emerging categories. Patience in comprehensively researching opportunities. Patience in introducing effective and innovative products. Patience in brand building. Patience in attaining product maturity before it finally takes off. What one needs to respect about Emami is that it has stayed with sluggish brands for quite some time before sales have suddenly spiked.

## So is this a risky wait-and-watch game?

It is, but over the years, Emami's approach has helped take much of the



BUGS  
BHARGAVA  
KRISHNA

**Bugs Bhargava Krishna, is an advertising Creative Director, writer and theatre actor and acted in films like *Taare Zameen Par* and *Kaminey*. He has worked closely with Emami for 16 years.**

risk out of this game through prudent niche selection on the one hand and right product introduction on the other. Look at some of Emami's biggest brands like Navratna Oil and BoroPlus. There are no other brands like this in the marketplace. You can't put these brands in a ready-made box. They perfectly reflect the complex consumer mosaic. The challenge now is to keep contemporising these brands and making them relevant to a 'young-ening' India.

## Would Emami be able to do that?

Very much. Emami's brand direction is apparent. Over the years, the Company has been engaged in rejuvenating its brands so there is absolutely no doubt that it can continue doing so. Emami's brand adventure focus is outside-in, which means that everything starts and ends with the consumer. Emami is a manufacturing company with a service brand attitude. Implication: thinking about and living the consumer's life 24x7. Which is why Emami pioneered the use of celebrity film stars as product endorsers, gradually extending to sporting and other personalities. I remember asking RS Agarwalji why he pursued this strategy. He made an insightful comment: "Indians trust and respect their heroes."

## How is Emami identifying and filling market and portfolio gaps?

The secret: the consumer again. Emami dominates shelf-space by doing one thing right: observing and empathising with the consumer.

Take Fair and Handsome. The basic insight was that even men wanted to look fair; they were merely using their sister's or wife's fairness cream. Emami asked: why not a unique product suited to the male skin? Most people would have merely introduced this cream with a usual kind of line. Emami disrupted the communication by asking why on earth men were using a 'ladki-waali cream?' The product, endorsed by Shahrukh Khan, created a new category. It is our belief that the first mover in the category usually leads the category. Today, Fair and Handsome is the undisputed market leader.

#### **Is there any other product where this is evident?**

There is HE deodorant. The deodorant market became crowded overnight with products that promised to make women swoon at the feet. In a young India, it became a category to be in. But how would one stand out in this noise? The Emami brand team asked one question: what does a young man really want to be? There was only one answer: interesting. So HE deodorant promised them exactly that; Hrithik Roshan was the brand ambassador; the accompanying commercial dramatised the promise. The idea of being interesting was epitomised in the packaging and fragrance. The result was an outstanding hit.

Emami's 7 Oils in One is another instance of how a brand can carve out a unique position in a noisy space littered with failures. It took Emami years of study of women's needs before it launched a product around the unique Hair Damage platform. Emami's singular promise resonated with consumers who had been, for years, disappointed with their hair oil.

#### **Where is Emami headed?**

Emami democratised personal care and branded healthcare in India. Bringing products that seemed beyond the reach of consumers to their dressing table. Emami is poised to consolidate the lower-middle of the country's consumption pyramid and establish a beachhead at the top. Emami possesses a keen understanding of Indian values that translates into brand building. The result: Emami is ready for an emerging India and a world waiting for Made in India.

# Emami... a bullish proposition

*Emami has been an interesting growth story in the Indian FMCG sector with a net profit CAGR of more than 23% in the five years leading to 2014-15. The strong growth potential of the Company attracted more than 30 analysts covering the stock.*

*"Emami's strategy of innovation and creation of niche segments has enabled them to build brands that are synonymous to the categories they operate in. The top-of-the mind recall of brands along with the low penetration of most of its categories gives Emami the opportunity for strong growth in the years ahead."  
- UBS, 6th February 2015*

*"We believe Emami is better positioned for faster growth, driven by (1) its entry into new categories, (2) scale up of the Zandu Health Care Division (HCD), (3) growth in international business, and (4) influx of senior marketing professional talent." - Credit Suisse, 13 August 2014*

*"Emami, with a niche portfolio of Ayurvedic and male fairness products, enjoys strong brand recognition and customer loyalty in India, driving our stable revenue outlook." - Barclays, 28 July 2014*

*"Emami looks well placed with a strong portfolio of niche products, many of which are based on traditional ayurvedic formulations. Most products have high GMs-highest among domestic peers" - Citi Research, 24 April 2014*

*"We like Emami's planned aggression in innovations, professionalisation, product pipeline and steady volume growth."  
- Edelweiss, 13 May 2015*

*"We expect Emami's core portfolio to grow at 17% over FY14-FY17 and its healthcare portfolio to grow at 30%, assisted by focused distribution spruce-up. Further, we are building-in new launches like She feminine hygiene, deodorants, etc. to contribute to additional revenue growth."  
- ICICI Securities, 16 December 2014*

*From a niche player, Emami is now taking the bulls (multinational companies) by the horns and launching products in the mainstream FMCG categories, with lower competition and higher growth potential." - Societe Generale, 21 January 2015*

# Man-*edging*!

*At Emami, growth is derived from the successful management of people resources.*



You can have excellent products, latest technologies, strong reserves and unique strategies, but success can only be achieved if you have the right people to implement these strategies.

The right people in a company make it possible to market products, leverage technologies, invest in the right projects and implement strategies.

Emami is no different. People agenda is a critical priority at Emami. “For Emami to rise to the next growth level, we need to have the right people at the right place to turn our diverse aspirations into reality,” says Harsha V Agarwal, Director.

### Human resource progress

The biggest validation of Emami’s people management is evident in its financial numbers. Each individual contributed higher productivity, making the Company’s enhanced profits and margins a reality.

The year 2014-15 was



a satisfying year at Emami related to human resource development. The Company inducted quality professionals; it embarked on various initiatives across talent management, performance management, training and development. The Company engaged a reputed consultant to enhance employee

engagement, enriching the HR system.

The Company intends to embark on a new initiative: Critical Resource Development and Retention programme to focus on the retention of critical talent that can be developed into the next leadership level.

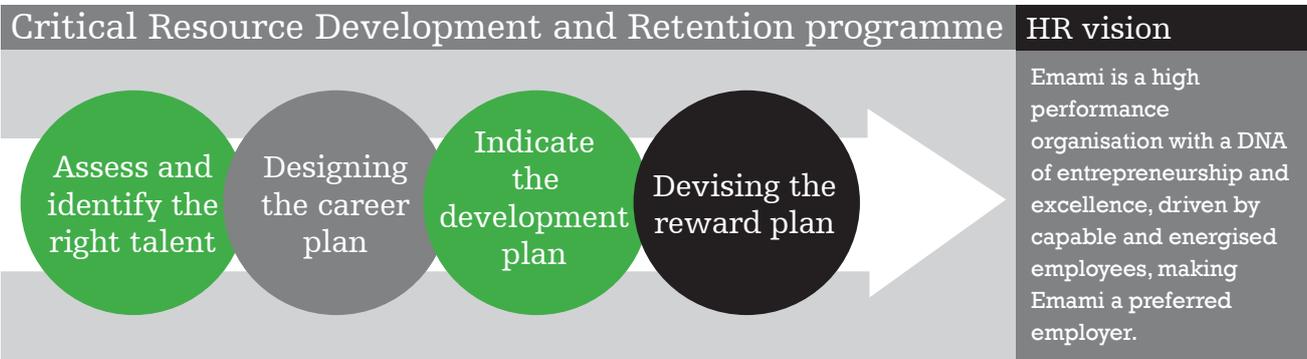
### Key HR initiatives

Induct quality talent, energised and retained to contribute	<ul style="list-style-type: none"> <li>• Emami is attracting critical talent, making it imperative to energise and engage this talent.</li> <li>• Create leadership pipelines.</li> <li>• Enhance culture of entrepreneurship at all levels.</li> </ul>
Build and enhance	<p><b>a) Organisation capability</b></p> <ul style="list-style-type: none"> <li>• Streamline SOPs across functions.</li> <li>• Build long-term organisational capability and core functional skills to enhance business results.</li> <li>• Strengthen linkages between individual and organisational results through a robust PMS.</li> <li>• Ensure high productivity.</li> </ul> <p><b>b) People capability</b></p> <ul style="list-style-type: none"> <li>• Enable Emami to become a learning organisation with a nurturing culture.</li> <li>• Facilitate individual growth and aspirations.</li> </ul>
Enhance performance-driven culture	<ul style="list-style-type: none"> <li>• Better alignments of compensation with individual results.</li> <li>• Recognition Schemes put in place.</li> </ul>
Embed benchmarked HR practices and processes	<ul style="list-style-type: none"> <li>• Benchmark HR practices and processes providing a leading edge over competitors.</li> <li>• Higher productivity of HR team through process automation.</li> </ul>



“When I started my journey with Emami, the turnover of the Company was not even 1% of what it is today. I have virtually learnt and grown on the job. From major business strategies, company diversification, new product launches to expansion plans and export strategy – I have been part of all major moves that the Company made since my joining. This has given me tremendous learning opportunity and I have enjoyed every bit of this process of strategising, implementation, successes and even failures. I consider myself blessed to have supportive superiors and colleagues who make my job enriching.”

– NH Bhansali, *CEO-Finance, Strategy & Business Development and CFO*



### Training and development

Emami strengthened its performance-driven orientation through robust competence mapping, gap identification, training and development. The HR team continued to interact with various heads of department, which resulted in the creation of a training calendar. In 2014-15, the Company conducted training programs covering nearly 2,000 person hours.

### Manning people growth

Emami is in an exciting growth phase (organic and inorganic), putting a premium on the need to attract the right people for the right job and integrate them into the overarching Emami culture.

Emami is increasingly recruiting specialised professional talent. The Company increased its employee base from 2,000 in 2010-11 to 2,660 in 2014-15, helping catalyse growth faster than the FMCG industry average.

### Culture

Though Emami’s strategic direction is enunciated by its promoters, the Company has created a wide operating berth for professionals. The Company has created an operating culture where responsibility and authority are delegated, where targets are outlined, performance is measured against targets and remuneration structured in line with deliverables.

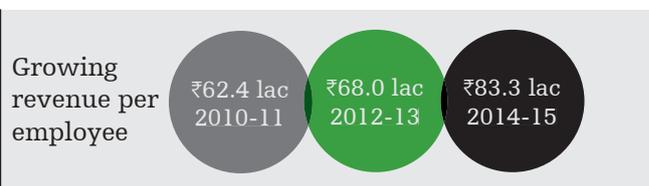
### City pride

Emami, headquartered in Kolkata, has drawn prominent industry

professionals to work in Kolkata. Nearly 60% of the Company’s top management professionals have been drawn from various parts of the country, evolving the city into an acceptable workplace destination.

### IT-enabled HR process

Emami invested in the HR portal ‘Sampark’, facilitating employee engagement through a Creativity Week, Best Idea Week and other activities.



# Expanding *bandwidth*

*Emami reconciles entrepreneurial initiative-taking at one end with rich professional experience at the other.*



**Standing, from left to right**

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

*Punita Kalra, CEO-Research & Innovation Strategy and Corporate Quality Assurance*

*Ajith Babu Narasimha, CEO-Health Care Division*

**Sitting left to right**

*Dhiraj Agarwal, Head-Media Department*

*Dr. C K Katiyar, CEO-Technical, Health Care Division*

**Professional managers? At Emami?**

The perception is that all the growth at Emami has been driven by a handful of promoters who issue orders that are carried out by handpicked executives.

Nothing could be farther from the truth.

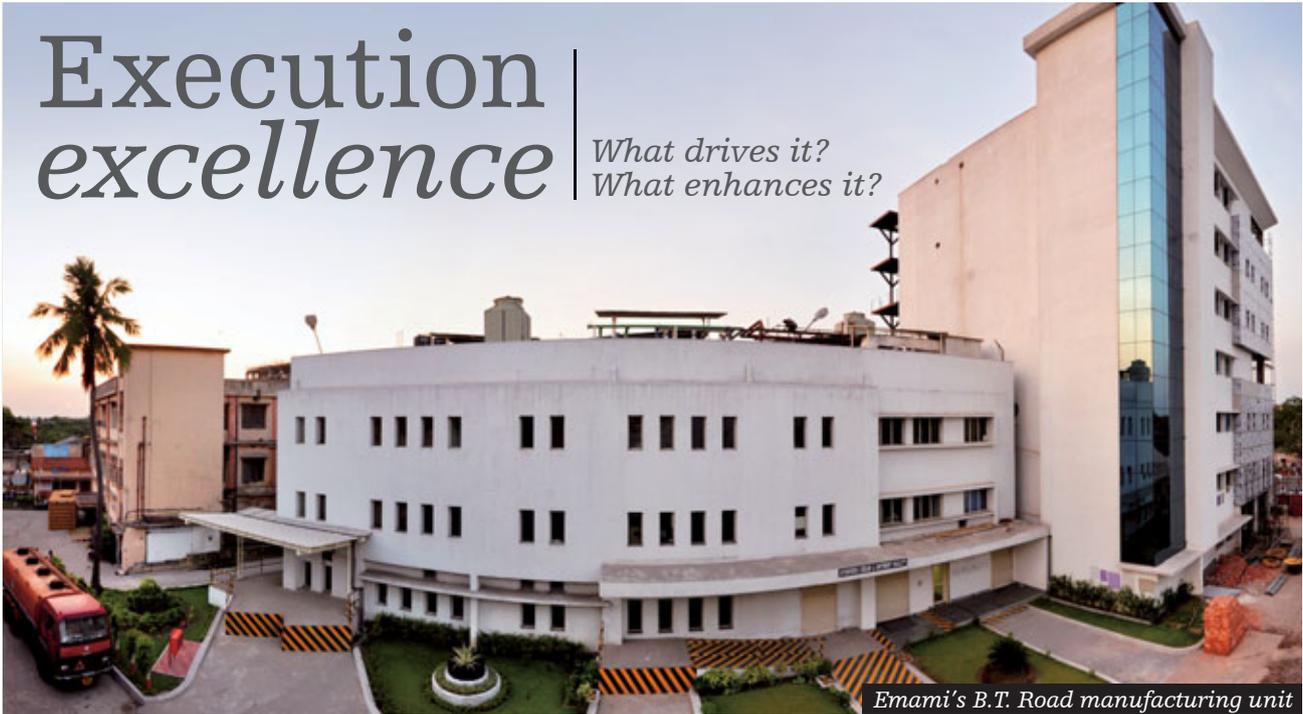
Emami is a professionally-driven organisation with a segregation of responsibilities between promoters at one end who provide the strategic vision and professionals at the other who head businesses and address day-to-day organisational imperatives.

Over the last few years, Emami has inducted professional talent from larger FMCG companies with the objective to strengthen operations, accelerate growth and climb to the next level.

A number of these senior professionals possess a multi-decade experience in large companies, having held senior positions in marketing, finance, IT, healthcare, research and innovation functions, among others.

# Execution excellence

*What drives it?  
What enhances it?*



Emami's B.T. Road manufacturing unit

## Emami's operational excellence

At Emami, execution excellence drives the bottomline.

The Company's manufacturing operations are dispersed across seven pan-India manufacturing units. The Company generates a high standard of manufacturing excellence through five goal areas called SCOPE – Service, Cost, Outstanding Quality, People and Execution.

During the year, Emami strengthened its manufacturing excellence through the following initiatives:

- The Company strengthened service and availability by capturing, monitoring and ensuring weekly plan compliance.
- The Company undertook capacity expansion across various units and products. The Company expanded Navratna Oil, BoroPlus lotion and Vasocare capacities at its Abhoypur plant.
- The Company commenced the manufacture of Navratna Oil at its Dongari manufacturing plant, focusing on export requirements.
- The Company enhanced

Pancharistha capacity by 17% at its Vapi unit.

- The Company revamped its Zandu manufacturing units to achieve GMP compliance.
- The Company revamped TPM activities to improve operational excellence.
- The Company improved productivity, reduced its energy consumption and reduced batch cycle time, cumulatively saving ₹4.5 crore.

## Continuous improvement

Even as much has been achieved, Emami is focused on continuous improvement across locations. The operations team has broken down organisational targets across units, conducted discussions with unit heads, identified deliverables at each unit and outlined targeted quality standards.

Emami is attractively placed; most of its plants are GMP-compliant, modern and operated by competent professionals. The Company is commissioning another manufacturing plant in Assam in 2016, which will facilitate fiscal benefits for 10 years, moderating the

cost structure.

## People development

Emami strengthened its manufacturing competence through talent recruitment and detailed skill-gap analysis for key positions followed by specialised training to address functional and leadership requirements.

## Accolades

In 2014-15, the following Emami manufacturing facilities received prestigious awards:

- The Pantnagar unit received Gold Level of Recognition in the '2014 Healthy Workplace Award' from Arogya World India Trust in partnership with Public Health Foundation of India (*for delivering quality products with zero discharge and integrating the same with structured employee growth*).
- The BT Road unit received the Greentech Safety Award - 2014 - Gold Category (*for outstanding fire and safety management*).
- The Company received more than 20 awards (*Silver, Gold and Par Excellence categories*) at various Quality Circle Forums.

# going modern

*What makes modern trade one of the most exciting urban retail developments in India in the last few years – and how is Emami expecting to capitalise?*

The evidence is loaded in favour of modern trade.

The number of urban shoppers visiting various Modern Trade formats has increased significantly in the last few years. This channel accounts for more than a fourth of shoppers and contributes to 10% of all FMCG sales in urban India. [Source: Nielsen].

Emami restructured to target the upside arising out of Modern Trade. Emami recognised that as India's organised retail revolution accelerated, a larger number of consumers would buy from supermarkets and modern store formats. The Company created a team to capitalise on this phenomenon. This Emami team is responsible for activation management, customer servicing and product visibility through this format.

The one way to have approached this opportunity was through mere placement of products inside shopping destinations. Emami went a step ahead. "Within a few years of entering this format, we improved service, embarked on consumer engagement initiatives and pleasantly discovered that shoppers bought far more than what they had envisaged when stores featured promotions," says Mohan Goenka, Director.

Emami's three-pronged strategy addresses selection of the right organisation, shopper-marketing initiatives and enhanced efficiencies related to coverage and availability. Emami promoted upmarket products that appealed directly to urban youth through Modern Trade. The Company strengthened its urban portfolio comprising Fair and Handsome, BoroPlus, HE Deodorant, Emami 7 Oils in One Damage Control Hair Oil and SHE *Comfort* (sanitary napkins for women) that were addressed through the modern trade format.

Emami has already generated attractive traction and is upbeat about growing its exposure through the Modern Trade space. The Company has lined up more products compatible with the nature of this retail segment; it is penetrating tier II and III cities and is closer to industry average in terms of revenue contribution from modern trade.

## 17%

CAGR in total revenue  
between FY10 and FY15

## 35%

CAGR in modern trade  
revenue between FY10  
and FY15





# Handsome *strategy*

Product line  
Fairness Cream  
and Instant  
Fairness Face  
Wash



When Emami recognised that men sought their own fairness cream when none was available, the Company knew it was time to enter the men's grooming segment. Besides, surveys revealed that over 30% men consumers of fairness creams were closet users. These findings presented Emami with an opportunity to create an entirely new category – men's fairness in the fairness cream space.

Emami recognised that with men's skin being different from women, the Company needed to introduce a customised formulation. Emami identified this need gap, developed a customised formulation and launched Fair and Handsome in 2005. The product was positioned as an aspirational brand directed specifically at men and their tough skin.

The rest, they say, is history.

Emami capitalised on a trend where men needed to groom themselves, needed

to refresh themselves and a growing shift of consumer psychology from vanity to necessity.

Over the last few years, Fair and Handsome has emerged as India's most trusted brand in the men's fairness cream category. Emami capitalised on this opportunity through the introduction of a face wash – Fair and Handsome Instant Fairness Face Wash.

The brand capitalised on its master brand's strong brand equity and new brand ambassador Hrithik Roshan. Within seven months of launch, the face wash emerged as the number three brand in the men's face wash category across India.

"The success of the Fair and Handsome Fairness Cream opened a new vertical for us," says Mohan Goenka, Director. "Even as there were new spaces in the country's face wash category, we ideated a product that was more flexible in usability, and delivered all-round performance by providing a refreshed feel, an instantly fairer look, removing oil, sweat and dirt all in a single splash."



Emami created the men's fairness category in India by launching Fair and Handsome Fairness cream and changed the men's grooming segment in the country.



The nascent men's personal care and grooming market is just 8% of the overall \$10 billion (₹61,000 crore) personal care market in India.

# Reaching out...

## How does Emami catch the eye?

At Emami, the success of our brands is influenced by a high recall. This high recall, in turn, is influenced by active promotion and advertising.

Over the years, Emami has selected to position its advertisements through in-your-face communication.

This direct communication has been marked by prominent endorsement by a celebrity, an unmistakable value proposition and prominent presence in hoardings, newspapers and magazines (full-paged). Besides, these advertisements are marked by minimal copy that is simple to understand.

**Navratna Cool TALC**

गर्मियों में केवल खुशबूवाले पाउडर से समझौता क्यों?

मर्मियों जाओ भूल, रहो ठंडा-ठंडा कूल कूल.

सुगंध / ताजगी / ठंडक / पसीने से छुटकारा / बरफन ताप

Treats 8 signs of dry skin - makes your skin healthy, smooth & glowing

Only Boroplus Lotion has Skin Loving Ingredients™ - almonds, cream, saffron which moisturizes, protects and heals skin from within... gives soft, glowing, silky skin.

8 signs of dry skin: Itchy, Flaking, Redness, Tightness, Irritation, Roughness, Dullness, and Dryness.

**BORO PLUS** Moisturizing Lotion

Twacha ko nazar na lage

**नवरत्न तैल.**  
अब है और भी बेहतर.  
ब्राह्मी और आंवला के गुणों के साथ.

तो अब टैशन, सरदर्द, डकान, उमिदा और बालों की समस्याएं जे ठंडी रहत.

दिल्ली नवरत्न तैल

“मम्मी छुए तो स्किन सॉफ्ट सॉफ्ट स्माईल स्माईल”

emami **Vasocare** HERBAL SKIN JELLY

मुफ्त कोफ़ेशन ऑफ़िस

झंडु केसरी जीवन अपनाओ इनकी तरह युवा, फिट और एक्टिव रहो

**ZANDU Kesari Jivan**

हमेशा यंच, हमेशा हेल्थी.

JUST A SPLASH... AUR DIKHO BRIGHT AND FRESH

“I LOOK FRESH AND BRIGHTER IN A SPLASH.”

With tough skin, a man's face deserves much more than soap or just any ordinary face wash.

India's No. 1 Men's Fairness Brand, Fair and Handsome, brings you a specially formulated Face Wash for men's tough skin.

It has a Unique Soft-Cleaning System with Acti-Fair Peptide that helps remove dirt, oil and excess, giving you an instant brighter look with every splash.

Experience the difference with Fair and Handsome Instant Fairness Face Wash™.

REMOVES DIRT, OIL & SHINE

**FAIR AND HANDSOME** FACE WASH

अब ना चीखे, ना आहें अब दर्द की चोखती बंद!

सर्दी, सरदर्द और कमरदर्द से आराम

**ZANDU BALM**

भारत का नं०१ विकनेवाला वाग

त्वचा को सर्दी की नज़र ना लगे

सर्दी से बचाव के लिए सर्दी के दिनों में त्वचा को सुरक्षित रखना और त्वचा को सूखने से बचाना। BORO PLUS Antiseptic Cream त्वचा को सुरक्षित रखता है और त्वचा को सूखने से बचाता है।

44 घंटे तक त्वचा को सुरक्षित रखता है।

भारत की नं. 1 एंटीसेप्टिक क्रीम

जब जिगर में हो आग और सर पे एकस्ट्रा ठंडा तैल तो कामयाबी तय है.

जब तक कि तुम्हारे दिमाग में है 9 अमूर्तिक जड़ी-बूटीयों को डिग्रेड करता है, तब तक और अधिक से इसी लक्षण को अब जितने ही तुम्हारे.

नवरत्न एकस्ट्रा ठंडा तैल

With the Magic of 7 Oils Hairfall is reduced from 100 to 4

Proven at American testing Institute TRI

Every day you lose up to 100 hair strands as regular hair fall. But don't lose heart. Emami 7 Oils in One Damage Control Hair Oil with the power of 7 oils and 7 herbal aushad complex repairs weak hair making them up to 20X stronger and reduces hair fall from 100 to upto 4. Now flaunt hair that is stronger, thicker, longer.

emami 7 OILS IN ONE Damage Control Hair Oil

DIKHO ZYADA HANDSOME

- OIL CONTROL
- GREAT CONTROL
- SUN PROTECTION
- DARK SPOT REDUCTION
- LONG LASTING FAIRNESS

FAIR AND HANDSOME FAIRNESS CREAM

FOR TOUGH MALE SKIN

Over the years, the Company selected to feature a number of its advertisements in the vernacular, connecting directly with prospective regional consumers. To connect with urban and young consumers, the Company started airing commercials in sports and English movie channels.

COTTONY soft WINGS

FOR RASH-FREE PERIODS. WITH ORI-WEAVE TOP.

COMFORT WHEN YOU NEED IT THE MOST.

FOR ALL THE THINGS MEN DO, DON'T JUST SAY "THANK YOU." SHOW IT.

#ShowMenSomeLove by wearing blue today.

HE MEN'S DAY 18th Nov. 2014

HE DEODORANTS BE INTERESTING

कोई भी सपना असंभव नहीं लगता, जब आपका बच्चा बनता है

भीम-स्टाइन

याददाशत सतर्कता एकाग्रता

स्वर्ग इम्युनिटी

ZANDU SONA CHANDI Chyawanprash Plus

# Sweet spot!

*A rapid-fire question and answer round with Utpal Sengupta, Consultant*

## Q1 How are you associated with Emami?

A. I have been associated with Emami at various levels – with the development of specific brands and businesses and strategic organisational inputs – for the last one-and-half years.

## Q2 What makes Emami exciting?

A. Emami has a fast-paced, result-oriented culture. Its three-horizon approach for its brands portfolio has proved effective. One, the Company focuses on attractive cash generation from its brands with the objective to fund prospective growth. Two, the Company has outlined a programme of innovative products to build on existing successes. Three, it continuously engages with consumers and experts across various fields to comprehend how business needs to remain competitive.

## Q3 What makes Emami different from most others in its space?

A. Emami's combination of vision, passion and action. The best entrepreneurs have a definitive view of the future and how to get there; they don't chase statistics, leave things to chance, or depend excessively on iterative processes to figure what might work.



UTPAL  
SENGUPTA,  
CONSULTANT

**Utpal Sengupta** held various top positions in a number of multinational FMCG companies. Currently, he is associated with Emami at various levels – with the development of specific brands and businesses and strategic organisational inputs.

The result is that Emami has a rigorously systematic approach towards business development and innovation. Emami's promoters leverage their understanding of the Indian consumer and blend it with expert advice to engage in proactive decision making.

## Q4 What is the big change that you found at Emami vis-à-vis what you expected to find?

Before I joined, the assumption was that the promoters would be engaged in most decisions being taken at the Company. What I found was pleasantly quite the opposite. I found quality professionals with proven track records, a balanced top-management structure and the promoters ready to seek advice before a decision was arrived at.

## Q5 What is the Company's outlook?

A. There is considerable optimism at the Company. Inflation is being reined in. The present state of the rupee provides attractive export opportunities. An improving economic outlook should see a revival of consumer sentiment and demand. Emami is, therefore, at a sweet spot in its existence, which could translate into even more attractive prospects over the foreseeable future.

### FMCG FACTS



# Team *Emami*



Shyam Sutaria



Mohsin Ahmed



Pankaj Dhanuka



Surajit Chakraborty



Shagun Tulsyan



Manabendra  
Chatterjee



Mohan Panchabhai



Rajesh Sharma



Shantanu Das



P N Balakrishnan



Harish Adkar



Mahasweta Sen

## Heads of Departments



Sanjay Madan



Vijay B Reddy



A K Joshi



Soumitra Dutta



Anupam Katheriya



K S Arunkumar



Manoj Agarwal



Dilip Poddar



Sushil Kothari



Chirag Sheth



Sameer M Penkar



Arup Ganguly



Ganesh Natarajan



Bashab Sarkar



Rajkumar Gupta



L N Prasad



Rahul Singh

# Emami's quest *for the perfect product*

*How Emami is able to design, create and deliver innovative products that enhance consumer satisfaction*



As India's leading healthcare and personal care company, Emami leverages its research and innovation expertise to make its presence felt in the global FMCG marketplace. The value generated in the process reaches far beyond the consumers and shareholders – it benefits the entire stakeholder value chain.

Emami's research and innovation team marks a coming together of an in-depth sectoral knowhow and best-in-class product formulation abilities. On the back of this, Emami is able to design, create and deliver innovative products that enhance consumer satisfaction and surge

ahead of the competition.

Emami's research and innovation centre is a sprawling 30,000 square feet facility fully-equipped with cutting-edge technological platforms.

### **Science-driven, Consumer-centric, business-focused**

The research and innovation team at Emami has harnessed the potential of Ayurveda and modern science to improve lives. The team 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.

Over the years, the research and innovation team has fostered a culture of open innovation with universities, business associates and the global scientific fraternity to ensure there is a constant infusion of new, advanced

and efficacious ideas.

The research and innovation team undertakes multi-centre clinical trials to ensure that Emami's products do not have an untoward impact on users. Simultaneously, the Company's innovations are guarded and protected through extensive layers of intellectual property protection protocols.

### **Accelerated innovational cycles and assured incremental growth**

This approach has helped Emami formulate niche and successful products across categories like hair, skincare, pain management as well as feminine hygiene - quicker than its peers leading to a consistent sectoral outperformance. This is reflected in the successful introduction of Fair and Handsome Fairness Cream and Face Wash, HE Deo and 7 Oils in One among others.





# Enabling IT

*Emami's scalable growth has been built around its robust IT backbone*



## I

In 2014-15, Emami undertook the following initiatives to strengthen its IT capabilities:

- Leveraged the Secondary Sales system to automate and reduce the time taken for Distributor Claims settlement – from six to two weeks, which helped the management take tactical sales and supply chain decisions based on a daily visibility of sales and stocks
- Leveraged SAP to streamline

Procure-to-Pay process for non-production items and services, enhancing operational controls and accounting efficiency

- Commissioned enterprise-wide SAP portal capability to foster a collaborative knowledge sharing environment with enhanced productivity
- Extended the Core SAP ERP solution to one manufacturing partner with the intention to cover all manufacturing partners, strengthening supply chain efficiency
- Institutionalised a faster communication system with Microsoft Technology Platform
- Extended SAP payroll processing capability across manufacturing units and offices
- Took decisive actions to commission Business Process Management, Governance Risk

and Control and Product Lifecycle Management capabilities

- Entered final stages of discussions with a global technology leader for IT-Infrastructure-as-a-service, which will enable Emami to adopt best-in-class technologies with ease, flexibility and resilience
- Entered advanced stages of finalising solutions to enhance competitiveness in field sales operations with integrated mobile and supply chain planning solutions, expected to improve productivity and service

### Going ahead, Emami will...

- Extend this platform to the healthcare and international marketing divisions
- Streamline processes to facilitate faster period closing, MIS preparation and strengthen process orientation

# A cut *above the rest*

*Jitu Mehta of Valueveda is a strategic advisor for the Zandu and other divisions. There are some good reasons why he feels Emami is a cut above the rest.*

## Overview

Emami is always hunting for new ideas – from anywhere in the world. This may sound straightforward but the reality is that corporates can often go overboard in the estimation of returns promised by their investments in innovation. This planning error occurs mainly because corporates often juggle many balls – targeting new customer sets, working with novel technologies, interacting with new partners and trying out new revenue models.

## Un-complicate

Emami sifts through complex thinking by appraising what worked in the past while being clear-eyed about the future. Besides, the Company brings to all new planning a sense of cost-efficiency, improved service and changes in customer preference.

Efficient innovation is an iterative process in which innovators keep going through the sequence of research, development and commercialisation – until all the puzzle pieces fit together. Consider Emami’s approach in the



JITU  
MEHTA,  
CONSULTANT

**Jitu Mehta**  
has been engaged  
with Emami since 2009,  
acting as a Strategic  
Advisor guiding  
strategy development  
and speed/quality of  
execution of strategy in  
multiple functions.

areas of product development. Emami recognises that while most product formulations are developed in-house, certain formulations cannot be developed internally due to a high cost of essential technologies and the unavailability of skilled human capital. In these cases, Emami outsources formulations to specialists, significantly shrinking turnaround time in product development (which generally takes two to three years) and generating economies-of-scale.

Emami entered into a number of synergic arrangements for the manufacture of quality products protected by the scrutiny of its R&D team, background checks (across technology, certifications and quality) as well as the alignment of purpose between the collaborating corporate and Emami.

The acquisition of the SHE *Comfort* brand in 2014-15 is a case in point where Emami selected to enter the mainstream through initiatives that will not only diversify the product portfolio but also counter seasonality.

## FMCG FACTS



# New launches



## HE Deodorant

Emami forayed into a new category by launching HE Deodorant, its second male grooming brand a year ago. Targeted at the youth, HE aims to be a differentiator by urging men to 'Be Interesting' with its six exciting variants making their presence felt in a cluttered market dominated by 'chic magnet' positioning. Emami engaged Hrithik Roshan to endorse this product and conducted an extensive social media marketing campaign. HE Deo comes in a stylish masculine seamless bottle (without cap), the first global instance of fibre deodorant container designed by a London based firm.

In the first few months of launch, HE reported attractive traction. The product will be given increasing visibility in the digital media and the plan is to eventually extend into the entire space of male grooming in the years to come.

## SHE Comfort

Emami acquired SHE Comfort in 2014 in a bid to enter newer segments in the personal care and feminine hygiene industry. The ₹2,420-crore market is typically urban and is growing at 15% annually. Except for the metro cities, the category is nascent and the use of hygiene products is still beyond the reach of the rural populace.

The positioning of SHE has been revised and a new consumer class is being targeted on the back of exhaustive market research, need analysis and consumer studies. The Company is well-positioned to leverage growth opportunities and fulfill need-gaps with differentiated products. The brand will be promoted in youth-centric locations like colleges and sold and sampled on a door-to-door basis. Media campaigns for SHE are already in the pipeline and will be launched during 2015-16.





### Fair and Handsome Instant Fairness Facewash

Emami Fair and Handsome Instant Fairness Face Wash™ with Acti-Fair Peptide™, has been specially designed for the male skin. It ensures that the tough and thick male skin is thoroughly cleansed with its powerful cleansers. It effectively removes dirt and excessive oils, leaving a clean and visibly brighter look.



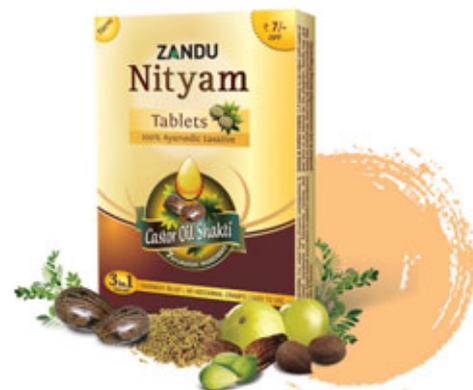
### Zandu Balm Ultra Power

Zandu Balm Ultra Power is a safe and effective remedy for severe pain and aches.



### Zandu Vigorex

Zandu Vigorex is a unique formulation fortified with seven powerful herbs and minerals: ashwagandha, kaunch beej, shilajit, gokshur, safed musali, svarna bhasma and yasad bhasma. Regular use enhances stamina and energy for a healthy and happy life. Being a 100%-ayurvedic formulation, it is completely safe and natural.



### Nityam Tablet

Nityam Churna is a revolutionary formulation enriched with seven powerful laxatives: castor oil, triphala and saunf. It gently cleanses, lubricates and moisturises intestinal walls, ensuring regular bowel movements. As an innovative extension, the Company launched the product in a user-friendly tablet form which has been enthusiastically embraced by users.

### Emami 7 Oils in One

Emami launched a unique combination of seven essential oils that helps in repairing hair damage. Emami 7 Oils in One damage control hair oil is enriched with the power dose proteins, vitamins and minerals derived from the potent combination of almond, coconut, amla, argan, olive, walnut and jojoba oils. Besides, it has the seven herbal aushad complex. Traditionally, these oils have been recommended for hair nourishing and with Emami 7 Oils in One, these oils have been blended and bottled for the first time in the form of a single regimen for total damage control—from repairing hair damage to replenishing lost nutrients.

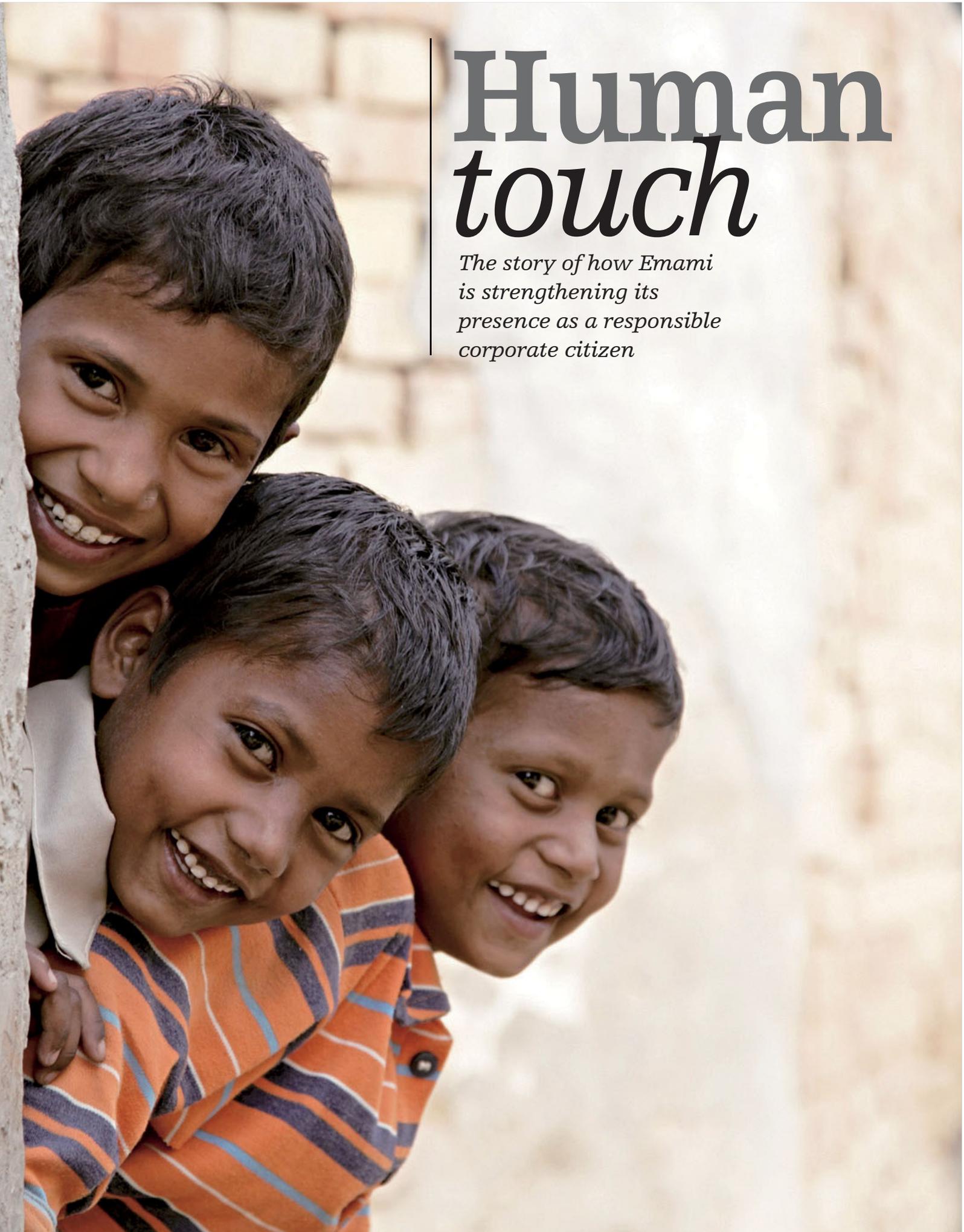


### Zandu Gel Balm Junior

Zandu Gel Balm Junior is India's first mild gel balm for children and is clinically proven to give relief to kid's headache, bodyache and cold.

# Human *touch*

*The story of how Emami  
is strengthening its  
presence as a responsible  
corporate citizen*



Born in humble middle class families, the promoters of Emami believe in sharing a part of their incomes with the less-privileged. The result is that when they started Emami, they began to allocate a part of the surplus funds towards initiatives that extended beyond the normal call of duty. The result is that Emami's CSR is now being addressed directly by the Managing Director, Shri S.K. Goenka, along with Shri R.K. Goenka, driving initiatives across healthcare, education, rural infrastructure, women's empowerment, animal welfare and community welfare. During the year, Emami contributed ₹7.6 crore towards CSR activities.



Mr. R.K. Goenka, *Head-CSR*

### Healthcare initiatives

The Company provides healthcare facilities to the underprivileged across four locations in and around Kolkata.

- 48B, Mukhtaram Babu Street, Kolkata: Eye check up, Ayurveda medicines' provision, allopathy, physiotherapy, dental, homeopathy, gynaecology, cardiac, pressure control and yoga treatment facilities
- Aradhanadham, Haripal: Eye checkup, allopathy and homeopathy clinic
- Nonadanga: Eye and homeopathy clinic
- Anandadham, CN Roy Road, Kolkata: Eye camp and Ayurveda clinic

Besides, Emami subsidises cataract surgeries through MP Birla Eye Hospital and the AMRI Hospital chain, assisting patients and senior citizens suffering from chronic diseases, while operating a fortnightly homeopathy clinic at its Kolkata Corporate Office. The Company addressed the needs of more than 20,000 people through its healthcare initiatives in 2014-15.

Emami started 'The Science and Art of Living' with the aim to reduce

heart disease risks through diet modification, stress management, exercise, yoga, meditation, education and counselling. The Company conducted 12 seminars (3400 participants) and three camps (267 patients) during the year.

Emami also launched an Ayurvedic Neem Glass to control diabetes. More than 3,000 glasses were distributed, the recipients reporting a reduction in their blood sugar levels.

### Drinking water and sanitation programme in schools

The Company facilitated the provision of drinking water in a number of locations.

- Constructed drinking water and sanitation facilities in Hindi School, Haripal
- Provided drinking water and sanitation facilities at the Krishnapur Malapara School, Haripal
- Built drinking water facility for Laurara Primary School, Purulia
- Built drinking water and sanitation facility for Deaf & Dumb School, BT Road
- Constructed sanitation facilities for Rudrasingh LP School and Rudreswar LP School, Guwahati
- Donated a community water cooler near BT Road factory unit

### Educational initiatives

Emami's educational initiatives were carried out as a part of the 'Padho India Padho' initiative.

#### Textbook lending scheme

Through this initiative, Emami distributed textbooks across 399 students with the objective of widening this to more schools in 2015-16.

#### Scholarships

Emami, through the Sikshasahay scholarship scheme supported 50 B.Tech students and 90 secondary students to pursue higher studies.

#### Afterschool support centre

**Aradhanadham, Haripal:** Emami provided students with a holistic development environment, addressing the needs of first-generation learners (pre-primary to class VI).

**Ananddham, C N Roy Road:** Emami addressed the needs of 87

under-privileged students (classes VII, VIII, IX and X) and teachers of Tiljala schools.

**48B Mukhtaram Babu Street:** Emami addressed the educational support needs of 35 girl students (classes IX and X) from underprivileged families; engaged their teachers as well.

### Affirmative action for income generation

#### Computer training programme

Addressed the needs of girl students, rural youngsters at Mukhtaram Babu Street and Aradhanadham (Haripal) respectively.

#### Beautician training programme

Emami is teaching beautician skills, bridal make-up and hair-cutting to underprivileged girls in Tiljala, Kolkata.

#### Personality development training programme

Emami addressed the need of youngsters (Aradhanadham in Haripal and Ananddham in Kolkata) and housewives (at Mukhtaram Babu Street, Kolkata) to be trained in personality development.

#### Stitching and tailoring training programme

Emami addressed the vocational training needs of mothers of the students enrolled at the study centre.

### Community development

Emami provided community development initiatives (food and blankets for the underprivileged) across its factory locations. Besides, flood relief operations were undertaken by the Guwahati factory unit; Emami distributed SHE *Comfort* sanitary napkins among the affected following the Jammu & Kashmir floods.



Srimad Jagadguru Shankaracharya  
Sri Raghaveshwara Bharati Swamiji

# Moments to *cherish*

*Emami continued to enthrall Kolkata art and culture aficionados with a string of programmes by prominent artists*



Rekha Bharadwaj mesmerised the audience with her distinct voice on a starry winter night at PC Chandra Gardens



Wadali Brothers enthralled a packed house at Science City auditorium with their soulful Sufi renditions

Lead Guitarist performs a solo at the Rekha Bharadwaj concert



*Get Rid of My Wife*, a laugh riot play by Ashwin Gidwani left the audience in splits at Kalamandir



Power packed audience at PC Chandra Gardens

# And the award goes to.... Emami!

## Corporate Awards

- Emami rated as the most trusted brand in the Diversified FMCG category in the Brand Trust India Report 2015 of TRA (*formerly Trust Research Advisory*)
- Featured among the "Top 10 Companies as High Earners" and ranked 120th among BT-500 Most Valuable Companies of India in private Sector by *Business Today*
- Ranked 112th in 2014 (against 155th in 2013) by "Business India's Super 100 Companies" ranking by *Business India* magazine.
- Rated by CRISIL & CARE - AA+ for Long Term borrowings and A1+ for Short Term borrowings signifying highest levels of safety
- *Dalal Street Investment Journal* 2015, in its 29th Anniversary special issue, ranks Emami at 22nd position in the top 'SUPER 50' list
- Ranked 7th among the "Most Enduring Stocks" which saw their stock prices multiply 100 times or more during 1994 and 2014 in the 19th Annual Wealth Creation Report of Motilal Oswal Securities Ltd.
- Also ranked 31st among the "Motilal Oswal 100 Fastest Wealth Creators" and 71st among the "Motilal Oswal 100 Biggest Wealth Creators".
- *Business Today* in its 3rd Ranking of India's best CEOs 2014 has ranked Mr. R.S. Agarwal, in the 37th position among 80 shortlisted names in the mid-sized category.

## Brands & Marketing Awards

*Brand Equity- Economic Times: Most Trusted Brands 2014*

- Zandu balm ranked No. 3 in the OTC personal care category. Ranked 58th across all categories.
- Navratna ranked 3rd in the Top 5

under the Hair Oil Category.

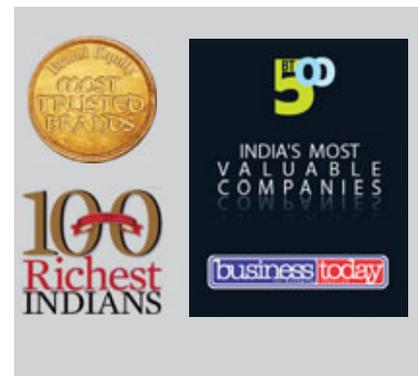
- BoroPlus ranked 18th in the Personal care category. Ranked 83rd all categories.
- Fair and Handsome ranked 22nd in the personal care category.

## Quality and Operations Awards

- Pantnagar Unit of Emami Limited received the Gold Level of Recognition in the "2014 Healthy Workplace Award" awarded by Arogya World India Trust in partnership with Public Health Foundation of India.
- BT Road Unit of Emami Limited received the "13th Annual Greentech Safety Award 2014" in Gold Category.
- The Company is also a proud recipient of more than 20 awards (Silver, Gold & Par

Excellence categories) received by manufacturing units at various Quality Circle Forums.

- *FORBES* ranked Mr. R S Agarwal and Mr. R S Goenka, at 60th position in the Top 100 Indian Richest Individuals. They were also featured in the *Forbes* World Billionaire List 2015.



## Global Xaverian Award

Mr. R.S. Agarwal was conferred the prestigious 'Global Xaverian Award 2014', by the St. Xavier's College (Calcutta) Alumni Association for his outstanding service to the society.

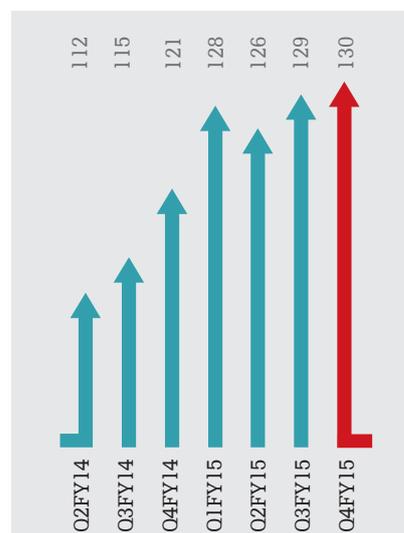
# Management Discussion and Analysis



Deloitte report titled *India Matters: Winning in Growth Markets*.

**Consumer confidence:** India's consumer confidence continues to remain ebullient and has shown visible improvement during the year gone by. This has largely transpired on the back of an increasingly improving economic environment and steady lowering of inflation. Nielsen's findings reveal that the consumer confidence of urban India increased by three points during Q4 in the preceding fiscal. With a score of 130 in Q4, urban India's consumer confidence is up by 9 points from the corresponding period of the previous year (Q4 of 2013) when it stood at 121. At 130, India reached its highest level since 2011. The score was also the highest in the region and of the 60 countries measured in Nielsen's Global Consumer Confidence and Spending Intentions Survey. Confidence in India has been on the rise for six consecutive quarters.

## Nielsen Consumer Confidence Index – India



## Indian economy

The Indian GDP grew by 7.4% during FY15 and is poised to grow by 8% in FY16, according to OECD forecasts.

Compared to China, which is pegged to grow at 7% in both these years, India stands at a considerably better position. With increasing labour costs in China, India is expected to emerge as the fastest-growing major economy in 2015-16.

India's per capita net national income during 2014-15 was estimated to be ₹88,538 (\$1,434) showing a rise of 10.1% as compared with ₹80,388 (\$1,302) during 2013-14 with the growth rate of 12.3%.

## The Indian FMCG industry

The Indian FMCG sector is expected to reach US\$ 135 billion by 2020 from US\$ 44.9 billion in 2013. It is currently the fourth largest sector in the Indian economy and has grown at an annual rate of about 11% over the last decade. Food products, the leading market segment (43% of

the overall revenues), along with personal care (at 22%), account for almost two-thirds of the sector's revenue.

There is a lot of scope for growth in the FMCG sector with consumption expected to grow proportionately with brand penetration in the rural markets. Also, with per capita incomes projected to expand at a CAGR of 7.4% over the period 2013-19, the FMCG sector is anticipated to witness a pulsating growth.

The growing purchasing power and the rising influence of social media have enhanced the Indian consumer's urge to splurge. A study conducted by a leading industry body and Yes Bank has concluded that consumer spending in India is expected to quadruple and reach US\$ 4.2 trillion by 2017.

India could become the world's largest middle class consumer market with a total consumer spend nearing US\$ 13 trillion by 2030, as per a

**Market size:** The FMCG industry offers something for everyone, cutting across demographic and socio-economic boundaries and is likely to see a great boom in the near future with population levels soaring to new heights. The current population standing at 1.28 billion is expected to reach around 1.5 billion by 2030.

**Urbanisation:** This revival in consumer sentiment has primarily been driven by urban India. Currently, 33% of Indian population is classified as 'urban'. This is a result of urban migration coupled with improvements in standards of living. With increasing awareness and disposable incomes, the same figure is pegged to reach 40%, a sharp increment of about 7% by 2030.

**Purchasing power:** India's FMCG market is consumer-driven and its spending capacity is more than anticipated to double by 2025. The Indian consumer segment is broadly segregated into urban and rural markets, and is attracting FMCG majors from across the world.

Global corporations view India as a hotbed of growth. India has a young demographic profile, with a median age of 29 and a proliferating middle-class with rising disposable incomes. If the country can sustain its current pace of growth, then average household incomes will triple over the next two decades and allow the country to emerge as the fifth largest consumer economy in the world by 2025, as per a study by the McKinsey Global Institute.

## Drivers of business

### Raw material management

Raw materials account for a significant chunk of Emami's operational expenses. Key raw materials include menthol, LLP, MC Wax, zinc oxide and other packaging materials. A judicious procurement has been systematised, ensuring timely availability of raw materials

and optimisation of costs.

### Highlights 2014-15

- The Company focused and established alternate raw material sources, diversifying the risk of hampering production due to unavailability of raw materials.
- Imported a Bi-colour mould for the new Zandu container from Germany.
- Entered into several partnerships with vendors in different parts of India to secure an uninterrupted supply of raw materials .
- 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 and better management of working capital.
- The purchase department improvised the booking timings in line with consumption by the production department to reduce stock build-up.
- Emami has a strict procedure for enrolling a vendor for purchases. The quality of the materials is tested by the R&D department before a vendor can be selected for purchase. Once selected, the vendor has to comply with the stated quality parameters. This ensures consistency in production quality and near-zero deviations between batches of the same product.
- Every lot of raw materials purchased is tested by the R&D department and the Quality Control department before they can be rolled in for processing.
- The Company organises a bi-annual vendor meet to maintain transparency and effective communication with all the vendors. An annual visit to the Company is also held for vendors where both the parties can discuss issues and strategies that can make the processes efficient.

- The Company enjoyed the benefits of reduction in the price of packing materials during the year due to a fall in the crude prices.

### Way ahead

Going ahead, the Company will look at ways and means to source raw materials more efficiently and economically, rationalising costs.

### Logistics

Logistics plays an important role in driving growth in the Company by ensuring all-time availability of quality products in optimum quantities. Despite a fall in fuel prices, the year remained challenging as toll taxes increased across all routes, spiking overall logistics costs by 19.7%. Despite this, the Company undertook decisive measures to reduce logistic costs as a proportion of operating costs - from 3.5% in 2013-14 to 3.4% in 2014-15.

### Highlights 2014-15

- Reduced losses due to damages and shortages by using containerised vehicles.
- Despite an increase in overall logistic costs, the Company maintained the proportion of logistic costs as a part of overall revenues



Corporate Headquarters of Emami



*Women at work at the Guwahati unit of Emami*

at 2.6% through negotiation with transporters and adoption of a reverse auction process.

- Reduced average inventory holding days to 21 days from 28 days in 2014-15 on the back of a cutting-edge IT platform allowing better demand visibility.
- Ensured replenishment of stock in mother warehouses a day prior to order placement.
- Implemented the 'first in first out' concept for FMCG products resulting in 95% stock freshness.
- Reduced inter-depot transportation to minimise logistic costs and also worked on reducing dependency on fast modes of transportation as they attract higher freight costs.
- Ensured GPS tracking of 70% of the vehicles used for goods transportation in order to ensure real-time tracking.

### **Way forward**

Going ahead, the logistics team will work dedicatedly to remove distribution channel bottlenecks and reduce costs.

### **Operations**

The Company has 7 domestic manufacturing facilities and 1 international manufacturing unit to address the needs of its consumers.

### **Highlights 2014-15**

- Achieved 98% of the rolling production plan
- Increased operational efficiency through preventive maintenance, which, in turn, reduced plant downtime
- Undertook capacity expansion initiatives across various units for various products – augmented Navratna Oil, BoroPlus Lotion and Vasocare Petroleum Jelly capacities

at its Abhoypur plant and enhanced Pancharishtha capacity by 17% at its Vapi unit

- Started manufacturing Navratna Oil at its Dongari manufacturing plant to cater to export requirements
- Revamped Zandu manufacturing units to ensure GMP-compliance
- Implemented TPM activities at the plant-level to improve operational efficiency
- Improved productivity, reduced energy consumption and enhanced batch cycle time to cumulatively save nearly ₹4.5 crore
- Initiated setting up a new manufacturing unit under the North-East mega project scheme which is expected to commence operations in FY16
- Pantnagar Unit received the Gold Level of Recognition in the "2014 Healthy Workplace Award"

by the Arogya World India Trust in partnership with Public Health Foundation of India for delivering quality products at zero discharge and integrating the same with structured employee growth

- BT Road unit received the "Greentech Safety Award - 2014" in the Gold Category for outstanding achievement in fire and safety management

### Way forward

Going ahead, the Company intends to fully operationalise its new plant in Assam and continue to enhance productivity at existing plants.

## Information technology

A seamless flow of information across the business value chain is critical for an FMCG company. Emami has been one of the pioneers in investing in robust business IT capability, implementing SAP ECC, a leading enterprise resource planning application. All the Company's business processes and operations across the organisation are enabled by SAP.

### Highlights 2014-15

- Implemented new SAP modules including PLM, GRC, PO, BPM, among others
- Chose HP as partner for revamping the IT Infrastructure
- Introduced a cloud-based pay per use model
- Adopted cutting-edge in-memory applications like SAP HANA
- Achieved significant progress in reporting and analytical capability development
- Began implementation of enterprise portal capability to foster in-house collaboration within and across functions and which in due course will be extended to business partners and customers
- Sped up distributor claims

settlement process and begun planning for enabling replenishment-based primary sales and ensured 97% coverage of CCD secondary sales

- Resolved to extend distributor management solutions to healthcare and international marketing divisions
- Planned implementation of sales force automation for all divisions
- Expedited period closing and MIS preparation
- Drove operational excellence by enabling better material procurement planning
- Begun extending SAP to manufacturing partners
- Streamlined payroll processes across all units and offices with SAP HR solution
- Institutionalised efficient intra-enterprise business communication using a Microsoft platform

### Way ahead

The Company intends to implement a strategic IT capability roadmap in the coming years so as to emulate competitive capabilities of best-in-class CPG companies.

## Sales and distribution

Emami's success comes largely from an efficient sales and distribution team working indefatigably towards minimising logistical hindrances. It ensures that the right products are available at the right places in the right quantities, day in and day out.

During the financial year, the Company was able to sell around 112 products every second across the globe.

### Highlights 2014-15

- Executed regular transactions with distributors to keep better track of the market conditions, reduced stock holding period, ensured better liquidity, maintained stock freshness and lowered distributor attrition

- Revamped both urban and rural channels for better efficiency
- Enhanced direct retail penetration to reach 6.4 lac retailers, an increase of 19,000 outlets over last year
- Consolidated distributor network to reach 2,800 distributors
- Consolidated our total indirect reach to ~4 mn outlets
- Launched 4 new products during the year which were enthusiastically embraced by the market which, in turn, drove offtake of other products
- Widened footprint to reach 6,040 villages with a population of under 10,000 people and 12,100 villages with a population of under 50,000 (as a part of Project Swadesh)

### Way ahead

The team will continue the expansion of the Company's presence across the country.

## Research and innovation

Emami's Research and Innovation Centre comprises competent individuals working collectively to ensure qualitative excellence and design innovation. An invigorating synergy of Ayurveda and modern science has been the backbone of Emami's innovative product pipeline and this is expected to ensure sustainable growth over the years to come.

### Mission

- To drive quality and innovation across products and services
- To make Emami synonymous with natural beauty and health in the minds of the consumers by earning their respect and trust
- To effectively manage talent and create a world-class innovation centre
- To foster a strong sense of team ethos and feeling of unity within the Company

### Highlights 2014-15

- Introduced four new products in the CCD category
- The Mumbai and Kolkata R&D centres are completely operational
- Various interactions held with consumers by the R&I team members
- Change in approach to focus more on technology
- Created new development protocol which leads to assured outcome
- Created infrastructure for clinical trials for deriving accurate product efficacy
- Partnering with best organisations with the best people and technologies
- Inducted people with expertise in particular fields to which they would be assigned.

### Road ahead

The R&D department of the Company will be working towards bringing in new and innovative products based on ayurveda that will cater to the latent needs of the consumers.

### Human resource

There has been a strategic shift in what the human resource management used to be perceived at Emami. A number of individuals were strategically hired with the clear intent of scaling up the business. These recruits would not only help the Company to meet its goals but will also escalate growth.

### Highlights 2014-15

- Conducted various training programmes spanning nearly 2,000 man-hours across the organisation
- Increased employee base from 2,000 in 2010-11 to 2,660 in 2014-15
- Inducted quality personnel and undertook various talent management, performance management as well as training and

development initiatives

- Roped in a reputed consultant to enhance employee engagement as well as improving the quality of human resources
- Inducted senior industry veterans in the Company with vast experience in the FMCG Sector

### Way forward

The Company will strive to enhance the quality of its HR management practices.

### International marketing division

Emami extended beyond the Indian geography successfully and positioned itself strongly in the international market. The Company has created a formidable presence in countries like Russia, Nepal, Bangladesh and in the Middle East Countries among others. The Company also enjoys market leadership for a number of products in various countries it is present in. Initially, the division exported Indian products to Indian expats, but gradually the Company extended to the development of products to suit the needs of the region, extending into new categories and a widening product portfolio (skin care, personal care and healthcare, among others).

### Highlights 2014-15

- Increased prices to protect its bottomline following the depreciation of the rouble
- Started airing the first ever advertisement in the Russian media and received positive response from them
- Strengthened its presence in Myanmar with Fair and Handsome and expects to register stronger growth in the coming years

- Acquired Fravin Pty Ltd, an Australian organic personal care product major with proven expertise in the realm of R&D, to gain a strong foothold in the highly regulated Australian market

### Way forward

Emami is bullish about its position in the international market and is mulling market-specific line extensions and new launches to consolidate its position in the international market. Ad campaigns to increase product visibility and distribution channel overhaul for better product availability are also on the radar.

### Quality management

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.

### Risk management

Emami is exposed to various business risks, both internal as well as external. Key risks faced by the Company include those emanating



*Emami's lab technician at work*

as a result of macroeconomic slowdown - reduced disposable incomes, persistently high inflationary trends, unfavourable exchange rate fluctuations, increased competition from the peers, and reduced acceptance of products, among others.

To guarantee enduring realisations, it is imperative to pinpoint, investigate and then mitigate risks through a seamless system of checks and balances.

Emami has in place a comprehensive risk management platform integrated across all operations and entails the recording, monitoring, and controlling of enterprise risks and addressing them comprehensively and

empirically.

Some of the key risks faced by the Company are results of the low economic growth and continued inflationary trends which increase costs and also lead to decline in demand for FMCG products. Counterfeit products and brands can hamper the Company's growth as well. Increased competition can slowdown the offtake and may dent profitability in the long run. Besides, lower market acceptance of its new products could also impact the growth plans of the Company.

Emami's seasoned risk management team appraises these risks and periodically modifies its comprehensive risk assessment and minimisation framework to ensure

all risks are managed and mitigated in a timely manner. The risks are reviewed at every Board Meeting by the Board members as well as new risks are identified based on the new business initiatives and the same are assessed, controls are designed, implemented and enacted duly.



*Shareholders at Emami's 31<sup>st</sup> AGM*



*Dear Shareholders*

Your Directors have pleasure in presenting their report on the business and operations of the Company and audited accounts for the financial year ended March 31, 2015.

### 1. Performance Highlights

The Indian FMCG sector saw major challenges – change in the political climate of the country, climatic unpredictability, erratic interest rates, weakening of the currency, increasing competition, to name a few. In spite of the said challenges, performance of your Company's existing product portfolio was praiseworthy as they improved their market shares both domestically and globally. The new product launches too performed reasonably well and contributed around 4.7% of the consolidated turnover. The Company registered a growth of 21.8% in revenues to ₹2,217 crores compared to ₹1,821 crores in Financial Year 2013-14; consolidated profit after tax increased by a strong 20.7% to ₹486 crores as against ₹402 crores in Financial Year 2013-14. Standalone turnover, however, increased by 19.1% to ₹2,031 crores and profit after tax increased by 18.4% to ₹472 crores.

### Financial results (standalone)

Particulars	₹ in Lacs	
	2014-15	2013-14
<b>Operating income</b>	<b>203,064</b>	<b>170,508</b>
<b>Profit before interest, depreciation, taxation and exceptional item</b>	<b>61,336</b>	<b>49,278</b>
Interest	490	389
Depreciation and Amortisation	3,148	9,380
Transferred from General Reserve	-	(6,098)
Profit before taxation and exceptional items	<b>57,698</b>	<b>45,607</b>
<b>Exceptional items</b>	<b>-</b>	<b>428</b>
<b>Profit before taxation</b>	<b>57,698</b>	<b>45,179</b>
<b>Less: Provision for taxation</b>		
- Current tax	9,813	7,981
- Deferred tax ( net )	760	(889)
- Provision for taxation of earlier years	(38)	(1,736)
<b>Profit after taxation</b>	<b>47,163</b>	<b>39,823</b>
Balance brought forward	7,315	2,177
<b>Profit available for appropriation</b>	<b>54,478</b>	<b>42,000</b>
Appropriation		
General Reserve	30,000	16,097
Interim Dividend	9,079	6,809
Proposed Dividend	6,809	9,079
Corporate Dividend Tax	2,929	2,700
<b>Balance carried forward</b>	<b>5,661</b>	<b>7,315</b>
	<b>54,478</b>	<b>42,000</b>

## 2. Dividend

Your Directors are pleased to recommend a final dividend of ₹3 per share (300% on the Company's share capital) for the financial year 2014-15. The Board of Directors had declared an interim dividend of ₹4 per share (400% on the Company's share capital) at its meeting held on September 17, 2014. The final 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 July 29, 2015. With respect to the shares held in dematerialised form, it would be paid to the members whose names are furnished by NSDL and CDSL as beneficial owners as on the said date. The total dividend outgo for the financial year ended March 31, 2015 amounts to ₹1,882 crores including the dividend distribution tax. The dividend payout ratio works out to 39%.

## 3. Transfer to Reserves

Your Directors propose to transfer an amount of ₹300 crores to the General Reserves.

## 4. Operations and State of Affairs of the Company

The year witnessed remarkable performance with all-round growth from all the business segments and sales channels. Market shares of all the key brands strengthened. Navratna, Boroplus, Fair and Handsome, Zandu, Mentho Plus and Pancharishta have all improved their market shares domestically and globally. The new launches also performed reasonably well and contributed around 4.7% of the consolidated turnover. Consumer Care and Health Care Divisions have performed exceedingly well growing by 18.7% and 24.9% respectively. International business, with a growth of 43.5%, has contributed 14.3% of the turnover, up from 12.2% in the previous year.

The remarkable performance has been achieved despite challenges of erratic seasons, currency fluctuations particularly in the CIS regions and competitive marketing scenario. The company took many initiatives to achieve aggressive topline yet meaningful bottom-line growth. While coverage in the general trade was increased, penetration in the modern trade was aggressively ramped up. Many distribution improvement initiatives were undertaken coupled with secondary sales tracking and enhanced IT-enablement. Many projects of product efficiency enhancement and cost reduction initiatives were undertaken. Advance booking of raw materials and e-sourcing were resorted, to keep costs under control. While close monitoring on costs was done on one hand, spending on growth initiatives was highly encouraged. Around ₹392 crores was spent on advertisement and promotional costs, accounting for 17.7% of the turnover. All the above initiatives have resulted in a spectacular growth of 21.8% in the topline at ₹2,217 crores and 20.7% growth in profit after tax at ₹486 crores.

Overall, the performance has been highly satisfactory despite economic and industry challenges. With the long-awaited strategic reforms of economy on the anvil and industry poised for exponential growth, your Company is attractively positioned to take benefit of this growing opportunity. Emami therefore looks to the future with optimism and confidence.

## 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 affect the financial position of the Company.

## 6. Share Capital

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

## 7. Acquisitions

To achieve inorganic growth in operations, your Company is aggressively working for acquisitions of brands, businesses, etc. which have synergy with the business operations of the Company. Your Company, during the year under review, has acquired “**She Comfort**”, a quality brand of sanitary napkin products.

Your Company has also acquired, through Emami International FZE (a wholly owned subsidiary), controlling stake of 66.67% in M/s Fravin Pty. Ltd. a company based in Australia, along with its subsidiaries, with major strengths in R&D and manufacture of natural and organic personal care products in Australia. Consequent to such acquisition, Fravin Pty. Ltd. and its three subsidiaries have become subsidiaries of the Company.

## 8. Internal Control Systems and their Adequacy

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

Your Company’s in-house internal audit department, in collaboration with reputed audit firms, carries out internal audit at all manufacturing locations, offices and sales depots across all locations of the country. Their objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance of applicable statutes and corporate policies.

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

A summary of all audit reports containing significant findings by the audit department along with the follow-up actions 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 of its major observations from time to time. Your Company’s Internal Audit Department and Risk Management System has been accredited with ISO 9001:2008 and ISO 31000:2009 certification respectively.

## 9. Subsidiary Companies, Joint Venture and Associate Companies

### A. Subsidiary Companies

As of March 31, 2015, your Company has the following subsidiary companies:

1. Emami Bangladesh Ltd., wholly-owned subsidiary of Emami Limited
2. Emami UK Ltd., wholly-owned subsidiary of Emami Limited
3. Emami International FZE, UAE, wholly-

owned subsidiary of Emami Limited

4. Emami Overseas FZE, UAE, wholly-owned subsidiary of Emami International FZE
5. Pharma Derm S A E Co, Egypt, 90.60% subsidiary of Emami Overseas FZE
6. Fravin Pty. Ltd., Australia, 66.67% subsidiary of Emami International FZE
7. Greenlab Organics Ltd., Australia, a subsidiary of Fravin Pty. Ltd.
8. Diamond Bio-tech Laboratories Pty. Ltd., Australia, a subsidiary of Fravin Pty. Ltd.
9. Abache Pty Ltd, Australia, a subsidiary of Diamond Bio-tech Laboratories Pty. Ltd.

Apart from Fravin Pty. Ltd. and its three subsidiaries namely, Greenlab Organics Ltd., Diamond Bio-tech Laboratories Pty. Ltd and Abache Pty. Ltd., no other company(ies) has/have become or ceased to be Subsidiary/(ies) or Joint Venture(s) or Associate Company/(ies), during the period under review.

In compliance with Accounting Standard 21, your Company has prepared its consolidated financial statements, which forms part of this annual report. Pursuant to the provisions of section 129(3) of Companies Act, 2013, a separate statement containing the salient features of the subsidiary companies in the prescribed form AOC-1 is a part of the consolidated financial statements. The accounts of the subsidiary companies will be available to any member seeking such information at any point of time. The financial statements of the Company along with the accounts of the subsidiaries will be available at the website of the Company, [www.emamiltd.in](http://www.emamiltd.in), and kept open for inspection at the registered office of the Company.

Brief financials and operations of subsidiary companies are given hereunder:

### Emami Bangladesh Ltd.

Emami Bangladesh Ltd., a wholly owned subsidiary of Emami Limited, was incorporated on November 25, 2004 under the Companies Act of Bangladesh. The Company is engaged in manufacturing of cosmetics and ayurvedic medicines at its manufacturing unit in Dhaka. The company is also engaged in import and sale of cosmetics.

During the financial year ended March 31, 2015, the company registered revenues of ₹8,238 lacs (previous year ₹6,657 lacs) and profit after tax of ₹298 lacs (previous year ₹295 lacs).

### Emami UK Ltd

Emami UK Limited, a wholly owned subsidiary

of the company, was incorporated on September 13, 2000 under the Companies Act of United Kingdom.

The company is engaged in the business of purchase and sale of cosmetics and toiletries.

During the financial year ended March 31, 2015, the company recorded total revenues of ₹71 lacs (previous year ₹130 lacs) and a loss of ₹18 lacs (previous year profit of ₹2 lacs). The Company has applied for dissolution.

#### Emami International FZE

Emami International FZE, a wholly owned subsidiary of Emami Limited, was incorporated on November 12, 2005 in Hamriyah Free Zone Authority and is governed by the Rules and Regulations of Hamriyah Free Zone Establishments.

The Company is engaged in the business of purchasing and selling of cosmetics and ayurvedic medicines.

During the year under review, Emami International FZE, acquired a controlling stake of 66.67% in Fravin Pty. Ltd., an Australia based company, along with its 3 (three) subsidiaries. Fravin Pty. Ltd. is engaged in manufacturing of natural and organic personal care products.

During the financial year ended March 31, 2015, the Company registered total revenues of ₹20,074 lacs (previous year ₹12,905 lacs) and profit after tax of ₹1,518 lacs (previous year loss of ₹20 lacs).

#### Emami Overseas FZE

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

During the financial year ended March 31, 2015, the company recorded Nil (previous year nil) revenues and a loss of ₹346 lacs (previous year loss of ₹355 lacs).

#### Pharma Derm S A E Co, Egypt

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

The object of the Company is to manufacture pharmaceuticals, disinfectants, cosmetics, chemicals, etc. The management of the Company was taken over by Emami Overseas FZE in the financial year 2010-11; since then, the Company has not commenced its operation.

During the financial year ended March 31, 2015, the company recorded Nil revenues and a loss of ₹154 lacs (previous year loss of ₹43 lacs).

#### Fravin Pty. Ltd.

Fravin Pty. Ltd., based in Australia, was promoted by leading Trichologist and world master hairdresser, Peter Francis. The group, having major strengths in R&D and manufacture of natural and organic personal care products, has also been the recipient of various international prestigious awards in recognition of high standards of quality of its products. 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 Australian Certified Organic (ACO) and United States Department of Agriculture (USDA), to name a few.

During the year under review, the Company, through its subsidiary (Emami International FZE), has acquired a controlling stake of 66.67% in Fravin Pty. Ltd.

From the date of its becoming a subsidiary till March 31, 2015, the Company recorded revenues of ₹32 lacs and loss of ₹2 lacs.

#### Diamond Bio-tech Laboratories Pty. Ltd.

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

From the date of its becoming a subsidiary till March 31, 2015, the Company recorded nil revenues and loss of ₹28 lacs.

#### Greenlab Organics Limited UK

Greenlab Organics Limited UK, a UK-based subsidiary of Fravin Pty. Ltd., is involved in registration of brands and related activities.

The company is yet to commence business.

#### Abache Pty. Ltd.

Abache Pty. Ltd., a subsidiary of Diamond Bio-tech Laboratories Pty. Ltd., is involved in operating Beauty salons in Australia. Abache has several personal care products to its credit. Abache was awarded the 1st place in the Green Formulations category at the Sustainable Beauty Awards 2014 held in Paris.

From the date of its becoming a subsidiary, the Company recorded revenues of ₹9 lacs and loss of ₹21 lacs during the financial year ended March 31, 2015.

## B. Joint Venture and Associate Company

Your Company does not have any Joint Venture(s)

or Associate Company(ies) as per the Companies Act, 2013.

## 10. Deposits

Your Company has not accepted any deposits covered under Chapter V of the Companies Act 2013.

## 11. Consolidated Financial Statements

The consolidated financial statements, prepared in accordance with Accounting Standard 21 – Consolidated Financial Statements, forms part of this report. The net worth of the consolidated entity as on March 31, 2015, stood at ₹123,064 lacs as against ₹93,212 lacs at the end of the previous year.

## 12. Auditors and Auditors' Reports

### Statutory Audit:

Your Company's Auditors, M/s. S. K. Agrawal & Co., Chartered Accountants, were appointed as the Statutory Auditors at the 31st Annual General Meeting for a term of 3 years. Their appointment is to be ratified by the shareholders under Section 139 of the Companies Act, 2013 at the ensuing Annual General Meeting.

The Statutory Auditor's Report does not contain any qualification, reservation or adverse remark.

### Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s MKB & Associates, Practicing Company Secretaries, as its Secretarial Auditor to undertake the Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report certified by our Secretarial Auditors, in the specified form MR-3 is annexed herewith and forms part of this report. **(Annexure-I)**

### Cost Audit:

Your Company's Cost Accountant, M/s. V.K. Jain & Co., was appointed by the Board of Directors at its meeting held on May 5, 2014 to audit the Cost Accounting records, as may be applicable to the Company for the financial year 2014-15 and their remuneration has been approved at the previous Annual General Meeting.

## 13. Conservation of 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 Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith and forms part of this report. **(Annexure II)**

## 14. Extract of Annual Return

The details of the extract of the Annual Return in form MGT 9 is annexed herewith and forms part of this report. **(Annexure III)**

## 15. Corporate Social Responsibility

Corporate Social Responsibility (CSR) forms an integral part of your Company's business activities. Your Company is a responsible corporate citizen, supporting activities related to the benefit of the society as a whole.

Emami Limited carries out its Corporate Social Responsibilities not just in letter but also in spirit. As a result, Emami Limited has touched thousands of lives through its CSR activities.

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 – **Emami Corporate Social Responsibility Policy**, which is available at <http://www.emamiltd.in/holistic-living/pdf/CorporateSocialResponsibilityPolicyofEmamiLtd.pdf>.

The Annual Report on CSR expenditures for the financial year 2014-15 is annexed herewith and forms part of this report. **(Annexure IV)**

## 16. Directors and Key Managerial Personnel

The Company, at its 31st Annual General Meeting held on August 9, 2014, appointed the existing Independent Directors namely Shri K. N. Memani, Shri Y. P. Trivedi, Shri M. D. Mallya, Shri P. K. Khaitan, Shri S. B. Ganguly, Shri Sajjan Bhajanka, Shri Amit Kiran Deb and Vaidya Suresh Chaturvedi for a period of three years from the date of the said Annual General Meeting.

All the above Independent Directors have given their declarations of independence under section 149(6) of the Companies Act 2013 and Clause 49 of the Listing Agreement.

The Board has appointed Shri N. H. Bhansali, as CFO under the requirement of Section 203(1)(iii) of the Companies Act 2013 and noted that Shri A. K. Joshi is the Company Secretary of the Company.

The Board of Directors, on January 28, 2015, upon recommendation from the Nomination and Remuneration Committee, re-appointed Smt Priti A Sureka as Whole-time Director of the Company for a period of five years w.e.f. January 30, 2015, subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

Smt Priti A Sureka also serves as a woman Director on the Board of the Company, thereby fulfilling the requirement under Section 149(1) of the Companies Act, 2013.

The Company has formulated a policy on the manner of selection, appointment and remuneration of Directors. The policy is a part of the report on Corporate Governance, forming part of this report.

Shri S. K. Goenka, Shri Mohan Goenka, and Shri H. V.

Agarwal would retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

A brief resume of the Directors proposed to be re-appointed, as required under Clause 49 of the Listing Agreement, is provided in the Notice of the Annual General Meeting forming part of the Annual report.

### **17. Declaration by Independent Director(s)**

The Board of Directors hereby certifies that the Independent Directors appointed on the Board, meet the criteria pursuant to Section 149(6) of the Companies Act, 2013.

Further, all Independent Directors have furnished their Declarations meeting the criteria under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **18. Board Induction, Training and Familiarisation 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 is given to him which inter-alia explains the role, functions, and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the various compliances required from him as a Director under the various provisions of the Companies Act 2013, Clause 49 of the Listing Agreement, SEBI (Prohibition of Insider Trading) Regulations, 2011, 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 Financials of the Company and new product launches. They are also provided booklets about the business and operations of the Company.

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

### **19. Annual Evaluation**

Pursuant to the provisions of Section 178 of the Companies Act 2013 and Clause 49 of the Listing Agreement, the

company has framed the Board Evaluation Policy for annual performance evaluation 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 the following parameters for performance evaluation in the policy

- Attendance
- Preparedness for the meeting
- Staying updated on developments
- Active participation in the meetings
- Constructive contribution/positive attributes
- Engaging with and challenging management team without being confrontational or obstructionist
- Speaking one's mind and being objective
- Protection of stakeholders' interest
- Contribution to strategic planning
- Carrying out responsibilities as per the Code of Conduct

The process of evaluation is carried out in accordance with the Board Evaluation Policy of the Company.

The Independent Directors at their separate meeting reviewed the performance of the Non-Independent Directors, the Board as a whole and the Executive Chairman of the Company, after taking inputs from the Executive and Non-Executive Directors.

### **20. Number of meetings of the Board**

The Board of Directors held five meetings during the year on May 5, 2014, August 9, 2014, September 17, 2014, October 29, 2014 and January 28, 2015. The maximum time gap between any two meetings was less than four months as stipulated under revised Clause 49. Details of board meetings held and attendance of Directors are provided in the Report on Corporate Governance forming part of this report.

### **21. Meeting of Independent Directors**

A separate meeting of the Independent Directors was held on 28th January, 2015. Shri Y. P. Trivedi was elected as the Lead Independent Director of the Company. 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.

### **22. Committees of the Board**

The Company has constituted/re-constituted various Board level committees in accordance with the requirements

of Companies Act 2013. The Board has the following committees as under:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Share Transfer Committee
- d. Stakeholders Relationship Committee
- e. Risk Management & Finance Committee (nomenclature of Finance Committee changed from May 13, 2015)
- f. Corporate Governance Committee
- g. Corporate Social Responsibility 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.

### **23. Whistleblower policy / Vigil Mechanism**

The Company has established an effective Whistleblower Policy (Vigil Mechanism) and procedures for Directors and employees; details of which are provided in the Report on Corporate Governance which forms part of this report. The Policy on Vigil Mechanism may be accessed on the company's website at <http://www.emamilttd.in/investor-info/pdf/WhistleBlowerPolicyEmami.pdf>.

### **24. Remuneration policy**

The Remuneration Policy of the Company, "Emami Remuneration Policy", aims to enable the company to attract, retain and motivate highly qualified people at the Executive and at the Board level. The Remuneration Policy seeks to employ people who not only fulfil the eligibility criteria but are also well-qualified and have positive attributes needed to fit into the Corporate Culture of the Company. 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.

The Remuneration Policy ensures 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. The remuneration policy is consistent with the "pay-for-performance" principle.

The Remuneration policy was approved at the meeting of the Nomination and Remuneration Committee held on August 8, 2014.

### **25. Related Party Transactions**

In line with the requirements of Companies Act, 2013 and Listing Agreement, the Company has formulated a policy

on Related Party Transactions, as approved by the Board, which can be accessed at <http://www.emamilttd.in/investor-info/pdf/PolicyforTransactionswithRelatedParties.pdf>. The Company has developed a Standard Operating Procedure (SOP) for the purpose of monitoring and controlling such transactions. All related party transactions are placed before the Audit Committee / Shareholders, as applicable, for their approval. The transactions, once approved, are placed before the Board of Directors for their consideration. Further, shareholders' approval has been obtained wherever required. The particulars of contracts or arrangements referred to in section 188(1) of the Companies Act, 2013 with related parties and as mentioned in form AOC-2 of the Rules prescribed under Chapter IX under the Companies Act, 2013 is annexed herewith and forms part of this report. **(Annexure V)**

### **26. Particulars of Loans, Guarantees and Investments**

During the year, the company has granted Loans to M/s. Premier Ferro Alloys and Securities Limited and M/s. Emami Capital Markets Limited at the rate of 14.75% per annum and the maximum amount outstanding during the year was ₹199 crores and ₹300 crores respectively.

With respect to investments, the company has not made any investment in Bodies Corporates, except in mutual funds for a sum of ₹495 crores, details of which are provided in the note 2.15 to Financial Statements.

The Company has not provided any guarantees or securities during the year. However, the guarantees provided to wholly-owned subsidiaries in previous years is outstanding to the extent of ₹58.92 crores.

### **27. Particulars of Employees and Managerial Remuneration**

The information of employees, as required under 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 VI)**

### **28. Management Discussion and Analysis and Corporate Governance Report**

As per Clause 49 of the Listing Agreement, Management Discussion Analysis, Corporate Governance Practices followed by your Company, together with a certificate from the Company's auditors confirming compliance, are an integral part of this report.

### **29. Risk Management System**

The Company has developed and implemented a Risk Management Policy and has institutionalised its robust Enterprise Risk Management System, which is periodically

reviewed by the Management. Such system also complies with the requirements of ISO 31000: 2009 norms.

The Enterprise Risk Management policy of the Company, duly approved by the Board, is reviewed by the Audit Committee on a quarterly basis and by the Board on an annual 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.

The Board has appointed Shri Manoj Agarwal, Sr. VP-Audit & Controls as the Chief Risk Officer of the Company.

### 30. Prevention of Sexual Harassment at workplace

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

The Company has established a policy against Sexual Harassment for its employees. The policy allows any employee to freely report any such act and prompt action will be taken thereon. The Policy lays down severe punishment for any such act. Further, your Directors state that during the year under review, there were no cases of sexual harassment reported to the Company.

### 31. Details of significant and material orders passed by regulators/courts/tribunal

There was no instance of any material order passed by any regulator/court/tribunal impacting the going concern status of the company.

### 32. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5)(2AA) of the Companies Act 2013 with respect to Directors' Responsibility Statement, the Directors confirm that:

- I. In the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed and no material departures have been made therefrom.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 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.
- VI. The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and the same are adequate and operating effectively.

### 33. Awards and Accolades

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

#### Corporate Awards and Rankings

- Brand "Emami" is rated as the most trusted brand in the FMCG diversified category in the Brand Trust India Report 2015, capturing 27% of the Trust Pie and emerging among the top four in topline.
- The Company secured 120th position in the BT 500 ranking. Features among the "Top 10 Companies as High Earners" for consistent high growth in earnings per share with a CAGR of 30.2% of adjusted EPS for the last 5 years.
- The Company was ranked 408th in the Business World Real 500 rankings in 2014 amongst the India's biggest non-financial companies. It was also ranked 16th amongst the top 70 companies in the sub category of dividend by percentage.
- The Company ranked 420th in 2014, up from 441st rank in 2013 in ET 500 rankings 2014. It came 3rd amongst companies with consistent RoE improvement in 2013-14.
- The Company was ranked 22nd in the top Super 50 List by Dalal Street Investment Journal in 2015 for creating wealth for both shareholders and the nation.

#### Brands and Marketing Awards

- "Zandu Balm" and "BoroPlus" have been ranked 58th and 83rd in the 'Top 100 Most Trusted Brands' of the ET Brand Equity Survey 2014.

#### Quality and Operations Awards

- Unit located at Pantnagar, Uttarakhand was awarded

Gold Level Recognition in Health Workplace Award which was organised by Arogya World India Trust in partnership with Public Health Foundation of India. It has also won “**Silver Awards**” at the Guwahati and Madurai Chapters at Annual Chapter Conventions of Quality Concepts at CCQC 2014 organised by Quality Circle Forum of India (OCFI).

- Unit located at B. T. Road, Kolkata, West Bengal won two Gold Awards in the Annual Chapter Conventions on Quality Concepts at CCQC 2014 of Quality Circle Forum of India (OCFI). It has also won the “**13th Annual Greentech Safety Award 2014**” in the Gold category in the FMCG sector for its B.T. Road unit.
- Units located at Guwahati, Assam have won 4 GOLD AWARDS in the 28th Annual Chapter Convention on Quality Concepts organised by Quality Circle Forum of India, Mumbai and Kolkata chapter.

#### **Individual recognition**

- Company’s Co-Founders, Shri R. S. Agarwal and Shri R. S. Goenka appear in the Forbes World Billionaire List 2015. Both are jointly ranked at the 60th Richest in India and 1324th in the world.
- Shri R.S. Agarwal and Shri R.S. Goenka were ranked 32nd in the 100 Billionaire Club by Business Standard. The ranking was on the basis of Emami’s stock wealth which doubled from ₹7,724 crores in January 2014 to ₹14,222 crores in January 2015.
- Business Today, in its 3rd Ranking of India’s Best CEOs 2014, has ranked Shri R.S. Agarwal in the 37th position among 80 shortlisted names in mid-size category.
- Shri R.S. Agarwal has been conferred with Global Xaverian Award by St. Xavier’s College (Calcutta) Alumni Association.
- Shri R. S. Agarwal has been conferred the title, ‘Jewels

of the East,’ in 2015 by MCC Chamber of Commerce & Industry, Kolkata.

#### **34. Acknowledgement**

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

**For and on behalf of the Board**

**Place: Kolkata**  
**Date: May 13, 2015**

**R.S. AGARWAL**  
**Chairman**

## ANNEXURES TO THE DIRECTORS' REPORT

# ANNEXURE-I

### SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To,  
The Members,  
Emami Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s 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 records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 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:

I 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, 2015, 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 following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act"), 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, 1992
  - c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d) The Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
  - 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) The following laws, as identified by the management, are specifically applicable to the Company:

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

I have also examined compliance with the applicable clauses of the following, to the extent applicable:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the Company during the audit period)
- b) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and the Calcutta Stock Exchange Limited (CSE).

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

I 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.

I 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.

I further report that during the audit period the Company has passed a special resolution for approval to sell, lease or dispose off, whole or substantially the whole of the undertaking of the Company under section 180(1) (a) of the Companies Act, 2013, which authorises the Board to exercise powers in relation thereto, but presently does not have a major bearing on the Company's affairs.

For MKB & Associates  
Company Secretaries

Manoj Kumar Banthia  
[Proprietor]  
ACS no. 11470  
COP no. 7596

Date: May 11, 2015  
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 per cent. The efforts of the company are aimed to minimise 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 Equipments 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

- 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.
- 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

- The R&D activities of the Company are specifically focused on developing new products and improving existing products and analytical methods.

- 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.

- 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.

- 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	636.29
Recurring	1,531.53
<b>Total</b>	<b>2,167.82</b>

R&D as a percentage of total turnover 1.07

#### 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 2014-15 was ₹10,047.67 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	925.26
Capital goods	1,192.41
Professional fees	359.30
Interest	93.20
Others	142.05
<b>Total</b>	<b>2,712.22</b>

##### C. Foreign exchange earnings during the year

Export of goods on FOB basis	10,047.67
Interest	-

# ANNEXURE-III

**Extract of Annual Return  
Form No. MGT-9  
As on the Financial Year ended on 31.03.2015**

[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: March 11, 1983  
Name of the Company: Emami Limited  
Category / Sub-Category of the Company: Public Company Limited by Shares  
Address of the Registered office and contact details: 687 Anandapur, Kolkata – 700107.  
Contact - +91 33 6133 6264  
Fax - +91 33 6613 6600  
E-mail - contact@emamigroup.com  
Website - www.emamiltd.in

Whether listed company : Yes  
Name, Address and Contact details of Registrar and Transfer Agent, if any: Maheshwari Datamatics Private Limited,  
6 Mangoe Lane, 2nd Floor,  
Kolkata 700001,  
West Bengal, India.  
Contact - +91 33 2248 2248  
E-mail - mdpl@cal.vsnl.net.in

## 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	304.3	73.67%
2	Cosmetic & Toiletries	305.6	24.23%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Emami Bangladesh Limited, Aqua Towers, Mohakhali C/A,6th Level, Dhaka - 1212 Bangladesh	N.A.	Subsidiary of Emami Limited	100%	2(87)
2	Emami UK Ltd. Roper Yard, Roper Road, Canterbury, Kent, CT2 7EX	N.A.	Subsidiary of Emami Limited	100%	2(87)
3	Emami International FZE, 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)
4	Emami Overseas FZE, 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)
5	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)

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
6	Fravin Pty. Ltd. C/o Inventure Adam & Rogers Pty. Ltd. Level 1, 214 Greenhill Road, Eastwood SA 5063 Australia	N.A.	Subsidiary of Emami International FZE	66.67%	2(87)
7	Greenlab Organics Ltd. 10 John Street, London, WC1N 2EB	N.A.	Subsidiary of Fravin Pty. Ltd.	100%	2(87)
8	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)
9	Abache Pty. Ltd. 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)

#### Shareholding Pattern as on March 31, 2015

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2014]				No of Shares held at the end of the year [As on 31-March-2015]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/HUF	23643926	-	23643926	10.42	23194826	-	23194826	10.22	-0.20
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	136523181	-	136523181	60.15	137549281	-	137549281	60.60	0.45
e) Banks/Fi	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>160167107</b>	<b>-</b>	<b>160167107</b>	<b>70.57</b>	<b>160744107</b>	<b>-</b>	<b>160744107</b>	<b>70.82</b>	<b>0.25</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	4921748	-	4921748	2.17	4344748	-	4344748	1.92	-0.25
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>4921748</b>	<b>-</b>	<b>4921748</b>	<b>2.17</b>	<b>4344748</b>	<b>-</b>	<b>4344748</b>	<b>1.92</b>	<b>-0.25</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>165088855</b>	<b>-</b>	<b>165088855</b>	<b>72.74</b>	<b>165088855</b>	<b>-</b>	<b>165088855</b>	<b>72.74</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	3882025	-	3882025	1.71	2919149	-	2919149	1.29	-0.42
b) Banks/FI	161251	168	161419	0.07	43067	168	43235	0.02	-0.05
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	36269326	-	36269326	15.98	37843727	-	37843727	16.67	0.69

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2014]				No of Shares held at the end of the year [As on 31-March-2015]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1):-</b>	<b>40312602</b>	<b>168</b>	<b>40312770</b>	<b>17.76</b>	<b>40805943</b>	<b>168</b>	<b>40806111</b>	<b>17.98</b>	<b>0.22</b>
<b>2. NON- INSTITUTIONS</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	11795299	20622	11815921	5.20	11713507	4116	11717623	5.16	-0.04
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 Lac	7633453	985525	8618978	3.80	7381664	958013	8339677	3.68	-0.12
ii) Individual shareholders holding nominal share capital in excess of ₹1 Lac	202524	228312	430836	0.19	303745	123312	427057	0.19	-
c) Others	-	-	-	-	-	-	-	-	-
Non Resident Indians	565420	420	565840	0.25	477526	420	477946	0.21	-0.04
Clearing Members	130069	-	130069	0.06	101138	-	101138	0.04	-0.02
Trusts	4350	-	4350	-	9212	-	9212	-	0.00
<b>Sub-total(B)(2):-</b>	<b>20331115</b>	<b>1234879</b>	<b>21565994</b>	<b>9.50</b>	<b>19986792</b>	<b>1085861</b>	<b>21072653</b>	<b>9.28</b>	<b>-0.22</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>60643717</b>	<b>1235047</b>	<b>61878764</b>	<b>27.26</b>	<b>60792735</b>	<b>1086029</b>	<b>61878764</b>	<b>27.26</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>225732572</b>	<b>1235047</b>	<b>226967619</b>	<b>100.00</b>	<b>225881590</b>	<b>1086029</b>	<b>226967619</b>	<b>100.00</b>	<b>-</b>

#### Shareholding of Promoters and Promoter Group

Sl No.	Shareholder's Name	Shareholding at the beginning of the Year (As on April 1, 2014)			Shareholding at the end of the Year (As on March 31, 2015)			% change in shareholding
		No. of Shares	% of total Shares	% of Shares Pledged / encumbered	No. of Shares	% of total Shares	% of Shares Pledged / encumbered	
1	Priti A Sureka	3902887	1.72	0.00	4950000	2.18	0.00	0.46
2	Harsha Vardhan Agarwal	1609633	0.71	0.00	1479633	0.65	0.00	-0.06
3	Indu Goenka	1245660	0.55	0.00	1165110	0.51	0.00	-0.04
4	Aditya Vardhan Agarwal	1239648	0.55	0.00	1012195	0.45	0.00	-0.10
5	Usha Agarwal	1438208	0.63	0.00	911548	0.40	0.00	-0.23
6	Santosh Goenka	880460	0.39	0.00	799910	0.35	0.00	-0.04
7	Saroj Goenka	825520	0.36	0.00	777620	0.34	0.00	-0.02
8	Radheshyam Agarwal	994500	0.44	0.00	769500	0.34	0.00	-0.10
9	Rohin Raj Sureka	750000	0.33	0.00	750000	0.33	0.00	0.00
10	Ashish Goenka	733000	0.32	0.00	733000	0.32	0.00	0.00
11	Suresh Kumar Goenka	714430	0.31	0.00	714430	0.31	0.00	0.00
12	Meena Goenka	742260	0.33	0.00	694310	0.31	0.00	-0.02
13	Rajkumar Goenka	667750	0.29	0.00	667750	0.29	0.00	0.00
14	Jayant Goenka	603127	0.27	0.00	603127	0.27	0.00	0.00
15	Radheshyam Goenka	569638	0.25	0.00	569638	0.25	0.00	0.00

Sl No.	Shareholder's Name	Shareholding at the beginning of the Year (As on April 1, 2014)			Shareholding at the end of the Year (As on March 31, 2015)			% change in shareholding
		No. of Shares	% of total Shares	% of Shares Pledged / encumbered	No. of Shares	% of total Shares	% of Shares Pledged / encumbered	
16	Saswat Goenka	565000	0.25	0.00	565000	0.25	0.00	0.00
17	Sachin Goenka	538000	0.24	0.00	538000	0.24	0.00	0.00
18	Vibhash Vardhan Agarwal	536439	0.24	0.00	536439	0.24	0.00	0.00
19	Jyoti Goenka	454000	0.20	0.00	425700	0.19	0.00	-0.01
20	Mansi Agarwal	330000	0.15	0.00	330000	0.15	0.00	0.00
21	Jyoti Agarwal	315000	0.14	0.00	315000	0.14	0.00	0.00
22	Sobhna Agarwal	315000	0.14	0.00	315000	0.14	0.00	0.00
23	Avishi Sureka	300000	0.13	0.00	300000	0.13	0.00	0.00
24	Smriti Agarwal	282000	0.12	0.00	282000	0.12	0.00	0.00
25	Prashant Goenka	268000	0.12	0.00	268000	0.12	0.00	0.00
26	Richa Agarwal	261000	0.12	0.00	261000	0.12	0.00	0.00
27	Nimisha Goenka	247000	0.11	0.00	247000	0.11	0.00	0.00
28	Mohan Goenka	240450	0.11	0.00	240450	0.11	0.00	0.00
29	Vidisha Agarwal	240000	0.11	0.00	240000	0.11	0.00	0.00
30	Vidula Agarwal	240000	0.11	0.00	240000	0.11	0.00	0.00
31	Shreya Goenka	240000	0.11	0.00	240000	0.11	0.00	0.00
32	Puja Goenka	266499	0.12	0.00	238199	0.10	0.00	-0.01
33	Manish Goenka	207598	0.09	0.00	207598	0.09	0.00	0.00
34	Sushil Kumar Goenka	191250	0.08	0.00	191250	0.08	0.00	0.00
35	Rashmi Goenka	167000	0.07	0.00	138700	0.06	0.00	-0.01
36	Rachna Bagaria	135000	0.06	0.00	135000	0.06	0.00	0.00
37	Yogesh Goenka	122700	0.05	0.00	122700	0.05	0.00	0.00
38	Laxmi Devi Bajoria	75000	0.03	0.00	75000	0.03	0.00	0.00
39	Madan Lal Agarwal	30000	0.01	0.00	30000	0.01	0.00	0.00
40	Pradeep Agarwal	31200	0.01	0.00	20575	0.01	0.00	0.00
41	Kusum Agarwal	19500	0.01	0.00	19500	0.01	0.00	0.00
42	Sangita Agarwal	21000	0.01	0.00	13000	0.01	0.00	0.00
43	Divya Agarwal	21000	0.01	0.00	13000	0.01	0.00	0.00
44	Shubham Agarwal	16230	0.01	0.00	12230	0.01	0.00	0.00
45	Abhishek Agarwal	12000	0.01	0.00	12000	0.01	0.00	0.00
46	Dhiraj Agarwal	15000	0.01	0.00	8375	0.00	0.00	0.00
47	Sumangal Agarwal	8100	0.00	0.00	4100	0.00	0.00	0.00
48	Vishal Agarwal	8100	0.00	0.00	4100	0.00	0.00	0.00
49	Shruti Goenka	3000	0.00	0.00	3000	0.00	0.00	0.00
50	Rachana Goenka	3000	0.00	0.00	3000	0.00	0.00	0.00
51	Shanti Devi Agarwal	2139	0.00	0.00	2139	0.00	0.00	0.00
	<b>Total (A)</b>	<b>23643926</b>	<b>10.42</b>		<b>23194826</b>	<b>10.22</b>		<b>-0.20</b>
52	Diwakar Viniyog Private Limited	33005737	14.54	40.19	33310237	14.68	33.03	0.13
53	Suntrack Commerce Private Limited	32526866	14.33	41.61	32675366	14.40	42.06	0.07
54	Bhanu Vyapaar Private Limited	26936761	11.87	8.54	27133761	11.95	30.20	0.09
55	Emami Enclave Makers Pvt Ltd	13088553	5.77	0.00	13211053	5.82	0.00	0.05
56	Suraj Viniyog Private Limited	12715131	5.60	14.47	12841931	5.66	17.64	0.06
57	Emami High Rise Pvt Ltd	12710553	5.60	0.00	12837353	5.66	0.00	0.06
58	TMT Viniyog Limited	4846000	2.14	0.76	4956580	2.18	24.61	0.05
59	Emami Paper Mills Ltd	466500	0.21	0.00	466500	0.21	0.00	0.00
60	Emami Frank Ross Limited	74500	0.03	0.00	74500	0.03	0.00	0.00
61	EPL Securities Ltd	42000	0.02	0.00	42000	0.02	0.00	0.00
62	Emami Capital Markets Limited	110580	0.05	0.00	0	0.00	0.00	-0.05
	<b>Total (B)</b>	<b>136523181</b>	<b>60.15</b>		<b>137549281</b>	<b>60.60</b>		<b>0.45</b>
63	Amitabh Goenka	4921748	2.17	0.00	4344748	1.91	0.00	-0.25
	<b>Total (C)</b>	<b>4921748</b>	<b>2.17</b>		<b>4344748</b>	<b>1.91</b>		
	<b>Total (A+B+C)</b>	<b>165088855</b>	<b>72.74</b>		<b>165088855</b>	<b>72.74</b>		<b>0.00</b>

## Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	There is no change in promoters' shareholding during the period April 1, 2014 to March 31, 2015			
	At the End of the year ( or on the date of separation, if separated during the year)				

## Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Shareholders	Particulars	No. of Shares	% of total Shares	Cummulative Shareholding at the end of the year	
					No. of Shares	% of total Shares
1	Smallcap World Fund, Inc	At the beginning of the year	7815000	3.44	7815000	3.44
		As on 16/05/2014 - Transfer	815000	0.36	8630000	3.80
		As on 23/05/2014 - Transfer	540000	0.24	9170000	4.04
		As on 13/06/2014 - Transfer	120695	0.05	9290695	4.09
		As on 20/06/2014 - Transfer	23788	0.01	9314483	4.10
		As on 30/06/2014 - Transfer	115517	0.05	9430000	4.15
		As on 30/01/2015 - Transfer	-465000	-0.20	8965000	3.95
		At the end of the year			8965000	3.95
2	Avees Trading and Finance Private Limited	At the beginning of the year	6444066	2.84	6444066	2.84
		As on 01/08/2014 - Transfer	140000	0.06	6584066	2.90
		As on 08/08/2014 - Transfer	220000	0.10	6804066	3.00
		As on 14/08/2014 - Transfer	124964	0.06	6929030	3.05
		As on 22/08/2014 - Transfer	70036	0.03	6999066	3.08
		As on 19/09/2014 - Transfer	-10000	0.00	6989066	3.08
		As on 30/09/2014 - Transfer	30000	0.01	7019066	3.09
		As on 31/12/2014 - Transfer	56000	0.02	7075066	3.12
		As on 09/01/2015 - Transfer	-100000	-0.04	6975066	3.07
		At the end of the year			6975066	3.07
3	Matthews India Fund	At the beginning of the year	3149801	1.39	3149801	1.39
		As on 23/05/2014 - Transfer	209946	0.09	3359747	1.48
		As on 30/05/2014 - Transfer	120224	0.05	3479971	1.53
		As on 06/06/2014 - Transfer	69830	0.03	3549801	1.56
		As on 19/09/2014 - Transfer	-85000	-0.04	3464801	1.53
		As on 19/12/2014 - Transfer	94500	0.04	3559301	1.57
		As on 31/12/2014 - Transfer	165500	0.07	3724801	1.64
		At the end of the year			3724801	1.64
4	T. Rowe Price International Discovery Fund	At the beginning of the year	0	0.00	0	0.00
		As on 04/04/2014 - Transfer	22859	0.01	22859	0.01
		As on 11/04/2014 - Transfer	1016149	0.45	1039008	0.46
		As on 18/04/2014 - Transfer	35990	0.02	1074998	0.47
		As on 25/04/2014 - Transfer	259205	0.11	1334203	0.59
		As on 02/05/2014 - Transfer	343940	0.15	1678143	0.74
		As on 16/05/2014 - Transfer	250895	0.11	1929038	0.85
		As on 11/07/2014 - Transfer	-10417	0.00	1918621	0.85
		As on 22/08/2014 - Transfer	189333	0.08	2107954	0.93
		At the end of the year			2107954	0.93
5	Matthews Asia Growth Fund	At the beginning of the year	1551001	0.68	1551001	0.68
		At the end of the year			1551001	0.68
6	Bmo Emerging Markets Fund	At the beginning of the year	0	0.00	0	0.00
		As on 31/12/2014 - Transfer	21980	0.01	21980	0.01
		As on 06/02/2015 - Transfer	968753	0.43	990733	0.44
		As on 20/02/2015 - Transfer	59940	0.03	1050673	0.46
		As on 27/02/2015 - Transfer	22537	0.01	1073210	0.47
		As on 13/03/2015 - Transfer	43490	0.02	1116700	0.49
		At the end of the year			1116700	0.49

Sl. No.	Shareholders	Particulars	No. of Shares	% of total Shares	Cummulative Shareholding at the end of the year	
					No. of Shares	% of total Shares
7	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Advantage Fund	At the beginning of the year	559000	0.25	559000	0.25
		As on 18/04/2014 - Transfer	-9000	0.00	550000	0.24
		As on 25/04/2014 - Transfer	-16000	-0.01	534000	0.24
		As on 30/05/2014 - Transfer	-29000	-0.01	505000	0.22
		As on 13/06/2014 - Transfer	-50000	-0.02	455000	0.20
		As on 19/09/2014 - Transfer	396529	0.17	851529	0.38
		As on 30/09/2014 - Transfer	68143	0.03	919672	0.41
		As on 07/11/2014 - Transfer	-38000	-0.02	881672	0.39
		As on 12/12/2014 - Transfer	50350	0.02	932022	0.41
		As on 09/01/2015 - Transfer	20000	0.01	952022	0.42
		As on 23/01/2015 - Transfer	-3500	0.00	948522	0.42
		As on 30/01/2015 - Transfer	-26500	-0.01	922022	0.41
		As on 06/02/2015 - Transfer	40400	0.02	962422	0.42
		As on 13/02/2015 - Transfer	6500	0.00	968922	0.43
		As on 20/02/2015 - Transfer	-14500	-0.01	954422	0.42
		As on 27/02/2015 - Transfer	8258	0.00	962680	0.42
As on 06/03/2015 - Transfer	-37000	-0.02	925680	0.41		
	At the end of the year			925680	0.41	
8	Mondrian Emerging Markets Small Cap Equity Fund,L.p.	At the beginning of the year	1270109	0.56	1270109	0.56
		As on 18/07/2014 - Transfer	5894	0.00	1276003	0.56
		As on 25/07/2014 - Transfer	124327	0.05	1400330	0.62
		As on 12/09/2014 - Transfer	-154089	-0.07	1246241	0.55
		As on 12/12/2014 - Transfer	-42624	-0.02	1203617	0.53
		As on 19/12/2014 - Transfer	-66345	-0.03	1137272	0.50
		As on 06/03/2015 - Transfer	-84481	-0.04	1052791	0.46
		As on 13/03/2015 - Transfer	-72180	-0.03	980611	0.43
		As on 27/03/2015 - Transfer	-111100	-0.05	869511	0.38
			At the end of the year			869511
9	HDFC Large Cap Fund	At the beginning of the year	700000	0.31	700000	0.31
		As on 30/06/2014 - Transfer	471462	0.21	1171462	0.52
		As on 04/07/2014 - Transfer	-41957	-0.02	1129505	0.50
		As on 11/07/2014 - Transfer	-116505	-0.05	1013000	0.45
		As on 14/08/2014 - Transfer	69000	0.03	1082000	0.48
		As on 13/03/2015 - Transfer	-118600	-0.05	963400	0.42
		As on 20/03/2015 - Transfer	-4500	0.00	958900	0.42
		As on 27/03/2015 - Transfer	-153900	-0.07	805000	0.35
	At the end of the year			799104	0.35	
10	Rochdale Emerging Markets-Mauritius	At the beginning of the year	534681	0.24	534681	0.24
		As on 25/04/2014 - Transfer	64606	0.03	599287	0.26
		As on 03/10/2014 - Transfer	44759	0.02	644046	0.28
		As on 10/10/2014 - Transfer	107834	0.05	751880	0.33
		As on 17/10/2014 - Transfer	43205	0.02	795085	0.35
		As on 24/10/2014 - Transfer	91197	0.04	886282	0.39
		As on 20/02/2015 - Transfer	-42500	-0.02	843782	0.37
		As on 13/03/2015 - Transfer	-53910	-0.02	789872	0.35
		As on 27/03/2015 - Transfer	-108850	-0.05	681022	0.30
	At the end of the year			681022	0.30	

**Shareholding of Directors and Key Managerial Personnel (KMPs)**

Sl. No.	Directors	Particulars	No. of Shares	% of total Shares	Cumulative Shareholding during the year	
					No. of Shares	% of total Shares
1	Shri R. S. Agarwal	At the beginning of the year	9,94,500	0.44		
		As on 02/02/2015 - Inter-se Transfer	-2,25,000	-0.10	7,69,500	0.34
		At the End of the year			7,69,500	0.34
2	Shri R. S. Goenka	At the beginning of the year	5,69,638	0.25		
		Transfer/Bonus/Purchase/Sale	Nil	Nil		
		At the End of the year			5,69,638	0.25
3	Shri S. K. Goenka	At the beginning of the year	1,91,250	0.08		
		Transfer/Bonus/Purchase/Sale	Nil	Nil		
		At the End of the year			1,91,250	0.08
4	Shri K. N. Memani	At the beginning of the year				
		Transfer/Bonus/Purchase/Sale			Nil	
		At the End of the year				
5	Shri Y. P. Trivedi	At the beginning of the year				
		Transfer/Bonus/Purchase/Sale			Nil	
		At the End of the year				
6	Shri P. K. Khaitan	At the beginning of the year				
		Transfer/Bonus/Purchase/Sale			Nil	
		At the End of the year				
7	Shri M. D. Mallya	At the beginning of the year				
		Transfer/Bonus/Purchase/Sale			Nil	
		At the End of the year				
8	Shri Amit Kiran Deb	At the beginning of the year				
		Transfer/Bonus/Purchase/Sale			Nil	
		At the End of the year				
9	Shri S.B. Ganguly	At the beginning of the year				
		Transfer/Bonus/Purchase/Sale			Nil	
		At the End of the year				
10	Shri Sajjan Bhajanka	At the beginning of the year				
		Transfer/Bonus/Purchase/Sale			Nil	
		At the End of the year				
11	Vaidya Suresh Chaturvedi	At the beginning of the year				
		Transfer/Bonus/Purchase/Sale			Nil	
		At the End of the year				
12	Shri Mohan Goenka	At the beginning of the year	2,40,450	0.11		
		Transfer/Bonus/Purchase/Sale	Nil	Nil		
		At the End of the year			2,40,450	0.11
13	Shri A. V. Agarwal	At the beginning of the year	12,39,648	0.55		
		As on 09/07/2014 - Inter-se Transfer	-2,27,453	-0.10		
		At the End of the year			10,12,195	0.45
14	Shri H. V. Agarwal	At the beginning of the year	16,09,633	0.71		
		As on 09/07/2014 - Inter-se Transfer	-1,30,000	-0.06		
		At the End of the year			14,79,633	0.65
15	Smt. Priti A Sureka	At the beginning of the year	39,02,887	1.72		
		As on 09/07/2014 - Inter-se Transfer	5,77,589	0.25	44,80,476	1.97
		As on 02/02/2015 - Inter-se Transfer	4,69,524	0.21	49,50,000	2.18
		At the End of the year			49,50,000	2.18
16	Shri Prashant Goenka	At the beginning of the year	2,68,000	0.12		
		Transfer/Bonus/Purchase/Sale	Nil	Nil		
		At the End of the year			2,68,000	0.12

Sl. No.	Key Managerial Personnel	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	Shri N. H. Bhansali	At the beginning of the year	33,738	0.01		
		Transfer/Bonus/Purchase/Sale	Nil	Nil		
		At the End of the year			33,738	0.01
2	Shri A. K. Joshi	At the beginning of the year	900	0.00		
		Transfer/Bonus/Purchase/Sale	Nil	Nil		
		At the End of the year			900	0.00

## Indebtedness

₹ in Lacs

Particulars	Secured Loans excluding deposits		Unsecured Loans	Deposits	Total
	Term Loan	Cash credit			
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	3004.99	126.25	4.32	-	3135.56
ii) Interest due but not paid					
iii) Interest accrued but not due	2.00				2.00
<b>Total (i+ii+iii)</b>	<b>3006.99</b>	<b>126.25</b>	<b>4.32</b>	<b>0.00</b>	<b>3137.56</b>
<b>Change in Indebtedness during the financial year</b>					
- Addition	62.27	4611.74	26900.00		31511.74
- Reduction	1502.50	3900.00	26904.18		32306.68
<b>Net Change</b>	<b>-1440.23</b>	<b>711.74</b>	<b>-4.18</b>	<b>0.00</b>	<b>-794.94</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	1564.77	837.99	0.14		2402.90
ii) Interest due but not paid					
iii) Interest accrued but not due	1.18				1.18
<b>Total (i+ii+iii)</b>	<b>1565.95</b>	<b>837.99</b>	<b>0.14</b>	<b>0.00</b>	<b>2404.08</b>

## 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
		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	268.80	268.80	80.64	60.48	60.48	43.79	40.32	823.31
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.50	0.54	0.27	2.13	0.64	0.52	0.60	5.20
	(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	-	-	-	-	-	-	-	-
5	Others	-	-	-	-	-	-	-	-
	<b>Total (A)</b>	<b>519.30</b>	<b>519.34</b>	<b>80.91</b>	<b>62.61</b>	<b>61.12</b>	<b>44.31</b>	<b>40.92</b>	<b>1,328.51</b>
	Ceiling as per the Act	₹6584.92 lacs being 10% of the net profits as per Section 198 of the Companies Act, 2013							

Note: The remuneration paid to MD/WTD/Manager is well within the overall ceiling of the Act.

## B. Remuneration to other directors:

Sl. No.	Independent Directors Particulars of Remuneration	Name of Directors									Total
		Shri K.N. Memani	Shri Y.P. Trivedi	Shri P. K. Khaitan	Shri M. D. Mallya	Vaidya Suresh Chaturvedi	Shri S. B. Ganguly	Shri Sajjan Bhajanka	Shri Amit Kiran Deb	Shri A. V. Agarwal	
1	Fee for attending Board / Committee meetings	0.60	2.00	2.15	1.40	1.75	4.25	3.25	4.40	0	19.80
2	Commission	6.00	2.00	2.00	2.00	2.00	3.00	2.00	2.00	0	21.00
3	Others	-	-	-	-	-	-	-	-	0	-
<b>Total (1)</b>		<b>6.60</b>	<b>4.00</b>	<b>4.15</b>	<b>3.40</b>	<b>3.75</b>	<b>7.25</b>	<b>5.25</b>	<b>6.40</b>	<b>0</b>	<b>40.80</b>
<b>Other Non-Executive Directors</b>											
1	Fee for attending Board / Committee meetings	-	-	-	-	-	-	-	-	3.25	3.25
2	Commission	-	-	-	-	-	-	-	-	-	-
3	Others	-	-	-	-	-	-	-	-	-	-
<b>Total (2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.25</b>	<b>3.25</b>
<b>Total (B)=(1+2)</b>		<b>6.60</b>	<b>4.00</b>	<b>4.15</b>	<b>3.40</b>	<b>3.75</b>	<b>7.25</b>	<b>5.25</b>	<b>6.40</b>	<b>3.25</b>	<b>44.05</b>
<b>Ceiling as per the Act</b>		₹658.49 lacs being 1% of the net profit as per Section 198 of the Companies Act, 2013									
<b>Total Managerial Remuneration (A+B)</b>											<b>₹1372.56</b>
<b>Overall Ceiling as per the Act</b>		11% of the net profit as per Section 198 of the Companies Act, 2013									<b>₹7243.41</b>

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

Sl. No.	Particulars of Remuneration	Name of KMP		Total
		Shri A. K. Joshi Company Secretary	Shri N. H. Bhansali CFO	
		1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.78	152.74	184.52
	(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	-	-	-
5	Others	-	-	-
	<b>Total</b>	<b>32.10</b>	<b>152.74</b>	<b>184.84</b>

## 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)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

# ANNEXURE-IV

## ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

### Composition of CSR Committee:

- Shri S. K. Goenka, Chairman
  - Shri Amit Kiran Deb, Independent Director
  - Shri Mohan Goenka, Whole-time Director
  - Shri H. V. Agarwal, Whole-time Director
  - Smt. Priti A Sureka, Whole-time Director
- **Average Net Profit for the three previous Financial years:** ₹37,765 lacs
  - **Prescribed CSR Expenditure:** ₹755.30 lacs
  - **Total amount spent in the financial year 2014-15:** ₹759.22 lacs
  - **Amount unspent:** Nil

### Details of Amount spent on CSR activities for the Financial Year 2014-15

₹ 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 Health care, Water & Sanitation	(i)	Building Infrastructure for Hospitals / Clinics	Prabhadevi, (Mumbai, Maharashtra) ; Amtala, (24 Parganas [S], West Bengal) ; Amta, (Howrah, West Bengal) ; Bareja, (Ahmedabad, Gujarat)	125.00	45.50	45.50	Siddhivinakak Temple trust; Vivekananda Mission Ashram, Sri Bal Hanuman Seva Trust; Blind People's Association (India) and Emami Foundation,
Operating Preventive Clinics & Health Camps, Supporting Research & Seminars & Support to disadvantaged Individual dealing with serious health conditions			Ananddham, Nonadanga, Muktarambabu St. Aradhanadham, (Kolkata, West Bengal) ; Haripal, (Hooghly, West Bengal) ; Bahirewadi, (Kolahapur, Maharashtra)	41.99		41.99	Direct and Emami Foundation	
Drinking Water & sanitation Program at Haripal, Purulia, B T Rd, Guwahati facilities			Haripal, (Hooghly, West Bengal) ; Deuli- Puncha, (Purulia, West Bengal) ; B.T. Rd, (Kolkata, West Bengal) ; Abhoypur & Amingaon, (Kamrup, Assam)	4.62		4.62	Direct and Emami Foundation	
Animal Welfare program health			Kolkata & Howrah, (West Bengal) ; Alipur, (Kolkata, West Bengal) ; Hosad, (Kumta Tehsil of Uttara Kannada, Karnataka)	19.50		19.50	Emami Foundation, Calcutta Pinjrapol Society, Calcutta Zoological Garden	
<b>Total</b>					<b>125.00</b>	<b>111.61</b>	<b>111.61</b>	

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	Promoting Education & Enhancing Vocational Skills, Livelihood enhancement	(ii)	Support for Building Educational Infrastructure	Rajarhat, (Kolkata, West Bengal) ; Nanthoor, (Dakshina Kannada district, Karnataka), Uttarakhand, Gujarat, Maharashtra, Dadra & Nagar Haveli	520.00	490.74	490.74	St. Xaviers College; Acharya Mahapragya Mahashraman Education & Research Foundation; Dharma Chakra Trust
			Sikshay sahay Text Book lending Program	Haripal, (Hooghly, West Bengal) ; B.T. Rd, (Kolkata, West Bengal) ; Kolkata, (West Bengal)		2.32	2.32	Direct and Emami Foundation
			Support for Supplementary Education & Vocational Training	Ananddham, (Kolkata, West Bengal) ; Muktarembabu St. Kolkata, Aradhanadham, Haripal, (Hooghly), (West Bengal)		3.36	3.36	Emami Foundation
			Scholarship & Financial Assistance to Students	Haripal, (Hooghly, West Bengal) ; B.T. Rd, (Kolkata, West Bengal) ; Abhoypur & Amingaon, (Kamrup, Assam); Hosad, (Kumta Tehsil of Uttara Kannada, Karnataka)		39.61	39.61	Emami Foundation and Dharma Chakra Trust
<b>Total</b>					<b>520.00</b>	<b>536.03</b>	<b>536.03</b>	
3	Rural Development, Social Upliftment Program and Promotion of Art and Culture	(i), (iii), (v) and (x)	Farmers training, Seed Development, indigenous seed preservation through seed bank, E- Diagonistic, Skill development Training for village youth, Training on Microfinance.	Hosad, (Kumta Tehsil of Uttara Kannada, Karnataka) ; 24Pgs [N], (West Bengal)	151.00	45.16	45.16	Gramothan India Foundation, Dharma Chakra Trust and Emami Foundation
			Promotion of Art & Culture and Historical Monument Restoration Program	Rajarhat, (Kolkata, West Bengal) ; Uttarkhashi, (Uttarakhand)		35.00	35.00	Arts Acre Foundation and Emami Foundation
			Food For the Poor	Abhaypur & Amingaon, (Kamrup, Assam) ; B T Rd, (Kolkata, West Bengal) ; Hosad, (Kumta Tehsil of Uttara Kannada, Karnataka) ; Pantnagar, (Udham Singh Nagar district, Uttarakhand) ; Vapi, (Valsad, Gujarat) ; Dongari, (Raigad District, Maharashtra) ; Masat, (Dadra & Nagar Haveli)		20.42	20.42	Direct, Emami Foundation, and Dharma Chakra Trust
			Supported in Construction of Hostel for Orphans.	24 Parganas [N], (Kolkata, West Bengal)		11.00	11.00	Dakshineshwar Ramkrishna Sangha Adyapeath
<b>Total</b>						<b>111.58</b>	<b>111.58</b>	
<b>Total CSR Expenditure</b>						<b>759.22</b>	<b>759.22</b>	
<b>Prescribed Minimum CSR</b>						<b>755.30</b>	<b>755.30</b>	

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
4	Other CSR		Donation /Activities outside the scope of CSR as per Companies Act, 2013		20.00	52.00	52.00	
<b>TOTAL (other CSR)</b>						52.00	52.00	
<b>GRAND TOTAL</b>						811.22	811.22	

\*All expenditures are Direct Expenditures and no Overheads

# based on the Notification issued by the Ministry of Corporate affairs dated 27th February, 2014

#### RESPONSIBILITY STATEMENT

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

sd/-

**R. S. Agarwal**  
Chairman  
Emami Limited

sd/-

**Sushil Kr. Goenka**  
Chairman  
CSR Committee

# ANNEXURE-V

## Form No. AOC-2

Pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014

Disclosure of Particulars of Contracts / Arrangements entered into by the Company with Related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

### 1) Detail of contracts or arrangements or transactions not at arm's length price

Sl. No	Name (s) of related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Sailent terms of contracts or arrangements or transaction including the value, if any	Justification for entering into such contract or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under Section 188(1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
None								

### 2) Detail of Material contracts or arrangements or transactions at arm's length price

Sl. No	Name (s) of related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Sailent terms of contracts or arrangements or transaction including value, if any	Justification for entering into such contract or arrangements or transactions	Date(s) of approval by the Board / Audit Committee	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under Section 188(1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Emami Bangladesh Limited and Emami International FZE Wholly Owned Subsidiary	Marketing and Selling of Company's products	In terms of clause 49 of the Listing Agreement, approval of the Shareholders was taken for existing transactions with the subsidiaries at the 31st Annual General Meeting of the Company held on August 9, 2014	Monthly rent 6 moths advance Revision of Rent every 3 years	Marketing and Selling of Company's products in International market	Existing transactions	Not Applicable	9th August 2014

### 3) Detail of contracts or arrangements or transactions at arm's length price

Sl. No	Name (s) of related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Sailent terms of contracts or arrangements or transaction including value, if any	Justification for entering into such contract or arrangements or transactions	Date(s) of approval by the Board / Audit Committee	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under Section 188(1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Emami Paper Mills Ltd.	Providing Office Space at Company's Office at Mumbai on Leave and License basis	6 years, with effect from November 1, 2014	Monthly rent 6 moths advance Revision of Rent every 3 years	To establish Marketing office at Mumbai	Audit Committee and Board of Directors - 29.10.2014	₹200000.00	Not applicable since the aggregate value of the transaction is not material.
2	Shri H. V. Agarwal, Director Shri Yogesh Goenka, Brother of a Director	Taking of Godown Space at Kolkata on Leave and License basis	6 years, with effect from November 1, 2014	Monthly rent 6 moths advance Revision of Rent every 3 years	To store old records and files of the Company	Audit Committee and Board of Directors - 29.10.2014	₹221850.00	Not applicable since the aggregate value of the transaction is not material.

## ANNEXURE-VI

### 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 2014-15**

Sr. No.	Name of Director	Ratio
1	Shri R. S. Agarwal	239.67 : 1
2	Shri R. S. Goenka	239.69 : 1
3	Shri S. K. Goenka	37.34 : 1
4	Shri Mohan Goenka	28.90 : 1
5	Shri H. V. Agarwal	28.21 : 1
6	Smt. Priti A Sureka	20.45 : 1
7	Shri Prashant Goenka	18.89 : 1

**(ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2014-15**

Sr. No.	Name	Designation	₹ In Lacs		
			2013-2014	2014-2015	% Increase
1	Shri R. S. Agarwal	Executive Chairman	485.32	519.30	7.00%
2	Shri R. S. Goenka	Whole Time Director	485.35	519.34	7.00%
3	Shri S. K. Goenka	Managing Director	80.79	80.91	0.15%
4	Shri Mohan Goenka	Whole Time Director	62.68	62.61	-0.11%
5	Shri H. V. Agarwal	Whole Time Director	61.50	61.12	-0.62%
6	Smt. Priti A Sureka	Whole Time Director	40.32	44.31	9.89%
7	Shri Prashant Goenka	Whole Time Director	18.79 *	40.92	117.82%
8	Shri N. H. Bhansali	CEO - Finance, Strategy & Business Development & CFO	107.23	152.74	42.44%
9	Shri A. K. Joshi	Company Secretary & AVP - Legal	26.50	32.10	21.13%

\* The remuneration of Shri Prashant Goenka was revised, upon his elevation to the Board of Directors as a whole time director with effect from January 20, 2014.

**(iii) Percentage increase in the median remuneration of employees in the Financial Year 2014-15**

₹ In Lacs		
2013-2014	2014-2015	Increase %
1.69	2.17	28.47%

**(iv) Number of permanent employees on the rolls of company as on March 31, 2015 : 2501**

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

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

**(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company**

The Company's remuneration policy states that annual compensation of its Employees including Key Managerial Personnel (KMP) is directly linked to individual performance as well as that of the business. The compensation to all KMP was duly reviewed and approved by or as per the guidelines issued by the Nomination & Remuneration Committee of the Company, as the case may be.

During the year under review, total remuneration to KMPs was Rs. 1513.35 Lacs which works out to 3.21% of the Net Profit of the Company of Rs. 47163 Lacs.

(vii) The Market Capitalisation of the Company on March 31, 2015 was Rs. 22,81,024.57 Lacs as compared to Rs. 9,87,309.14 Lacs as on March 31, 2014; an increase of 131.03%. The price earning ratio of the Company was 46.96 as on March 31, 2015 and was 24.51 on March 31, 2014.

The closing share price of the Company on BSE on March 31, 2015 being Rs. 1020.00 per equity share of face value of Re. 1/- each has grown 37.67 times since the last public issue made in the year 2005 (Price on March 23, 2005 being Rs. 81.25 and the Adjusted price being Rs. 27.08 on account of bonus issue and split of shares).

(viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 12.61% whereas the increase in the managerial remuneration was 31.53%. 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.

**(ix) Comparison of remuneration of each Key Managerial Personnel against the performance of the company**

Name	Designation	Remuneration of KMP (2014-2015)	Performance of the company (2014-2015)	% of remuneration of KMP against performance of the company
Shri R.S. Agarwal	Executive Chairman	519.30	47163.00	1.10
Shri R. S. Goenka	Whole Time Director	519.34	47163.00	1.10
Shri S. K. Goenka	Managing Director	80.91	47163.00	0.17
Shri Mohan Goenka	Whole Time Director	62.61	47163.00	0.13
Shri H. V. Agarwal	Whole Time Director	61.11	47163.00	0.13
Smt. Priti A Sureka	Whole Time Director	44.30	47163.00	0.09
Shri Prashant Goenka	Whole Time Director	40.92	47163.00	0.09
Shri N. H. Bhansali	CEO - Finance, Strategy & Business Development and CFO	152.74	47163.00	0.32
Shri A. K. Joshi	Company Secretary and AVP - Legal	32.10	47163.00	0.07%
<b>Total</b>		<b>1513.33</b>		

**(x) Key parameters for any variable component of remuneration availed by the Directors**

In addition to the salary, Shri R. S. Agarwal & Shri R. S. Goenka are entitled for annual commission based on net profit of the Company & as approved by the Board of Directors

**(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director**

None

**(xii) We affirm that the above Remuneration structure is as per the Remuneration Policy of the Company.**

**Statement pursuant to Rule 5(2) (i) & (ii) and 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name	Designation	Remuneration (₹)	Nature of Employment	Experience (Years)	Qualification	Date of Commencement of employment	Age (Years)	Previous Employment	% of Equity Shares held in the Company	Whether relative of any Director
1	Shri R. S. Agarwal	Executive Chairman	5,19,29,701	Contractual	45	FCA, FCS, M.Com, LLB	May 3, 1994	68	President & Secretary, HGI Industries Ltd.	0.34	Father of Shri H. V. Agarwal, Shri A. V. Agarwal & Smt. Priti A Sureka
2	Shri R. S. Goenka	Whole - Time Director	5,19,33,770	Contractual	45	B Com, M.Com	May 3, 1994	68	Executive Chairman, Emami Paper Mills Ltd	0.25	Father of Shri Mohan Goenka and Brother of Shri S. K. Goenka
3	Shri S. K. Goenka	Managing Director	80,90,902	Contractual	35	B.Com	May 17, 1995	58	Not applicable	0.08	Brother of Shri R. S. Goenka
4	Shri Mohan Goenka	Whole - Time Director	62,61,112	Contractual	10	B.Com, MBA	January 15, 2005	42	Not applicable	0.11	Son of Shri R. S. Goenka
5	Shri H. V. Agarwal	Whole - Time Director	61,11,978	Contractual	10	B.Com	January 15, 2005	36	Not applicable	0.65	Son of Shri R. S. Agarwal & Brother of Sri A. V. Agarwal & Smt. Priti A Sureka
6	Shri Neeraj Chandra	CEO - Consumer Care Division	1,79,99,514	Employee	33	PGDM	January 15, 2014	57	VP & COO, Britannia Industries Ltd	-	-
7	Shri N. H. Bhaunsali	CEO - Finance, Strategy & Business Development and CFO	1,52,74,153	Employee	27	FCA	November 1, 2001	49	Business Analyst, Reliance Industries Ltd	0.01	-
8	Shri Ajith Babu Narasimha *	CEO - HCD	1,06,59,266	Employee	29	B.Tech, PGDM	August 1, 2014	51	VP - Marketing, Colgate Palmolive (India) Limited	-	-
9	Smt. Punita Kalra	CEO - R&D & Innovation	2,05,78,020	Employee	17	Masters in Pharmaceutical Sciences	April 1, 2010	43	Product Technology Group Head Skin Care, Skin Regional Technology Centre, Hindustan Unilever Limited	-	-
10	Shri C. K. Katiyar	CEO - Technical (HC)	1,62,87,888	Employee	32	PHD	November 1, 2012	61	Vice President & Head (R&D), Dabur India Ltd	0.00	-
11	Shri K. S. Arun Kumar	President - IT	1,10,93,078	Employee	32	MBA	October 7, 2013	50	IT Director, Hindustan Unilever Limited	-	-
12	Shri Shridhar G. Panshikar*	President - Sales	82,15,349	Employee	27	M.Sc - Statistics, MMS	June 9, 2014	51	National Sales Director, Britannia Industries Limited	0.00	-
13	Shri Mohan Rajabhau Paanchabhai*	President - Operations	1,00,98,795	Employee	29	BE	June 9, 2014	51	Head Of Innovation, Technology & Planning, Hindustan Unilever Limited	-	-
14	Shri Vindokumar Jayantilal Sisodia*	Vice President - HCD	44,77,949	Employee	16	PGDBM (Marketing & Sales Management)	January 2, 2015	40	General Sales Manager, Johnson & Johnson	-	-
15	Shri Harish Adkar	Head -QA (Personal and Consumer Care)	65,03,519	Employee	19	M.Sc	June 5, 2013	43	QA -Manager, Warner Lambert India Ltd.	0.00	-
16	Shri Bashab Saarkar	Sr. Vice President - Media	60,65,819	Employee	32	MBA	June 21, 2012	59	Managing Director, Maxus India Private Limited	-	-
17	Shri Chetan Gore*	CEO - International Business	57,78,622	Employee	17	BE, PGDM	August 1, 2013	45	Marketing Director, Procter & Gamble	-	-
18	Shri N. Krishna Mohan*	CEO - Sales, Supply Chain & Human Capital	90,08,113	Employee	19	B.Com, MBA	June 9, 2008	47	President, Welspun Retail Ltd.	-	-
19	Shri Mannish Patil*	Associate Vice President - Packaging	47,98,471	Employee	17	PGD In Packaging Technology,MBA in Finance from USA	March 10, 2014	42	Head Packaging, The Himalaya Drug Company	-	-

\* indicates employed for part of the year

**Rule 5 (2)(iii)**

(iii) No Employee, employed throughout the financial year or part thereof, was in receipt of remuneration in the year which in the aggregate, or as the case may be, was at a rate which, in the aggregate, was 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

FOR THE YEAR ENDED MARCH 31, 2015

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Emami firmly believes in adhering to the established norms of the Corporate Governance Code to ensure protection of investors' interests in tandem with healthy growth of the Company. The Company has complied stringently with the Corporate Governance guidelines since inception. The Company complies with the Corporate Governance code as enshrined in the Revised Clause 49 of the Listing Agreement.

The Company lays a strong emphasis on ethical corporate citizenship and establishment of good corporate culture. The Corporate Governance process and systems have gradually been strengthened over the years to ensure full compliance with regulatory disclosure requirements. The objective of an effective Corporate Governance mechanism according to a global consensus entails long term maximisation of shareholders' value. Pursuant to this objective, the Company's management and employees have manufactured and marketed products which have created long-term sustainable value for consumers, shareholders, employees, business partners and the economy as a whole.

The Company further believes the concept of Corporate Governance is founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company has always given its best efforts to uphold and nurture these core values across all operational aspects. To this end, the Company formed a Board comprising reputed experts and inducted persons of eminence as Independent Directors who could contribute to corporate strategising and provide an external evaluatory perspective, wherever appropriate.

## BOARD OF DIRECTORS

### a. Introduction

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 are from diverse backgrounds with skills and experience in critical areas like taxation, finance, entrepreneurship, legal, ayurveda and general management. Many of them have worked extensively in senior managerial positions in global corporations with a entrenched understanding of the Indian business environment.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

The Board of Directors is the apex body that governs the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness besides ensuring that the long term interests of shareholders are being served. The Chairman, Managing Director and Whole-time Directors are assisted by the CEOs/CFO/senior managerial personnel in overseeing functional matters of the Company.

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 Board

The Board of Directors consists of professionals drawn from diverse fields, bringing in a wide range of skills and considerable experience to the Board. The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on March 31, 2015, the Board comprises of an Executive Chairman, a Managing Director, five Executive Directors and nine Non-Executive Directors including eight Independent Directors. The Company has one Woman Director in its Board. The Company has complied with the provisions of Section 149 of the Companies Act, 2013 and Revised Clause 49 (II)(A)(1) of the Listing Agreement.

Composition of the Board and category of Directors are as under:

Name and Category of Directors	
Promoter Directors	Non-Executive Independent Directors
1) Shri R. S. Agarwal, Executive Chairman	1) Shri K. N. Memani
2) Shri R. S. Goenka, Whole-time Director	2) Shri Y. P. Trivedi
3) Shri S. K. Goenka, Managing Director	3) Shri P. K. Khaitan
4) Shri Mohan Goenka, Whole-time Director	4) Shri M. D. Mallya
5) Shri A. V. Agarwal, Non-Executive Director	5) Shri 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) Shri Sajjan Bhajanka
8) Shri Prashant Goenka, Whole-time Director	8) Vaidya Suresh Chaturvedi

At the time of appointment, every Independent Director signs a declaration to confirm that they fulfil all the conditions for being an Independent Director as laid down under Revised Clause 49 of the Listing Agreement.

**c. Agenda Papers distributed in Advance**

Agenda and notes on the agenda are circulated among the Directors, well in advance, in a structured format. All material information are 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. 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 fundamental operating, financials 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 of care and loyalty, the Directors exercise their judgment to act in what they reasonably believe to be in the best interest of the Company and its stakeholders.

iii. **Understand the Company and its business:** The Directors have an obligation to remain informed

about the Company and its business, including principal operational and financial objectives, strategies and plans.

- iv. **To establish effective systems:** The Directors ensure that effective systems are in place for periodic and timely reporting to the Board on matters concerning the Company.

**e. Role of Company Secretary in 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 and required to ensure adherence to all the applicable laws and regulations primarily the Companies Act, 2013 read with the rules thereunder, 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 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 Departments is 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 and Business Development and CFO is also placed before each Board Meeting.

The Board of Directors reviews the compliance reports of the applicable laws to the Company as well as instances of non-compliances, if any, together with their possible impacts on the business, if any.

The Audit Committee also reviews the statutory compliances of the Company at each of its meetings. The Corporate Governance Committee at its meeting held on January 28, 2015 reviewed the System of Statutory Compliance of the Company.

The Company has complied with all the mandatory requirements of Revised Clause 49 of the Listing Agreement.

A strict Internal Audit system is also in place to monitor and certify the compliance system.

**g. Risk Management**

The Company has a comprehensive ISO 31000:2009 certified Enterprise Risk Management Policy at work. The risk management system is periodically reviewed by the Audit Committee, Corporate Governance Committee and the Board of Directors of the Company. Shri Manoj Agarwal, acts as the Chief Risk Officer of the Company.

**h. Number of Board meetings and the Directors present therein**

The Board of Directors held five meetings during the year on May 5, 2014, August 9, 2014, September 17, 2014, October 29, 2014 and January 28, 2015.

**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 5, 2014	16	15
2	August 9, 2014	16	15
3	September 17, 2014	16	12
4	October 29, 2014	16	16
5	January 28, 2015	16	13

The maximum time gap between any two meetings did not exceed four months as stipulated under Revised Clause 49 of the Listing Agreement.

**i. Attendance of Directors at Board meetings, last Annual General Meeting, relationship with other Directors and number of Directorships, Chairmanship or memberships of committees of each Director in various companies as on March 31, 2015**

Sl. No	Name of the Director & DIN	Position	Relationship with other Directors	Date of Joining	Number of Board meetings attended	Number of Directorships as on 31.03.2015*	Number of committee positions held**	Attendance at the last AGM
1	Shri R.S. Agarwal DIN 00152996	Promoter Executive (Chairman)	Father of Shri A.V. Agarwal, Shri H.V. Agarwal & Smt. Priti A Sureka	03.05.1994	5	6	None	Yes
2	Shri R.S. Goenka DIN 00152880	Promoter Executive (Whole-time Director)	Brother of Shri S.K. Goenka and father of Shri Mohan Goenka	03.05.1994	5	8	Chairman- 1. Member-2	Yes
3	Shri S. K. Goenka DIN 00149916	Promoter Executive (Managing Director)	Brother of Shri R.S. Goenka	17.05.1995	5	4	Chairman- 1. Member-1	Yes
4	Shri K.N. Memani DIN 00020696	Non- Executive Independent	-	15.05.2006	2	11	Chairman-7 Member-14	No
5	Shri Y.P. Trivedi DIN 00001879	Non- Executive Independent	-	30.01.2010	4	8	Member-6	Yes
6	Shri P. K. Khaitan DIN 00004821	Non- Executive Independent	-	24.06.2013	5	10	Member-16	Yes
7	Shri M. D. Mallya DIN 01804955	Non- Executive Independent	-	20.01.2014	4	8	None	Yes
8	Shri Sajjan Bhajanka DIN 00246043	Non- Executive Independent	-	08.05.2012	4	17	Chairman -1 Member-2	Yes
9	Shri S.B. Ganguly DIN 01838353	Non- Executive Independent	-	30.01.2010	5	8	Chairman- 4 Member -13	Yes
10	Shri Amit Kiran Deb DIN 02107792	Non - Executive Independent	-	30.01.2010	5	4	Chairman- 1 Member-3	Yes
11	Vaidya Suresh Chaturvedi DIN 00152712	Non- Executive Independent	-	31.01.2002	4	1	None	Yes
12	Shri Mohan Goenka DIN 00150034	Promoter Executive (Whole-time Director)	Son of Shri R. S. Goenka	15.01.2005	5	4	Chairman- 1 Member-3	Yes

Sl. No	Name of the Director & DIN	Position	Relationship with other Directors	Date of Joining	Number of Board meetings attended	Number of Directorships as on 31.03.2015*	Number of committee positions held**	Attendance at the last AGM
13	Shri A. V. Agarwal DIN 00149717	Promoter Non-Executive	Son of Shri R.S. Agarwal & brother of Shri H.V. Agarwal & Smt. Priti A Sureka	15.01.2005	4	9	Member-2	Yes
14	Shri H. V. Agarwal DIN 00150089	Promoter Executive (Whole-time Director)	Son of Shri R.S. Agarwal & Brother of Shri A.V. Agarwal & Smt. Priti A Sureka	15.01.2005	5	7	Member-4	Yes
15	Smt. Priti A Sureka DIN 00319256	Promoter Executive (Whole-time Director)	Daughter of Shri R S Agarwal & Sister of Shri A.V. Agarwal & Shri H.V. Agarwal	30.01.2010	5	4	Member-3	Yes
16	Shri Prashant Goenka DIN00703389	Promoter Executive (Whole-time Director)	Son of Brother of Shri R.S. Goenka & Shri S.K. Goenka	20.01.2014	4	4	None	Yes

\* Includes directorship in Private Limited companies, Section 25 companies and other organisations.

\*\* Committees include non-statutory committees as well.

None of the Directors is a member of more than Ten (10) Board-level Statutory Committees or Chairman of more than five such Committees.

#### j. Information Placed before Board of Directors

The Company has complied with Revised Clause 49 of the Listing Agreement 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 Board's 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 in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.
- 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 Auditor and Secretarial Auditor
- 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 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 and Advisors are also called upon to provide additional inputs to the items being discussed by the Board/Committee, as and

when required.

#### k. Presentation by the Management

Before putting on record the quarterly/annual financial results of the Company, a presentation is made before the Board on operations of the Company including performance of major brands, international businesses, initiatives taken for sales promotion and all other matters having impact on the business of the Company.

#### l. Training of Board members and Independent Directors

At Emami, all members of the Board of Directors are well-experienced professionals and are well-acquainted with business knowledge of the industry. The Board members are provided necessary documents, reports and other presentations about the Company. Such information enables the Independent Directors to get familiarised with the Company's operations and the industry at large. Further, in respect of Executive Directors, the Company arranges for training in the field of risk management of the Company's business. Such training enables better decision-making and helps the Executive Directors discharge their responsibilities. The relevant statutory changes/updates are circulated to them from time to time to help the Directors make better and informed decisions.

Independent Directors are regularly informed and updated on the business model of the Company by sending presentations with details of businesses of the company as well as that of competitors, changes in relevant laws, and their duties/responsibilities and liabilities as Directors. Business and Functional Heads too share with the Board their short-term and long-term plans, major activities, likely risks and challenges with actions to mitigate them in their respective areas. The suggestions and comments of Directors are incorporated in the business plans of the Company.

#### m. Whistleblower Mechanism

The Company has a strong and effective Whistleblower Policy which aims to deter and detect actual or suspected misconduct. It has been established to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place within the 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-HR.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website, [www.emamiltd.in](http://www.emamiltd.in). The Audit Committee is empowered to monitor the functioning of the mechanism. It reviews the status of complaints received under this policy. The Committee has, in its Report,

affirmed that no personnel have been denied access to the Audit Committee.

#### n. Criteria for selection of Directors

Selection of Board members is dependent on several parameters. The Nomination and Remuneration Committee, in consultation with the Chairman of the Board, identifies suitable candidates. Upon fulfilment of the parameters, the candidates are appointed.

#### o. Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board of Directors. The Company sees increasing diversity at the Board level, an essential element in maintaining a competitive advantage in the complex business that it operates. It recognises that a Board comprising appropriately qualified people, with broad range of experience relevant to the business of the Company, is important to achieve effective corporate governance and sustained commercial success.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors and a Woman Director. The composition of the Board is in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, Clause 49 of the Listing Agreement and all other Statutory, Regulatory and Contractual obligations of the Company. The Board Diversity Policy was formulated and approved by the Nomination and Remuneration Committee at their meeting held on January 27, 2015.

#### p. 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, the Executive Chairman, each of the Committees of the Board and each Director individually. Your 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 Board members are assessed on their effective contribution and commitment to their role and responsibilities as Directors. The Board evaluation process is carried out by the Nomination and Remuneration Committee. The Board Evaluation Policy was formulated and approved by the Nomination and Remuneration Committee in the meeting held on January 27, 2015.

#### q. Post meeting follow-up mechanism

The important decisions taken at the Board/Board-level Committee meetings are communicated to the concerned departments/divisions promptly. A report on the action taken on the decisions/suggestions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting the same.

### CODE OF CONDUCT

The Board of Directors adopted a Code of Conduct for

the members of the Board, Committees and employees working at the level of Heads of respective Departments and also for Independent Directors in compliance with the provisions of Revised Clause 49 of the Listing Agreement. In compliance with Clause 49 (II)(E), the Code of Conduct suitably lays down the duties of the Independent Director as laid down in the Companies Act, 2013.

The said Code of Conduct is displayed on the Company's website, www.emamiltd.in. Under the Code, the Board has designated the Managing Director of the Company as Chief Executive Officer (CEO).

The CEO affirmed to the Board that the members of the Board and Committees and Heads of Departments have complied with the provisions of this Code. A declaration signed by the CEO in this regard is annexed at the end of this Report.

### COMMITTEES OF THE BOARD

Keeping in view the provisions of the Companies Act, 2013 and Revised Clause 49 of the Listing Agreement and also with an objective to have a more focused attention on various facets of business, better accountability and ensuring compliances, the Board has constituted the following committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Share Transfer Committee
- d. Stakeholders' Relationship Committee
- e. Risk Management and Finance Committee (nomenclature of Finance Committee was changed with effect from May 13, 2015)
- f. Corporate Governance Committee
- g. Corporate Social Responsibility Committee

Each of these Committees has been mandated to operate within a given framework.

#### 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 the Listing Agreement read with Section 177 of the Companies Act, 2013.

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company.

The Internal Audit Department governs its audit through

modules/checklists to carry out process-wise audit and to ensure effective discharges of their duties and compliance with Revised Clause 49 of the Listing Agreement. 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 at the meetings of the Audit Committee. 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, CEO- Finance, Strategy & Business Development and CFO, Head of Accounts and Finance attend the meetings of the Audit Committee as special invitees.

As on March 31, 2015 the Audit Committee comprises of four Directors, of whom three are Independent Directors.

Shri S.B. Ganguly, Chairman of the Committee, possesses vast and long standing experience in corporate matters.

Shri R.S. Goenka has expertise in commercial and taxation matters; Shri Amit Kiran Deb, IAS and M.A. in Political Science was Chief Secretary to the Government of West Bengal; and Shri Sajjan Bhajanka is a commerce graduate and an eminent industrialist with long-standing experience in corporate matters.

Shri A. K. Joshi, Company Secretary and AVP-Legal, is the Secretary of the Committee.

The Audit Committee held four meetings during the year on May 5, 2014, August 8, 2014, October 29, 2014 and January 27, 2015. The meeting held on January 27, 2015 was adjourned to January 28, 2015.

Shri S.B. Ganguly, the Chairman was duly present in the Annual General Meeting held on August 9, 2014.

In the meeting held on May 5, 2014, the Board of Directors of the Company noted the role and scope of Audit Committee in line with the provisions of the Companies Act, 2013.

All the meetings were held in such time that the gap between any two meetings did not exceed four months, complying with the Companies Act, 2013.

**The functions of the Committee include:**

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the company including cost auditor of the company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial

statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- \* Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
- \* Changes, if any, in accounting policies and practices and reasons for the same;
- \* Major accounting entries involving estimates based on the exercise of judgment by management;
- \* Significant adjustments made in the financial statements arising out of audit findings;
- \* Compliance with listing and other legal requirements relating to financial statements;
- \* Disclosure of any related party transactions;
- \* Qualifications in the draft audit report;
- 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, etc.), 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 or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Vigil Mechanism and Whistleblower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. 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
  - \* Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor.

**Composition and attendance of the Members at the meeting:**

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri S. B. Ganguly, Chairman	Non-Executive Independent	4
Shri R. S. Goenka	Promoter/Executive Director	4
Shri Amit Kiran Deb	Non-Executive Independent	4
Shri Sajjan Bhajanka	Non-Executive Independent	3

Shri Sajjan Bhajanka did not attend the adjourned meeting held on January 28, 2015

**2. Nomination and Remuneration Committee**

The Remuneration Committee was constituted by the Board on January 31, 2003. The Board at its meeting held on May 5, 2014, changed the nomenclature of the Committee to "Nomination and Remuneration Committee" to align it with the scope of functions in terms of section 178 of the Companies Act 2013.

The Committee comprises of three Non-Executive Independent Directors and Shri A.K. Joshi, Company Secretary and AVP-Legal, as its Secretary.

The Committee held two meetings during the year on August 8, 2014 and January 27, 2015.

Shri Amit Kiran Deb, Chairman of the Committee, was duly present at the Annual General Meeting held on August 9, 2014.

**The functions of the Committee include:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy relating to remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management;
- Evaluating, reviewing and recommending to the Board the remuneration of the Executive Directors, striking a balance between the performance and achievement.

**Composition and attendance of the Members at the meeting:**

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri A. K. Deb, Chairman	Independent	2
Shri S. B. Ganguly	Independent	2
Shri Sajjan Bhajanka	Independent	1

## REMUNERATION POLICY

### Executive Directors

The members of the Nomination and Remuneration Committee take into account experience, qualification and prevailing industry practices before giving its recommendations to the Board. The Board, based on the recommendations, decides the quantum of remuneration to be paid to Executive Directors, subject to approval by the shareholders in terms of the provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims to reward stellar performances on a periodical basis.

### Non-Executive Directors

The Non-Executive Directors as on March 31, 2015 are paid Sitting Fees of ₹50,000 (Rupees fifty thousand only) for each meeting of the Board of Directors, ₹40,000 (Rupees forty thousand only) for each meeting of Audit Committee, and ₹25,000 (Rupees twenty five thousand only) for other Committee meetings attended by them. The aggregate sitting fees paid to Non-Executive Directors for the FY 2014-15 amounted to ₹23.05 Lac (excluding Service Tax). The Non-Executive Directors are also reimbursed expenses incurred for attending the meeting.

In recognition of their contribution, the Non-Executive Independent Directors are also entitled to receive Commission, as approved by the Board of Directors in terms of approval of members.

### Criteria for payment to Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending the meetings of the Board within the prescribed limits.

The Non-Executive Directors bring with them, significant professional expertise and substantial benefits through their rich experience in finance, legal, ayurveda, marketing and corporate strategy. Through their experience and knowledge, they safeguard the interest of investors by exercising an appropriate role of control at various levels. The Company has also inducted them in the various committees of the Board i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Finance Committee, Corporate Governance Committee and Corporate Social Responsibility Committee.

### Details of remuneration for the financial year 2014-15 (₹ in lacs)

Sl No	Name of Director	Sitting Fees	Salary	Commission	Contribution to P.F.	Value of Perquisites	Total
1	Shri R. S. Agarwal (Executive Chairman)	-	240.00	250.00	28.80	0.50	519.30
2	Shri R. S. Goenka (Whole-time Director)	-	240.00	250.00	28.80	0.54	519.34
3	Shri S. K. Goenka (Managing Director)	-	72.00		8.64	0.27	80.91
4	Shri K. N. Memani (Independent Director)	0.60	-	6.00	-	-	6.60
5	Shri Y.P. Trivedi (Independent Director)	2.00	-	2.00	-	-	4.00
6	Shri P. K. Khaitan (Independent director)	2.15	-	2.00	-	-	4.15
7	Shri M. D. Mallya (Independent Director)	1.40	-	2.00	-	-	3.40
8	Shri Amit Kiran Deb (Independent Director)	4.40	-	2.00	-	-	6.40
9	Shri S. B. Ganguly (Independent Director)	4.25	-	3.00	-	-	7.25
10	Shri Sajjan Bhajanka (Independent Director)	3.25	-	2.00	-	-	5.25

Sl No	Name of Director	Sitting Fees	Salary	Commission	Contribution to P.F.	Value of Perquisites	Total
11	Vaidya Suresh Chaturvedi (Independent Director)	1.75	-	2.00	-	-	3.75
12	Shri Mohan Goenka (Whole-time Director)	-	54.00	-	6.48	2.61	63.09
13	Shri A. V. Agarwal (Non-Executive Director)	3.25	-	-	-	-	3.25
14	Shri H. V. Agarwal (Whole-time Director)	-	54.00	-	6.48	0.64	61.12
15	Smt. Priti A Sureka (Whole-time Director)	-	39.10	-	4.69	0.52	44.31
16	Shri Prashant Goenka (Whole-time Director)	-	36.00	-	4.32	0.60	40.92

### Shares held by the Non-Executive Directors as on March 31, 2015

Sl. No.	Name of the Director	Category of Director	Number of shares
1	Shri K. N. Memani	Independent	Nil
2	Shri Y. P. Trivedi	Independent	Nil
3	Shri P. K. Khaitan	Independent	Nil
4	Shri M. D. Mallya	Independent	Nil
5	Shri Sajjan Bhajanka	Independent	Nil
6	Shri Amit Kiran Deb	Independent	Nil
7	Shri S. B. Ganguly	Independent	Nil
8	Vaidya Suresh Chaturvedi	Independent	Nil
9	Shri A. V. Agarwal	Promoter/Non-Executive	10,12,195
	<b>TOTAL</b>		<b>10,12,195</b>

#### Policy on Board Diversity

The Nomination and Remuneration Committee, in its meeting held on January 27, 2015, approved the Policy on Board Diversity of the Company. The Policy lays down the need to have a diverse Board, with people from diverse areas of expertise and experience, to achieve sustainable and balanced growth. The policy is aimed to enhance the quality of decision-making of the Board.

#### Board Evaluation Policy

The Nomination and Remuneration Committee, in its meeting held on January 27, 2015, approved the Board Evaluation Policy. The Policy is aimed at providing a framework and setting standards of evaluation of the Board as a whole, the Executive Chairman, Board Committees of the Board and each Director individually.

#### 3. Share Transfer Committee

The Share Transfer Committee was constituted on August 19, 2010.

The Share Transfer Committee comprises three Executive Directors and one Non-Executive Director. Shri A. K. Joshi, Company Secretary and AVP-Legal, is the Secretary of the Committee.

The Committee held six meetings during the year on April 9, 2014, June 11, 2014, September 18, 2014, November 3, 2014, December 30, 2014 and February 20, 2015.

#### The functions of the Committee include:

- Approval of transfer/transmission of securities of the Company;
- Overseeing the performance of the Registrar and 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 and attendance of the Members at the meeting:**

Name of the Members	Category of Director	Number of Meetings attended
Shri Mohan Goenka, Chairman	Promoter Executive	6
Shri A. V. Agarwal	Promoter Non-Executive	6
Shri H. V. Agarwal	Promoter Executive	6
Smt. Priti A Sureka	Promoter Executive	5

**4. Stakeholders' Relationship Committee**

The Investor's Grievances Committee was constituted by the Board on August 19, 2010. The Board at its meeting held on May 5, 2014, changed the nomenclature of the Committee as "Stakeholders' Relationship Committee" to meet the requirements of Section 178 (5) of the Companies Act, 2013.

The Stakeholders Relationship Committee comprises of two Independent Directors and two Promoter and Executive Directors.

Shri A. K. Joshi, Company Secretary and AVP-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 meeting during the year on January 27, 2015 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:**

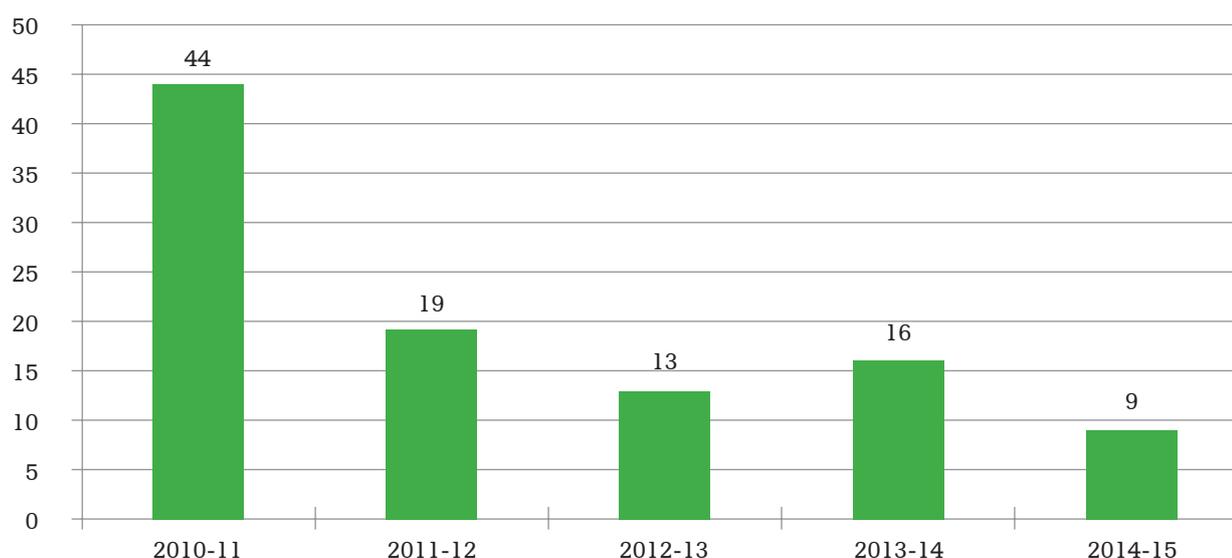
Name of the Members	Category of Director	Number of Meetings attended
Shri Sajjan Bhajanka, Chairman	Independent	1
Shri S. B. Ganguly	Independent	1
Shri Mohan Goenka	Promoter Executive	1
Shri H. V. Agarwal	Promoter Executive	1

The Company Secretary is the Compliance Officer as per the Listing Agreement.

**During the year ended March 31, 2015, all investors' complaints received from shareholders stand attended/resolved as of date. Details of the queries received and redressed are given below:**

Nature of Complaint	Pending as on April 1, 2014	Received during the year	Disposed during the year	Pending as on March 31, 2015
1. Non-receipt of Dividend	NIL	3	3	NIL
2. Non-receipt of Share Certificate	NIL	1	1	NIL
3. Non-receipt of Annual Report	NIL	5	5	NIL
Total	NIL	9	9	NIL

## Trend of Investors' Complaints during last five years



### 5. Risk Management and Finance Committee

The Finance Committee was constituted by the Board on May 28, 2008, and the nomenclature thereof was changed to Risk Management & Finance Committee with effect from May 13, 2015 in order to align it with the provisions of the Revised Clause 49 of the Listing Agreement.

The said Committee of the Board comprises of six Directors, five of whom are Executive Directors. Shri A. K. Joshi, Company Secretary and AVP-Legal, is the Secretary of the Committee. The Committee held two meetings during the year on June 20, 2014 and February 2, 2015. 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
- Opening and modification in operation of bank accounts;
- Reviewing and considering periodical budgets of the Company and approval of capital expenditures;
- Execution of Power of Attorneys 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 and all other options;
- Consideration of matters relating to participation in bids/tender/expression of interest and all other business alliances and joint ventures, among others, if any;
- Any other matters(s) out of and incidental to these functions and such other acts assigned by the Board.

### Composition and attendance of the Members at the meeting:

Name of the Members	Category of Director	Number of Meetings attended
Shri R. S. Goenka, Chairman	Promoter Executive	2
Shri S. K. Goenka	Promoter Executive	2
Shri Mohan Goenka	Promoter Executive	1
Shri A. V. Agarwal	Promoter/Non-Executive	1
Shri H. V. Agarwal	Promoter Executive	1
Smt. Priti A Sureka	Promoter Executive	2

## 6. Corporate Governance Committee

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

The Corporate Governance Committee comprises three (3) Independent Directors and one (1) Promoter Director of the Company. Shri A. K. Joshi, Company Secretary and AVP - Legal, is the Secretary of the Committee.

### The functions of the Committee include:

- Implementation of the best Corporate Governance practices;
- Review of compliance with Corporate Governance at all levels and providing suggestions for its furtherance wherever necessary;
- Enhancement of shareholders' value and protection of their interests;

- Building up of an environment of trust and confidence with an eye on corporate performance and accountability;

- Review of compliances under Listing Agreement.

The Committee held one meeting during the year on January 28, 2015.

### The following reports were reviewed by the Committee at the said meeting:

- Statutory compliance report by the Legal department
- Compliance controls and audit methodology report by the Management services division, and
- Auditing methodology report by the Statutory Auditors.

### Composition and attendance of the Members at the meeting:

Name of the 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) Directors, including one (1) Independent Director. Shri A.K. Joshi, Company Secretary-AVP Legal, is the Secretary of the Committee.

The Company has a well-defined CSR Policy named "Emami Corporate Social Responsibility Policy" which is displayed on the Company's website, [www.emamiltd.in](http://www.emamiltd.in).

### The Committee is delegated and empowered to the following:

- Formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall

indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

- Recommending the amount of expenditure to be incurred on the activities in a financial year;
- Monitoring the expenses incurred as per the Corporate Social Responsibility Policy of the company from time to time;
- Any other matters, as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The Committee has held two meetings during the year on April 8, 2014 and October 29, 2014.

### Composition and attendance of the Members at the meeting:

Name of the Members	Category of Director	Number of Meetings attended
Shri S. K. Goenka, Chairman	Promoter Executive	2
Shri Amit Kiran Deb	Independent	2
Shri Mohan Goenka	Promoter Executive	2
Shri H. V. Agarwal	Promoter Executive	2
Smt Priti A Sureka	Promoter Executive	1

In its meeting held on April 8, 2014 the Committee discussed the various provisions of the Companies Act, 2013, especially Section 135 and Schedule VII. Thereafter, the Committee discussed the Draft Corporate Social Responsibility Policy of the company and recommended the same to the Board for their approval; the Board approved the same.

In its meeting held on October 29, 2014, the Committee reviewed the CSR activities undertaken and expenditures incurred from April 1, 2014 to September 30, 2014.

#### 8. Separate Meeting of the Independent Directors

A separate meeting of Independent Directors was held on January 28, 2015. The meeting was attended by Shri Y. P. Trivedi, Shri P. K. Khaitan, Shri S. B. Ganguly, Shri Amit Kiran Deb, Shri Sajjan Bhajanka and Vaidya Suresh Chaturvedi.

Shri Y. P. Trivedi was elected as the Lead Independent Director. In the meeting, the Directors reviewed the performance of Non-Independent Directors and the Board as a whole and further reviewed the performance of the Chairperson of the company taking into account the views of Executive Directors and Non-Executives Director and assessed the quality, quantity and the timeliness of flow of information between the Management and the Board.

The Directors discussed about the Diversity of the Board and felt that the Board was quite diverse as it had Directors from various sectors.

#### SUBSIDIARY COMPANIES

The Company does not have material non-listed Indian subsidiary whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

**As on March 31, 2015 the Company had the following non-listed overseas subsidiary Companies:**

1. Emami Bangladesh Ltd., 100% subsidiary of Emami Limited
2. Emami UK Ltd., 100% subsidiary of Emami Limited
3. Emami International FZE, UAE, 100% subsidiary of Emami Limited
4. Emami Overseas FZE, UAE, 100% subsidiary of Emami International FZE
5. Pharma Derm S A E Co, Egypt, 90.60% subsidiary of Emami Overseas FZE
6. Fravin Pty. Ltd., Australia, 66.67% subsidiary of Emami International FZE

7. Greenlab Organics Ltd., Australia, a subsidiary of Fravin Pty. Ltd.
8. Diamond Bio-tech Laboratories Pty. Ltd., Australia, a subsidiary of Fravin Pty. Ltd.
9. Abache Pty Ltd, Australia, a subsidiary of Diamond Bio-tech Laboratories Pty. Ltd.

The Audit committee reviewed the financial statements and investments made by the above overseas subsidiary companies. Minutes of the unlisted subsidiary companies' meetings are placed before the Board of Directors from time to time.

#### DISCLOSURES

##### a. Related party transactions

During the year under review, the Company has adopted a policy on related party transactions and the same has been uploaded on the Company's website, [www.emamiltd.in](http://www.emamiltd.in).

All contracts entered into during the year with related parties were approved by the Audit Committee / Shareholders, as applicable, and were carried out at arm's length at the fair market value. A statement of transactions with related parties was also placed before the Audit Committee and in the Board meetings from time to time. Details of transactions as per requirement of Accounting Standard 18 are disclosed in Note No 2.48 to the audited accounts.

##### 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 Accounting Standards, 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, not only to manage risks but also to minimise their impact. This policy is periodically reviewed by the management in consultation with the reputed and specialised consultants and updated as per requirements to ensure that the risk is properly dealt with.

**e. Proceeds from public issues, right issues, preferential issues among others**

The Company did not have any of the above issues during the year under review.

**f. Management discussion and analysis report**

The Company's Annual report has a separate section for detailed Management Discussion and Analysis.

**g. Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI)**

The ICSI has issued Secretarial Standards on important aspects 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 Company adheres to these secretarial standards voluntarily.

**GENERAL SHAREHOLDERS' INFORMATION**

**Appointment of Directors**

The Board of Directors, on January 28, 2015, re-appointed Smt. Priti A Sureka as a Whole-time Director of the Company for a period of five years w.e.f. January 30, 2015, subject to approval of shareholders of the Company.

**Re-appointment of Directors**

Shri Mohan Goenka, Shri S. K. Goenka and Shri H.V. Agarwal, retiring by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

**GENERAL BODY MEETINGS**

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

For the year ended	Location	Date	Time	Special resolutions transacted
March 31, 2014	South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068	Saturday, August 9, 2014	11.30 am	1) Alteration of Articles of Association in relation to use of electronic mode for voting by members, participation in meeting of the Board by Directors, service of documents and maintenance of registers and records. 2) Authorisation of the Board of Directors for creation of security on assets of the Company of Section 180 (1) (a) of the Companies Act, 2013 for the purpose of securing borrowings made/to be made by the Company. 3) Approval for continuation of related party transactions with Emami Bangladesh Ltd and Emami International FZE, the wholly owned subsidiaries of the Company, pursuant to section 188 of the Companies Act, 2013.
March 31, 2013	South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068	Wednesday, August 7, 2013	11.30 am	None
March 31, 2012	South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068	Wednesday, August 8, 2012	3:30 pm	None

## Green Initiatives drive by the Ministry of Corporate Affairs, Government of India

The Company, as a responsible corporate citizen, welcomes and supports the Green Initiatives taken by the Ministry of Corporate Affairs, Government of India by its circular, enabling electronic delivery of documents to the shareholders. The Company has already implemented to send the communication to the shareholders by electronic mode at their e-mail addresses registered with the Depository/Registrar and Transfer Agent and all such communications were immediately uploaded at the Company's website. This helped in prompt delivery of documents avoiding loss in transit.

Vide its various communications during the year, the Company had requested the shareholders to register their e-mail ids with the Registrar and Transfer Agent of the Company or to their Depository Participants so as to enable the Company to use the same for serving documents to them electronically.

## 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 Fair Disclosure Practices. All the Directors on the Board, including senior management at all locations and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code.

## MEANS OF COMMUNICATION

### a. Quarterly/Annual results

Financial Results of the Company are published in The Business Standard, The Economic Times, The Times of India and Ei Samay (in Bengali) and are displayed on the Company's website, [www.emamiltd.in](http://www.emamiltd.in)

### b. Presentation

Detailed presentations are displayed on the Company's website.

### c. Website

The Company's corporate website, [www.emamiltd.in](http://www.emamiltd.in), contains comprehensive information about the Company. An exclusive section is for investors wherein Annual Reports, quarterly/half-yearly financial results, notices, shareholding patterns, among others, are available for reference or download.

### d. 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.

### e. Designated exclusive email-id

The Company has designated email-id exclusive for investor services – [investors@emamigroup.com](mailto:investors@emamigroup.com).

### f. 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.

## SHAREHOLDERS' INFORMATION

### Annual General Meeting

Day, date and time	Wednesday, August 5, 2015 at 11:30 am
Venue	Auditorium of South City International School 375, Prince Anwar Shah Road, Kolkata 700068
Last date of receipt of proxy	Monday, August 3, 2015 till 11:30 am
Book closure dates	Thursday, July 30, 2015 to Wednesday, August 5, 2015 (both days inclusive)

## FINANCIAL CALENDAR

**Financial year: April 1, 2014 to March 31, 2015**

The Board Meetings for approval of financial results for financial year 2014-15 were held on the following dates:

First quarter results	August 9, 2014
Second quarter results	October 29, 2014
Third quarter results	January 28, 2015
Fourth quarter and annual results	May 13, 2015

The tentative dates of the Board meetings for consideration of quarterly and annual financial results for the financial year 2015-16, are as follows:

First quarter results	On or before August 14, 2015
Second quarter results	On or before November 14, 2015
Third quarter results	On or before February 14, 2016
Fourth quarter and annual results	On or before May 30, 2016

### Dividend payment date:

Wednesday, 5th August, 2015 onwards (within thirty days of the declaration of dividend).

## MARKET INFORMATION

### Listing on Stock Exchanges

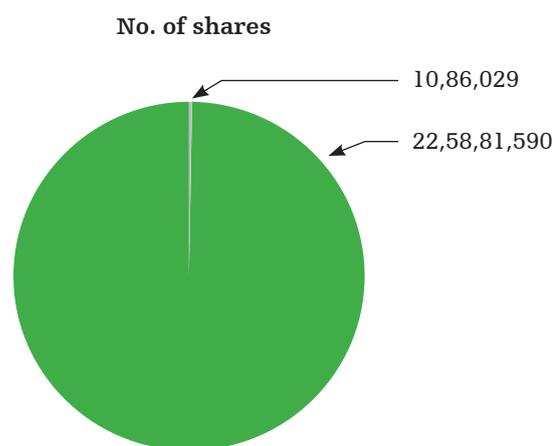
The Company's shares are listed on the following Stock Exchanges and the listing fees have been duly paid:

Sl. No	Name and address of the exchange	Stock code
1	<b>The National Stock Exchange of India Ltd</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai 400 051, India	EMAMILTD
2	<b>BSE Ltd</b> Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 023, India	531162
3	<b>The Calcutta Stock Exchange Ltd</b> 7, Lyons Range, Kolkata-700001, India	18136

**Number of Shareholders and shares held in physical and dematerialised form as on March 31, 2015:**



**Total no of folio -26,888**



**Total no of shares- 22,69,67,619**

■ Demat      ■ Physical

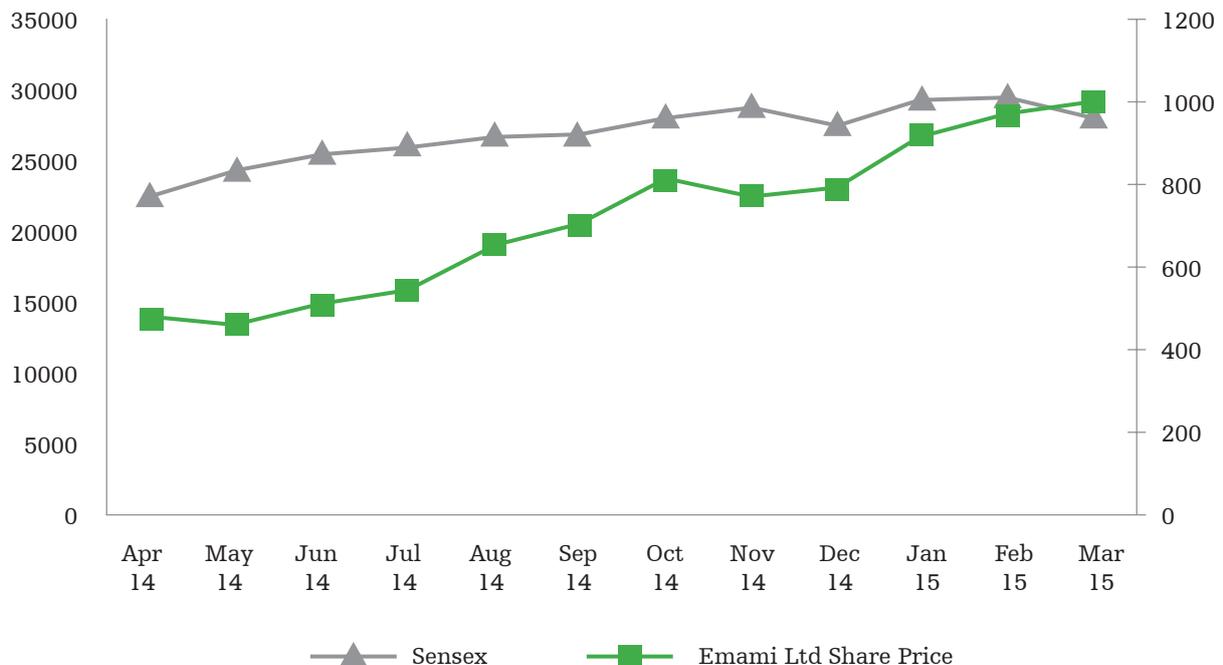
Shares held in Physical and Demat form as on March 31, 2015

Nature of holding	Holders	Shares	Percentage
Physical	823	10,86,029	0.47
Demat	26,065	22,58,81,590	99.53
Total	26,888	22,69,67,619	100.00

Emami share price vis-à-vis Bombay Stock Exchange  
April 2014-March 2015 (Face value of shares of ₹1 each)

Month	BSE Sensex Close	Emami share price on BSE			Number of shares traded during the month	Turnover (₹ in lacs) on BSE
		High	Low	Close		
April 2014	22,417.80	485.80	430.00	475.55	2,24,154	1,032.53
May 2014	24,217.34	481.00	429.00	464.10	2,74,325	1,234.22
June 2014	25,413.78	531.00	448.00	507.45	4,07,639	2,011.71
July 2014	25,894.97	575.90	503.50	541.10	2,83,621	1,522.65
August 2014	26,638.11	673.95	528.20	653.30	5,57,398	3,224.44
September 2014	26,630.51	727.00	655.00	697.40	2,38,409	1,654.15
October 2014	27,865.83	824.50	661.00	810.10	4,00,813	3,033.59
November 2014	28,693.99	816.20	755.50	772.60	2,63,921	2,071.94
December 2014	27,499.42	799.50	705.00	788.75	8,95,589	6,845.40
January 2015	29,182.95	966.50	756.25	919.25	8,88,293	7,790.87
February 2015	29,361.50	1,045.00	887.55	967.25	12,05,020	11,320.05
March 2015	27,957.49	1,140.00	942.65	1,005.45	2,24,154	2,331.35

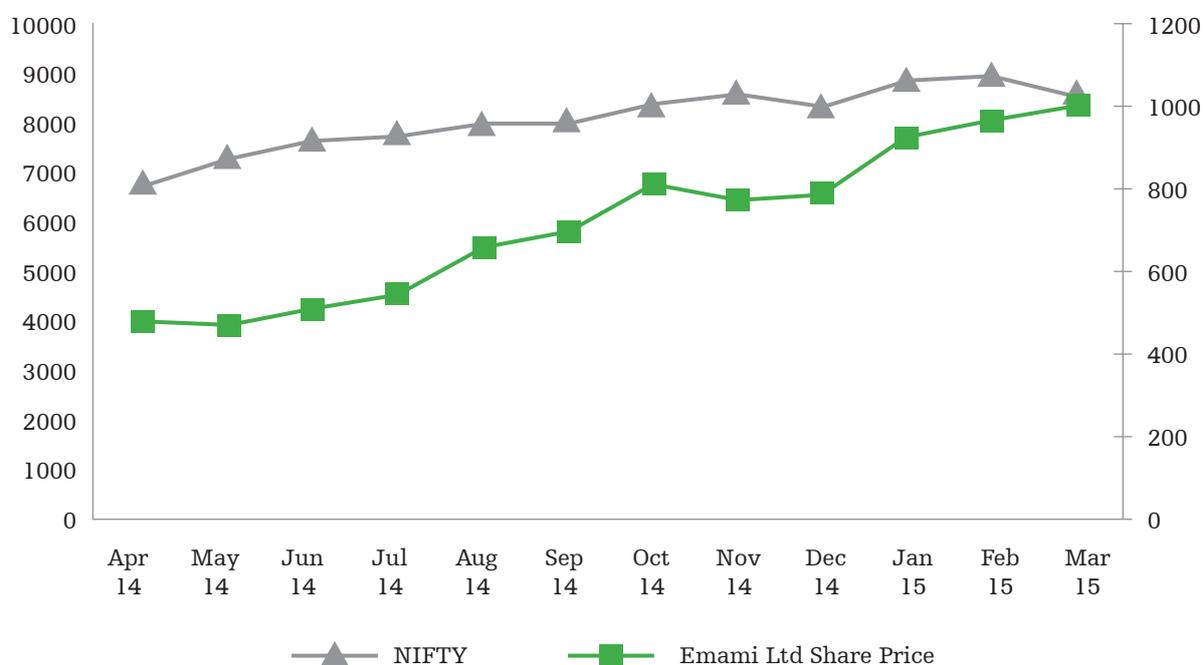
Graphical representation of share price of Emami Ltd at BSE vis-à-vis S&P BSE Sensex



## Emami share price vis-à-vis National Stock Exchange April 2014 – March 2015 (Face value of shares ₹1 each)

Month	NSE Nifty Close	Emami Share Price on NSE			No. of shares traded during the month	Turnover (₹ in lacs) on NSE
		High	Low	Close		
April 2014	6,696.40	487.00	430.50	475.60	45,31,567	20,677.82
May 2014	7,229.95	482.85	428.00	466.50	48,48,259	21,653.49
June 2014	7,611.35	538.50	446.40	507.80	36,79,002	18,156.98
July 2014	7,721.30	576.75	504.00	542.80	25,70,884	13,757.51
August 2014	7,954.35	674.85	527.00	654.20	34,83,315	21,248.02
September 2014	7,964.80	728.30	654.20	697.20	34,37,234	24,030.26
October 2014	8,322.20	824.70	645.00	810.20	56,23,496	41,770.15
November 2014	8,588.25	815.50	752.60	773.40	13,22,590	10,451.55
December 2014	8,282.70	799.80	705.60	786.90	48,06,040	36,512.86
January 2015	8,808.90	966.00	751.20	919.75	53,83,762	46,717.51
February 2015	8,901.85	1,045.90	885.00	963.85	38,63,917	37,163.47
March 2015	8,491.00	1,142.95	943.05	1001.20	38,64,101	39,903.78

### Graphical representation of share price of Emami Ltd at NSE vis-à-vis NIFTY



### Equity shares in the Suspense Account

As per Clause 5A of the Listing Agreement, the Company reports that 600 shares of the Company and 66 equity shares of Emami Infrastructure Limited allotted in terms of scheme of arrangement between Emami Limited, Zandu Pharmaceutical Works Limited and Emami Infrastructure Limited, are lying in the Suspense Account as on March 31, 2015.

The voting rights of the shares standing in the suspense account shall remain frozen till the rightful owner of such shares claims the same.

### Registrar and Transfer Agents

#### M/s Maheshwari Datamatics Private Limited

6, Mangoe Lane, Kolkata – 700001

West Bengal, India Tel: 91-033-2248 2248, 2243 5809/5029

Fax: 91-033-2248 4787, Email: mdpl@cal.vsnl.net.in

### Share transfer system

Applications for transfer of shares held in the physical form are received at the office of the Registrar and Transfer Agent of the Company (RTA). All valid transfers/requests are processed and come to effect within 15 days from the date of receipt.

Physical shares received for dematerialisation 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 depositing participants under advice to the shareholders.

Pursuant to the Clause 47(c) of the Listing Agreement, certificate on a half-yearly basis confirming the compliance of share transfer formalities, quarterly certificate for timely dematerialisation of the shares as per SEBI (Depositories & Participants) Regulation, 1996 are sent to the Exchanges by the Registrar and Transfer Agent.

Besides, Reconciliation of Share Capital Audit Report by the Practicing 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.

#### Shareholding Pattern as on March 31, 2015

Category	Number of shares held	% of shareholding
<b>A. Promoters' holding</b>		
- Indian promoters		
Individuals	2,31,94,826	10.22
Corporates	13,75,49,281	60.60
- Foreign promoters (NRI)	43,44,748	1.92
<b>Sub-total</b>	<b>16,50,88,855</b>	<b>72.74</b>
<b>B. Non-Promoters' holding</b>		
<b>1. Institutional investors</b>		
a. Mutual funds and UTI	29,19,149	1.29
b. Banks, Financial Institutions and Insurance Companies	43,235	0.02
c. Foreign Institutional Investors	3,78,43,727	16.67
<b>Sub-total</b>	<b>4,08,06,111</b>	<b>17.98</b>
<b>2. Others</b>		
a. Private corporate bodies	1,17,17,623	5.16
b. Indian public	87,66,734	3.87
c. NRI/OCBs	4,77,946	0.21
d. Trusts	9212	0.00
e. Clearing Member	1,01,138	0.04
<b>Sub-total</b>	<b>2,10,72,653</b>	<b>9.28</b>
<b>Grand total</b>	<b>22,69,67,619</b>	<b>100.00</b>

### Distribution of shareholding by size as on March 31, 2015

Shareholding of nominal Value (Re. 1)	Shareholders		Share amount	
	Number	% of total	In ₹	% of total
Up to 500	23,997	89.25	21,05,349	0.93
501 - 1000	1,210	4.50	8,34,082	0.37
1001 – 2000	672	2.50	9,08,307	0.40
2001 – 3000	235	0.87	5,71,706	0.25
3001 – 4000	115	0.43	4,01,135	0.18
4001 – 5000	90	0.33	4,03,479	0.18
5001 – 10,000	167	0.62	11,67,920	0.51
10,001 and above	402	1.50	22,05,75,641	97.18
<b>Grand Total</b>	<b>26,888</b>	<b>100.00</b>	<b>22,69,67,619</b>	<b>100.00</b>

### Top ten Shareholders as on March 31, 2015

Sl. No	Name	No. of shares held	% of shareholding
1	Diwakar Viniyog Private Limited	3,33,10,237	14.68
2	Suntrack Commerce Private Limited	3,26,75,366	14.40
3	Bhanu Vyapaar Private Limited	2,71,33,761	11.95
4	Emami Enclave Makers Private Limited	1,32,11,053	5.82
5	Suraj Viniyog Private Limited	1,28,41,931	5.66
6	Emami High Rise Pvt Ltd	1,28,37,353	5.66
7	TMT Viniyogan Limited	49,56,580	2.18
8	Priti A Sureka	49,50,000	2.18
9	Amitabh Goenka	43,44,748	1.91
10	Harsha Vardhan Agarwal	14,79,633	0.65

#### Corporate Benefits to Investors during the year:

The Board of Directors, at their meeting held on May 5, 2014, recommended payment of final dividend @ ₹4 per share for the financial year 2013-14, subject to the approval of shareholders at the Annual General Meeting scheduled on August 9, 2014. The shareholders approved the Resolution and consequent to such approval the said dividend was paid to all the shareholders registered in the Register of Members maintained by the Registrar and Transfer Agent of the Company and the Depositories on the record date i.e. August 1, 2014 fixed for determining entitlement of final dividend.

On September 17, 2014, the Board of Directors declared payment of interim dividend @ ₹4 per share for the financial year 2014-15 which was paid to all the shareholders

registered in the Register of Members maintained by the Registrar and Transfer Agent of the Company and the Depositories on the record date i.e. September 19, 2014 fixed for determining entitlement of interim dividend.

#### Unclaimed dividends

Unclaimed interim and final dividend for the financial year 2006-07 was transferred into Investors' Education and Protection Fund on April 16, 2014 and October 24, 2014 respectively.

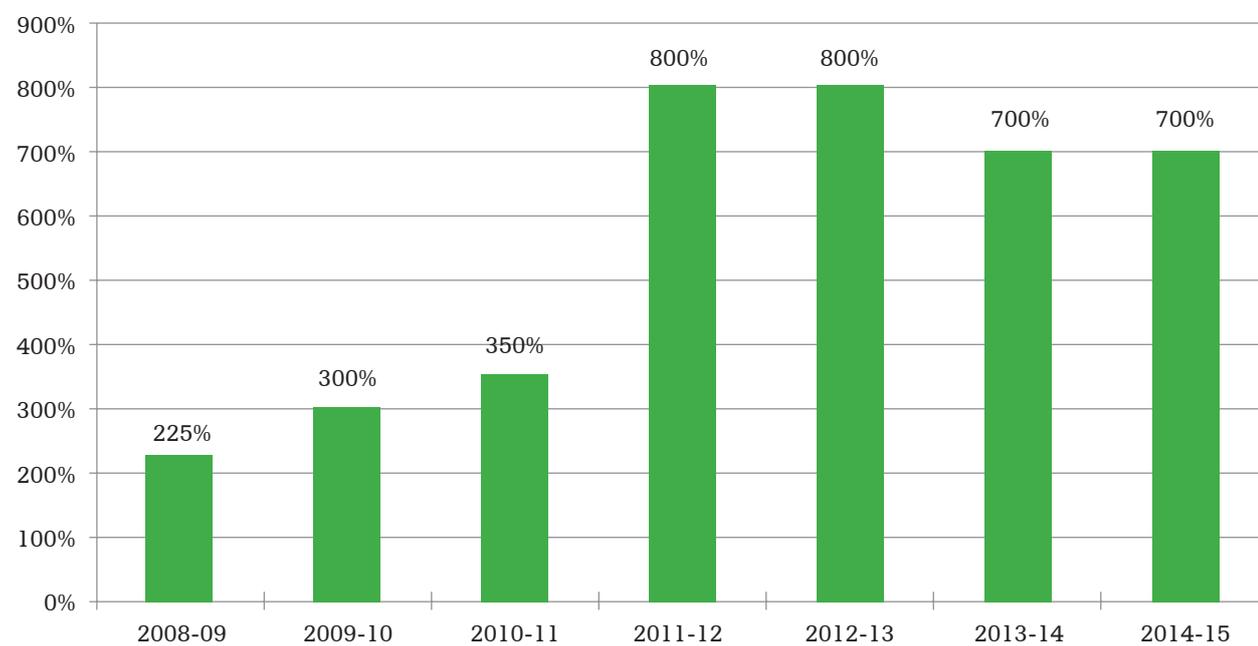
The particulars of unpaid dividend for the previous seven years are uploaded on the Company's website and filed with the Ministry of Corporate Affairs.

**Dividend history of the Company with EPS and payout ratio:**

Financial Year	Face Value per share	Dividend	Dividend per share (₹)	Earnings per share (₹)	Payout Ratio*
2008-09	2	225%	4.50	13.77	38%
2009-10	2	300%	6.00	22.67	28%
2010-11	1	350%	3.50	15.12	27%
2011-12	1	400% + 400% special dividend	8.00	17.11	55%
2012-13	1	800%	8.00	21.40	44%
2013-14	1	Interim 300% Final 400%	7.00	17.55	47%
2014-15	1	Interim 400% Final 300% (recommended)	7.00	21.40	39%

\*Including dividend distribution tax

**Dividend History of the Company**



### Correspondence regarding change of address among others

Shareholders are requested to ensure that any correspondence for change of address, change in bank mandates, among others should be signed by the first named shareholder. The Company is now further requesting 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 National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (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, West Bengal

#### Assam

##### Amingaon Plant

EPIP Complex Amingaon, Guwahati – 781031, Assam

##### Abhoypur Plant

Abhoypur Plant P.O. College Nagar, Abhoypur, Guwahati – 781031, Assam

#### Maharashtra

Sanjan Village, Dongari, Taluka Talasari-401601, Maharashtra

#### Gujarat

Plot No. 82,G I D C, Vapi -396194, Gujarat

#### Uttarakhand

Plot no 40 & 41, Sector 5,IIE,Pantnagar, Udham Singh Nagar 263152, Uttarakhand

#### Dadra and Nagar Haveli

Survey No 61/2,Plot No 1, Village Masat, Dadra and Nagar Haveli 396230, Silvassa

#### Address for correspondence:

Emami Limited,  
Emami Tower  
687, Anandapur, E M Bypass,  
Kolkata– 700107 West Bengal.  
Email id: investors@emamigroup.com  
Tel: +91-33-6613 6264

### Representing Officers

<b>Compliance Officer:</b>	Shri A. K. Joshi, Company Secretary and AVP-Legal
<b>Institutional Investors/Financial Analysts</b>	Shri Rajesh Sharma Sr. VP-Finance, Accounts and Investor Relations
<b>Indian Retail Investors</b>	Shri Ashok Purohit Assistant Company Secretary
<b>Communication address of the above officers</b>	Emami Limited Emami Tower, 687, Anandapur, E M Bypass, Kolkata 700107, West Bengal investors@emamigroup.com T +91-33-6613 6264 F +91-33-6613 6600

### Communication channels:

Category	Channels
Shareholders	Annual Reports, shareholders' meetings, formal communications, website, e-mails, newspaper publications
Financial Analysts	Annual Reports, press releases, websites
General Public	Website, newspaper publications

### Details of publication of Financial Results

Quarter Ended	Date of Publication	Newspaper	
		National	Vernacular
March 31, 2014	May 6, 2014	Business Standard, Business Line, Financial Express, Mint	Ei Samay
June 30, 2014	August 11, 2014	Economic Times, Business Standard, Business Line, Financial Express, Mint	Ei Samay
September 30, 2014	October 30, 2014	Economic Times, Business Standard, Business Line, Financial Express, Mint	Ei Samay
December 31, 2014	January 29, 2015	Economic Times, Business Standard, Business Line, Financial Express, Mint	Ei Samay

### CEO (Managing Director)/CFO certification

The CEO and CFO certification as required by Revised Clause 49 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 Annexure XI of Revised Clause 49 duly signed by the Company Secretary.

### Compliance

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the Revised Clause are as below:

### Mandatory requirements

The Company was fully compliant with mandatory requirements of Revised Clause 49.

### Non-mandatory requirements:

#### 1. The Board (Maintenance of Chairman 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 national and local dailies with wide circulation and are displayed on the Company's website, [www.emamilttd.in](http://www.emamilttd.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 purpose.

### 5. Reporting of Internal Auditor

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company. The Internal Auditor reports directly to the Audit Committee.

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

We, Sushil Kr. Goenka, Managing Director and N. H. Bhansali, CEO-Finance, Strategy 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 and the cash flow statement of the Company for the year ended March 31, 2015 and to the best of our knowledge and belief, we state that:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain any 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.
2. We further state that to best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting of the Company and disclosed to the Auditor and Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated, based on our most recent evaluation, wherever applicable , to the Company's Auditors and to the Audit Committee:
  - a. significant changes, if any, in the internal control over financial reporting during the year;
  - b. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements ; and
  - c. instance of significant fraud of which we have become aware of and the involvement therein, if any of the management or an employee having significant role in the Company's internal control systems over financial reporting;

We further declare that all members of Board and Committees and all employees working at level Head of the department have affirmed compliance with the Code of Conduct of the Company for the financial year 2014-15.

Date: May 13, 2015

**Sushil Kr Goenka**

**N H Bhansali**

Place: Kolkata

Managing Director

CEO-Finance, Strategy & Business Development and CFO

# Auditors' Report on Corporate Governance

To,  
The Members of  
**Emami Limited**

We have reviewed the records of Emami Limited for the year ended on March 31, 2015 relating to compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our review 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 on the financial statements of the Company.

In our opinion and according to the information and explanations given to us, we state that to the best of our knowledge the Company has complied with the conditions of Corporate Governance stipulated in Revised Clause 49 of the above mentioned Listing Agreements.

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

**For S K Agrawal & Company**  
Chartered Accountants  
Registration No 306033E

Place: Kolkata  
Dated: May 13, 2015

**S K Agrawal**  
Partner  
Membership No.9067

# Standalone Financial Statements

# INDEPENDENT AUDITORS' REPORT

To  
The Members of  
Emami Limited

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of EMAMI LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2015 ("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 a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
- II. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on 31st March,

2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note. 2.30 & 2.33 to the 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. K. AGRAWAL & CO.**  
Chartered Accountants  
Firms Registration No- 306033E

**S. K. AGRAWAL**  
Partner  
Membership No: 9067

Place: Kolkata  
Dated: 13th May, 2015

# ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report to the members of Emami Limited (the Company) on the standalone financial statements for the year ended on 31st March 2015. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a) and 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) According to the information and explanations given to us in respect of statutory and other dues:-
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, Wealth Tax, duty of Custom, duty of Excise, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.
  - (b) According to the information and explanations given to us, there are no material dues of income tax, wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of sales tax, service tax, entry tax and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (₹ in Lacs)	Financial year to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax Act	Sales Tax	17.11	1996-97 to 00-01, 2013-14	DC & JC
		239.32	2003-04 to 12-13	AC(A),DC(A),JC(A) & Addl.CCT
		488.08	1990-91, 2000-01 to 2005-06, 2012-13	Tribunal/Board of Revenue
		264.4	1999-2000, 2004-05 to 2006-07	High Court
		113.5	1989-90, 1993-94 to 1996-97	Supreme Court
The Central Excise Act, 1934	Excise Duty	129.5	2008-09 to 2009-10	CESTAT
		5.48	1993-94 to 95-96, 2009-10	Commissioner/Commissioner (Appeals)
		4.7	2002-04, 2005	Assist/Joint Commissioner
Entry Tax Act, 2008	Entry Tax	123.9	2007-08 to 2013-14	Commercial Tax Officer
		0.33	2010-11	DC(A)
		9.28	2001-02	Board of Revenue

- (c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during the current year and in the immediately preceding financial year.
- (ix) In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution and banks.
- (x) In our opinion and according to the information and the explanations given to us, the Company has given guarantees for loans taken by subsidiaries from banks. Total value of outstanding guarantee amounts to ₹5,892 lacs.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company for the purposes for which the loans were obtained.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For, **S. K. AGRAWAL & CO.**  
Chartered Accountants  
Firms Registration No- 306033E

**S. K. AGRAWAL**  
Partner  
Membership No: 9067

Place: Kolkata  
Dated: 13th May, 2015

## Balance Sheet as at 31st March, 2015

₹ in Lacs

	Notes	As at 31.03.2015		As at 31.03.2014	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2.1	2,269.68		2,269.68	
Reserves and Surplus	2.2	1,18,945.96	1,21,215.64	90,599.64	92,869.32
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	2.3	-		1,502.50	
Deferred Tax Liabilities (Net)	2.4	1,239.00		479.00	
Other Long Term Liabilities	2.5	1,630.16		1,180.93	
Long-Term Provisions	2.6	2,334.61	5,203.77	1,648.16	4,810.59
<b>Current Liabilities</b>					
Short-Term Borrowings	2.7	837.99		130.57	
Trade Payables	2.8	12,658.25		11,460.65	
Other Current Liabilities	2.9	5,851.40		4,687.50	
Short-Term Provisions	2.10	9,820.20	29,167.84	12,088.14	28,366.86
<b>TOTAL</b>			<b>1,55,587.25</b>		<b>1,26,046.77</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets	2.11				
Tangible Assets		39,138.98		36,586.56	
Intangible Assets		3,255.84		778.87	
Capital Work-in-Progress		2,267.43		827.03	
Intangible Assets under Development		229.49		16.85	
Non-Current Investments	2.12	707.99		708.53	
Long-Term Loans and Advances	2.13	4,088.06		4,009.26	
Other Non-Current Assets	2.14	1.03	49,688.82	1.35	42,928.45
<b>Current Assets</b>					
Current Investments	2.15	49,465.36		28,922.38	
Inventories	2.16	11,845.29		13,662.33	
Trade Receivables	2.17	5,690.33		7,522.15	
Cash and Bank Balances	2.18	32,608.50		26,483.75	
Short-Term Loans and Advances	2.19	6,288.95	1,05,898.43	6,527.71	83,118.32
<b>TOTAL</b>			<b>1,55,587.25</b>		<b>1,26,046.77</b>
<b>Summary of Significant Accounting Policies and Notes on Accounts</b>	<b>1 &amp; 2</b>				

As per our report of even date

For S. K. Agrawal & Co.  
Chartered Accountants

R S Agarwal  
Chairman

R S Goenka  
Director

S B Ganguly  
Director

S.K.Agrawal  
Partner

S K Goenka  
Managing Director

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

A K Joshi  
Company Secretary  
& AVP-Legal

Kolkata  
13th May, 2015

## Statement of Profit and Loss for the year ended 31st March, 2015

₹ in Lacs

	Notes	2014-15	2013-14
<b>INCOME:</b>			
Revenue From Operations	2.20	2,03,064.14	1,70,507.55
Other Income	2.21	9,582.15	6,246.09
<b>Total Revenue</b>		<b>2,12,646.29</b>	<b>1,76,753.64</b>
<b>EXPENSES:</b>			
Cost of Materials Consumed	2.38	58,953.09	54,396.90
Purchase of Stock-in Trade	2.39	14,166.20	13,421.23
(Increase)/decrease in Inventories of Finished Goods and Work-in-Progress	2.22	1,301.92	(2,418.42)
Employee Benefit Expenses	2.23	14,410.09	12,368.40
Finance Costs	2.24	489.53	388.63
Depreciation and Amortisation Expense	2.11 & 2.35	3,148.27	9,379.61
Transfer From General Reserve		-	(6,097.57)
Foreign Exchange (Gain)/ Loss		(732.79)	(311.21)
Other Expenses	2.25	63,212.31	50,018.64
<b>Total Expenses</b>		<b>1,54,948.62</b>	<b>1,31,146.21</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>57,697.67</b>	<b>45,607.43</b>
Exceptional Items :			
VRS Compensation		-	428.09
<b>Profit Before Tax</b>		<b>57,697.67</b>	<b>45,179.34</b>
<b>Tax Expense:</b>			
Current Tax		9,813.00	7,981.00
Deferred Tax		760.00	(889.00)
(Excess)/Short Provision of Earlier Years		(38.46)	(1,736.04)
<b>Profit for the period</b>		<b>47,163.13</b>	<b>39,823.38</b>
Earnings Per Equity Share	2.49		
(1) Basic		20.78	17.55
(2) Diluted		20.78	17.55
<b>Summary of Significant Accounting Policies and Notes on Accounts</b>	1 & 2		

As per our report of even date

For **S. K. Agrawal & Co.**  
Chartered Accountants

**R S Agarwal**  
Chairman

**R S Goenka**  
Director

**S B Ganguly**  
Director

**S.K.Agrawal**  
Partner

**S K Goenka**  
Managing Director

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

**A K Joshi**  
Company Secretary  
& AVP-Legal

Kolkata  
13th May, 2015

## Cash Flow Statement for the year ended 31st March, 2015

₹ in Lacs

	2014-15	2013-14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	57,697.67	45,607.43
Add : ADJUSTMENTS FOR		
Depreciation & Amortisation	3,148.27	3,282.04
Provision for Doubtful Advances	-	119.82
Interest	(5,209.75)	(3,924.28)
Loss / (Profit) on sale of Fixed Assets	26.13	40.07
Loss / (Profit) on sale of Investments	8,581.61	(244.31)
Diminution in Value of Investment	(762.16)	766.97
Foreign Exchange Fluctuations	(732.79)	(311.21)
Dividend Received	(10,123.36)	(1,772.92)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>52,625.62</b>	<b>43,563.61</b>
Add : DECREASE / (INCREASE) IN WORKING CAPITAL		
Trade & other Payables	2,356.42	3,858.65
Inventories	1,817.02	(2,435.90)
Trade & other Receivables	1,792.91	(593.25)
Provision for Indirect Taxes	0.05	525.22
Provision for Employee Benefits	605.55	922.04
	<b>6,571.95</b>	<b>2,276.76</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>59,197.57</b>	<b>45,840.37</b>
Less : Direct Taxes Paid	9,535.18	7,563.24
<b>CASH FLOW BEFORE EXCEPTIONAL ITEMS</b>	<b>49,662.39</b>	<b>38,277.13</b>
Less: : Exceptional Items	-	428.09
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>49,662.39</b>	<b>37,849.04</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Fixed Assets	118.07	67.18
Interest Received	5,654.29	4,465.43
Dividend Received	10,123.36	1,772.92
Sale of Investments	1,52,743.82	1,16,726.37
	1,68,639.54	1,23,031.90
Less : Purchase of Fixed Assets	9,974.91	5,835.84
Purchase of Investments	1,81,105.69	1,30,521.56
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(22,441.06)</b>	<b>(13,325.50)</b>

## Cash Flow Statement for the year ended 31st March, 2015 (contd.)

₹ in Lacs

	2014-15	2013-14
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Loans (Net)	(369.21)	(3,897.43)
Interest Paid	(499.89)	(357.93)
Interim dividend paid	(9,078.71)	(6,809.03)
Dividend Paid	(9,039.88)	(12,085.33)
Corporate Dividend Tax	(3,085.85)	(3,214.42)
	(22,073.54)	(26,364.14)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(22,073.54)</b>	<b>(26,364.14)</b>
<b>D. Effect of Foreign Exchange Fluctuation</b>	732.79	311.21
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C+D)</b>	<b>5,880.58</b>	<b>(1,529.39)</b>
* CASH & CASH EQUIVALENTS-OPENING BALANCE	26,336.56	27,865.95
* CASH & CASH EQUIVALENTS-CLOSING BALANCE	32,217.14	26,336.56
*Refer Note No : 2.18		

As per our report of even date

For **S. K. Agrawal & Co.**  
Chartered Accountants

**R S Agarwal**  
Chairman

**R S Goenka**  
Director

**S B Ganguly**  
Director

**S.K.Agrawal**  
Partner

**S K Goenka**  
Managing Director

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

**A K Joshi**  
Company Secretary  
& AVP-Legal

Kolkata  
13th May, 2015

## 1 SIGNIFICANT ACCOUNTING POLICIES

- (i) **General** : These accounts have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles and the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules, 2014 and other provisions of the Act, to the extent applicable.
- (ii) **Fixed Assets** :
- Fixed Assets are stated at cost less Depreciation. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.
  - All pre-operative and trial run expenditure (net of realisation, if any) are capitalised.
  - Projects under commissioning and other Capital Work in Progress are carried at cost, comprising direct cost, related incidental expenses and interest on borrowings made for the purpose of acquisition of fixed assets.
- (iii) **Intangible Assets** : Intangible Assets are recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.
- (iv) **Depreciation and Amortisation:**
- Tangible Assets :**  
Depreciation on tangible assets is provided on the straight line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for:
- Block, dies & moulds (other than high-end moulds) are depreciated @ 100% in the year of purchase itself on prorata basis.
  - Lease hold land is amortised over the period of lease.
- Intangible Assets :**
- Goodwill - Consequent to the scheme of arrangement being accounted for under Purchase Method by adopting book value method, the cost representing goodwill recognised is being amortised to Statement of Profit & Loss over, the estimated useful life of five years. As per the terms of the scheme equivalent amount of such amortisation is transferred from General Reserve.  
The estimated useful life of Goodwill is reviewed by the management periodically and changes there in are taken cognizance of, by accelerating or decelerating the pace of amortisation.
  - Trade Marks, Brands and other Intangible Assets are amortised over a period not exceeding 10 years.
  - Software is depreciated over a period of six years on Straight Line Method.
- (v) **Investments** : Long Term Investments are stated at cost. Current Investments are stated at cost or fair value whichever is lower. Diminution in value of long term investments other than temporary in nature is charged to Statement of Profit & Loss.
- (vi) **Inventories** : The inventories are valued at cost or net realisable value whichever is lower except for work in progress and advertising material which are valued at cost. The Cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.
- (vii) **Research & Development** : Revenue expenditure on Research and Development is charged against the Profit for the year.
- (viii) **Employee retirement benefits** :
- The Company makes contributions towards provident fund and superannuation fund to the regulatory authorities to 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.

## 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

In Vapi, Dongari and Masat Units the superannuation fund is administered by the Life Insurance Corporation of India (LIC). Under the plan, the Company is required to contribute a specified amount to the retirement benefit plan to fund the benefits.

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. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

- b. Provision for Leave encashment and Gratuity is made on the basis of actuarial valuation as at the year end as per the requirements of Accounting Standard –15 (Revised 2005) on "Employee Benefits".
  - c. The Company has defined benefit plan comprising of Gratuity fund with Life Insurance Corporation of India. In Vapi, Dongari and Masat units the Leave Fund is with Life Insurance Corporation of India.
  - d. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions are recognised immediately in the Statement of Profit and Loss as income or expense.
- (ix) **Voluntary Retirement Scheme** : Expenditure incurred on voluntary retirement scheme is charged to profit in the year in which it is incurred.
- (x) **Revenue from Operation** : Sales includes duty drawback, license premium on exports, Sales Tax net of Trade discounts and other rebates.
- (xi) **Provisions and Contingent Liabilities** : Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Provisions & Contingent Liabilities are revalued at each Balance Sheet date.
- (xii) **Government Grants** : Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. Government grant in the nature of promoters' contribution is credited to the capital subsidy reserve.

(xiii) **Revenue Recognition** : Income are recognised on accrual basis.

(xiv) **Foreign Currency Transactions** :

- a. Forward Exchange Contract - The premium or discount arising at the inception of forward exchange contracts entered into to hedge an asset / liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rate change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expenses for the period.

Transactions other than those covered by forward contracts are recognised at the exchange rate prevailing on date of transaction. Gains & losses arising on account of realisation are accounted for in Statement of Profit & Loss.

- b. Monetary Assets & Liabilities in foreign currency that are outstanding at the year end and not covered by forward contracts are translated at the year end exchange rates.
- c. The exchange differences arising from long term foreign currency monetary items relating to the acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital asset. Other exchange

## 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

differences arising from Long-Term Foreign Currency Monetary Items are Transferred to "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the life of such monetary items but not beyond March 31, 2020. Other exchange differences are recognized as income or expenses in the Statement of Profit & Loss.

- d. In respect of foreign currency option contracts which are entered into to hedge highly probable forecasted transactions the cost of these contracts, if any, is expensed over the period of the contract. Any profit or loss arising on settlement or cancellation of currency options is recognised as income or expenses for the period in which settlement or cancellation takes place. The effect of this currency options contracts outstanding at the year end, in the form of unrealised gains/ losses, is not recognised.
- (xv) **Excise Duty** : Excise duty payable on manufactured goods is accounted for at the time of despatch of goods from the factories and is included in finished goods (manufactured) held at the year end.
- (xvi) **Borrowing Costs** : Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- (xvii) **Taxation** : Provision for tax is made for both current and deferred taxes. Provision for current tax is made at the current tax rates based on assessable income. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (xviii) **Impairment of Assets** : The Company identifies impairable assets at the year end in accordance with the guiding principles of Accounting Standard 28, for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallises, are charged against revenues for the year. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

## 2 Notes Forming Part of the Accounts

### 2.1 SHARE CAPITAL

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
Authorised		
25,00,00,000 Equity Shares of Re 1/- each	2,500.00	2,500.00
Issued		
22,69,67,619 Equity Shares of Re 1/- each fully paid up	2,269.68	2,269.68
Subscribed & Paid up*		
22,69,67,619 Equity Shares of Re. 1/- each fully paid up	2,269.68	2,269.68
Total issued, subscribed and fully paid up share capital	2,269.68	2,269.68

\*Of the above, 8,26,77,265 equity shares fully paid up have been allotted for consideration other than cash & of which 7,56,55,873 equity shares fully paid have been issued as bonus shares in last 5 years.

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31st March, 2015		31st March, 2014	
	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	1,51,311,746	1,513.12
Bonus Shares Issued during the year	-	-	7,56,55,873	756.56
Shares outstanding at the end of the year	22,69,67,619	2,269.68	22,69,67,619	2,269.68

#### (b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of 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.

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

Name of the shareholders	31st March, 2015		31st March, 2014	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	3,33,10,237	14.68	3,30,05,737	14.54
Suntrack Commerce Private Limited	3,26,75,366	14.40	3,25,26,866	14.33
Bhanu Vyapaar Private Limited	2,71,33,761	11.95	2,69,36,761	11.87
Emami Enclave Makers Private Limited	1,32,11,053	5.82	1,30,88,553	5.77
Suraj Viniyog Private Limited	1,28,41,931	5.66	1,27,15,131	5.60
Emami High Rise Private Limited	1,28,37,353	5.66	1,27,10,553	5.60

## Notes Forming Part of the Accounts

### 2.2 RESERVES & SURPLUS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>a. Capital Reserves</b>		79.64		79.64
<b>b. Securities Premium Reserve</b>				
Opening Balance	33,205.16		33,961.72	
Amounts utilised for issue of fully paid bonus shares	-		(756.56)	
Closing Balance		33,205.16		33,205.16
<b>c. General Reserve</b>				
Opening Balance	50,000.00		40,000.00	
Transferred from Surplus in Statement of Profit & Loss during the year	30,000.00		16,097.57	
Transfer to Statement of Profit & Loss	-		(6,097.57)	
Closing Balance		80,000.00		50,000.00
<b>d. Surplus</b>				
Opening Balance	7,314.84		2,176.89	
Net Profit for the current year	47,163.13		39,823.38	
Interim Dividend [ ₹4/- (PY ₹3/-) per share]	(9,078.70)		(6,809.04)	
Proposed Dividend [ ₹3/- (PY ₹4/-) per share]	(6,809.03)		(9,078.70)	
Corporate Dividend Tax	(2,929.08)		(2,700.12)	
Transfer to General Reserve	(30,000.00)		(16,097.57)	
Closing Balance		5,661.16		7,314.84
<b>Total</b>		<b>1,18,945.96</b>		<b>90,599.64</b>

### 2.3 LONG-TERM BORROWINGS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Secured</b>				
<b>Term loan</b>				
<b>From Bank</b>		-		1,502.50
{Secured By First charge/mortgage on fixed movable and immovable assets including plant and machinery (present and future) situated at BT Road and Amingaon Plant}				
<b>Total</b>		-		<b>1,502.50</b>

### 2.4 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Deferred Tax Liabilities</b>				
Tax impact due to difference between tax depreciation and book depreciation		2,453.00		1,532.00
<b>Deferred Tax Assets</b>				
Tax Impact of expenses charged off in financial statement but allowance under tax law deferred		1,214.00		1,053.00
<b>Total</b>		<b>1,239.00</b>		<b>479.00</b>

## Notes Forming Part of the Accounts

### 2.5 OTHER LONG TERM LIABILITIES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
Trade Payables		577.15		504.57
Creditors for Capital Goods		23.32		10.26
Trade Deposits		581.13		631.19
Security Deposit		448.56		34.91
<b>Total</b>		<b>1,630.16</b>		<b>1,180.93</b>

### 2.6 LONG-TERM PROVISIONS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Provision for Employee Benefits</b>				
Provident Fund		25.14		20.70
Gratuity		1,338.14		863.77
Leave Encashment		971.33		763.69
<b>Total</b>		<b>2,334.61</b>		<b>1,648.16</b>

### 2.7 SHORT-TERM BORROWINGS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Secured</b>				
<b>From Banks</b>				
Cash Credit		837.85		126.25
(Secured by hypothecation of stocks, book debts on first charge basis ranking pari passu among Citi Bank, Canara Bank, ICICI Bank, HDFC Bank and Hongkong and Shanghai Banking Corporation)				
<b>Unsecured</b>				
ICICI Pact Project		0.14		4.32
<b>Total</b>		<b>837.99</b>		<b>130.57</b>

### 2.8 TRADE PAYABLES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
Micro, Small & Medium Enterprises (Refer Note 2.31)		151.42		141.78
Others		12,506.83		11,318.87
<b>Total</b>		<b>12,658.25</b>		<b>11,460.65</b>

## Notes Forming Part of the Accounts

### 2.9 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
Current Maturities of Long-Term Borrowings		1,564.78		1,502.50
Interest Accrued but not Due on Borrowings		27.61		42.98
Interest Accrued and due on Trade Deposits		78.72		73.71
Unpaid Dividends		98.01		59.19
Advance from Customers		589.00		520.22
Creditors for Capital Goods		172.36		232.85
<b>Other Payables</b>				
Employee Benefits	1,866.59		1,185.94	
Duties & Taxes	1,454.33	3,320.92	1,070.11	2,256.05
<b>Total</b>		<b>5,851.40</b>		<b>4,687.50</b>

### 2.10 SHORT-TERM PROVISIONS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Provision for Employee Benefits</b>				
Gratuity		-		92.95
Leave Encashment		51.33		39.28
<b>Others</b>				
Provision for Dividend	6,809.03		9,078.70	
Corporate Dividend Tax	1,386.15		1,542.93	
Provision for Direct Taxes (Net of Advance Tax)	768.37		529.00	
Provision for Indirect Taxes	805.32	9,768.87	805.28	11,955.91
<b>Total</b>		<b>9,820.20</b>		<b>12,088.14</b>

### 2.11 FIXED ASSETS (Current Year)

₹ in Lacs

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	Balance as at 1.4.2014	Additions	Disposals/ Adjustments	Balance as at 31.3.2015	Balance as at 1.4.2014	For the year	Disposals/ Adjustments	Balance as at 31.3.2015	Balance as at 31.03.2015	Balance as at 31.03.2014
<b>Tangible Assets</b>										
Land										
<i>Leasehold</i>	309.96	-	-	309.96	30.27	3.63	-	33.90	276.06	279.69
<i>Freehold</i>	1,554.32	475.25	-	2,029.57	-	-	-	-	2,029.57	1,554.32
Building	20,708.93	951.89	2.13	21,658.69	3,230.39	55.63	0.47	3,285.55	18,373.14	17,478.54
Plant & Equipment	22,731.36	2,828.48	529.48	25,030.36	8,336.25	1,870.37	487.86	9,718.76	15,311.60	14,395.11
Furniture & Fixture	2,225.18	119.47	33.26	2,311.39	648.44	227.93	28.08	848.29	1,463.10	1,576.74
Office Equipment	2,954.44	602.31	123.03	3,433.72	2,138.63	294.68	118.08	2,315.23	1,118.49	815.81
Motor Vehicles	811.11	275.13	168.56	917.68	324.76	103.67	77.77	350.66	567.02	486.35
<b>Tangible Assets</b>	<b>51,295.30</b>	<b>5,252.53</b>	<b>856.46</b>	<b>55,691.37</b>	<b>14,708.74</b>	<b>2,555.91</b>	<b>712.26</b>	<b>16,552.39</b>	<b>39,138.98</b>	<b>36,586.56</b>
<b>Intangible Assets</b>										
Goodwill	47,899.11	-	47,899.11	-	47,899.11	-	47,899.11	-	-	-
Software	1,517.33	391.56	-	1,908.89	770.19	227.33	-	997.52	911.37	747.14
Brands/ Trade Marks	107.50	2,677.78	-	2,785.28	75.78	365.03	-	440.81	2,344.47	31.73
<b>Intangible Assets</b>	<b>49,523.94</b>	<b>3,069.34</b>	<b>47,899.11</b>	<b>4,694.17</b>	<b>48,745.08</b>	<b>592.36</b>	<b>47,899.11</b>	<b>1,438.33</b>	<b>3,255.84</b>	<b>778.87</b>
<b>Total</b>	<b>1,00,819.24</b>	<b>8,321.87</b>	<b>48,755.57</b>	<b>60,385.54</b>	<b>63,453.82</b>	<b>3,148.27</b>	<b>48,611.37</b>	<b>17,990.72</b>	<b>42,394.82</b>	<b>37,365.43</b>
Capital Work- In-Progress	827.03	2,193.68	753.28	2,267.43	-	-	-	-	2,267.43	827.03
Intangible Assets under Development	16.85	212.64	-	229.49	-	-	-	-	229.49	16.85
<b>Grand Total</b>	<b>1,01,663.12</b>	<b>10,728.19</b>	<b>49,508.85</b>	<b>62,882.46</b>	<b>63,453.82</b>	<b>3,148.27</b>	<b>48,611.37</b>	<b>17,990.72</b>	<b>44,891.74</b>	<b>38,209.31</b>

## Notes Forming Part of the Accounts

### 2.11 FIXED ASSETS (Previous Year)

₹ in Lacs

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	Balance as at 1.4.2013	Additions	Disposals/ Adjustments	Balance as at 31.3.2014	Balance as at 1.4.2013	For the year	Disposals/ Adjustments	Balance as at 31.3.2014	Balance as at 1.03.2014	Balance as at 31.03.2013
<b>Tangible Assets</b>										
Land										
<i>Leasehold</i>	309.96	-	-	309.96	27.19	3.08	-	30.27	279.69	282.77
<i>Freehold</i>	1,554.32	-	-	1,554.32	-	-	-	-	1,554.32	1,554.32
Building	15,832.80	4,910.88	34.75	20,708.93	2,801.19	463.85	34.65	3,230.39	17,478.54	13,031.61
Plant & Equipment	19,758.26	3,483.29	510.19	22,731.36	7,032.61	1,725.12	421.48	8,336.25	14,395.11	12,725.65
Furniture & Fixture	2,110.18	151.96	36.96	2,225.18	413.45	269.77	34.78	648.44	1,576.74	1,696.73
Office Equipment	2,646.93	318.09	10.58	2,954.44	1,600.28	547.05	8.70	2,138.63	815.81	1,046.65
Motor Vehicles	655.94	191.77	36.60	811.11	246.87	100.10	22.21	324.76	486.35	409.07
<b>Tangible Assets</b>	<b>42,868.39</b>	<b>9,055.99</b>	<b>629.08</b>	<b>51,295.30</b>	<b>12,121.59</b>	<b>3,108.97</b>	<b>521.82</b>	<b>14,708.74</b>	<b>36,586.56</b>	<b>30,746.80</b>
<b>Intangible Assets</b>										
Goodwill	47,899.11	-	-	47,899.11	41,801.53	6,097.58	-	47,899.11	-	6,097.58
Software	1,178.03	339.30	-	1,517.33	616.69	153.50	-	770.19	747.14	561.34
Trade Marks and other Intangible assets	100.00	7.50	-	107.50	56.21	19.56	-	75.77	31.73	43.79
<b>Intangible Assets</b>	<b>49,177.14</b>	<b>346.80</b>	<b>-</b>	<b>49,523.94</b>	<b>42,474.43</b>	<b>6,270.64</b>	<b>-</b>	<b>48,745.08</b>	<b>778.87</b>	<b>6,702.71</b>
<b>Total</b>	<b>92,045.53</b>	<b>9,402.79</b>	<b>629.08</b>	<b>1,00,819.24</b>	<b>54,596.02</b>	<b>9,379.61</b>	<b>521.82</b>	<b>63,453.82</b>	<b>37,365.43</b>	<b>37,449.51</b>
Capital Work- In-Progress	4,390.52	890.95	4,454.44	827.03	-	-	-	-	827.03	4,390.52
Intangible Assets under Development	20.30		3.45	16.85	-	-	-	-	16.85	20.30
<b>Grand Total</b>	<b>96,456.34</b>	<b>10,293.74</b>	<b>5,086.97</b>	<b>1,01,663.12</b>	<b>54,596.02</b>	<b>9,379.61</b>	<b>521.82</b>	<b>63,453.82</b>	<b>38,209.31</b>	<b>41,860.33</b>

### 2.12 NON-CURRENT INVESTMENTS

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
<b>Long Term Investments (Valued at Cost)</b>		
<b>Trade Investments</b>		
<b>Investment in Equity instruments (Unquoted)</b>		
<b>In Subsidiaries</b>		
Emami UK Limited		
38,704 Ordinary Shares of £ 1 each	-	-
(Refer Note 2.37)		
Emami Bangladesh Limited		
37,916 Ordinary Shares of Taka 100 each	27.81	27.81
Emami International FZE		
1 Share of UAE Dirham 1,50,000/- each	18.98	18.98
	(i) 46.79	46.79
<b>Other Non Trade Investments</b>		
<b>Investment In Equity Instruments (Quoted)</b>		
Emami Paper Mills Limited		
79,46,000 Equity Shares of ₹2/- each	368.48	368.48
Creative Eye Limited*		

## Notes Forming Part of the Accounts

### 2.12 NON-CURRENT INVESTMENTS (contd.)

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
10,000 Equity Shares of ₹5/- each	6.41	6.41
<b>(Unquoted)</b>		
CRI Limited		
95,630 Equity Shares of ₹10/- each	27.17	27.17
AMRI Hospitals Limited		
8,00,000 Fully paid Equity Shares of ₹10/- each	264.66	264.66
<b>Investment In Government &amp; Trust Securities (Unquoted)</b>		
6 Years' National Savings Certificate (Lodged With Government Authority)	0.58	0.65
	(ii)	667.30
Less : *Provision for Diminution in value of Investment	(iii)	6.10
<b>Total (i) + (ii) - (iii)</b>	<b>707.99</b>	<b>708.53</b>
<b>Aggregate Book Value of Quoted Investments</b>	<b>368.79</b>	<b>369.26</b>
<b>Aggregate Book Value of Unquoted Investments</b>	<b>339.20</b>	<b>339.27</b>
<b>Aggregate Market Value of Quoted Investments</b>	<b>3,417.08</b>	<b>2,078.23</b>

### 2.13 LONG-TERM LOANS AND ADVANCES

Particulars	₹ in Lacs			
	31st March, 2015		31st March, 2014	
<b>Unsecured</b>				
<b>Considered Good</b>				
Capital Advances		2,857.43		2,492.11
Security Deposits		280.80		295.95
Advances to Employees		32.88		55.87
Balances with Excise and Sales Tax Department		416.79		406.08
Advances against Trade Payables		102.85		373.36
Others		397.31		385.89
<b>Considered Doubtful</b>				
Considered Doubtful		119.82		119.82
Less: Provision for Doubtful Advances		(119.82)		-
<b>Total</b>		<b>4,088.06</b>		<b>4,009.26</b>

### 2.14 OTHER NON-CURRENT ASSETS

Particulars	₹ in Lacs			
	31st March, 2015		31st March, 2014	
<b>(Unsecured)</b>				
<b>Trade Receivables</b>				
Considered Good		1.03		1.35
Considered Doubtful		2.95		36.89
Less: Provision for Doubtful Debts		(2.95)		(36.89)
<b>Total</b>		<b>1.03</b>		<b>1.35</b>

## Notes Forming Part of the Accounts

### 2.15 CURRENT INVESTMENTS

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
<b>Non Trade Investments (Valued at lower of Cost or Fair Value)</b>		
<b>Investment in Mutual Fund (Unquoted)</b>		
<b>Axis Liquid Fund - Direct - Growth</b>	1,500.00	1,000.00
96,778.689 (PY-70,400.562) Units		
<b>Axis Banking Debt Fund-Direct Plan -Growth</b>	1,000.00	-
78,847.489(PY-Nil) Units		
<b>Baroda Pioneer Liquid Fund- Plan B Growth</b>	500.00	-
31,167.266 (PY-Nil) Units		
<b>Birla Sun Life Income Fund- Growth - Direct Plan</b>	2,000.00	-
31,44,194.324 (PY-Nil) Units		
<b>BOI AXA Treasury Advantage Fund - Direct Plan - Growth</b>	500.00	700.00
30,324.962 (PY-46,648.946) Units		
<b>Birla Sun Life Floating Rate Fund - Short Term - Growth - Direct Plan</b>	4,000.00	-
21,48,923.371 (PY-Nil) Units		
<b>Edelweiss Arbitrage Fund - Direct Plan - Dividend Option - Payout</b>	200.00	-
19,55,244.454 (PY-Nil) Units		
<b>Edelweiss Liquid Fund - Direct Plan - Growth Option</b>	500.00	-
36,626.272 (PY-Nil) Units		
<b>HDFC Liquid Fund - Direct Plan - Growth Option</b>	2,500.00	-
90,59,336.604 (PY-Nil) Units		
<b>HDFC Banking &amp; PSU Debt Fund - Direct Growth Option</b>	500.00	-
45,40,748.679 (PY-Nil) Units		
<b>ICICI Prudential Liquid - Direct Plan - Growth</b>	1,000.00	-
4,83,210.606 (PY-Nil) Units		
<b>ICICI Prudential Banking PSU Debt Fund - Direct Plan - Growth</b>	1,500.00	-
96,96,123.490 (PY-Nil) Units		
<b>ICICI Prudential Gilt Fund - Investment Plan - PF Option - Direct Plan*</b>	1,500.00	-
53,96,654.074(PY-Nil) Units		
<b>Indiabulls Liquid Fund - Direct Growth - Direct Plan</b>	500.00	-
36,737.194 (PY-Nil) Units		
<b>IDFC Money Manager Fund-Treasury Plan - Growth - (Direct Plan)</b>	500.00	-
22,79,877.799(PY-Nil) Units		
<b>JM Short Term Fund (Direct) - Growth Plan</b>	1,500.00	1,365.41
75,46,030.788 (PY-81,66,108.699 ) Units		
<b>JM High Liquidity Fund (Direct) - Growth Option</b>	1,000.00	-
26,18,246.560 (PY-Nil) Units		
<b>JM Income Fund (Direct) - Growth Option</b>	1,500.00	-
35,54,426.564 (PY-Nil) Units		
<b>JM Floater Short Term Fund (Direct) - Growth</b>	1,000.00	-
46,56,946.068 (PY-Nil) Units		
<b>Kotak Treasury Advantage Fund - Direct Plan - Growth</b>	500.00	-
22,59,458.092 (PY-Nil) Units		
<b>L&amp;T Liquid Fund - Direct Growth</b>	500.00	5,000.00

## Notes Forming Part of the Accounts

### 2.15 CURRENT INVESTMENTS (contd.)

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
26,075.097 (PY-2,84,676.356) Units		
<b>L&amp;T Cash Fund - Direct Plan - Growth</b>	600.00	-
53,432.794 (PY-Nil) Units		
<b>L&amp;T Ultra Short Term Fund - Direct Plan - Growth</b>	5,500.00	-
2,41,57,878.323(PY-Nil) Units		
<b>Mirae Asset Cash Management Fund - Direct Plan - Growth</b>	109.87	-
74,66.858 (PY-Nil) Units		
<b>Pramerica Ultra Short Term Bond Fund - Direct Plan - Growth Option</b>	1,000.00	-
67,204.816 (PY-Nil) Units		
<b>Principal Cash Management Fund - Direct - Growth</b>	1,000.00	-
73,534.505 (PY: Nil) Units		
<b>Reliance Income Fund - Direct - Growth Option</b>	3,800.00	-
81,95,013.081 (PY: Nil) Units		
<b>Reliance Short Term Fund - Direct - Growth</b>	3,000.00	2,654.63
1,13,92,635.800 (PY-1,17,97,782.081) Units		
<b>Reliance Liquid Fund - Cash Plan - Direct - Growth</b>	1,660.04	-
74,394.971 (PY-Nil) Units		
<b>Reliance Liquid Fund - Treasury Plan - Direct - Growth</b>	2,000.00	-
58,668.254 (PY-Nil) Units		
<b>Reliance Money Manager Fund - Direct - Growth</b>	2,850.00	-
1,48,043.691 (PY-Nil) Units		
<b>Religare Invesco Liquid Fund - Direct Plan - Growth</b>	1,000.00	-
51,979.190 (PY-Nil) Units		
<b>Reliance Floating Rate Fund Short Term Plan - Direct - Growth</b>	400.00	-
18,77,687.440 (PY-Nil) Units		
<b>SBI Magnum Insta Cash Fund Liquid Floater - Direct - Growth</b>	650.00	-
27,383.101 (PY-Nil) Units		
<b>Taurus Short Term Income Fund- Direct Plan - Growth</b>	1,000.00	-
40,982.226 (PY-Nil) Units		
<b>Tata Money Market Fund - Direct Plan - Growth</b>	200.00	-
9,133.074 (PY-Nil) Units		
<b>UTI-Money Market Fund - Institutional Plan - Direct Plan - Growth</b>	500.00	-
31,944.640 (PY-Nil) Units		
<b>Baroda Pioneer Short Term Bond Fund - Plan B Growth</b>	-	603.90
Nil (PY-48,16,604.620) Units		
<b>Birla Sunlife Treasury Optimizer Plan - Direct -Growth</b>	-	2,100.00
Nil (PY-13,59,078.566) Units		
<b>DWS Banking &amp; PSU Debt Fund - Direct Plan - Growth</b>	-	500.23
Nil (PY- 50,02,344.528) Units		
<b>DWS Treasury Fund - Investment - Direct Plan - Growth</b>	-	500.00
Nil (PY-35,86,646.199) Units		
<b>ICICI Prudential Interval Fund IV Qtrly Interval Plan B - Direct Plan - Growth</b>	-	2,000.97
Nil (PY-1,45,45,837.618) Units		
<b>IDBI Short Term Bond Fund - Direct - Growth</b>	-	500.90

## Notes Forming Part of the Accounts

### 2.15 CURRENT INVESTMENTS (contd.)

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
Nil (PY-40,63,355.238) Units		
<b>Indiabulls Short Term Fund - Direct - Growth</b>	-	654.60
Nil (PY-63,874.036) Units		
<b>JM Arbitrage Advantage Fund - Direct - Growth*</b>	-	1,600.00
Nil (PY-1,48,34,731.816) Units		
<b>Mirae Asset Fixed Maturity Plan - Series I - 368 Days Direct - Growth</b>	-	100.02
Nil (PY-10,00,220) Units		
<b>Pramerica Income Fund - Direct Plan - Growth Option</b>	-	200.49
Nil (PY-20,048.838) Units		
<b>Principal Debt Opportunity Fund Conservative Plan - Direct - Growth Option</b>	-	500.00
Nil (PY-24,509.602 ) Units		
<b>Principal Income Fund Short Term Plan - Direct - Growth Option</b>	-	602.48
Nil (PY: 28,39,866.604) Units		
<b>Reliance Interval Fund - Quarterly Plan - Series I- Direct Growth Plan Growth Option</b>	-	500.00
Nil (PY-29,12,717.507) Units		
<b>Reliance Arbitrage Advantage Fund - Direct Dividend Plan*</b>	-	5,000.00
Nil (PY-3,69,17,806.2) Units		
<b>Reliance Quarterly Interval Fund - Series II - Direct Growth Plan Growth Option</b>	-	2,105.93
Nil (PY-1,21,91,623.651) Units		
<b>Reliance Fixed Horizon Fund - XXV - Series -29 - Direct Plan - Growth Plan</b>	-	1,000.00
Nil (PY-1,00,00,000) Units		
<b>Sundaram Money Fund - Direct Plan - Growth</b>	-	500.00
Nil (PY-18,59,184.161) Units		
<b>(i)</b>	<b>49,469.91</b>	<b>29,689.56</b>
<b>Less : *Provision for Diminution in value of Investment (ii)</b>	<b>4.55</b>	<b>767.18</b>
<b>Total (i) - (ii)</b>	<b>49,465.36</b>	<b>28,922.38</b>
<b>Net Asset Value of Unquoted Investments</b>	<b>49,650.70</b>	<b>29,467.15</b>

## Notes Forming Part of the Accounts

### 2.16 INVENTORIES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Raw and Packing Materials</b>				
Raw Materials	2,755.41		3,427.07	
Packing Materials	2,125.99	4,881.40	1,945.00	5,372.07
Work-in-Progress		181.99		193.28
Finished Goods		6,609.05		7,899.68
Stores and Spares		118.05		132.07
Advertising Materials		54.80		65.23
<b>Total</b>		<b>11,845.29</b>		<b>13,662.33</b>

### 2.17 TRADE RECEIVABLES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
(Unsecured, Considered Good and unless stated otherwise)				
Due over six months		6.92		122.68
Other Receivables		5,683.41		7,399.47
<b>Total</b>		<b>5,690.33</b>		<b>7,522.15</b>

### 2.18 CASH AND BANK BALANCES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Cash and Cash Equivalent</b>				
Balances with Banks	588.36		4,364.90	
Fixed Deposits with Banks (maturity less than 3 months)	31,598.00		21,840.89	
Cheque-in- hand	-		90.69	
Cash in hand	30.78	32,217.14	40.08	26,336.56
<b>Other Bank Balances</b>				
Unpaid Dividend account (Earmarked)	98.01		59.19	
Deposit with Original maturity of more than 3 months but less than 12 months *	293.35	391.36	88.00	147.19
<b>Total</b>		<b>32,608.50</b>		<b>26,483.75</b>

\*Margin money deposit - ₹Nil lacs (PY: ₹2.60 lacs)

### 2.19 SHORT-TERM LOANS AND ADVANCES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>(Unsecured, Considered Good)</b>				
Balances with Excise and Sales Tax Department		1,281.53		1,636.17
Advances against Trade Payables		4,026.37		3,952.65
Advances to Employees		196.14		166.57
Interest Receivable on Deposits		117.27		72.28
Prepaid Expenses		289.27		186.26
Other Receivables		378.37		513.78
<b>Total</b>		<b>6,288.95</b>		<b>6,527.71</b>

## Notes Forming Part of the Accounts

### 2.20 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2014-2015		2013-2014	
Sale of products	2,07,017.21		1,73,812.91	
Less: Excise duty	3,953.07	2,03,064.14	3,305.36	1,70,507.55
<b>Total</b>		<b>2,03,064.14</b>		<b>1,70,507.55</b>

### 2.21 OTHER INCOME

₹ in Lacs

Particulars	2014-2015		2013-2014	
Interest Income				
Loans & Deposits	5,697.70		4,214.75	
Others	1.58	5,699.28	98.16	4,312.91
Dividend from Long Term Non Trade Investment		47.68		47.68
Dividend from Short Term Non Trade Investment		10,075.69		1,725.24
Profit/ (loss) on Sale of Current Non- Trade Investments		(6,770.68)		244.31
Loss on Derivative Instrument		(1,810.93)		-
Reversal/(Diminution) in value of Short Term Non trade Investment		762.63		(767.18)
Reversal/(Diminution) in value of Long Term Non trade Investment		(0.48)		0.21
Profit on Sale of Fixed Assets		22.64		30.96
Rent and Maintenance Charges Received		382.27		244.84
Sundry Balances Written Back		88.25		2.91
Miscellaneous Receipts		1,085.80		404.21
<b>Total</b>		<b>9,582.15</b>		<b>6,246.09</b>

### 2.22 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lacs

Particulars	2014-2015		2013-2014	
<b>(I) Opening Stock</b>				
Work-in-progress	193.28		229.62	
Finished Goods	7,899.68	8,092.96	5,444.92	5,674.54
<b>(II) Closing Stock</b>				
Work-in-progress	181.99		193.28	
Finished Goods	6,609.05	6,791.04	7,899.68	8,092.96
<b>(I) - (II)</b>		<b>1,301.92</b>		<b>(2,418.42)</b>

### 2.23 EMPLOYEE BENEFIT EXPENSES

₹ in Lacs

Particulars	2014-2015		2013-2014	
Salaries and Wages		12,627.47		10,624.10
Contribution to Provident and other funds		1,387.01		1,413.69
Welfare expenses		395.61		330.61
<b>Total</b>		<b>14,410.09</b>		<b>12,368.40</b>

## Notes Forming Part of the Accounts

### 2.24 FINANCE COSTS

₹ in Lacs

Particulars	2014-2015		2013-2014	
Interest expenses		489.53		401.51
Less : Interest Capitalised		-		12.88
<b>Total</b>		<b>489.53</b>		<b>388.63</b>

### 2.25 OTHER EXPENSES

₹ in Lacs

Particulars	2014-2015		2013-2014	
Consumption of stores and spare parts		247.90		192.25
Power and fuel		1,202.29		945.57
Rent		513.56		498.79
Repairs				
<i>Building</i>	135.67		118.51	
<i>Machinery</i>	661.13		916.13	
<i>Others</i>	923.49	1,720.29	803.10	1,837.74
Insurance		225.38		216.83
Rates and taxes, excluding taxes on income		94.37		81.26
Freight & Forwarding		5,731.03		4,784.62
Directors' Fees and Commission		544.05		527.84
Advertisement & Sales Promotion		32,773.11		23,735.74
Commission		956.17		974.07
Taxes on Sales		12,668.20		11,029.87
Loss on Sale/Disposal of Fixed Assets		48.78		71.03
Bad Debts	17.81		6.11	
Less : Provision for doubtful debts	(17.81)	-	(6.11)	-
Sundry Balance Written off		-		(6.70)
Legal and Professional Fees		1,921.32		1,348.50
Travelling and Conveyance		1,833.44		1,542.73
Miscellaneous Expenses ( Note : 2.34 & 2.36)		2,732.42		2,238.50
<b>Total</b>		<b>63,212.31</b>		<b>50,018.64</b>

### 2.26

#### a. BUSINESS SEGMENT

As the Company's business activity falls within a single primary business segment, viz. "Personal and Healthcare", the disclosure requirements of Accounting Standard-17 "Segment Reporting", are not applicable.

#### b. GEOGRAPHICAL SEGMENT

The company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under :

#### Revenue from Operation (₹ in Lacs)

Particulars	2014-2015	2013-2014
India	1,89,966.62	1,60,215.60
Overseas	13,097.52	10,291.95
<b>Total</b>	<b>2,03,064.14</b>	<b>1,70,507.55</b>

## Notes Forming Part of the Accounts

### 2.26 (contd.)

The carrying amount of segment assets and additions to segment fixed assets by geographical area to which the assets are attributable:

Particulars	₹ in Lacs			
	Carrying amount of Segment Assets		Additions to Fixed Assets including CWIP	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
India	1,52,414.97	1,21,417.78	9,974.91	5,835.85
Overseas	3,172.28	4,628.99	-	-
<b>Total</b>	<b>1,55,587.25</b>	<b>1,26,046.77</b>	<b>9,974.91</b>	<b>5,835.85</b>

### 2.27 DEFINED BENEFIT PLANS:

As per actuarial valuations as on 31st March, 2015 and recognised in the financial statements in respect of Employees benefit schemes.

Particulars	₹ in Lacs			
	31st March, 2015		31st March, 2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
<b>A Components of Employer Expenses</b>				
1 Current Service Cost	232.37	170.25	205.74	168.62
2 Interest Cost	179.61	74.11	168.84	65.34
3 Expected Return on Plan assets	(112.02)	(9.00)	(109.07)	(8.66)
4 Past Service Cost	-	-	-	-
5 Actuarial Losses / (Gains)	257.84	46.34	446.79	118.88
6 Actuarial Losses / (Gains) on Plan Assets	0.25	(0.02)	5.06	2.38
<b>7 Total Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>558.05</b>	<b>281.68</b>	<b>717.36</b>	<b>346.56</b>
<b>B Net asset/(liability) recognised in Balance Sheet as at 31st March 2015</b>				
1 Present value of Defined Benefit Obligation (DBO)	2,673.31	1,132.18	2,222.66	902.38
2 Fair value of Plan Assets	1,335.17	109.52	1,265.94	99.42
3 Funded Status [Surplus/(deficit)]	(1,338.14)	(1,022.66)	(956.72)	(802.96)
<b>4 Net asset/(liability) recognised in Balance Sheet</b>	<b>(1,338.14)</b>	<b>(1,022.66)</b>	<b>(956.72)</b>	<b>(802.96)</b>
<b>C Change in Defined Benefit Obligation during the year ended 31st March 2015</b>				
1 Present value of DBO at beginning of period	2,222.67	902.38	1,529.31	549.54
2 Current Service Cost	232.37	170.25	205.74	168.62
3 Interest Cost	179.61	74.11	168.84	65.34
4 Plan amendments cost/(credit)	-	-	-	-
5 Actuarial Losses / (Gains)	257.84	46.34	446.79	118.88
6 Benefits Paid	(219.17)	(60.90)	(128.02)	-
7 Liabilities extinguished on settlements	-	-	-	-
<b>8 Present value of DBO at the end of period</b>	<b>2,673.32</b>	<b>1,132.18</b>	<b>2,222.66</b>	<b>902.38</b>
<b>D Change in Fair Value of Assets</b>				
1 Plan Assets at beginning of period	1,265.94	99.43	1,157.85	93.14
2 Expected Return on Plan Assets	112.02	9.00	109.07	8.66
3 Actuarial Gains /(Loss)	(0.25)	0.02	(5.06)	(2.38)

## Notes Forming Part of the Accounts

### 2.27 DEFINED BENEFIT PLANS: (contd.)

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
4 Actual company contributions	176.63	1.08	132.10	-
5 Benefits paid	(219.17)	-	(128.02)	-
6 Assets distributed on settlements	-	-	-	-
<b>7 Plan assets at the end of period</b>	<b>1,335.17</b>	<b>109.53</b>	<b>1,265.94</b>	<b>99.42</b>
<b>E Actuarial Assumptions</b>				
1 Discount Rate (%)	7.80	7.80	8.50	8.50
2 Annual Salary Escalation Rate (%)	12.00		10.00	
3 Expected Return on Plan Assets (%)	9.00	9.00	9.00	9.00

₹ in Lacs

Experience History	Year Ending				
	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011
<b>GRATUITY</b>					
Defined Benefit Obligation at end of the period	(2,673.31)	(2,222.66)	(1,529.31)	(1,172.46)	(1,075.86)
Plan Assets at end of the period	1,335.17	1,265.94	1,157.85	995.19	868.07
Funded Status	(1,338.14)	(956.72)	(371.46)	(177.27)	(207.80)
Experience Gain /(Loss) adjustment on plan liabilities	320.58	(446.79)	(179.85)	(46.09)	(47.98)
Experience Gain /(Loss) adjustment on plan assets	(0.25)	(5.06)	(0.04)	12.45	7.39
Experience Gain /(Loss) due to change on assumptions	(578.42)	-	-	34.21	(51.89)
<b>LEAVE ENCASHMENT</b>					
Defined Benefit Obligation at end of the period	(1,132.18)	(902.38)	(549.54)	(322.56)	(289.75)
Plan Assets at end of the period	109.52	99.42	93.13	85.25	78.03
Funded Status	(1,022.66)	(802.96)	(456.41)	(237.31)	(211.72)
Experience Gain /(Loss) adjustment on plan liabilities	281.89	(118.88)	(60.44)	59.34	18.90
Experience Gain /(Loss) adjustment on plan assets	0.02	(2.38)	(0.14)	1.37	0.47
Experience Gain /(Loss) due to change on assumptions	(328.23)	-	-	10.69	(26.20)

## Notes Forming Part of the Accounts

### 2.28 PROVIDENT FUND

₹ in Lacs

Particulars	Year Ending			
	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Present value of benefit obligation at end of the period	(65.10)	(20.76)	(31.02)	(19.78)
Plan Assets at end of the period	39.97	-	-	-
Funded Status	(25.13)	(20.76)	(31.02)	(19.78)
<b>Actuarial Assumptions</b>				
Discount Rate	7.80%	9.00%	7.91%	8.60%
Expected Guarantee Interest Rate	8.75%	8.75%	8.50%	8.25%

### 2.29 DERIVATIVE INSTRUMENTS

The Company uses Forward Exchange Contracts and Options to hedge its risk associated with fluctuations in foreign currency and interest rates relating to foreign currency liabilities and some forecasted transactions related to foreign currency trade. The use of forward contracts and options is governed by Company's overall strategy. The company does not use forward contract and options for speculative purposes.

Amount in Lacs

Particulars	31st March, 2015		31st March, 2014	
	Amt. in Original Currency	Amt. in INR	Amt. in Original Currency	Amt. in INR
i) The following are the outstanding forward contracts				
For hedging currency risks :-				
<b>Forward Covers</b>				
Receivables				
- Current	USD 49.94	3,125.49	USD 21.69	1,303.61
- Future	USD 110.96	6,945.37	-	-
<b>Payables</b>				
- Current	-	-	-	-
- Future	EUR 17.80	1,201.82	-	-
ii) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :-				
Receivables	-	-	USD 54.55	3,278.59
Loan	USD 25.00	1,564.77	USD 50.00	3,004.99

### 2.30

The Company has made a provision of ₹38.90 Lacs (P.Y.- ₹525.22 Lacs) towards Indirect Taxes resulting mainly from issues, which are under litigation/dispute as shown below:

₹ in Lacs

Description	31st March, 2015	31st March, 2014
Opening Balance	805.28	280.06
Provisions made during the year	38.90	525.22
Payment/reversals during the year	38.86	-
Closing Balance	805.32	805.28

## Notes Forming Part of the Accounts

### 2.31

There were no dues outstanding for more than 45 days to any Micro, Small and Medium Enterprises Creditor. The above information regarding Micro, Small and Medium Enterprise has been determined to the extent such communication has been received from the respective parties by the company. This has been relied upon by the Auditors.

### 2.32

Long Term Loans & Advances include Security Deposit of ₹7.04 Lacs (P.Y.-₹9.04 Lacs) due from Directors of the Company against tenancies. (Maximum amount outstanding during the year - ₹10.15 Lacs (P.Y.-₹9.15 Lacs).

### 2.33 CONTINGENT LIABILITIES & COMMITMENTS

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
<b>I) Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debt (Net of Advances) :		
i) Excise Duty demands	139.69	254.04
ii) Sales Tax demands under appeal	703.31	885.04
iii) Entry Tax	133.51	133.51
iv) Other	42.37	45.47
Note : Contingent Liability disclosed above represent possible obligations where the possibility of cash outflow to settle the obligation is remote and is exclusive of interest and penalty. (if any)		
In addition, the company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations and financial condition.		
(b) Guarantees and counter guarantees given	6,367.60	5,913.32
<b>II) Commitments:</b>		
Estimated amount of commitments [net of advances of ₹2,857.43 Lacs (P.Y.- ₹2,492.11 Lacs)] on capital account not provided for	4,308.88	3,516.13

### 2.34 PAYMENT TO AUDITORS

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
<b>As Auditors:</b>		
Audit Fees	39.33	39.33
Tax Audit Fees	3.93	3.93
Limited Review	1.69	1.69
<b>In Other Capacity:</b>		
Other Services (Certification fees)	2.98	6.85
	47.93	51.80
<b>Payment to Cost Auditors</b>		
Audit Fees	1.52	1.52

## Notes Forming Part of the Accounts

### 2.35

"The Company has changed the method of providing depreciation on Fixed assets of Vapi, Masat and Dongari units from written down value to straight line method and has adopted useful lives as prescribed in Schedule II of the Companies Act 2013. As prescribed under Accounting Standard 6 - Depreciation Accounting and in line with "Application guide on Provisions of Schedule II to The Companies Act 2013" issued by ICAI in Feb'2015, the change has been made with retrospective effect as per rates prescribed in Schedule XIV of the Companies Act 1956, on account of which excess depreciation of ₹743.59 Lacs charged upto 31st March 2014 has been written back and adjusted against depreciation for the year. Also, due to change in useful lives as prescribed in Schedule II of the Act, depreciation charge for the year is higher by ₹216.70 Lacs. Depreciation on all other assets has been provided in compliance with Schedule II of the Act.

### 2.36

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activities are Healthcare, Water and Sanitation Programs, Promoting Education, Enhancing Vocational Skills & Livelihood enhancement Projects and Rural Development, Social Upliftment Programs and Promotion of Art and Culture. During the year, ₹759.22 Lacs has been contributed towards CSR activities.

### 2.37

During the year, Emami UK Ltd. wholly owned subsidiary of the company has applied for dissolution.

### 2.38 MATERIALS CONSUMED

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
Indigenous (98.99%) (P.Y.99.04%)		
Oils & Essential Oils	11,277.34	10,279.47
Chemicals & Fats	16,877.15	16,247.11
Herbs	1,524.03	1,674.91
Tubes & Containers	14,232.89	11,923.25
Other Packing Materials	12,011.67	11,152.73
Others	2,437.34	2,599.90
	(A)	58,360.42
Imported (1.01%) (P.Y. 0.96%)		
Oils	13.84	8.63
Chemicals & Fats	578.83	510.90
	(B)	592.67
	(A) + (B)	58,953.09
		54,396.90

### 2.39 PURCHASE OF FINISHED GOODS

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
Cosmetics & Toiletries	9,069.22	8,201.93
Ayurvedic Medicines	4,993.46	5,219.30
Others	103.52	-
	14,166.20	13,421.23

## Notes Forming Part of the Accounts

### 2.40 SALE OF PRODUCTS

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
Cosmetics & Toiletries	53,593.62	40,536.13
Ayurvedic Medicines	1,47,088.02	1,27,932.04
Other Ayurvedic (Tablets & Pills)	5,489.38	4,595.02
Others	846.19	749.72
	2,07,017.21	1,73,812.91

### 2.41 OPENING STOCK OF FINISHED GOODS

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
Cosmetics & Toiletries	2,641.10	1,157.66
Ayurvedic Medicines	4,829.75	4,067.64
Other Ayurvedic (Tablets & Pills)	427.47	217.74
Others	1.36	1.88
	7,899.68	5,444.92

### 2.42 CLOSING STOCK OF FINISHED GOODS

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
Cosmetics & Toiletries	2,418.39	2,641.10
Ayurvedic Medicines	3,816.79	4,829.75
Other Ayurvedic (Tablets & Pills)	372.98	427.47
Others	0.89	1.36
	6,609.05	7,899.68

### 2.43 WORK IN PROGRESS

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
Cosmetics & Toiletries	27.01	49.84
Ayurvedic Medicines	154.98	143.44
	181.99	193.28

### 2.44 CONSUMPTION OF STORES & SPARES

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
Indigenous (100%)	247.90	192.25

## Notes Forming Part of the Accounts

### 2.45 EXPENDITURE IN FOREIGN CURRENCY (On Payment Basis)

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
Professional Fees	359.30	259.81
Interest	93.20	202.45
Others	142.05	201.65
	594.55	663.91

### 2.46 VALUE OF IMPORTS ON CIF BASIS

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
Raw Materials	925.26	772.82
Capital Goods	1,192.41	1,235.31
	2,117.67	2,008.13

### 2.47 EARNINGS IN FOREIGN EXCHANGE FOR

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
Export of goods calculated on FOB basis	10,047.67	8,374.78
	10,047.67	8,374.78

### 2.48 RELATED PARTY TRANSACTIONS

Particulars	31st March, 2015	31st March, 2014
	% of Holding	% of Holding
<b>A. Parties where Control exists:</b>		
<b>SUBSIDIARIES</b>		
i) Emami UK Limited	100%	100%
ii) Emami Bangladesh Limited	100%	100%
iii) Emami International FZE	100%	100%
iv) Emami Overseas FZE - Subsidiary of Emami International FZE	100%	100%
v) Pharma Derm SAE Co.- Subsidiary of Emami Overseas FZE	90.60%	90.6%
vi) Fravin Pty.Ltd, -Subsidiary of Emami International FZE (w.e.f 6th January 2015)	66.67%	-
vii) Greenlab Organics Ltd. -Subsidiary of Fravin Pty Ltd. (w.e.f 6th January 2015)	66.67%	-
viii) Diamond Bio-tech Laboratories Pty.Ltd. - Subsidiary of Fravin Pty Ltd. (w.e.f 6th January 2015)	66.67%	-
ix) Abache Pty Ltd, - Subsidiary of Diamond Bio -tech Laboratories Pty. Ltd. (w.e.f 6th January 2015)	66.67%	-

## Notes Forming Part of the Accounts

### 2.48 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 & AVP- Legal

##### ii) Other Directors

1	Shri Aditya Vardhan Agarwal	Non Executive Director
2	Vaidya Suresh Chaturvedi	Independent Director
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 Sajjan Bhajanka	Independent Director
8	Shri P.K.Khaitan	Independent Director
9	Shri M.D.Mallya	Independent Director

##### iii) Relatives of Key Management Personnel

1	Smt. Usha Agarwal
2	Smt. Saroj Goenka
3	Smt. Indu Goenka
4	Smt. Rachna Bagaria
5	Smt. Laxmi Devi Bajoria
6	Ms. Jyoti Agarwal
7	Ms. Pooja Goenka
8	Ms. Smriti Agarwal
9	Ms. Sobhna Agarwal
10	Ms. Vidisha Agarwal
11	Ms. Avishi Sureka
12	Ms. Jyoti Goenka
13	Ms. Mansi Agarwal
14	Ms. Meena Goenka
15	Ms. Rachna Goenka
16	Ms. Rashmi Goenka
17	Ms. Richa Agarwal
18	Ms. Shreya Goenka
19	Ms. Vidula Agarwal
20	Shri Suresh Kr. Goenka
21	Shri Raj Kr. Goenka
22	Shri Manish Goenka
23	Shri Jayant Goenka
24	Shri Sachin Goenka
25	Shri Rohin Raj Sureka

## Notes Forming Part of the Accounts

### 2.48 RELATED PARTY TRANSACTIONS: (contd.)

#### B. Other Related Parties with whom transactions have taken place during the period (contd.)

26 Shri Vibhash Vardhan Agarwal

27 Shri Yogesh Goenka

#### iv) Entities where Key Management Personnel and their relatives have significant influence

1 Suntrack Commerce Private Limited

2 Diwakar Viniyog Private Limited

3 Bhanu Vyapaar Private Limited

4 Suraj Viniyog Private Limited

5 Emami Paper Mills Limited

6 Emami Cement Limited

7 Emami High Rise Private Limited

8 Emami Enclave Makers Private Limited

9 Aviro Vyapar Private Limited

10 Emami Foundation

11 Aradhana Trust

12 Kesar Deo Ratni Devi Goenka Trust

#### C. Disclosure of Transactions between the Company and Related Parties and the status of Outstanding Balance.

₹ in Lacs

Particulars	Subsidiaries		Directors, Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1. Remuneration								
i) EXECUTIVE DIRECTORS								
A) - Salary & Other benefits	-	-	828.99	723.99	-	-	828.99	723.99
B) - Commission	-	-	500.00	500.00	-	-	500.00	500.00
ii) NON EXECUTIVE DIRECTORS								
A) - Sitting Fees	-	-	23.05	8.84	-	-	23.05	8.84
B) - Commission	-	-	21.00	19.00	-	-	21.00	19.00
iii) CFO & COMPANY SECRETARY								
- Salary & Other benefits	-	-	184.84	132.06	-	-	184.84	132.06
2. Sales								
A) - Sale of Goods	10,056.64	8,443.73	-	-	-	5.21	10,056.64	8,448.94
B) - Sale of Fixed Assets	0.76	0.81	-	-	-	-	0.76	0.81
3. Service Charges Received	-	-	-	-	-	5.62	-	5.62
4. Reimbursement of Expenses	46.05	116.78	-	-	18.21	21.26	64.26	138.04
5. Rent, Maintenance & Other Charges Paid	-	-	6.65	4.64	4.25	5.14	10.90	9.78
6. Rent, Maintenance & Other Charges Received	-	-	-	-	116.71	97.84	116.71	97.84
7. Royalty Received	55.38	29.34	-	-	2.25	2.25	57.63	31.59
8. Commission Received	-	-	-	-	-	3.49	-	3.49
9. Dividend Received	-	-	-	-	47.68	47.68	47.68	47.68
10. Dividend Paid	-	-	1,685.27	1,545.53	10,216.01	10,952.79	11,901.28	12,498.32

## Notes Forming Part of the Accounts

### 2.48 RELATED PARTY TRANSACTIONS: (contd.)

#### C. Disclosure of Transactions between the Company and Related Parties and the status of Outstanding Balance. (contd.)

₹ in Lacs

Particulars	Subsidiaries		Directors, Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
11. Security Deposit Paid	-	-	2.20	-	-	-	2.20	-
12. Security Deposit Refund	-	-	8.98	0.20	0.25	-	9.23	0.20
13. Donation / Contribution towards CSR	-	-	-	-	133.50	320.00	133.50	320.00
14. Balance As on 31st March								
A) - Investment	46.79	46.79	-	-	368.48	368.48	415.27	415.27
B) - Advance against Reimbursement	3.58	1.61	-	-	16.83	-	20.41	1.61
C) - Trade Receivables	3,016.21	4,598.13	-	-	-	-	3,016.21	4,598.13
D) - Security Deposit Paid	-	-	17.25	26.65	7.00	7.25	24.25	33.90
E) - Security Deposit Received	-	-	-	-	29.73	25.83	29.73	25.83

### 2.49 INFORMATION FOR EARNINGS PER SHARE AS PER AS-20

Particulars	31st March, 2015	31st March, 2014
Net Profit	47,163.13	39,823.38
Weighted average number of shares	226967619	226967619
<b>Earnings Per Share - Basic &amp; Diluted (₹)</b>	<b>20.78</b>	<b>17.55</b>

### 2.50

Previous year's figures have been rearranged/regrouped wherever necessary.

As per our report of even date

For S. K. Agrawal & Co.  
Chartered Accountants

R S Agarwal  
Chairman

R S Goenka  
Director

S B Ganguly  
Director

S.K.Agrawal  
Partner

S K Goenka  
Managing Director

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

A K Joshi  
Company Secretary  
& AVP-Legal

Kolkata  
13th May, 2015

# Consolidated Financial Statements

# INDEPENDENT AUDITORS' REPORT

To  
The Members of  
Emami Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Emami Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as the Group), comprising of the Consolidated Balance Sheet as at 31st March 2015, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board is responsible for the preparation and presentation of these consolidated financial statements in terms of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statements/financial information of seven subsidiaries, whose financial statements/financial information reflect total assets of ₹15,191.99 lacs as at 31st March 2015, total revenue of ₹28,470.73 lacs and net cash flows amounting to ₹2,291.82 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated 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 / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

- I. The Holding Company does not have any subsidiary incorporated in India and accordingly matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, have not been annexed to this report.
- II. 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 of the aforesaid financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated

Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note. 2.31 & 2.33 to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For, **S. K. AGRAWAL & CO.**  
Chartered Accountants  
Firms Registration No- 306033E

**S. K. AGRAWAL**  
Partner  
Membership No: 9067

Place: Kolkata  
Dated: 13th May, 2015

## Consolidated Balance Sheet as at 31st March, 2015

₹ in Lacs

	Notes	As at 31.03.2015		As at 31.03.2014	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2.1	2,269.68		2,269.68	
Reserves and Surplus	2.2	1,20,794.08	1,23,063.76	90,942.14	93,211.82
<b>Minority Interest</b>			456.34		0.98
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	2.3	170.85		1,744.55	
Deferred Tax Liabilities (Net)	2.4	1,204.75		479.00	
Other Long Term Liabilities	2.5	1,630.16		1,186.05	
<b>Long-Term Provisions</b>	2.6	2,453.38	5,459.14	1,712.79	5,122.39
<b>Current Liabilities</b>					
Short-Term Borrowings	2.7	1,769.73		436.94	
Trade Payables	2.8	19,323.34		14,297.21	
Other Current Liabilities	2.9	6,385.74		5,045.09	
Short-Term Provisions	2.10	11,174.34	38,653.15	12,114.17	31,893.41
<b>TOTAL</b>			<b>1,67,632.39</b>		<b>1,30,228.60</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets	2.11				
Tangible Assets		41,603.95		38,807.35	
Intangible Assets		3,278.24		778.87	
Capital Work-in-Progress		2,647.37		1,173.66	
Intangible Assets under Development		229.49		16.85	
Goodwill On Consolidation		408.05		-	
Non-Current Investments	2.12	661.20		661.74	
Long-Term Loans and Advances	2.13	4,366.93		4,218.17	
Other Non-Current Assets	2.14	1.03	53,196.26	1.35	45,657.99
<b>Current Assets</b>					
Current Investments	2.15	49,465.36		28,922.38	
Inventories	2.16	12,665.47		14,114.78	
Trade Receivables	2.17	10,267.16		7,929.41	
Cash and Bank Balances	2.18	35,410.66		26,996.34	
Short-Term Loans and Advances	2.19	6,627.48	1,14,436.13	6,607.70	84,570.61
<b>TOTAL</b>			<b>1,67,632.39</b>		<b>1,30,228.60</b>
<b>Summary of Significant Accounting Policies and Notes on Accounts</b>	<b>1 &amp; 2</b>				

As per our report of even date

For S. K. Agrawal & Co.  
Chartered Accountants

R S Agarwal  
Chairman

R S Goenka  
Director

S B Ganguly  
Director

S.K.Agrawal  
Partner

S K Goenka  
Managing Director

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

A K Joshi  
Company Secretary  
& AVP-Legal

Kolkata  
13th May, 2015

## Statement of Consolidated Profit and Loss for the year ended 31st March, 2015

₹ in Lacs

	Notes	2014-15	2013-14
<b>INCOME</b>			
Revenue From Operations	2.20	2,21,724.77	1,82,077.26
Other Income	2.21	9,640.97	6,217.59
<b>Total Revenue</b>		<b>2,31,365.74</b>	<b>1,88,294.85</b>
<b>EXPENSES</b>			
Cost of Materials Consumed		61,522.74	55,594.25
Purchase of Stock-in Trade		15,113.51	14,995.73
(Increase)/decrease in Inventories of Finished Goods and Work-in Progress	2.22	1,360.03	(2,561.97)
Employee Benefit Expenses	2.23	16,713.41	13,901.50
Finance Costs	2.24	514.08	538.26
Depreciation and Amortisation Expense	2.11 & 2.35	3,430.99	9,614.50
Transfer From General Reserve		-	(6,097.57)
Foreign Exchange (Gain)/ Loss		459.43	(308.97)
Other Expenses	2.25	73,007.18	56,017.03
<b>Total Expenses</b>		<b>1,72,121.37</b>	<b>1,41,692.74</b>
<b>Profit Before Exceptional item &amp; Tax</b>		<b>59,244.37</b>	<b>46,602.11</b>
<b>Exceptional Items</b>			
VRS Compensation		-	428.09
Goodwill on Consolidation written off		-	460.68
<b>Profit Before Tax</b>		<b>59,244.37</b>	<b>45,713.34</b>
<b>Tax Expense</b>			
Current Tax		9,983.25	8,095.31
Deferred Tax		755.03	(889.00)
(Excess)/Short Provision of Earlier Years		(38.46)	(1,736.04)
<b>Profit After Taxation Before Minority Interest</b>		<b>48,544.55</b>	<b>40,243.07</b>
<b>Share of Minority Interest</b>		<b>(16.42)</b>	<b>(4.05)</b>
<b>Profit For The Period</b>		<b>48,560.97</b>	<b>40,247.12</b>
Earnings Per Equity Share	2.39		
(1) Basic		21.40	17.73
(2) Diluted		21.40	17.73
<b>Summary of Significant Accounting Policies and Notes on Accounts</b>	1 & 2		

As per our report of even date

For **S. K. Agrawal & Co.**  
Chartered Accountants

**R S Agarwal**  
Chairman

**R S Goenka**  
Director

**S B Ganguly**  
Director

**S.K.Agrawal**  
Partner

**S K Goenka**  
Managing Director

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

**A K Joshi**  
Company Secretary  
& AVP-Legal

Kolkata  
13th May, 2015

## Consolidated Cash Flow Statement for the year ended 31st March, 2015

₹ in Lacs

	2014-15	2013-14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	59,244.37	46,602.11
Add : ADJUSTMENTS FOR		
Depreciation & Amortisation	3,430.99	3,516.93
Provision for Doubtful Advances	-	119.82
Interest	(5,248.18)	(3,774.73)
Loss / (Profit) on sale of Fixed Assets	27.58	41.23
Loss / (Profit) on sale of Investments	8,581.61	(244.31)
Diminution in Value of Investment	(762.16)	766.97
Foreign Exchange Fluctuations	459.43	(308.97)
Share of Minority Interest	16.42	4.05
Dividend Received	(10,123.37)	(1,772.92)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	55,626.69	44,950.18
Add : DECREASE / (INCREASE) IN WORKING CAPITAL		
Trade & other Payables	6,777.64	4,878.22
Inventories	1,449.31	(2,716.82)
Trade & other Receivables	(2,731.40)	2,336.14
Provision for Indirect Taxes	1,179.77	525.22
Provision for Employee Benefits	659.70	933.53
	7,335.02	5,956.29
CASH GENERATED FROM OPERATIONS	62,961.71	50,906.47
Less : Direct Taxes Paid	9,557.05	7,656.47
CASH FLOW BEFORE EXCEPTIONAL ITEMS	53,404.66	43,250.00
Less: : Exceptional Items	-	428.09
NET CASH FLOW FROM OPERATING ACTIVITIES	53,404.66	42,821.91
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Fixed Assets	129.23	68.69
Interest Received	5,717.27	4,303.71
Dividend Received	10,123.37	1,772.92
Sale of Investments	1,52,743.89	1,16,726.37
	1,68,713.76	1,22,871.70
Less : Purchase of Fixed Assets	10,978.17	6,536.68
Purchase of Investments	1,81,105.79	1,30,521.56
NET CASH USED IN INVESTING ACTIVITIES	(23,370.20)	(14,186.54)

## Consolidated Cash Flow Statement for the year ended 31st March, 2015 (contd.)

₹ in Lacs

	2014-15	2013-14
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Loans (Net)	189.96	(7,513.56)
Interest Paid	(524.44)	(507.56)
Dividend Paid	(9,039.88)	(12,085.33)
Interim Dividend paid	(9,078.70)	(6,809.04)
Corporate Dividend Tax	(3,085.86)	(3,214.42)
	(21,538.92)	(30,129.92)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(21,538.92)</b>	<b>(30,129.92)</b>
<b>D. EFFECT OF FOREIGN EXCHANGE FLUCTUATION</b>	(351.64)	212.07
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C+D)	8,143.90	(1,282.49)
* CASH & CASH EQUIVALENTS-OPENING BALANCE	26,802.99	28,085.47
CASH & CASH EQUIVALENTS ON ACQUISITION OF SUBSIDIARY	28.50	-
* CASH & CASH EQUIVALENTS-CLOSING BALANCE	34,975.39	26,802.99
*Refer Note No : 2.18		

As per our report of even date

For **S. K. Agrawal & Co.**  
Chartered Accountants

**R S Agarwal**  
Chairman

**R S Goenka**  
Director

**S B Ganguly**  
Director

**S.K.Agrawal**  
Partner

**S K Goenka**  
Managing Director

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

**A K Joshi**  
Company Secretary  
& AVP-Legal

Kolkata  
13th May, 2015

## 1 SIGNIFICANT ACCOUNTING POLICIES

### i) Principles of Consolidation

The Consolidated Financial Statements relate to EMAMI LIMITED ("the Company") and its Subsidiary Companies (refer note (xxi)) has been consolidated as per Accounting Standards on Accounting for Consolidated Financial Statements (AS 21), prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules. The Consolidated Financial Statements have been prepared on the following basis:

- a) Consolidated Financial Statements have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group transactions/balances and resulting unrealised profits.
- b) The difference between the cost of investment in the Subsidiaries over its proportionate share in the net assets value at the time of acquisition of stake in subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. For this purpose, the company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation is adjusted against Goodwill.
- c) Minority interest in net profit/loss of the Subsidiaries for the year is identified and adjusted against income in order to arrive at the net income attributable to shareholder's of the company. Minority interest in net assets of the subsidiaries is identified and presented separately in Consolidated Financial Statements.
- d) As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's financial statements.
- e) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company.
- f) Foreign Exchange fluctuations on conversion of the accounts of foreign subsidiaries (refer note (xxi)) have been taken to "Foreign Currency Translation Reserve" (Arising on Consolidation).

### (ii) General

These accounts have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles and the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules, 2014 and other provisions of the Act, to the extent applicable.

### (iii) Fixed Assets

- a. Fixed Assets are stated at cost less Depreciation. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.
- b. All pre-operative and trial run expenditure (net of realisation, if any) are capitalised.
- c. Projects under commissioning and other Capital Work in Progress are carried at cost, comprising direct cost, related incidental expenses and interest on borrowings made for the purpose of acquisition of fixed assets.

### (iv) Intangible Assets

Intangible Assets are recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

### (v) Depreciation and Amortisation

#### Tangible Assets :

Depreciation on tangible assets is provided on the straight line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for:

- i) Block, dies & moulds (other than high-end moulds) are depreciated @ 100% in the year of purchase itself on prorata basis.
- ii) Lease hold land is amortised over the period of lease.
- iii) In Pharmaderm Co. SAE -Egypt, depreciation is provided on reducing balance method @ 25% except for Building & Utilities which is depreciated @ 5%.

## 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

- iv) In Fravin Pty.Ltd. and its Subsidiaries depreciation is calculated on straight line method over their useful lives.
- v) In Emami Bangladesh Limited, depreciation is provided on reducing balance method @ 20% except for furniture & other assets which is depreciated @10% and 30% respectively.

### **Intangible Assets :**

- a. Goodwill - Consequent to the scheme of arrangement being accounted for under Purchase Method by adopting book value method, the cost representing goodwill recognised is being amortised to Statement of Profit & Loss over, the estimated useful life of five years. As per the terms of the scheme equivalent amount of such amortisation is transferred from General Reserve.

The estimated useful life of Goodwill is reviewed by the management periodically and changes there in are taken cognizance of, by accelerating or decelerating the pace of amortisation.

- b. Trade Marks, Brands and other Intangible Assets are amortised over a period not exceeding 10 years. In Fravin Pty.Ltd. and its Subsidiaries Patents, Trademarks and other intangible assets are amortised over their useful life.
- c. Software is depreciated over a period of six years on Straight Line Method.

### **(vi) Investments**

Long Term Investments are stated at cost. Current Investments are stated at cost or fair value whichever is lower. Diminution in value of long term investments other than temporary in nature is charged to Statement of Profit & Loss.

### **(vii) Inventories**

The inventories are valued at cost or net realisable value whichever is lower except for work in progress and advertising material which are valued at cost. The Cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.

In Emami International FZE and its Subsidiaries cost is determined under FIFO method.

### **(viii) Research & Development**

Revenue expenditure on Research and Development is charged against the Profit for the year.

### **(ix) Employee retirement benefits**

- a. The Company makes contributions towards provident fund and superannuation fund to the regulatory authorities to 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). Under the plan, the Company is required to contribute a specified amount to the retirement benefit plan to fund the benefits.

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. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

- b. Provision for Leave encashment and Gratuity is made on the basis of actuarial valuation as at the year end as per the requirements of Accounting Standard –15 (Revised 2005) on "Employee Benefits".
- c. The Company has defined benefit plan comprising of Gratuity fund with Life Insurance Corporation of India. In Vapi, Dongari and Masat units the Leave Fund is with Life Insurance Corporation of India.
- d. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions are recognised immediately in the Statement of Profit and Loss as income or expense.

## **1** SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

### **(x) Voluntary Retirement Scheme**

Expenditure incurred on voluntary retirement scheme is charged to profit in the year in which it is incurred.

### **(xi) Revenue from Operation**

Sales includes duty drawback, license premium on exports, Sales Tax net of Trade discounts and other rebates.

### **(xii) Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation. Provisions & Contingent Liabilities are revalued at each Balance Sheet date.

### **(xiii) Government Grants**

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. Government grant in the nature of promoters' contribution is credited to the capital subsidy reserve.

### **(xiv) Revenue Recognition**

Income are recognised on accrual basis.

### **(xv) Foreign Currency Transactions**

a. Forward Exchange Contract - The premium or discount arising at the inception of forward exchange contracts entered into to hedge an asset / liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rate change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expenses for the period.

Transactions other than those covered by forward contracts are recognised at the exchange rate prevailing on date of transaction. Gains & losses arising on account of realisation are accounted for in Statement of Profit & Loss.

b. Monetary Assets & Liabilities in foreign currency that are outstanding at the year end and not covered by forward contracts are translated at the year end exchange rates.

c. The exchange differences arising from long term foreign currency monetary items relating to the acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital asset. Other exchange differences arising from Long-Term Foreign Currency Monetary Items are Transferred to "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the life of such monetary items but not beyond March 31, 2020. Other exchange differences are recognized as income or expenses in the Statement of Profit & Loss.

d. In respect of foreign currency option contracts which are entered into to hedge highly probable forecasted transactions the cost of these contracts, if any, is expensed over the period of the contract. Any profit or loss arising on settlement or cancellation of currency options is recognised as income or expenses for the period in which settlement or cancellation takes place. The effect of this currency options contracts outstanding at the year end, in the form of unrealised gains/ losses, is not recognised.

## 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

### (xvi) Excise Duty

Excise duty payable on manufactured goods is accounted for at the time of despatch of goods from the factories and is included in finished goods (manufactured) held at the year end.

### (xvii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

### (xviii) Taxation

Provision for tax is made for both current and deferred taxes. Provision for current tax is made at the current tax rates based on assessable income. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### (xix) Impairment of Assets

The Company identifies impairable assets at the year end in accordance with the guiding principles of Accounting Standard 28, for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallises, are charged against revenues for the year. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### (xx) Preliminary expenses

Preliminary Expenses in case of existing companies has been written off over a period of 5 years, and for the companies which has been incorporated in this year, it is fully written off in the year of incorporation.

### (xxi) List of Subsidiaries included in the Consolidated financial statements are as under:-

Names of Subsidiary Companies	Country of Incorporation	Extent of Holding
Emami UK Limited	United Kingdom	100%
Emami Bangladesh Limited	Bangladesh	100%
Emami International FZE	UAE	100%
Emami Overseas FZE -(Subsidiary of Emami- International FZE)	UAE	100%
Pharmaderm Co. SAE -Egypt (Subsidiary of Emami Overseas FZE)	Egypt	90.60%
Fravin Pty.Ltd. (Subsidiary of Emami International FZE )	Australia	66.67%
Greenlab Organics Ltd. (Subsidiary of Fravin Pty Ltd.)	United Kingdom	66.67%
Diamond Bio-tech Laboratories Pty. Ltd. (Subsidiary of Fravin Pty Ltd. )	Australia	66.67%
Abache Pty Ltd. ( Subsidiary of Diamond Bio Tech Laboratories Pty. Ltd.)	Australia	66.67%

## 2 Notes to the Consolidated Financial Statements

### 2.1 SHARE CAPITAL

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
<b>Authorised</b>		
25,00,00,000 Equity Shares of Re 1/- each	2,500.00	2,500.00
<b>Issued</b>		
22,69,67,619 Equity Shares of Re 1/- each fully paid up	2,269.68	2,269.68
<b>Subscribed &amp; Paid up*</b>		
22,69,67,619 Equity Shares of Re. 1/- each fully paid up	2,269.68	2,269.68
<b>Total issued, subscribed and fully paid up share capital</b>	<b>2,269.68</b>	<b>2,269.68</b>

\*Of the above, 8,26,77,265 equity shares fully paid up have been allotted for consideration other than cash & of which 7,56,55,873 equity shares fully paid have been issued as bonus shares in last 5 years.

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31st March, 2015		31st March, 2014	
	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	1,51,311,746	1,513.12
Bonus Shares Issued during the year	-	-	7,56,55,873	756.56
<b>Shares outstanding at the end of the year</b>	<b>22,69,67,619</b>	<b>2,269.68</b>	<b>22,69,67,619</b>	<b>2,269.68</b>

#### (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.

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

Name of the shareholders	31st March, 2015		31st March, 2014	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	3,33,10,237	14.68	3,30,05,737	14.54
Suntrack Commerce Private Limited	3,26,75,366	14.40	3,25,26,866	14.33
Bhanu Vyapaar Private Limited	2,71,33,761	11.95	2,69,36,761	11.87
Emami Enclave Makers Private Limited	1,32,11,053	5.82	1,30,88,553	5.77
Suraj Viniyog Private Limited	1,28,41,931	5.66	1,27,15,131	5.60
Emami High Rise Private Limited	1,28,37,353	5.66	1,27,10,553	5.60

## Notes to the Consolidated Financial Statements

### 2.2 RESERVES & SURPLUS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>a. Capital Reserves</b>		79.64		79.64
<b>b. Securities Premium Reserve</b>				
Opening Balance	33,205.16		33,961.72	
Amounts utilised for issue of fully paid bonus shares	-		(756.56)	
Closing Balance		33,205.16		33,205.16
<b>c. General Reserve</b>				
Opening Balance	50,000.00		40,000.00	
Transferred from Surplus in Statement of Profit & Loss during the year	30,000.00		16,097.57	
Transfer to Statement of Profit & loss	-		(6,097.57)	
Closing Balance		80,000.00		50,000.00
<b>d. Foreign Currency Translation Reserve</b>				
Opening Balance	(135.21)		(38.30)	
Current Year Transfer	107.78		(96.91)	
Closing Balance		(27.43)		(135.21)
<b>e. Surplus</b>				
Opening balance	7,792.55		2,230.86	
Net Profit for the current year	48,560.97		40,247.12	
Interim Dividend [ ₹4/- (PY ₹3/-) per share]	(9,078.70)		(6,809.04)	
Proposed Dividend [ ₹3/- (PY ₹4/-) per share]	(6,809.03)		(9,078.70)	
Corporate Dividend Tax	(2,929.08)		(2,700.12)	
Transfer to General Reserve	(30,000.00)		(16,097.57)	
Closing Balance		7,536.71		7,792.55
<b>Total</b>		<b>1,20,794.08</b>		<b>90,942.14</b>

### 2.3 LONG-TERM BORROWINGS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Secured</b>				
<b>Term loan</b>				
<b>From DBS Bank</b>		170.85		1,502.50
Loan is secured by first charge/mortgage on fixed movable and immovable assets including plant and machinery (present and future) situated at BT Road and Amingaon Plant and is repayable by March 2016.				
<b>From HSBC Bank</b>		-		242.05
Loan is secured by 1st charge over stocks, book debts and plant & machineries (present & future) of Emami Bangladesh Ltd. and corporate guarantee from holding company. It carries interest @ LIBOR plus 5% and is repayable in quarterly installments over period of 5 years.				
<b>Total</b>		<b>170.85</b>		<b>1,744.55</b>

## Notes to the Consolidated Financial Statements

### 2.4 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Deferred Tax Liabilities</b>				
Tax impact due to difference between tax depreciation and book depreciation		2,453.00		1,532.00
<b>Deferred Tax Assets</b>				
Tax impact of expenses charged off in financial statement but allowance under tax law deferred		1,248.25		1,053.00
<b>Total</b>		<b>1,204.75</b>		<b>479.00</b>

### 2.5 OTHER LONG TERM LIABILITIES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
Trade Payables		577.15		504.57
Creditors for Capital Goods		23.32		15.38
Trade Deposits		581.13		631.19
Security Deposit		448.56		34.91
<b>Total</b>		<b>1,630.16</b>		<b>1,186.05</b>

### 2.6 LONG-TERM PROVISIONS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Provision for Employee Benefits</b>				
Provident Fund		25.14		20.70
Gratuity		1,439.50		928.40
Leave Encashment		988.74		763.69
<b>Total</b>		<b>2,453.38</b>		<b>1,712.79</b>

### 2.7 SHORT-TERM BORROWINGS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Secured</b>				
<b>From Banks</b>				
<b>Cash Credit</b>	837.85		188.39	
Secured by hypothecation of stocks, book debts on first charge basis ranking pari passu among Canara Bank, Citi Bank, ICICI Bank, HDFC Bank and Hongkong and Shanghai Banking Corporation.				
<b>Term Loan</b>				
Borrowing from Citi Bank (Dubai) is secured by Standby Letter of Credit (SBLC) issued by Citi Bank India based on SBLC given by the company.	919.86	1,757.71	244.23	432.62
<b>Unsecured</b>				
ICICI Pact Project		0.14		4.32
Others		11.88		-
<b>Total</b>		<b>1,769.73</b>		<b>436.94</b>

## Notes to the Consolidated Financial Statements

### 2.8 TRADE PAYABLES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
Micro, Small & Medium Enterprises		151.42		141.78
Others		19,171.92		14,155.43
<b>Total</b>		<b>19,323.34</b>		<b>14,297.21</b>

### 2.9 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
Current Maturities of Long-Term Borrowings	1,647.85		1,580.57	
Interest Accrued but not Due on Borrowings	27.61		42.98	
Interest Accrued and Due on Trade Deposits	78.72		73.71	
Unpaid Dividends	98.01		59.19	
Advance from Customers	695.16		613.52	
Creditors for Capital Goods	175.13	2,722.48	235.41	2,605.38
<b>Other payables</b>				
Employee Benefits	2,195.38		1,358.96	
Duties & Taxes	1,467.88	3,663.26	1,080.75	2,439.71
<b>Total</b>		<b>6,385.74</b>		<b>5,045.09</b>

### 2.10 SHORT-TERM PROVISIONS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Provision for Employee Benefits</b>				
Gratuity		-		92.95
Leave Encashment		51.33		39.28
<b>Others</b>				
Provision for Dividend	6,809.03		9,078.70	
Corporate Dividend Tax	1,386.15		1,542.93	
Provision for Direct Taxes (Net of Advance Tax )	942.77		555.02	
Provision for Indirect Tax	1,985.05	11,123.00	805.28	11,981.94
<b>Total</b>		<b>11,174.34</b>		<b>12,114.17</b>

## Notes to the Consolidated Financial Statements

### 2.11 FIXED ASSETS (Current Year)

₹ in Lacs

Particulars	Gross Block				Balance as at 31.3.2015	Balance as at 1.4.2014*	Depreciation & Amortisation			Net Block		
	Balance as at 1.4.2014*	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation			For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2015	Balance as at 31.03.2015	Balance as at 31.03.2014
<b>Tangible Assets</b>												
<b>Land</b>												
Leasehold	309.96	-	-	-	309.96	30.27	3.63	-	-	33.90	276.06	279.69
Freehold	1,659.39	475.25	-	(5.12)	2,129.52	-	-	-	-	-	2,129.52	1,659.39
Building	22,306.41	979.20	2.13	38.96	23,322.44	3,400.13	164.06	0.47	1.97	3,565.69	19,756.75	18,906.28
Plant & Equipment	23,571.06	2,901.83	529.48	8.25	25,951.66	8,500.95	1,962.74	487.86	0.04	9,975.87	15,975.79	14,780.59
Furniture & Fixture	2,444.83	156.03	19.24	4.80	2,586.42	734.93	279.49	28.92	1.72	987.22	1,599.20	1,706.10
Office Equipment	3,106.17	614.52	139.79	2.82	3,583.72	2,152.45	314.21	118.08	0.95	2,349.53	1,234.19	953.72
Motor Vehicles	884.51	322.61	194.68	1.98	1,014.42	362.93	111.58	93.18	0.65	381.98	632.44	521.58
<b>Tangible Assets</b>	<b>54,282.33</b>	<b>5,449.44</b>	<b>885.32</b>	<b>51.69</b>	<b>58,898.14</b>	<b>15,181.66</b>	<b>2,835.71</b>	<b>728.51</b>	<b>5.33</b>	<b>17,294.19</b>	<b>41,603.95</b>	<b>38,807.35</b>
<b>Intangible Assets</b>												
Goodwill	47,899.11	-	47,899.11	-	-	47,899.11	-	47,899.11	-	-	-	-
Software	1,517.33	391.56	-	-	1,908.89	770.20	230.25	-	-	1,000.45	908.44	747.14
Trade Marks, Brands and other Intangible assets	216.63	2,677.77	-	0.05	2,894.45	159.62	365.03	-	-	524.65	2,369.80	31.73
<b>Intangible Assets</b>	<b>49,633.07</b>	<b>3,069.33</b>	<b>47,899.11</b>	<b>0.05</b>	<b>4,803.34</b>	<b>48,828.93</b>	<b>595.28</b>	<b>47,899.11</b>	<b>-</b>	<b>1,525.10</b>	<b>3,278.24</b>	<b>778.87</b>
<b>Total</b>	<b>1,03,915.40</b>	<b>8,518.77</b>	<b>48,784.43</b>	<b>51.74</b>	<b>63,701.48</b>	<b>64,010.59</b>	<b>3,430.99</b>	<b>48,627.62</b>	<b>5.33</b>	<b>18,819.29</b>	<b>44,882.19</b>	<b>39,586.22</b>
Capital Work-In-Progress	1,173.66	2,212.77	753.28	14.22	2,647.37	-	-	-	-	-	2,647.37	1,173.66
Intangible Assets under Development	16.85	212.64	-	-	229.49	-	-	-	-	-	229.49	16.85
<b>Grand Total</b>	<b>1,05,105.91</b>	<b>10,944.18</b>	<b>49,537.71</b>	<b>65.96</b>	<b>66,578.34</b>	<b>64,010.59</b>	<b>3,430.99</b>	<b>48,627.62</b>	<b>5.33</b>	<b>18,819.29</b>	<b>47,759.05</b>	<b>40,776.73</b>

Note:(i) \*Balance as on 01.04.2014 includes balances of subsidiary companies acquired during the year.

## Notes to the Consolidated Financial Statements

### 2.11 FIXED ASSETS (Previous Year)

₹ in Lacs

Particulars	Gross Block					Depreciation & Amortisation					Net Block	
	Balance as at 1.4.2013	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2014	Balance as at 1.4.2013	For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2014	Balance as at 31.03.2014	Balance as at 31.03.2013
<b>Tangible Assets</b>												
Land												
Leasehold	309.96	-	-	-	309.96	27.19	3.08	-	-	30.27	279.69	282.77
Freehold	1,651.73	-	-	7.66	1,659.39	-	-	-	-	-	1,659.39	1,651.73
Building	17,160.44	5,044.05	34.75	136.67	22,306.41	2,853.34	577.98	34.65	3.46	3,400.13	18,906.28	14,307.10
Plant & Equipment	20,033.80	3,679.12	510.19	25.14	23,227.87	7,074.11	1,791.99	421.48	2.66	8,447.28	14,780.59	12,959.69
Furniture & Fixture	2,196.44	246.44	40.41	10.36	2,412.83	433.60	308.44	36.79	1.48	706.72	1,706.10	1,762.84
Office Equipment	2,732.89	380.17	11.97	5.08	3,106.17	1,604.36	556.71	8.87	0.25	2,152.45	953.72	1,128.53
Motor Vehicles	679.30	217.22	36.60	2.48	862.40	256.39	105.66	22.21	0.98	340.82	521.58	422.91
<b>Tangible Assets</b>	<b>44,764.56</b>	<b>9,567.00</b>	<b>633.92</b>	<b>187.39</b>	<b>53,885.03</b>	<b>12,248.99</b>	<b>3,343.86</b>	<b>524.00</b>	<b>8.83</b>	<b>15,077.67</b>	<b>38,807.35</b>	<b>32,515.57</b>
<b>Intangible Assets</b>												
Goodwill	47,899.11	-	-	-	47,899.11	41,801.53	6,097.58	-	-	47,899.11	-	6,097.58
Software	1,178.03	339.30	-	-	1,517.33	616.69	153.50	-	-	770.20	747.14	561.34
Trade Marks and other Intangible assets	100.00	7.50	-	-	107.50	56.21	19.56	-	-	75.77	31.73	43.79
<b>Intangible Assets</b>	<b>49,177.14</b>	<b>346.80</b>	<b>-</b>	<b>-</b>	<b>49,523.94</b>	<b>42,474.43</b>	<b>6,270.64</b>	<b>-</b>	<b>-</b>	<b>48,745.08</b>	<b>778.87</b>	<b>6,702.71</b>
<b>Total</b>	<b>93,941.70</b>	<b>9,913.80</b>	<b>633.92</b>	<b>187.39</b>	<b>1,03,408.97</b>	<b>54,723.42</b>	<b>9,614.50</b>	<b>524.00</b>	<b>8.83</b>	<b>63,822.75</b>	<b>39,586.22</b>	<b>39,218.28</b>
Capital Work- In-Progress	4,725.90	890.95	4,478.96	35.77	1,173.66	-	-	-	-	-	1,173.66	4,725.90
Intangible Assets under Development	20.30	-	3.45	-	16.85	-	-	-	-	-	16.85	20.30
<b>Grand Total</b>	<b>98,687.90</b>	<b>10,804.75</b>	<b>5,116.33</b>	<b>223.16</b>	<b>1,04,599.48</b>	<b>54,723.42</b>	<b>9,614.50</b>	<b>524.00</b>	<b>8.83</b>	<b>63,822.75</b>	<b>40,776.73</b>	<b>43,964.48</b>

## Notes to the Consolidated Financial Statements

### 2.12 NON-CURRENT INVESTMENTS

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
<b>Long Term Investments (Valued at Cost)</b>		
<b>Non Trade Investments</b>		
<b>Investment In Equity Instruments</b>		
<b>(Quoted)</b>		
Emami Paper Mills Limited		
79,46,000 Equity Shares of ₹2/- each	368.48	368.48
Creative Eye Limited*		
10,000 Equity Shares of ₹5/- each	6.41	6.41
<b>(Unquoted)</b>		
CRI Limited		
95,630 Equity Shares of ₹10/- each	27.17	27.17
AMRI Hospitals Limited		
8,00,000 Fully paid Equity Shares of ₹10/- each	264.66	264.66
Investment In Government & Trust Securities (Unquoted)		
6 Years' National Savings Certificate	0.58	0.65
(Lodged With Government Authority)		
	(i) <b>667.30</b>	<b>667.37</b>
Less : *Provision for Diminution in value of Investment	(ii) 6.10	5.63
<b>TOTAL (i) - (ii)</b>	<b>661.20</b>	<b>661.74</b>
<b>Aggregate Book Value of Quoted Investments</b>	<b>368.79</b>	<b>369.26</b>
<b>Aggregate Book Value of Unquoted Investments</b>	<b>292.41</b>	<b>292.48</b>
<b>Aggregate Market Value of Quoted Investments</b>	<b>3,417.08</b>	<b>2,078.23</b>

### 2.13 LONG-TERM LOANS AND ADVANCES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>(Unsecured, Considered Good)</b>				
Capital Advances		3,065.99		2,636.45
Security Deposits		351.12		360.52
Advances to Employees		32.88		55.87
Balances with Excise and Sales Tax Department		416.79		406.08
Advances against Trade Payables		102.85		373.36
Others		397.30		385.89
<b>Considered Doubtful</b>				
Considered Doubtful	119.82		119.82	
Less: Provision for Doubtful Advances	(119.82)	-	(119.82)	-
<b>Total</b>		<b>4,366.93</b>		<b>4,218.17</b>

### 2.14 OTHER NON-CURRENT ASSETS

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>(Unsecured)</b>				
<b>Trade Receivable</b>				
Considered Good		1.03		1.35
Considered Doubtful		2.95		36.89
Less: Provision for Doubtful Debts		(2.95)		(36.89)
<b>Total</b>		<b>1.03</b>		<b>1.35</b>

## Notes to the Consolidated Financial Statements

### 2.15 CURRENT INVESTMENTS

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
<b>Non Trade Investments (Valued at lower of Cost or Fair Value)</b>		
<b>Investment in Mutual Fund (Unquoted)</b>		
<b>Axis Liquid Fund - Direct - Growth</b>	1,500.00	1,000.00
96,778.689 (PY-70,400.562) Units		
<b>Axis Banking Debt Fund-Direct Plan -Growth</b>	1,000.00	-
78,847.489(PY-Nil) Units		
<b>Baroda Pioneer Liquid Fund- Plan B Growth</b>	500.00	-
31,167.266 (PY-Nil) Units		
<b>Birla Sun Life Income Fund- Growth - Direct Plan</b>	2,000.00	-
31,44,194.324 (PY-Nil) Units		
<b>BOI AXA Treasury Advantage Fund - Direct Plan - Growth</b>	500.00	700.00
30,324.962 (PY-46,648.946) Units		
<b>Birla Sun Life Floating Rate Fund - Short Term - Growth - Direct Plan</b>	4,000.00	-
21,48,923.371 (PY-Nil) Units		
<b>Edelweiss Arbitrage Fund - Direct Plan - Dividend Option - Payout</b>	200.00	-
19,55,244.454 (PY-Nil) Units		
<b>Edelweiss Liquid Fund - Direct Plan - Growth Option</b>	500.00	-
36,626.272 (PY-Nil) Units		
<b>HDFC Liquid Fund - Direct Plan - Growth Option</b>	2,500.00	-
90,59,336.604 (PY-Nil) Units		
<b>HDFC Banking &amp; PSU Debt Fund - Direct Growth Option</b>	500.00	-
45,40,748.679 (PY-Nil) Units		
<b>ICICI Prudential Liquid - Direct Plan - Growth</b>	1,000.00	-
4,83,210.606 (PY-Nil) Units		
<b>ICICI Prudential Banking PSU Debt Fund - Direct Plan - Growth</b>	1,500.00	-
96,96,123.490 (PY-Nil) Units		
<b>ICICI Prudential Gilt Fund - Investment Plan - PF Option - Direct Plan*</b>	1,500.00	-
53,96,654.074(PY-Nil) Units		
<b>Indiabulls Liquid Fund - Direct Growth - Direct Plan</b>	500.00	-
36,737.194 (PY-Nil) Units		
<b>IDFC Money Manager Fund-Treasury Plan - Growth - (Direct Plan)</b>	500.00	-
22,79,877.799(PY-Nil) Units		
<b>JM Short Term Fund (Direct) - Growth Plan</b>	1,500.00	1,365.41
75,46,030.788 (PY-81,66,108.699 ) Units		
<b>JM High Liquidity Fund (Direct) - Growth Option</b>	1,000.00	-
26,18,246.560 (PY-Nil) Units		
<b>JM Income Fund (Direct) - Growth Option</b>	1,500.00	-
35,54,426.564 (PY-Nil) Units		
<b>JM Floater Short Term Fund (Direct) - Growth</b>	1,000.00	-
46,56,946.068 (PY-Nil) Units		
<b>Kotak Treasury Advantage Fund - Direct Plan - Growth</b>	500.00	-
22,59,458.092 (PY-Nil) Units		

## Notes to the Consolidated Financial Statements

### 2.15 CURRENT INVESTMENTS (contd.)

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
<b>L&amp;T Liquid Fund - Direct Growth</b>	500.00	5,000.00
26,075.097 (PY-2,84,676.356) Units		
<b>L&amp;T Cash Fund - Direct Plan - Growth</b>	600.00	-
53,432.794 (PY-Nil) Units		
<b>L&amp;T Ultra Short Term Fund - Direct Plan - Growth</b>	5,500.00	-
2,41,57,878.323(PY-Nil) Units		
<b>Mirae Asset Cash Management Fund - Direct Plan - Growth</b>	109.87	-
74,66.858 (PY-Nil) Units		
<b>Pramerica Ultra Short Term Bond Fund - Direct Plan - Growth Option</b>	1,000.00	-
67,204.816 (PY-Nil) Units		
<b>Principal Cash Management Fund - Direct - Growth</b>	1,000.00	-
73,534.505 (PY: Nil) Units		
<b>Reliance Income Fund - Direct - Growth Option</b>	3,800.00	-
81,95,013.081 (PY: Nil) Units		
<b>Reliance Short Term Fund - Direct - Growth</b>	3,000.00	2,654.63
1,13,92,635.800 (PY-1,17,97,782.081) Units		
<b>Reliance Liquid Fund - Cash Plan - Direct - Growth</b>	1,660.04	-
74,394.971 (PY-Nil) Units		
<b>Reliance Liquid Fund - Treasury Plan - Direct - Growth</b>	2,000.00	-
58,668.254 (PY-Nil) Units		
<b>Reliance Money Manager Fund - Direct - Growth</b>	2,850.00	-
1,48,043.691 (PY-Nil) Units		
<b>Religare Invesco Liquid Fund - Direct Plan - Growth</b>	1,000.00	-
51,979.190 (PY-Nil) Units		
<b>Reliance Floating Rate Fund Short Term Plan - Direct - Growth</b>	400.00	-
18,77,687.440 (PY-Nil) Units		
<b>SBI Magnum Insta Cash Fund Liquid Floater - Direct - Growth</b>	650.00	-
27,383.101 (PY-Nil) Units		
<b>Taurus Short Term Income Fund- Direct Plan - Growth</b>	1,000.00	-
40,982.226 (PY-Nil) Units		
<b>Tata Money Market Fund - Direct Plan - Growth</b>	200.00	-
9,133.074 (PY-Nil) Units		
<b>UTI-Money Market Fund - Institutional Plan - Direct Plan - Growth</b>	500.00	-
31,944.640 (PY-Nil) Units		
<b>Baroda Pioneer Short Term Bond Fund - Plan B Growth</b>	-	603.90
Nil (PY-48,16,604.620) Units		
<b>Birla Sunlife Treasury Optimizer Plan - Direct -Growth</b>	-	2,100.00
Nil (PY-13,59,078.566) Units		
<b>DWS Banking &amp; PSU Debt Fund - Direct Plan - Growth</b>	-	500.23
Nil (PY- 50,02,344.528) Units		
<b>DWS Treasury Fund - Investment - Direct Plan - Growth</b>	-	500.00
Nil (PY-35,86,646.199) Units		
<b>ICICI Prudential Interval Fund IV Qtrly Interval Plan B - Direct Plan - Growth</b>	-	2,000.97

## Notes to the Consolidated Financial Statements

### 2.15 CURRENT INVESTMENTS (contd.)

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
Nil (PY-1,45,45,837.618) Units		
<b>IDBI Short Term Bond Fund - Direct - Growth</b>	-	500.90
Nil (PY-40,63,355.238) Units		
<b>Indiabulls Short Term Fund - Direct - Growth</b>	-	654.60
Nil (PY-63,874.036) Units		
<b>JM Arbitrage Advantage Fund - Direct - Growth*</b>	-	1,600.00
Nil (PY-1,48,34,731.816) Units		
<b>Mirae Asset Fixed Maturity Plan - Series I - 368 Days Direct - Growth</b>	-	100.02
Nil (PY-10,00,220) Units		
<b>Pramerica Income Fund - Direct Plan - Growth Option</b>	-	200.49
Nil (PY-20,048.838) Units		
<b>Principal Debt Opportunity Fund Conservative Plan - Direct - Growth Option</b>	-	500.00
Nil (PY-24,509.602) Units		
<b>Principal Income Fund Short Term Plan - Direct - Growth Option</b>	-	602.48
Nil (PY: 28,39,866.604) Units		
<b>Reliance Interval Fund - Quarterly Plan - Series I- Direct Growth Plan Growth Option</b>	-	500.00
Nil (PY-29,12,717.507) Units		
<b>Reliance Arbitrage Advantage Fund - Direct Dividend Plan*</b>	-	5,000.00
Nil (PY-3,69,17,806.2) Units		
<b>Reliance Quarterly Interval Fund - Series II - Direct Growth Plan Growth Option</b>	-	2,105.93
Nil (PY-1,21,91,623.651) Units		
<b>Reliance Fixed Horizon Fund - XXV - Series -29 - Direct Plan - Growth Plan</b>	-	1,000.00
Nil (PY-1,00,00,000) Units		
<b>Sundaram Money Fund - Direct Plan - Growth</b>	-	500.00
Nil (PY-18,59,184.161) Units		
<b>(i)</b>	<b>49,469.91</b>	<b>29,689.56</b>
<b>Less : *Provision for Diminution in value of Investment (ii)</b>	<b>4.55</b>	<b>767.18</b>
<b>Total (i) - (ii)</b>	<b>49,465.36</b>	<b>28,922.38</b>
<b>Net Asset Value of Unquoted Investments</b>	<b>49,650.70</b>	<b>29,467.15</b>

### 2.16 INVENTORIES

₹ in Lacs

Particulars	31st March, 2015	31st March, 2014
<b>Raw and Packing Materials</b>		
Raw Materials	2,988.43	3,555.46
Packing Materials	2,272.53	2,003.50
Work-in-Progress	181.99	193.28
Finished Goods	7,049.67	8,165.24
Stores and Spares	118.05	132.07
Advertising Materials	54.80	65.23
<b>Total</b>	<b>12,665.47</b>	<b>14,114.78</b>

## Notes to the Consolidated Financial Statements

### 2.17 TRADE RECEIVABLES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
(Unsecured, Considered Good and unless stated otherwise)				
Due over six months	1,484.78		516.67	
Other Receivables	8,782.38	10,267.16	7,412.74	7,929.41
<b>Total</b>		<b>10,267.16</b>		<b>7,929.41</b>

### 2.18 CASH AND BANK BALANCES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Cash and Cash Equivalents</b>				
Balances with banks	1,908.96		4,463.37	
Fixed Deposits with Banks	33,034.63		21,995.09	
Cheque-in-hand	-		302.72	
Cash in hand	31.80	34,975.39	41.81	26,802.99
<b>Other Bank Balances</b>				
Unpaid Dividend account (Earmarked)	98.01		59.19	
Balances with banks against letter of guarantee	43.91		46.16	
Deposit with Original maturity of more than 3 months but less than 12 months *	293.35	435.27	88.00	193.35
<b>Total</b>		<b>35,410.66</b>		<b>26,996.34</b>

\*Margin money deposit - ₹Nil lacs (PY: ₹2.60 lacs)

### 2.19 SHORT-TERM LOANS AND ADVANCES

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
<b>Unsecured, Considered Good</b>				
Balances with Excise and Sales Tax Department		1,404.93		1,651.33
Advances against Trade Payables		4,224.97		3,957.54
Advances to Employees		206.99		185.59
Interest Receivable on Deposits		117.27		72.28
Prepaid expenses		294.95		227.18
Other Receivables		378.37		513.78
<b>Total</b>		<b>6,627.48</b>		<b>6,607.70</b>

### 2.20 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2014-2015		2013-2014	
Sale of products		2,25,677.84		1,85,382.62
Less: Excise duty		3,953.07		3,305.36
<b>Total</b>		<b>2,21,724.77</b>		<b>1,82,077.26</b>

## Notes to the Consolidated Financial Statements

### 2.21 OTHER INCOME

₹ in Lacs

Particulars	2014-2015		2013-2014	
Interest Income				
Loans & Deposits	5,760.68		4,214.83	
Others	1.58	5,762.26	98.16	4,312.99
Dividend from Long Term Non Trade Investment		47.68		47.68
Dividend from Short Term Non Trade Investment		10,075.69		1,725.24
Profit/ (loss) on Sale of Current Non- Trade Investments		(6,770.68)		244.31
Loss on Derivative Instrument		(1,810.93)		-
Reversal/(Diminution) in value of Short Term Non trade Investment		762.63		(767.18)
Reversal/(Diminution) in value of Long Term Non trade Investment		(0.48)		0.21
Profit on Sale of Fixed Assets		22.64		30.96
Rent and Maintenance Charges Received		425.14		244.84
Sundry Balances Written Back		88.25		2.91
Miscellaneous Receipts		1,038.77		375.63
<b>Total</b>		<b>9,640.97</b>		<b>6,217.59</b>

### 2.22 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lacs

Particulars	2014-2015		2013-2014	
<b>(I) Opening Stock</b>				
Work-in-progress	193.28		229.62	
Finished Goods	8,398.41	8,591.69	5,566.93	5,796.55
<b>(II) Closing Stock</b>				
Work-in-progress	181.99		193.28	
Finished Goods	7,049.67	7,231.66	8,165.24	8,358.52
<b>(I) - (II)</b>		<b>1,360.03</b>		<b>(2,561.97)</b>

**Note:** Balance as on 01.04.2014 includes balances of subsidiary companies acquired during the year.

### 2.23 EMPLOYEE BENEFIT EXPENSES

₹ in Lacs

Particulars	2014-2015		2013-2014	
Salaries and wages		14,915.97		12,141.27
Contribution to provident and other funds		1,387.01		1,413.69
Welfare expenses		410.43		346.54
<b>Total</b>		<b>16,713.41</b>		<b>13,901.50</b>

### 2.24 FINANCE COSTS

₹ in Lacs

Particulars	2014-2015		2013-2014	
Interest expense		514.08		551.14
Less : Interest Capitalised		-		12.88
<b>Total</b>		<b>514.08</b>		<b>538.26</b>

## Notes to the Consolidated Financial Statements

### 2.25 OTHER EXPENSES

₹ in Lacs

Particulars	2014-2015		2013-2014	
Consumption of stores and spare parts		247.90		201.45
Power and fuel		1,247.81		979.21
Rent		680.07		690.39
Repairs :				
<i>Building</i>	136.57		119.42	
<i>Machinery</i>	669.55		920.55	
<i>Others</i>	963.27	1,769.39	828.76	1,868.73
Insurance		261.86		256.37
Rates and taxes, excluding taxes on income		239.17		126.48
Freight & Forwarding		5,733.77		4,791.12
Directors' Fees and Commission		544.05		527.84
Advertisement & Sales Promotion		39,194.11		27,741.05
Commission		956.17		974.07
Taxes on Sales		14,117.68		12,084.05
Loss on Sale/Disposal of Fixed Assets		50.22		72.19
Bad Debts	17.81		6.11	
Less : Provision for doubtful debts	(17.81 )	-	(6.11)	-
Sundry Balance Written Back		-		(6.70 )
Legal and Professional Fees		2,764.33		1,507.31
Travelling and Conveyance		2,084.18		1,714.20
Miscellaneous Expenses ( Note : 2.36)		3,116.47		2,489.27
<b>Total</b>		<b>73,007.18</b>		<b>56,017.03</b>

### 2.26

#### a. BUSINESS SEGMENT

As the Company's business activity falls within a single primary business segment, viz. "Personal and Healthcare", the disclosure requirements of Accounting Standard-17 "Segment Reporting", are not applicable.

#### b. GEOGRAPHICAL SEGMENT

The company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under:

₹ in Lacs

Particulars	Revenue from Operation	
	2014-2015	2013-2014
India	1,89,966.62	1,60,215.57
Overseas	31,758.15	21,861.69
<b>Total</b>	<b>2,21,724.77</b>	<b>1,82,077.26</b>

### 2.27

The following table shows the carrying amount of segment assets and additions to segment fixed assets by geographical area to which the assets are attributable:

₹ in Lacs

Particulars	Carrying amount of Segment Assets		Additions to Fixed Assets including CWIP	
	2014-2015	2013-2014	2014-2015	2013-2014
India	1,52,414.99	1,21,417.79	9,974.89	5,835.85
Overseas	15,217.40	8,810.81	216.01	486.49
<b>Total</b>	<b>1,67,632.39</b>	<b>1,30,228.60</b>	<b>10,190.90</b>	<b>6,322.34</b>

## Notes to the Consolidated Financial Statements

### 2.28 DEFINED BENEFIT PLANS

As per actuarial valuations as on 31st March, 2015 and recognised in the financial statements in respect of Employees benefit schemes.

₹ in Lacs

Particulars	31st March, 2015		31st March, 2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
<b>A Components of Employer Expenses</b>				
1 Current Service Cost	232.37	170.25	205.74	168.62
2 Interest Cost	179.61	74.11	168.84	65.34
3 Expected Return on Plan assets	(112.02)	(9.00)	(109.07)	(8.66)
4 Past Service Cost	-	-	-	-
5 Actuarial Losses / (Gains)	257.84	46.34	446.79	118.88
6 Actuarial Losses / (Gains) on Plan Assets	0.25	(0.02)	5.06	2.38
<b>7 Total Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>558.05</b>	<b>281.68</b>	<b>717.36</b>	<b>346.56</b>
<b>B Net asset/(liability) recognised in balance sheet as at 31st March 2015</b>				
1 Present value of Defined Benefit Obligation (DBO)	2,673.31	1,132.18	2,222.66	902.38
2 Fair value of Plan Assets	1,335.17	109.52	1,265.94	99.42
3 Funded Status [Surplus/(deficit)]	(1,338.14)	(1,022.66)	(956.72)	(802.96)
<b>4 Net asset/(liability) recognised in balance sheet</b>	<b>(1,338.14)</b>	<b>(1,022.66)</b>	<b>(956.72)</b>	<b>(802.96)</b>
<b>C Change in Defined Benefit Obligation during the year ended 31st March 2015</b>				
1 Present value of DBO at beginning of period	2,222.67	902.38	1,529.31	549.54
2 Current Service Cost	232.37	170.25	205.74	168.62
3 Interest Cost	179.61	74.11	168.84	65.34
4 Plan amendments cost/(credit)	-	-	-	-
5 Actuarial Losses / (Gains)	257.84	46.34	446.79	118.88
6 Benefits Paid	(219.17)	(60.90)	(128.02)	-
7 Liabilities extinguished on settlements	-	-	-	-
<b>8 Present value of DBO at the end of period</b>	<b>2,673.32</b>	<b>1,132.18</b>	<b>2,222.66</b>	<b>902.38</b>
<b>D Change in Fair Value of Assets</b>				
1 Plan Assets at beginning of period	1,265.94	99.43	1,157.85	93.14
2 Expected Return on Plan Assets	112.02	9.00	109.07	8.66
3 Actuarial Gains /(Loss)	(0.25)	0.02	(5.06)	(2.38)
4 Actual company contributions	176.63	1.08	132.10	-
5 Benefits paid	(219.17)	-	(128.02)	-
6 Assets distributed on settlements	-	-	-	-
<b>7 Plan assets at the end of period</b>	<b>1,335.17</b>	<b>109.53</b>	<b>1,265.94</b>	<b>99.42</b>
<b>E Actuarial Assumptions</b>				
1 Discount Rate (%)	7.80	7.80	8.50	8.50
2 Annual Salary Escalation Rate (%)	12.00		10.00	
3 Expected Return on Plan Assets (%)	9.00	9.00	9.00	9.00

## Notes to the Consolidated Financial Statements

### 2.28 DEFINED BENEFIT PLANS (contd.)

₹ in Lacs

Experience History	Year Ending				
	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011
<b>GRATUITY</b>					
Defined Benefit Obligation at end of the period	(2,673.31)	(2,222.66)	(1,529.31)	(1,172.46)	(1,075.86)
Plan Assets at end of the period	1,335.17	1,265.94	1,157.85	995.19	868.07
Funded Status	(1,338.14)	(956.72)	(371.46)	(177.27)	(207.80)
Experience Gain /(Loss) adjustment on plan liabilities	320.58	(446.79)	(179.85)	(46.09)	(47.98)
Experience Gain /(Loss) adjustment on plan assets	(0.25)	(5.06)	(0.04)	12.45	7.39
Experience Gain /(Loss) due to change on assumptions	(578.42)	-	-	34.21	(51.89)
<b>LEAVE ENCASHMENT</b>					
Defined Benefit Obligation at end of the period	(1,132.18)	(902.38)	(549.54)	(322.56)	(289.75)
Plan Assets at end of the period	109.52	99.42	93.13	85.25	78.03
Funded Status	(1,022.66)	(802.96)	(456.41)	(237.31)	(211.72)
Experience Gain /(Loss) adjustment on plan liabilities	281.89	(118.88)	(60.44)	59.34	18.90
Experience Gain /(Loss) adjustment on plan assets	0.02	(2.38)	(0.14)	1.37	0.47
Experience Gain /(Loss) due to change on assumptions	(328.23)	-	-	10.69	(26.20)

### 2.29 PROVIDENT FUND

₹ in Lacs

Particulars	Year Ending			
	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Present value of benefit obligation at end of the period	(65.10)	(20.76)	(31.02)	(19.78)
Plan Assets at end of the period	39.97	-	-	-
Funded Status	(25.13)	(20.76)	(31.02)	(19.78)
<b>Actuarial Assumptions</b>				
Discount Rate	7.80%	9.00%	7.91%	8.60%
Expected Guarantee Interest Rate	8.75%	8.75%	8.50%	8.25%

### 2.30 DERIVATIVE INSTRUMENTS

The Company uses Forward Exchange Contracts and Options to hedge its risk associated with fluctuations in foreign currency and interest rates relating to foreign currency liabilities and some forecasted transactions related to foreign currency trade. The use of forward contracts and options is governed by company overall strategy. The company does not use forward contract and options for speculative purposes.

## Notes to the Consolidated Financial Statements

### 2.30 DERIVATIVE INSTRUMENTS (contd.)

Amount in Lacs

Particulars	31st March, 2015		31st March, 2014	
	Amt. in Original Currency	Amt. in INR	Amt. in Original Currency	Amt. in INR
i) The following are the outstanding forward contracts				
For hedging currency risks :-				
<b>Forward Covers</b>				
<b>Receivables</b>				
- Current	USD 49.94	3,125.49	-	-
- Future	USD 110.96	6,945.37	-	-
<b>Payables</b>				
- Current	-	-	-	-
- Future	EUR 17.80	1,201.82	-	-
ii) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :				
Receivables	-	-	USD 1.78	107.35
Loan	USD 25.00	1,564.77	USD 50.00	3,004.99

### 2.31

The Company has made a provision of ₹38.90 Lacs (Previous Year - 525.22 Lacs) towards Indirect Taxes resulting mainly from issues, which are under litigation/dispute requiring management judgement as shown below:

₹ in Lacs

Description	31st March, 2015	31st March, 2014
Opening Balance	805.28	280.06
Provisions made during the year	38.90	525.22
Payment/reversals during the year	38.86	-
Closing Balance	805.32	805.28

### 2.32

Long Term Loans & Advances include Security Deposit of ₹7.04 Lacs (P.Y.-₹9.04 Lacs) due from Directors of the Company against tenancies. (Maximum amount outstanding during the year - ₹10.15 Lacs (P.Y.-₹9.15 Lacs)).

## Notes to the Consolidated Financial Statements

### 2.33 CONTINGENT LIABILITIES & COMMITMENTS

Particulars	₹ in Lacs	
	31st March, 2015	31st March, 2014
<b>I) Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debt (Net of Advance):		
i) Excise Duty demands	139.69	254.04
ii) Sales Tax demands under appeal	703.31	885.04
iii) Entry Tax	133.51	133.51
iv) Others	42.37	45.47
Note : Contingent Liability disclosed above represent possible obligations where the possibility of cash outflow to settle the obligation is remote and is exclusive of interest and penalty. (if any) In addition, the company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations and financial condition.		
(b) Guarantees and counter guarantees given	6,367.60	5,913.32
<b>II) Commitments:</b>		
Estimated amount of commitments [net of advances of ₹3,065.99 lacs (P.Y.- ₹2,492.11 lacs)] on capital account not provided for	4,435.80	3,655.79

### 2.34

On 6th January 2015, Emami International FZE, wholly owned subsidiary of the company, has acquired 66.67% shares in the following companies:

#### Name of the subsidiaries

1. Fravin Pty.Ltd.
2. Greenlab Organics Ltd.
3. Diamond Bio-tech Laboratories Pty. Ltd.
4. Abache Pty. Ltd.

The details of financial information on acquisition date are provided below.

Particulars	₹ in Lacs	
	Amount	
Net assets	945.95	
Purchase consideration	1,354.00	
Goodwill on consolidation	408.05	

The net assets of the acquired subsidiaries as on March 31, 2015 are ₹896.75 Lacs, net revenue for the period from date of acquisition to March 31, 2015 are ₹37.37 Lacs and the loss after tax during the period from date of acquisition to March 31, 2015 are ₹49.25 Lacs.

### 2.35

The Company has changed the method of providing depreciation on Fixed assets of Vapi, Masat and Dongari units from written down value to straight line method and has adopted useful lives as prescribed in Schedule II of the Companies Act 2013. As prescribed under Accounting Standard 6 - Depreciation Accounting and in line with "Application guide on Provisions of Schedule II to The Companies Act 2013" issued by ICAI in Feb'2015, the change has been made with retrospective effect as per rates prescribed in Schedule XIV of the Companies Act 1956, on account of which excess depreciation of ₹743.59 Lacs charged upto 31st March 2014 has been written back and adjusted against depreciation for the year. Also, due to change in useful lives as prescribed in Schedule II of the Act, depreciation charge for the year is higher by ₹216.70 Lacs. Depreciation on all other assets has been provided in compliance with Schedule II of the Act.

## Notes to the Consolidated Financial Statements

### 2.36

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activities are Healthcare, Water and Sanitation Programs, Promoting Education, Enhancing Vocational Skills & Livelihood enhancement Projects and Rural Development, Social Upliftment Programs and Promotion of Art and Culture. During the year, ₹759.22 Lacs has been contributed towards CSR activities.

### 2.37

During the year, Emami UK Ltd. wholly owned subsidiary of the company has applied for dissolution.

### 2.38 RELATED PARTY TRANSACTIONS

#### A. 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 & AVP- Legal

##### ii) Other Directors

1	Shri Aditya Vardhan Agarwal	Non Executive Director
2	Shri Suresh Chaturvedi	Independent Director
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 Sajjan Bhajanka	Independent Director
8	Shri P.K.Khaitan	Independent Director
9	Shri M.D.Mallya	Independent Director

##### iii) Relatives of Key Management Personnel

1	Smt. Usha Agarwal
2	Smt. Saroj Goenka
3	Smt. Indu Goenka
4	Smt. Rachna Bagaria
5	Smt. Laxmi Devi Bajoria
6	Ms. Jyoti Agarwal
7	Ms. Pooja Goenka
8	Ms. Smriti Agarwal
9	Ms. Sobhna Agarwal
10	Ms. Vidisha Agarwal
11	Ms. Avishi Sureka
12	Ms. Jyoti Goenka
13	Ms. Mansi Agarwal
14	Ms. Meena Goenka
15	Ms. Rachna Goenka
16	Ms. Rashmi Goenka

## Notes to the Consolidated Financial Statements

### 2.38 RELATED PARTY TRANSACTIONS (contd.)

#### A. Related Parties with whom transactions have taken place during the period (contd.)

17	Ms. Richa Agarwal
18	Ms. Shreya Goenka
19	Ms. Vidula Agarwal
20	Shri Suresh Kr. Goenka
21	Shri Raj Kr. Goenka
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

#### iv) Entities where Key Management Personnel and their relatives have significant influence

1	Suntrack Commerce Private Limited
2	Diwakar Viniyog Private Limited
3	Bhanu Vyapaar Private Limited
4	Suraj Viniyog Private Limited
5	Emami Paper Mills Limited
6	Emami Cement Limited
7	Emami High Rise Private Limited
8	Emami Enclave Makers Private Limited
9	Aviro Vyapar Private Limited
10	Emami Foundation
11	Aradhana Trust
12	Kesar Deo Ratni Devi Goenka Trust

#### B. Disclosure of Transactions between the Company and Related Parties and the status of Outstanding Balance.

₹ in Lacs

Particulars	Directors, Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1. Remuneration						
i) EXECUTIVE DIRECTORS						
A) - Salary & Other benefits	828.99	723.99	-	-	828.99	723.99
B) - Commission	500.00	500.00	-	-	500.00	500.00
ii) NON EXECUTIVE DIRECTORS						
A) - Sitting Fees	23.05	8.84	-	-	23.05	8.84
B) - Commission	21.00	19.00	-	-	21.00	19.00
iii) CFO & COMPANY SECRETARY						
A) - Salary & Other benefits	184.84	132.06	-	-	184.84	132.06
2. Sales	-	-	-	5.21	-	5.21
3. Service Charges Received	-	-	-	5.62	-	5.62
4. Reimbursement of Expenses	-	-	18.21	21.26	18.21	21.26
5. Rent, Maintenance & Other Charges Paid	6.65	4.64	4.25	5.14	10.90	9.78
6. Rent, Maintenance & Other Charges Received	-	-	116.71	97.84	116.71	97.84
7. Royalty Received	-	-	2.25	2.25	2.25	2.25
8. Commission Received	-	-	-	3.49	-	3.49
9. Dividend Received	-	-	47.68	47.68	47.68	47.68
10. Dividend Paid	1,685.27	1,545.53	10,216.01	10,952.79	11,901.28	12,498.32
11. Security Deposit Paid	2.20	-	-	-	2.20	-

## Notes to the Consolidated Financial Statements

### 2.38 RELATED PARTY TRANSACTIONS (contd.)

#### B. Disclosure of Transactions between the Company and Related Parties and the status of Outstanding Balance. (contd.)

₹ in Lacs

Particulars	Directors, Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
12. Security Deposit Refund	8.98	0.20	0.25	-	9.23	0.20
13. Donation / Contribution towards CSR	-	-	133.50	320.00	133.50	320.00
14. Balance As on 31st March						
A) - Investment	-	-	368.48	368.48	368.48	368.48
B) - Advance against Reimbursement	-	-	16.83	-	16.83	-
C) - Trade Receivables	17.25	26.65	7.00	7.25	24.25	33.90
D) - Security Deposit Received	-	-	29.73	25.83	29.73	25.83

### 2.39 INFORMATION FOR EARNINGS PER SHARE AS PER AS-20

Particulars	31st March, 2015	31st March, 2014
Net Profit	48,560.97	40,247.12
Weighted average number of shares	226967619	226967619
<b>Earnings Per Share - Basic &amp; Diluted (₹)</b>	<b>21.40</b>	<b>17.73</b>

### 2.40

Previous year's figures have been rearranged/regrouped wherever necessary .

As per our report of even date

For **S. K. Agrawal & Co.**  
Chartered Accountants

**R S Agarwal**  
Chairman

**R S Goenka**  
Director

**S B Ganguly**  
Director

**S.K.Agrawal**  
Partner

**S K Goenka**  
Managing Director

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

**A K Joshi**  
Company Secretary  
& AVP-Legal

Kolkata  
13th May, 2015

**FORM AOC-1**

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

**STATEMENT REGARDING SUBSIDIARY COMPANIES**

Sl. No.	Name of the Subsidiary Company	1		2		3		4		5		6		7		8		9		
		Emami Bangladesh Limited	Emami Limited	Emami UK Limited	Emami International FZE	Emami International FZE	Emami Overseas FZE	Pharmaderm Company S.A.E	Fravin Pty Ltd	Emami International FZE	Fravin Pty Ltd	Diamond Bio-Tech Laboratories Pty Ltd	Greenlab Organics Limited	Abache Pty Ltd						
1	Name of the Holding Company	Emami Limited	Emami Limited	Emami Limited	Emami International FZE	Emami Overseas FZE	Emami Overseas FZE	Emami International FZE	Emami International FZE	Emami Overseas FZE	Emami Overseas FZE	Emami International FZE	Fravin Pty Ltd	Diamond Bio-Tech Laboratories Pty Ltd	Greenlab Organics Limited	Abache Pty Ltd				
	% of shareholding of Holding company	100%	100%	100%	100%	100%	90.60%	100%	100%	66.67%	100%	100%	100%	100%	100%	100%				
2	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	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A				
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	BDT	BDT	GBP	AED	AED	EGP	AED	AED	EGP	EGP	AUD	AUD	AUD	GBP	AUD				
4	Share capital	27.82	18.98	28.91	3.08	168.46	1,875.64	3.08	1,875.64	168.46	1,875.64	0.0010	0.0016	0.001655	0.001655	50.16				
5	Reserves & Surplus	853.00	1,895.41	(9.05)	(1,100.60)	(309.16)	(551.89)	(1,100.60)	(551.89)	(309.16)	(551.89)	2.14	2.14	(0.000067)	(0.000067)	(21.46)				
6	Total assets	3,803.45	11,616.79	26.59	557.92	293.65	1,452.43	557.92	1,452.43	293.65	1,452.43	50.90	50.90	0.001588	0.001588	99.62				
7	Total Liabilities	2,922.64	9,702.40	6.73	1,655.44	434.36	128.68	1,655.44	128.68	434.36	128.68	48.76	48.76	-	-	70.92				
8	Investments	-	1,353.60	-	-	-	0.0021	-	0.0021	-	0.0021	0.0005	0.0005	-	-	-				
9	Turnover	8,237.87	20,074.29	70.98	(321.70)	(153.67)	32.36	(321.70)	32.36	(153.67)	32.36	(38.73)	(38.73)	-	-	8.57				
10	Profit before taxation	480.71	1,542.87	(22.12)	(4.51)	6.04	(1.53)	(4.51)	6.04	(1.53)	(1.53)	(27.57)	(27.57)	-	-	(20.60)				
11	Provision for taxation	183.12	(4.16)	(17.95)	(321.70)	(153.67)	(1.53)	(321.70)	(1.53)	(1.53)	(1.53)	(27.57)	(27.57)	-	-	(20.60)				
12	Profit after taxation	297.59	1,542.87	(17.95)	(321.70)	(153.67)	(1.53)	(321.70)	(1.53)	(1.53)	(1.53)	(27.57)	(27.57)	-	-	(20.60)				
13	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil				

**Notes:**

- Names of subsidiaries which are yet to commence operations - Greenlab Organics Limited
- Names of subsidiaries which have been liquidated or sold during the year - N.A

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**R S Goenka**  
*Director*

**S B Ganguly**  
*Director*

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*Managing Director*

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*CEO - Finance, Strategy & Business Development and CFO*

**A K Joshi**  
*Company Secretary & AVP-Legal*

Kolkata  
13th May, 2015





# Emami in News

## Emami hopes for fair growth with buying spree

Defying slowdown, it has made three acquisitions

**EMAMI**  
Kolkata, 9 February

Emami has made three acquisitions in the last six months with the aim of becoming a ₹5,000-crore company in five years.

Emami eyes 25% CAGR over 5 yrs

Defying slowdown, it has made three acquisitions

of becoming a ₹5,000-crore company in five

## Emami 2.0: to the big league?

Firm in a life-cycle stage similar to Dabur's; stock could re-rate

**EMAMI**  
RATING: OUTPERFORM

EMAMI entering into a bigger league, transition starts after two years ago. We see Emami entering a high-growth phase over the next five years as the company moves beyond core categories in skin care and supplements.



what Emami is also looking to scale up. It has acquired three brands in the last six months. We believe that about Emami, given its financial track record, and the initial response to the transition, Emami's stock is undervalued.



We intend to take Rs 100 crore out of the market in the next 12 months.

## Emami sniffs success with HE

The Kolkata-based FMCG player has proved its mettle in the men's grooming segment; it now hopes for a repeat in deodorants as well

Emami's HE deodorant is a success story. It is a product that has been in the market for over a year now. An advertisement about the product was seen in the market. The product has been successful in the market. It is a product that has been in the market for over a year now.



businesses show necessarily be shed, to thrive together.

EN SINHA and AJAY MOOI



## Emami steps on the gas

Emami reported a good set of numbers for the March 2015 quarter with consolidated net sales growth of 34.2 per cent year-on-year (y-o-y) to ₹554 crore (3.2 per cent higher than the Bloomberg consensus estimate of ₹537 crore). Robust volume growth of 13.3 per cent along with healthy performance of both domestic and international business aided top line in the quarter.



Emami's sales growth has been robust over the last few quarters.



## Healthy growth ahead for Emami

Analysts could raise FY16 earnings estimates on strong Q4 show

SHEETAL AGARWAL

Emami reported a good set of numbers for the March 2015 quarter with consolidated net sales growth of 34.2 per cent year-on-year (y-o-y) to ₹554 crore (3.2 per cent higher than the Bloomberg consensus estimate of ₹537 crore). Robust volume growth of 13.3 per cent along with healthy performance of both domestic and international business aided top line in the quarter.

analysts could raise their FY16 estimates for the company.

Emami has always been a distributor brand company, which has previously focused

under our focus, we are looking at opportunities that can supplement our presence there.

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## Connecting with the mass consumer

With the acquisition of Himani, Emami entered the mainstream personal care category in the late seventies

Emami entered the mainstream personal care category in the late seventies. It was a time when the company was looking to expand its reach to the mass consumer. The acquisition of Himani was a key step in this direction.

Emami entered the mainstream personal care category in the late seventies

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## Emami Hires Three Consultants to Hone Up Business

McKinsey to devise strategy for sales, Aon Hewitt and E&Y to help management

Emami has hired three top consultancy firms to shape up its business. McKinsey & Co. will devise a strategy for sales, while Aon Hewitt and E&Y will help with management.

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## Diversification, new launch give a boost to Emami's growth

Entry into new and high-growth categories will also help diversify from a

Emami's growth has been robust over the last few quarters. The company has entered into new and high-growth categories, which has helped diversify its revenue stream.

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## Emami is new brands to beat slowdown

## Emami profit up 18% in 4th quarter

## Emami profit grows 16.7%

STAFF REPORTER



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AUR DIKHO  
BRIGHT AND FRESH**

"I LOOK FRESH AND BRIGHTER IN A SPLASH."



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Experience the difference with Fair and Handsome Instant Fairness Face Wash™ .

**REMOVES DIRT, OIL & SWEAT**



Creative visualization



**INSTANT FAIRNESS FACEWASH™  
WITH ACTI-FAIR PEPTIDE**



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\*Based on consumer study, IMRB, 152 men, March-April 2014. #Based on clinical study conducted on healthy men volunteers in April 2014.