

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

August 9, 2019

The Secretary,
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai - 400 001.

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

Dear Sirs,

Sub: Chairman's Speech for 36th Annual General Meeting

Please find copy of Chairman's Speech as read out at the 36th Annual General Meeting of the members of the Company held on Thursday, 8th August, 2019.

This is for your information and record.

Thanking You,

Yours faithfully,
For Emami Limited,



A K Joshi

Company Secretary & VP-Legal

Encl: as above



emami* limited

**CHAIRMAN'S STATEMENT AT 36TH ANNUAL GENERAL MEETING HELD ON
THURSDAY, 8TH AUGUST 2019:**

Dear Shareholders,

Good Morning,

It gives me immense pleasure to welcome you all to the 36th Annual General Meeting of the Company.

Before I share the operational performance and achievements of your Company, I wish to pay respect to honour the memory of our fellow Director, Late Shri M. D. Mallya who passed away in November 2018. We are deeply saddened by his untimely demise and consider ourselves fortunate to have had the guidance of a leader like Shri Mallya to charter the growth of your Company during his 4-year long association.

As a mark of respect for the departed soul, may I request you all to stand for a minute's silence.

I would now like to take this opportunity to inform you that Shri Debabrata Sarkar has joined the Board of Emami Limited as our new Independent Director. However, due to unavoidable circumstances, Shri Sarkar has sought leave of absence for today's meeting. Reckoned as one of the highly successful professionals in the banking industry of the country, Shri Sarkar was the former Chairman & Managing Director of Union Bank of India prior to which he was the Whole-time Executive Director of Allahabad Bank.

After a modest FY18, your company performed well in FY19 amidst business disruption post GST implementation. Your Company took various strategic initiatives to bounce back to healthy growth trajectory. With consumption growing gradually, we continued to register market share gains in each of our key portfolios. With an eye on sustainable healthy future growth, your Company synchronized its efforts towards strengthening the core and nurturing the innovations.

While all power brands viz Boroplus, Navratna, Fair & Handsome, Zandu & Menthoplus Blams have performed well, Kesh King and Zandu Pancharishta have also delivered positive results post new campaigns and substantial marketing investments.





emami* limited

Kesh King was relaunched with a new positioning of improved and increased effectiveness in hair fall reduction and new hair growth, complete with a smart packaging and an innovative comb applicator. The brand, for this innovation also received the prestigious 'Golden Peacock Innovative Product Award'.

We also renewed our focus on the Kesh King Shampoo by introducing the same in a redesigned contemporary packaging with a flip-top cap aligned with shampoo packaging codes. This improved its visibility on the retail shelves; especially in modern trade, thus strengthening the product's brand equity among shampoo buyers.

Besides this, the Company generated considerable consumer interest for Zandu Pancharishta with the launch of a fresh communication with none other than the legendary superstar Shri Amitabh Bachchan.

I am also happy to announce that during the year, four of the Company's Power Brands: BoroPlus, Zandu Balm, Navratna and Fair and Handsome were ranked among the Top 50 Brands in the Health & Personal Care Category by the ET Brand Equity Survey. BoroPlus also bagged the 91st position in the overall ranking of the 'Top 100 Most Trusted Brands'. The world is changing fast and we are taking steps to leverage upon the emerging opportunities. While traditional channels have been strengthened further, enhanced focus is being given on newer channels like modern trade & e-commerce to drive accelerated growth. Emami's Pan India presence has been widened and deepened making products available directly across 9.4 lac outlets and also across all prominent modern trade outlets and e-commerce platforms.

All these forward looking initiatives are not only expected to help generate sustainable growth for the company in years to come but have already started giving positive results as well from the last Financial year –

- Modern Trade channel reported a growth of 43% thereby increasing its contribution from 6% to 8% to the domestic business. The e-commerce segment also grew by 112% over last financial year.
- Post their relaunch, Kesh King grew by 20% and Zandu Pancharishta grew by 13% in the second half of FY19.





emami* limited

- International Business grew by 12% during the year, increasing its contribution to 13% of total revenues.

However, climatic vagaries along with adverse macro-economic conditions impacted the Domestic Business in FY19. While delayed winter resulted in a slow start of our winter portfolio in Q3, the extended winter season continued to eat into our early summer offtake in the fourth quarter. Despite these challenges, your Company's revenues grew by 7% which we believe is creditable.

International Business also performed well with healthy growth of 12%. During the year end, your Company acquired the popular and iconic German personal care brand Creme 21 which will help Emami not only to consolidate its position at its key markets in the Middle East where the brand enjoys a popular base but further reach out to the newer geographies. Further, we also started commercial production from a third-party managed manufacturing unit in Sri Lanka which will help cater local demand.

On the operational front, we completed our first full-year of production at our state-of-the-art fully automated manufacturing unit at Pacharia, Assam which already accounts for around 30% of the Company's total output.

As part of our Corporate Social Responsibility your Company continued with its sustainable measures in the sphere of education, skill development, healthcare, water and sanitation and women empowerment during the year. Emami Foundation's Ayurveda based CSR project, 'Sanjeevani' was awarded the 'Kolkata CSR Leadership Awards 2018' under the category of 'Concern for Health'.

You, our Shareholders', are very much a part of our Emami Family and are indispensable in the Company's growth journey, which is driven by the objective to create investor wealth. In line with this objective, your Company also issued Bonus Shares in the ratio of 1:1 and propose a dividend of Rs.4/- per share, a payout of more than 72% of our profits. Having said that, I would like to inform you that in the first quarter of new financial year, that ended on 30th June, 2019, your Company has reported consolidated net sales of Rs. 639 Crores, EBIDTA of Rs. 134 Crores and Cash Profit of Rs. 123 Crores registering sales growth of 6 %, EBIDTA growth of 11 % and Cash Profit growth of 12 % respectively.





emami* limited

At Emami Ltd., we continue to be optimistic of our prospects. Though the overall environment continues to be challenging, we expect the consumer sentiments to pick up, driven by a young aspirant population, growing rural incomes, normal monsoon and increased government impetus. Your Company is attractively placed to capitalize the opportunity of the upscaling of the demand momentum that is expected to set in the second half of FY 2019-20 and is reinventing itself across every dimension to accelerate its growth as part of natural evolution of staying relevant with the changing times.

In the coming days, your Company intends to grow the revenues of its Power Brands, launch more innovative products in under-penetrated segments, strengthen its healthcare sales by investing in research and development and deepen its focus on international markets.

I would also like to take this opportunity to repose my faith in the second generation promoters, who have well integrated themselves in the company's operations to charter the future growth of the organization. With their deep understanding of the values, business strategy, culture and heritage of Emami, they bring innovative solutions and competence that will lead your Company to greater heights.

Before I conclude, I would like to mention that we are grateful to all our stakeholders for their unstinted support and expect to continue enhancing value in the long term as we advance to realize our vision of the coming years while staying strongly rooted in the traditional values of Ayurveda.

Thank you.

Place: Kolkata

Date: 8th August 2019

