



Addendum to Annual Report Financial Year 2016-17 DIVIDEND DISTRIBUTION POLICY

1. Purpose & Background

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

2. Dividend

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

3. Parameters for declaration of Dividend

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

Financial parameters (internal factors)

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

External Factor

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

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

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

5. Utilization of retained earnings

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

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

Since the company has issued only one class of equity shares with equal voting rights, all the members of the company are entitled to the same dividend per share.

7. Review

The Chairman and Managing Director are individually authorised to make alterations in the policy if required from time to time. In case of any amendment(s), clarification(s) circular etc. issued by relevant authorities not being consistent to the provisions laid down under this policy then such amendment, clarification, circular etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment, clarification, circular etc.

Date : 8th August, 2017

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

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

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

Sub : Approval of Annual Report 2017

Dear Sirs,

We would like to inform you that the members of the company, at the 34th Annual General Meeting held on 2nd August 2017, have considered, approved and adopted the consolidated and standalone Financial Statements of the Company comprising of audited Balance sheet as at 31st March 2017, the statement of profit & Loss and Cash Flow Statement for the financial year ended on that date and the reports of the Directors' and Auditors' thereon (together Annual report 2017).

Please note that the copy of the Annual report has been already sent, at the time of dispatch of the Annual Report to shareholders, with the stock exchanges vide our letter dated 7th July 2017.

We request you to kindly take the above Annual Report 2017 on record as per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015.

Thanking you,

Yours faithfully,
For Emami Limited



A. K. Joshi
Company Secretary & VP- Legal

Encl. As above.

THE **emami** WAY

emami limited | ANNUAL REPORT 2016-17 | VOLUME: XXXIV

BUSINESS ESSENTIALS

Founders RS Agarwal and RS Goenka did not merely set out to launch differentiated products; they set out to create a different kind of company.

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Founders' Statement

INNOVATION
AT THE HEART
OF EVERYTHING

PAGE 04



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



Corporate Information

Chairman

R.S. Agarwal

Managing Director

Sushil K. Goenka

CEO-Finance, Strategy & Business Development and CFO

N.H. Bhansali

Company Secretary & VP-Legal

A.K. Joshi

Auditors

S.K. Agrawal & Co
Chartered Accountants

Directors

R.S. Goenka

K.N. Memani

Y.P. Trivedi

M.D. Mallya

Rama Bijapurkar

P.K. Khaitan

Sajjan Bhajanka

S.B. Ganguly

Amit Kiran Deb

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

Finance Committee

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

Risk Management Committee

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

Corporate Governance Committee

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

Corporate Social Responsibility Committee

Sushil K. Goenka, Chairman
Amit Kiran Deb
Mohan Goenka
Harsha V. Agarwal
Priti A Sureka

OUR PRESENCE

60+ COUNTRIES | 8 FACTORIES | 1 OVERSEAS UNIT | 4 REGIONAL OFFICES | 33 DEPOTS | 8 OVERSEAS SUBSIDIARIES.

BANKERS

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

Registrar & Transfer Agent

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

Registered Office:

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

Website: www.emamilttd.in | CIN: L63993WB1983PLC036030

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THE EMAMI WAY!

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EDITORIAL BOARD

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

Forward-looking statement

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

Note: All Market shares mentioned in this Annual Report pertain to MAT December 2016 in volume terms



To all our Stakeholders,

Welcome to the 34th Annual Report of Emami Limited!

The year FY17 was one of the important for the country as a whole. The landmark demonetisation initiative by the Central Government disrupted the economy and staggered consumption. The much-awaited GST legislation was readied for implementation in FY18.

The big message that we wish to communicate is that despite the macroeconomic headwinds, we were able to hold our market share, revenues and margins.

With the impact of demonetisation receding following better monsoons, we expect that the coming year will be better for Emami and continue to add to shareholder wealth.



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

ANNUAL REPORTS OVER THE YEARS



Readers speak

I look forward to receive the Annual Report of Emami Limited as it stands out from every other company on BSE. An easy-to-read report with their impressive numbers, attractive brands, good endorsements – what else one can ask for?

Om Prakash Mantri
Shareholder

The Annual Report of 2015-16, to my knowledge, captured the essence of the brand Emami in the best possible way. The creative thought behind putting people's faces within the 'leaf' of the Emami logo was a reassuring message from the Company to shareholders and consumers about its commitment of consumer excellence - to whom the Company has been catering across the years. Indeed, Emami as a Company should be lauded for making people "Healthy and Beautiful, Naturally" with commendable success. I hope, Emami Annual Reports will continue to showcase the Company's ethos and culture as vividly in all coming editions.

Ballav Das Daga
Shareholder

Emami Ltd's Annual Report is not only pleasing to the eye. From its financial statements, one can

get detailed financials with rich historical data. The elements of business strategy and details of various brands have been carefully spelt out. Coupled with the financial analysis, the annual report of the Company enables the investor to derive a fair understanding on how the brands have evolved over the years and the direction the Company is taking. It helps the investor make a reasonable assessment of the value within the Company.

Rajesh Poddar
Shareholder



2015-16

The Annual Report for the financial year 2015-16 was a wonderful combination of

information and design. From the brand stories to the perspectives from renowned personalities, each article provided an in-depth insight into the workings of the Company. The transparent disclosures in statutory reports and the outlook contained in the Management Discussion and Analysis provided enough reason to stay invested in the Company. I thank the management and the editorial board for crafting an informative Annual Report.

Ranu Dey Talukdar
Shareholder

As a shareholder, one feels privileged to receive a comprehensive Annual Report. While most of the companies restrict themselves to statutory disclosures, the annual report of Emami Ltd. takes an effort to report each aspect of the business in a comprehensive and creative manner. I feel that Emami's annual reports are setting benchmarks with every passing year. I am eagerly looking forward to this year's annual report. My best wishes for the Company!

Neeta Agarwal
Shareholder

INNOVATION AT THE HEART OF EVERYTHING

When we ventured to create Emami more than four decades ago, there were a number of commandments that we resolved we would follow. Similarly, there were a handful of commandments that we decided we would not follow. One of them was 'Thou shalt not imitate.'

Looking back, we believe that this has been one consistent ingredient in our success. We have invested in innovations - innovative products, innovative ingredients, innovative marketing, innovative packaging and innovative communication. While we promoted innovations, we watched peers launch short-lived me-too products.

We often applied that one standard filter when presented concepts by senior managers or consultants: '*Is me naya kya hai?*' This singular focus has been the biggest catalyst in our transformation from a 150 sq.ft room in the alleys of North Kolkata to a ₹24,000 crore market capitalisation business comprising nine manufacturing units, more than 60-country presence and nearly 3,100 employees.

The message is that when you think differently, the business grows naturally.

At Emami, we believe that practiced innovation is derived from a combination of art and science. More importantly, *nayi soch* extends beyond product innovation to an entire different way of running the business.

R&D differentiation

At Emami, product conceptualisation could easily have involved the simple exercise of copying what some of our successful competitors were doing. We selected to work harder instead. We invested extensively in research and development; we allocated a sizeable annual budget; we created a large facility to centralise research professionals; we charted out an ayurveda direction; we identified product directions; we outlined deadlines for prospective launch; we unambiguously highlighted our desired goal: '*Market ko hila dene waali baat!*'

When we launched a fairness cream for men in a segment where it was non-existent, we created history. Till then, most men found it convenient to use fairness cream for women and as we were about to launch our innovation, some well-meaning sceptics even indicated: '*Shaayad galat kar rahe hai*'. No man would want to go to the market and buy a tube of fairness cream. *Log kya kahenge?*

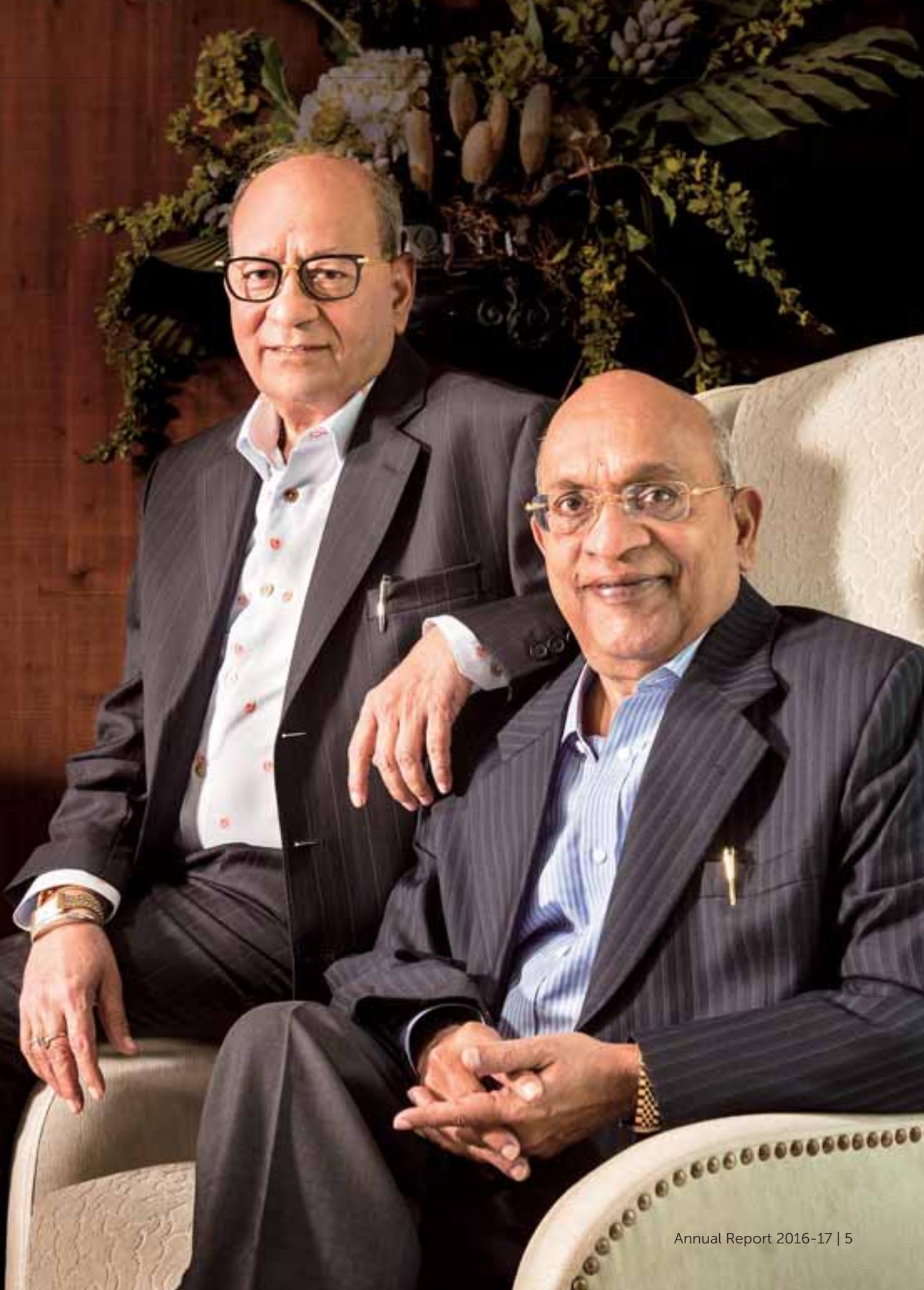
SNAPSHOT

- EMAMI'S SUCCESS MANTRA – BE DIFFERENT, BE INNOVATIVE
- EMAMI EXCELS IN IDENTIFYING NEED GAPS AND ACCORDINGLY OFFERS PRODUCTS THAT HELP THE COMPANY REMAIN NUMBER 1 IN ITS CATEGORIES
- EFFECTIVE PRODUCT PORTFOLIO COUPLED WITH A DEEP DISTRIBUTION CHANNEL MAKING IT POSSIBLE FOR 120 EMAMI PRODUCTS BEING SOLD ACROSS THE WORLD EVERY SECOND
- FAVOURABLE MACRO-ECONOMIC INDICATORS ALONG WITH GST IMPLEMENTATION IS EXPECTED TO DRIVE FUTURE GROWTH



24,000

(₹ crore) in market capitalisation as on 31st March 2017



But we changed the popular habit. We brought men's grooming centre-stage. We created market. When people further saw Shah Rukh Khan endorsing the product, they felt '*Usko to koi sharm nahi aati cream laagane me, toh hamey kyun?*'

And that is how we opened out to a gold mine of opportunities in the male grooming segment that extended to the launch of our very latest innovation of the country's first-ever waterless face wash – 'HE-On the Go'.

When Emami decided to enter the already cluttered hair oil market, the offering had to be something completely different. Most of the competitors were offering oils with one or two ingredients. Our research team came in handy with another breakthrough innovation by combining the benefits of seven herbal ingredients into one product – Emami 7 Oils in One. The product has already carved out a niche for itself in the crowded hair oil market in India.

The other example of Emami's innovation was cool talc. No Indian company offered cooling element

in talcum powders and when Emami came out with Navratna Cool Talc, it took the market by storm. The unique positioning of '*duniya ka sabse chhota AC*' also helped in driving growth of the brand.

Promotional differentiation

At Emami, it would have been simple to launch and say 'Now let the market take over'. We were obsessive; we wanted to capture and dominate consumer mind space; we had products endorsed by prominent sports-persons and film personalities. We got the average user into thinking that 'If it is good for them, then surely it must be good for us.' We were the first in the country to commence in-film promotion in the 80's. We enlarged the role of celebrity endorsements. We utilised diverse media. We combined and permuted schemes that made people say 'Let us try it out once. What is the harm?'

Packaging differentiation

Emami wooed through differentiated packaging. The Company offered products in

attractive PET packages at a time when it was still fashionable to productise in tin tubes. It pioneered smaller sachets in the cool oil segment when competitors continued to trust larger unwieldy packaging options. We revolutionised the balm market by launching the Mentho Plus balm in a *dibbi*. In doing so, we didn't just reach out to an existing body of consumers; we took pride in having widened and deepened markets. We didn't just service customers, we created many.

Strategic differentiation

At Emami, we believe that identifying the right opportunities at the right time is the key to disproportionate growth. A few years after we acquired Zandu, we acquired Kesh King. We perceived an operating leverage; we identified headroom within each company and space, we reckoned that the acquisitions would grow faster with the Emami cocktail and even though a number of industry observers quietly predicted 'Failure!' we are pleased to report that our acquisitions have proved value-accretive. We improved



the formulation, repackaged the acquired products, heightened the promotion, revisited product strategies, restructured the distribution channel and enhanced market footprint. The Result: The Zandu and Kesh King portfolios now account for more than 30% of our domestic revenues. Zandu offtake has trebled since acquisition and profits have increased manifold.

Emami transformed a challenge into an opportunity through a deep understanding of consumer need. We keep our ears to the ground to comprehend evolving consumer preferences. Besides, each consumer (housewife, farmer, banker, college student, rural consumer and urban buyer) behaves differently even as there are broad patterns that are common, providing us with a rich understanding of what to include in the core of our products.

So, what are these products that we keep launching and transforming into winners?

Products that plug gaps that existing products do not.

When BoroPlus was launched, there was already a category leader in the domestic market. We combined the goodness of ayurveda with contemporary packaging; the result was that we emerged as the leading player within a few years of launch and continue to command more than 75% market share three decades later.

One might assume that launching innovative products would have been enough; the skill lies in maximising consumer reach. In line with this, we created low unit packs marked by attractively low price points. We researched consumption patterns to create products easily consumable. For instance, a number of laxative options were available but their powdery form made them messy and inconvenient to use; we responded with Nityam Tablets that enhanced consumption convenience and the product proved an instant winner.

Thereafter, we enhanced consumer convenience through promotional activities – television commercials and product placements in fairs and festivals. The result: an enhanced awareness and quicker offtake. We created a network comprising more than 3,250 distributors, 6,500 sub stockists and 1,800 field sales personnel. The result is that Emami products are available off-the-shelf in more than 16,700 villages and towns where the population is less than 50,000.

The combined result of these initiatives has been a perpetually rejuvenating business model. Even as the country was struggling with a cash crunch following demonetisation in late 2016, Emami could hold onto its business on account of its positioning around 'necessary' over 'discretionary'.

The year 2016 was favourable as the seasons began and ended on time. Despite the consumer disruption following demonetisation, we succeeded in maintaining our business around margins higher than the industry average; we maintained our market share.

The GST implementation is expected to create a level-playing field for organised players in India, narrowing the unorganised sector. Our core brands have gained market share; our products launched in the last few years are expected to gain traction.

The future is here and we are ready.

RS Agarwal | RS Goenka



16,700

Number of villages and towns where Emami's products are available (population <50,000)

We created a network comprising more than **3,250** distributors, **6,500** sub stockists and **1,800** field sales personnel.

Emami wooed through differentiated packaging. The Company offered products in attractive PET packages at a time when it was still fashionable to productise in tin tubes

HIGHLIGHTS, FY17

TURNOVER

- Consolidated Net sales at ₹2,533 crore grew by 5.6%
- Domestic sales at ₹2,142 crore grew by 9.6%
- International Business at ₹285 crore degrew by 15.7%
- Institutional Business at ₹105 crore grew by 1%

PROFITS

- EBIDTA at ₹759 crore grew by 10.5%
- EBIDTA margin at 30.0% improved by 130 bps
- Cash Profit at ₹649 crore grew by 4.9%
- Cash Profit margin at 25.6% remained at par
- Cash EPS at ₹28.6 grew by 4.9%
- ROCE at 28.4% (on Cash Profit)
- ROE at 37.0% (on Cash Profit)
- Increase in SHE Comfort and Kesh King brand amortisation from ₹210 cr in previous year to ₹259 cr in current year resulted in a reduction of PAT & EPS by 6.4%

COSTS

- Cost of goods sold at 34.5% of sales, decreased by 110 bps
- Advertisement and Sales promotion increased from ₹430 cr in FY16 to ₹443 cr FY17
- Amortisation of intangibles considered at ₹262 crore against ₹213 cr in the previous year

STRATEGIC INITIATIVES

- **Sales**
 - Initiated "Project Race" to expand direct coverage in urban towns
 - Initiated "Project Dhanush" to enhance rural direct reach through Van Operations
 - Commenced Project SFA (Sales Force Automation)
- **Human resource**
 - Strengthened PMS system
 - Implemented SAP Success Factors for automation of HR services
 - Aggressively pursued Project Udaan for EBIDTA improvement across organisation

New launches during the year

BoroPlus Perfect Touch Cream | Navratna Almond Cool Oil | Navratna i-COOL Talc | Fair & Handsome 100% Oil Clear Instant Fairness Facewash | HE Respect Deodorant | HE range of perfumes and deodorants | Kesh King Ayurvedic Medicinal Oil – with blend of coconut oil | HE-'On the Go' Waterless Face Wash

BRANDS

- Navratna Oil increased market share by 125 bps at 61.1%
- Brand extension Cool Talcum Powder gained market share by 40 bps to 25.6%
- Boroplus Antiseptic Cream continued to be the market leader with a market share of 76.0%
- Zandu Balm and Mentho Plus Balm continued to be market leaders with a market share at 54.8%
- Kesh King gained market share by 180 bps to 32.1%
- Fair and Handsome grew its market share by 110 bps to 65.2%
- Brand extension Face Wash gained market share by 170 bps to 13.0%

Market shares as per MAT December, 2016 in volume terms

WORKING CAPITAL

- Average Inventory holding increased from 23 days to 26 days
- Average collection period decreased from 20 days to 14 days
- Net working capital was at 27 days of turnover equivalent
- Net Loan of ₹390 crores at the end of the Financial Year

OPERATIONS

- Direct retail reach increased to 7.3 lac outlets (PY: 6.4 lac) along with a distributor strength of 3,250
- Covered around 1,200+ distributors under outreach-secondary sales software
- New unit at Pacharia, Guwahati, commenced operations in February 2017. Planned outlay of ₹300 cr
- Revamped HCD & IMD Units- Vapi, Masat and Dongari
- Enterprise Risk Management implemented and is ISO 31000 : 2009 certified Internal Audit Department and Risk Management System accredited with ISO 9001:2008

CAPITAL MARKET

- Market capitalisation of nearly ₹24,000 cr. (as on 31st March 2017)
- The initial shareholder who invested ₹1,000 for 100 shares and invested ₹4,000 following a rights issue would presently own Emami shares worth around ₹9.1 crore – 22,800-fold return across 37 years
- Shareholders' wealth increased more than 46 times and more than 10 times following the public issue in March 2005 and QIP in July 2009 respectively
- Around 35 brokerage houses covering Emami's stock included UBS, Credit Suisse, Nomura, Macquarie, IIFL, Edelweiss, Motilal Oswal and ICICI Securities. During the year Haitong, BNP Paribas, Deutsche Bank, Bank of America Merrill Lynch, Jefferies and CLSA initiated coverage of Emami

10 year HIGHLIGHTS

(₹ in lac)

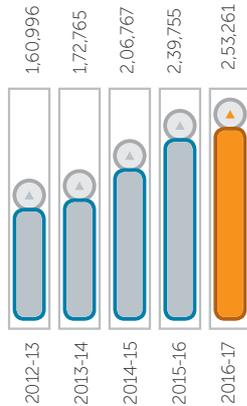
PARTICULARS**	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
A OPERATING RESULTS :										
Income from Operations	2,53,261	2,39,755	2,06,767	1,72,765	1,60,996	1,38,116	1,18,774	95,644	70,723	55,162
EBITDA	75,913	68,727	54,312	44,704	34,968	29,604	25,443	24,454	12,946	9,556
PBT	42,362	42,277	58,899	46,753	37,461	29,621	27,012	20,430	10,630	10,277
PAT (after minority interest)	34,042	36,353	48,215	41,287	32,067	25,612	22,972	16,930	9,219	9,048
Cash Profit	64,900	61,846	51,646	44,804	34,264	27,492	24,371	18,463	10,059	9,784
Dividend including Tax	19,122	19,122	18,817	18,588	14,162	14,069	6,175	5,311	3,983	3,272
B FINANCIAL POSITION :										
Fixed Assets (Net Block)	2,01,122	2,03,705	47,759	40,777	43,965	48,034	49,094	56,729	64,946	9,229
- Intangible Assets	1,23,930	1,49,935	3,278	779	6,703	16,691	26,851	37,009	47,158	194
- Others	77,192	53,770	44,481	39,998	37,262	31,343	22,243	19,720	17,788	9,035
Liquid Investments	3,332	1,193	49,657	28,922	15,634	7,356	-	5,500	3,267	8,233
Other Assets	56,812	64,324	73,455	60,530	62,018	61,927	60,635	43,125	24,952	36,920
TOTAL ASSETS	2,61,266	2,69,222	1,70,871	1,30,229	1,21,617	1,17,317	1,09,729	1,05,354	93,165	54,382
Share Capital										
- Equity	2,270	2,270	2,270	2,270	1,513	1,513	1,513	1,513	1,313	1,243
- Preference	-	-	-	-	-	-	-	-	-	8
Reserves & Surplus	1,73,200	1,58,891	1,28,934	87,401	76,348	77,023	68,336	62,357	29,510	29,526
Net Worth	1,75,470	1,61,161	1,31,204	89,671	77,861	78,536	69,849	63,870	30,823	30,769
Minority Interest	141	410	456	1	5	12	7	-	-	48
Loan Funds	47,295	67,144	3,588	4,502	12,010	16,114	22,937	25,906	44,822	12,580
Deferred Tax (Net)	4,216	904	2,212	479	1,368	1,450	1,370	696	596	215
Capital Employed	2,27,122	2,29,618	1,37,460	94,653	91,244	96,112	94,163	90,472	76,241	43,619
C KEY RATIOS										
ROE (%) (on Cash Profit)	36.99	38.38	39.36	49.96	44.01	35.01	34.89	28.91	32.63	31.80
ROCE (%) (on Cash Profit)	28.58	26.93	37.57	47.33	37.55	28.60	25.88	20.41	13.19	22.43
Debt - Equity Ratio	0.27	0.42	0.03	0.05	0.15	0.21	0.33	0.41	1.45	0.41
EBIDTA Margin (%)	29.97	28.67	26.27	25.88	21.72	21.43	21.42	23.93	17.29	16.31
Cash Profit Margin (%)	25.63	25.80	24.98	25.93	21.28	19.91	20.52	19.30	14.22	17.74
Interest Cover (x)	13.09	12.72	105.65	83.05	53.22	19.46	16.71	4.47	3.31	13.88
D EQUITY SHARE DATA *										
Cash Earnings per Share (₹)	28.59	27.25	22.75	19.74	15.10	12.11	16.11	24.41	15.32	15.74
Dividend per Share (₹)	8.43	8.42	8.29	8.19	9.36	9.30	4.08	7.28	6.27	5.27
Book Value per Share (₹)	77.31	71.01	57.81	39.51	51.46	51.90	46.16	87.53	48.50	49.51

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

** All figures have been restated as per Ind AS

EMAMI'S GROWTH STORY

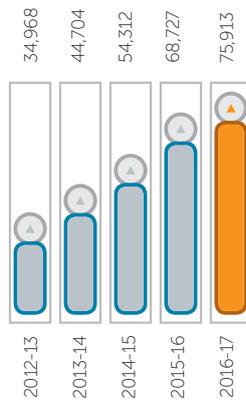
Revenue (₹ lac)



5.6%
growth over 2015-16

12.9%
5-year CAGR leading to 2016-17

EBIDTA (₹ lac)



10.5%
growth over 2015-16

20.7%
5-year CAGR leading to 2016-17

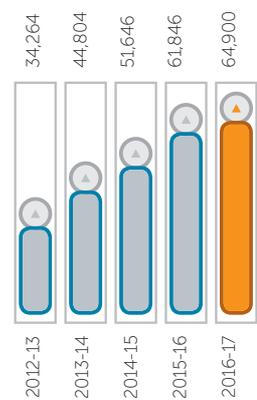
EBIDTA margin (%)



130 basis points
growth over 2015-16

825 basis points growth in
5 years leading to 2016-17

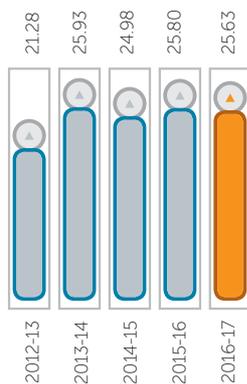
Cash profit (₹ lac)



4.9%
growth over 2015-16

18.7%
5-year CAGR leading to 2016-17

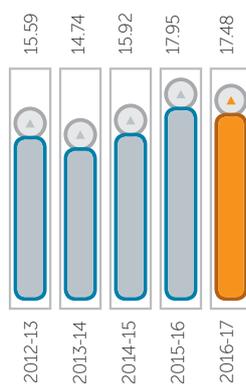
Cash profit margin (%)



at par
with 2015-16

435 basis points growth in
5 years leading to 2016-17

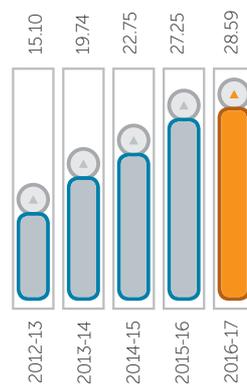
A&P (% of sales)



(47) bps
with 2015-16

189 basis points growth in
5 years leading to 2016-17

Cash EPS (₹)



4.9%
growth over 2015-16

18.7%
5-year CAGR leading to 2016-17

Net worth (₹ lac)



8.9%
growth over 2015-16

17.4%
5-year CAGR leading to 2016-17

DOING BUSINESS

THE EMAMI WAY!

FOUNDERS RS AGARWAL AND RS GOENKA DID NOT SET OUT TO MERELY LAUNCH DIFFERENTIATED PRODUCTS; THEY SET OUT TO CREATE A DIFFERENT KIND OF COMPANY.

The promoters quit their jobs to create one of the most successful home-grown FMCG brands in India. Their story comprises a number of inspiring lessons for entrepreneurs and risk takers.



Identification

The promoters possessed the clarity to manufacture clutter-breaking products addressing under-penetrated niches. The essence of the motto of 'Be Innovative' reflected in its earliest products – Emami Talcum Powder and Vanishing Cream.

Reinvention

When Emami acquired Himani, this differentiated desire manifested in the reinventing of Himani Snow, Himsar Tel and Himani Glycerin Soap. The reinvented products paid rich dividends.

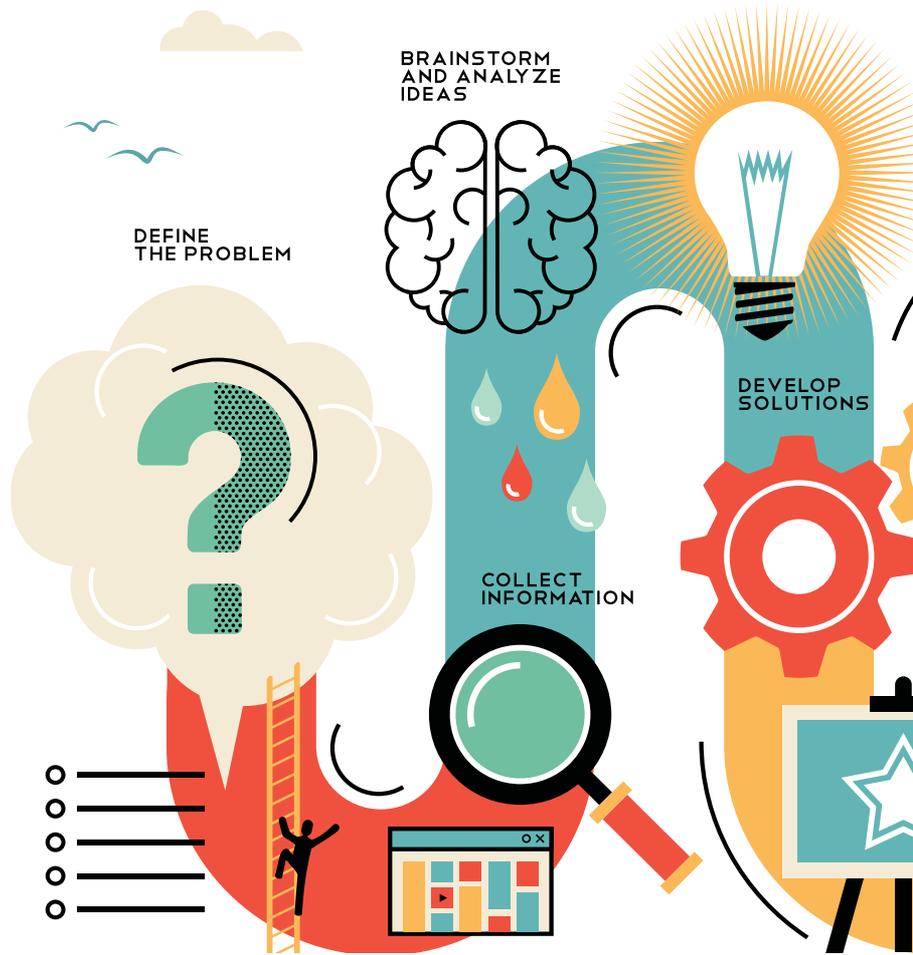
When Emami bought into the Zandu in 2008-09, industry experts felt that Emami had made a mistake. **One**, the Zandu brands were growing around 5% per year and the conclusion was that the brands had fatigued. **Two**, while Emami was perceived to be an aggressively marketed brand, there was a question mark on whether this rub-off could be extended successfully to Zandu at all.

Emami took a contrarian perspective. Emami was convinced that it had actually bought into a brand whose potential had been extensively under-leveraged for a number of years.

Emami set about reinventing the Zandu brand from just a functional perspective of what each brand stood for to a holistic positioning as a 'health expert'.

Mobilisation

This need to differentiate was reflected in the Company's other products and launches. For instance, Navratna Oil was created around a unique herbal formulation in a significantly under-penetrated cool oil category. Emami's effectiveness was derived from the fact that it perceived this opportunity before others, positioning Navratna as an ayurvedic therapeutic oil. The result of this differentiated position was that even after 27 years of launch, Navratna dominates the market with a share of 61% while others who attempted to emulate Emami ended up with unsuccessful launches.



Creation

Emami's 'Be Innovative' approach resulted in the creation of new categories. For instance, until 2005, men's grooming segment was almost non-existent. Emami ventured to examine the market; the Company discovered that more than 30% of all fairness creams for women were actually being used by men. This precious insight empowered Emami to launch Fair & Handsome, India's first fairness cream for men. Even as competition attempted to imitate, Fair & Handsome continues to dominate the category with a share in excess of 65%.

Simplification

In an increasingly challenging business, Emami selected to keep things simple by 'making people healthy and beautiful naturally'. Simplicity represents the foundation of the Company's widening market

presence. The result is that even after four decades of entering the business, Emami's unpretentious products have only succeeded in enhancing their visibility and market share.

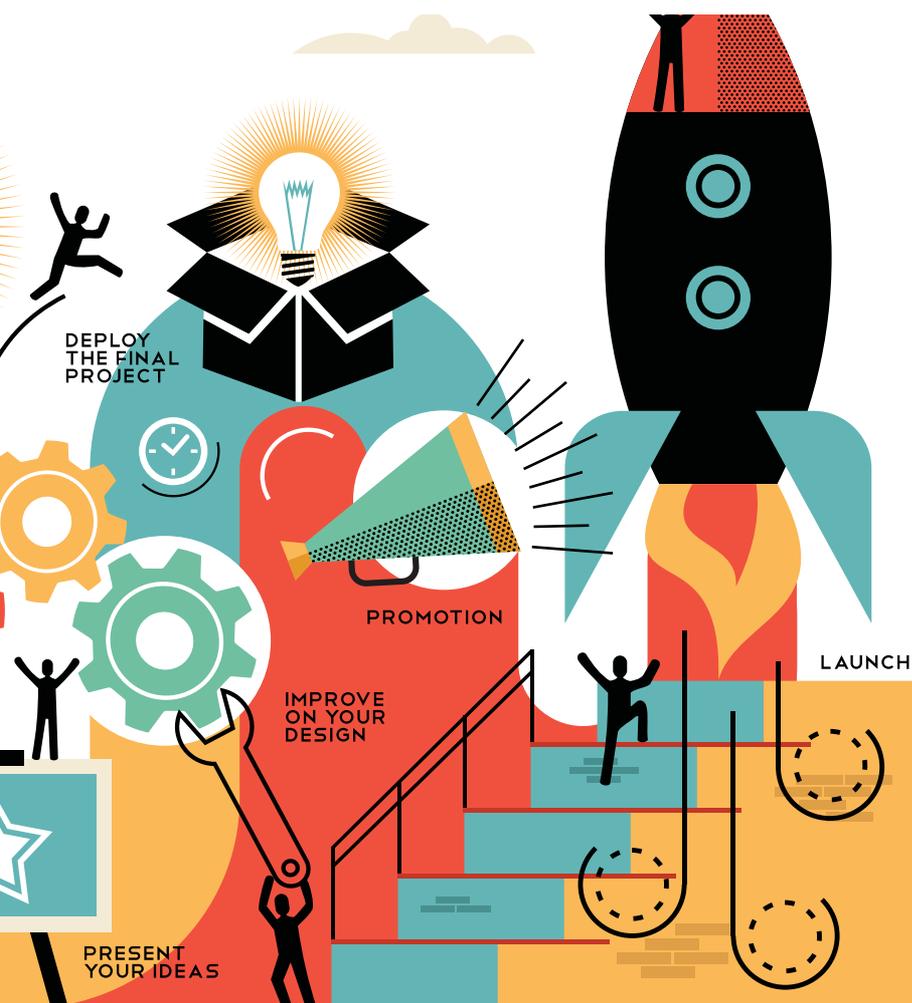
Contemporarisation

Emami's success has been derived from the fact that the Company is more than just a therapeutic or cosmetic product manufacturer; the Company offers solutions that address problems. The Company's

Revenue share (%)

Problem-solving products
80%

Discretionary products
20%



At a time, when hair oils generally offered the goodness of only a couple of ingredients at most, Emami changed the game: its product offered seven, resulting in a unique hair oil proposition.

product mix represents an arsenal that addresses the everyday needs of consumers across climates, terrains and preferences: ayurvedic antiseptic cream, fairness cream, prickly heat powder, cool talc, pain relievers, herbal petroleum jelly, cool oil, face washes, deodorants, ayurvedic medicinal oil, and ayurvedic OTC medicines, a balanced mix of 'necessary' and 'aspirational' products. Besides, in deeply-penetrated categories, Emami has worked around distinctive offerings, remaining relevant across market cycles through products that address emerging needs.

Extension

Over the years, Emami has not just launched products; it has extended products by leveraging prevailing goodwill. For instance, BoroPlus was extended into prickly heat powder, body lotions and moisturising cream. Navratna Oil was extended to extra cool oil, almond cool oil and cool

talc, extending an existing success story.

Differentiation

Emami combines the proven century-old power of ayurveda blended with modern science to create effective, and yet benign products. The Company painstakingly studied the efficacies of diverse ayurvedic formulations validated by regulatory agencies. Consider: pure petroleum jelly had long been considered as colourless, translucent and devoid of any smell. Emami entered the picture by adding the goodness of herbal ingredients; the result was the launch of Vasocare, a green mildly fragrant petroleum jelly with multiple applications – minimising dryness of skin, moderating moisture loss and grooming aid. Besides, Emami's inventiveness kicked in; the amalgamation of aloe vera, basil and chamomile restored natural skin glow along with experiential pleasantness. A similar story was played out with Emami 7 Oils in One Hair Oil. At a time, when hair oils generally offered the goodness of only a couple of ingredients at most, Emami changed the game: its product offered seven ingredients, resulting in a unique hair oil proposition. The result: the brand surprised with its innovative and unique positioning in a highly cluttered and penetrated hair oil market.

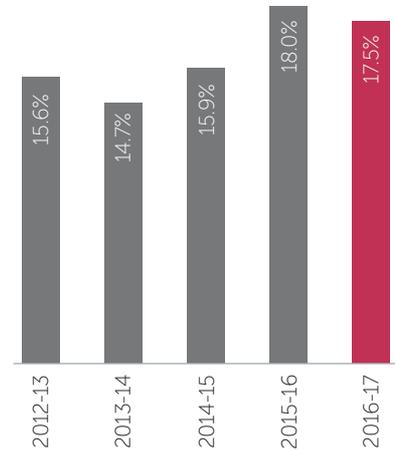
Optimisation

A new market entrant needs deep pockets and a moderated cost structure to survive. Over the years, this has generally been achieved in two ways: the prudent leverage of fiscal benefits offered by the Government and a direct address of overhead costs. As a resource-respecting Company, Emami addressed both these competitiveness-enhancing areas. The result is that four of the Company's eight manufacturing units enjoy attractive tax incentives; the newly-commissioned Pacharia plant will enjoy these legislations till 2027. Besides, the Company implemented stringent SOPs across units coupled with shop floor TQM initia-



Tapsee Pannu, Sonakshi Sinha, Yami Gautam, Bipasha Basu, Pt. Birju Maharaj, Milkha Singh, Jr. NTR, Surya Sourav Ganguly, MS Dhoni, Sania Mirza, Saina Nehwal, Mary Kom and Sushil Kumar and many more to promote its products. Besides, Emami was first to engage in 'in-film' advertising in the 1980's through the film 'Agar Tum Na Hote' starring the superstar Rajesh Khanna and Rekha.

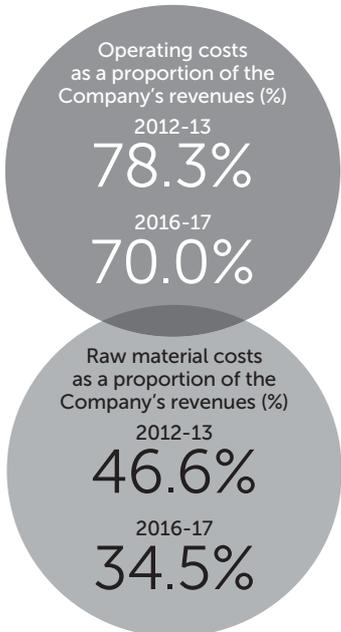
A&P spending as a proportion of the Company's revenues (%)



tives to enhance operating efficiency. The Company also negotiated better with vendors to enhance procurement and logistics efficiencies, for better competitiveness.

Promotion

Emami pioneered the concept of celebrity endorsements and in-film advertising with the objective to create aspirational aura and recall. Since Indians idolise sports-persons and film stars, Emami prudently engaged icons like Amitabh Bachchan, Shah Rukh Khan, Hrithik Roshan, Kangana Ranaut, Shahid Kapoor, Rekha, Madhuri Dixit, Juhi Chawla, Kareena Kapoor Khan, Shilpa Shetty, Parineeti Chopra, Shruti Haasan Huma Qureshi,



Innovation

When Emami entered the business, it recognised that most FMCG companies would not focus on packaging, considering this to be an unnecessary appendage that added costs and would eventually be discarded following purchase. Emami selected to differentiate its products at sight: through distinctive packaging. Emami countered the

Brand	Core product	Extensions	6 Year brand CAGR Growth
BoroPlus	Antiseptic Cream	<ul style="list-style-type: none"> Prickly Heat Powder Moisturising Body Lotion 	Grew by 10%
Navratna	Cool Oil	<ul style="list-style-type: none"> Extra Thanda Cool Oil Almond Cool Oil Cool Talc 	Grew by 13%
Fair & Handsome	Fairness Cream	<ul style="list-style-type: none"> Complete Winter Solution Instant Fairness Face Wash Oil Control Face Wash 	Grew by 14%
Zandu & Mentho Plus Balm	Balms	<ul style="list-style-type: none"> Ultra Power 	Grew by 10%

market leader in the antiseptic cream category with BoroPlus through aesthetic packaging, carving away the competition's market share. Emami was among the first to graduate its Navratna Oil to smaller LUPs to reach out to the mass population with ₹1 sachets in place of the ₹50 PET bottle that was out of bounds of price-sensitive consumers. The result is that Navratna virtually created a new market segment; these sachets now account for a large portion of Navratna's revenues. Emami launched Emami Mentho Plus in *dibbis* with similar impact. Besides, the Company continuously evolved its packaging through the progressive deployment of high-cost moulds to stay one step ahead of counterfeiters.

Inorganic expansion

Emami recognised that once its core fundamentals were in place, the best use of its substantial cash surplus was through prudent deployment in the acquisition of brands or companies. One of the first acquisitions that Emami made was Himani; more recently, the Company made two of the biggest acquisitions in the Indian FMCG industry – Zandu (valued at more than ₹700 crore) and Kesh King (₹1,684 crore). The acquisitions were complemented by corporate rejuvenation that made it possible for the Zandu acquisition to break even within its first full year of operation whereas Kesh King became cash EPS accretive within the first year of acquisition, creating the foundation for the acquisitions to repay related debt.

Induction

Emami is not driven by brands and products; it is driven by people. Emami created an empowering work environment; it encouraged employees to ideate, evaluate and implement new ideas. The result is a prudent balance of promoter-directed strategic vision complemented by experienced professionals to drive the business.

Navratna dominates the cool oil segment!

Emami's business is about spotting opportunities, plugging market gaps, maintaining impeccable quality and executing plans promptly. There was an instance when this was showcased. In 1989, Emami desired to launch an oil brand in a segment occupied by several players, including MNCs with deeper pockets. Instead, Emami entered the niche therapeutic oil segment. Besides, Emami's research indicated that consumers often visited salons for *champis* or oil massage, an integral component of Indian culture in stress relief. The research also indicated that although certain cooling oils did exist, these were primarily available in Eastern India and Uttar Pradesh. Emami asked: Why wasn't the product marketed pan-India? The result was that Emami formulated Navratna, combining the goodness of nine medicinal herbs. In addition to its 'cooling' effect, Navratna alleviated headache, body ache, stress and insomnia. Emami's distribution was widened to address blue-collar workers, factory labourers, sales representatives and common people. The Navratna Cool Oil 'image' was given a makeover through eye-catching packaging and celebrity endorsement. The product was then promoted through ₹1 sachets, creating a market among the non-affluent. The product was popularised across salons. Emami distributed Navratna Cool Oil among blue-collar factory workers to experiment. These unusual approaches helped create a market that has since translated into market dominance.

Enhancing product success to a new level

Navratna is the only Indian brand endorsed by Amitabh Bachchan and Shah Rukh Khan. The product has become synonymous with the taglines of '*Seeti Bajao*', '*Thanda Thanda Cool Cool*' and '*Tension Jayega Pension Leney*'. Besides, Emami engaged superstars from South India for endorsement (Chiranjeevi, Surya, Mahesh Babu, Junior NTR and Upendra). Progressively, Emami launched a stronger variant called Navratna Extra Thanda for those seeking a stronger 'cooling' experience. Recently, the brand evolved to offer Navratna Almond Cool Oil which comes with the benefit of almond nourishment coupled with the goodness of classic Navratna Oil. And best of all, the Company extended the success in this one product to the launch of Navratna Cool Talc, '*Duniya Ka Sabse Chhota AC*' - endorsed by Shah Rukh Khan. The success story continues.



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



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“WE EXPECT TO GROW AGGRESSIVELY BY STICKING TO OUR PRINCIPLES”.

Mr S.K. Goenka,
Managing Director,
appraises the Company's
performance in FY2016-17

Were you pleased with Emami's performance in FY2016-17?

FY 2016-17 was one of the more eventful years for the Indian economy. While sales during the first half of the year remained buoyant, the announcement of the demonetisation initiative in November 2016 affected consumer sentiment in rural and wholesale markets. Hence, if we need to evaluate Emami's performance, it would be pertinent to do it on a half-by-half basis.

A strong summer followed by abundant rainfall allowed us to report a 15% y-o-y increase in revenues in the first half compared to the first half of the previous fiscal. Our EBIDTA grew by 29% from ₹251 crore in H1FY2015-16 to ₹323 crore in H1FY2016-17 while our cash profit reported a growth of 14% from ₹241 crore in H1FY16 to ₹273 crore in H1FY17.

The performance of the Company



Emami's newly commissioned Pacharia plant is one of the largest FMCG plants in India

“

The Pacharia unit is a GMP compliant facility equipped with international standard technology which includes hi-end machineries like automatic high-speed packing machine, automated tracking and monitoring systems, hi-end HVAC system and the like.

”

in the second half was adversely impacted. Revenues at ₹1,304 crore declined by 2% in H2FY2016-17 compared to 1,330 crore in H2FY2015-16 while EBIDTA was largely flat. Cash profit reported a decline of 1% compared to the same period in the previous year.

As it turned out, the Company reported a 6% increase in revenues for the entire year while EBIDTA and Cash Profit reported growth of 11% and 5% respectively. From an EBIDTA perspective, the Company continued to report profitable growth, which is a creditable achievement given the challenges of the year.

What were some of the highlights of the Company's performance during the year under review?

There were a number of bright spots for the Company during the year under review, the challenging macroeconomic environment notwithstanding.

In the given context, despite demonetisation, BoroPlus Antiseptic Cream and Navratna Cool Talc grew handsomely. Much of this growth was derived from the fact that we increased our direct reach from 6.4 lac outlets in the previous year to more than 7.3 lac outlets.

I am pleased to state that Emami 7 Oils in One Damage Control Hair Oil, Fair & Handsome Instant Fairness Face Wash and HE Deodorants, which had been launched in the recent past, performed well. Kesh King, which had been acquired in June 2015 also performed well, increasing its market share.

During the year under review, we introduced new variants of BoroPlus Cream, Navratna Oil, Navratna Talc, HE Deodorants as well as Fair and Handsome Face Wash. Besides, we commenced operations at our new Pacharia plant in Assam, the benefits of which will become evident across the foreseeable future.

Tell us about this new plant at Pacharia.

Built with an investment outlay of nearly ₹300 crore, this is Emami's single largest plant spread across 19 acres. There was a rationale for this fresh investment - fiscal benefits, growing business needs and growth. While this plant would address pan-India needs, it would also address the growing North East's appetite of our products.

The unit is a GMP-compliant facility equipped with international standard technology, which includes hi-end machineries like automatic high-speed packing machine, automated tracking and monitoring systems and hi-end HVAC system. The new unit, with its state-of-the-art storage and handling facility, will cater to all the distribution channels of Emami Limited spread across India. Further, this is a "zero discharge" unit complete with a provision of automated effluent treatment plant. It is an energy-efficient manufacturing

unit with an integrated energy management system, automated manufacturing process and material management, advanced data communication platforms and process-friendly green environment. The unit will enjoy fiscal benefits like excise duty and income tax exemptions for 10 years.

Given the external challenges during the year under review, how did Emami strengthen operationally?

We, at Emami, view improvement as a continuous journey. We continued to do what we had always done. We streamlined processes to scale production following the deployment of nominal capex, incorporated TPM to enhance operating efficiency, optimised costs, redesigned the manufacturing line at our Vapi and Masat units to become cGMP-compliant and we initiated a capacity ramp-up programme at the Dongari plant. These improvements translated into an effective hedge against inflation and helped us neutralise the challenging realities of the marketplace.

How well did Kesh King, acquired a mere two years ago, perform?

While a number of people had their reservations about the acquisition, we went ahead and came up

trumps. We came up with eye-catching packaging, enhanced its formulation from 16 to 21 herbs for higher efficiency, carried out periodic promotional campaigns and launched the brand in the South Indian market where it had no previous presence. Because of these measures, the brand performed well in the first half of the financial year under review.

How optimistic are you about the Company's success?

We are confident for a number of reasons.

- The demonetisation was a blessing in disguise as it disrupted operations of the unorganised players and helped the sector organise. As the country stands on the verge of the next big disruption (GST), we are optimistic of bouncing back sooner than peers. The GST implementation will create a level-playing field between organised and unorganised players.
- Emami's portfolio has always focused on being more necessary than discretionary. For instance, BoroPlus Antiseptic Cream is a one-in-all solution for burns, cuts, wounds and doubles up as a remedy for chapped and dry skin in winters. Zandu Balm and Mentho Plus Balm are headache-alleviating balms while Fast Relief targets joint pains. The medicinal nature of our products

insulates us from sales attrition when compared with other FMCG companies.

- Our dependence on core brands has declined. We are positive that our new launches will drive the Company's revenues in the coming years.
- We are expanding our direct distribution network which will help us tap new regions.
- The Company expects to become debt-free by FY2017-18, moderating interest outflow.
- Our existing products continue to fare well; we will continue building on our existing market share. Aggressive investments in brand building, strategic brand extensions and innovative SKUs will empower us to grow our business.
- The Central Government's focus on rural development will catalyse our sales and market relevance in the years ahead.

What is your message to shareholders?

We expect to grow aggressively by sticking to our principles – no matter what products we introduce or which markets we enter. I must thank the stakeholders for their continued trust and we pledge to continue enhancing value across the foreseeable future.

Reinventing the distribution network at Emami

In the domestic business liquidity crunch and sales channel disruption impacted the offtake of some of our brands. In face of this, we initiated a massive distribution restructuring exercise to reduce our dependence on the wholesale network and extend to direct retailing. We initiated Project RACE and Project Dhanush to enhance our urban and rural outlet coverage.

In rural areas, we initiated van operations in nearly 1,500 routes covering more than 6,000 towns with a population of below 5,000.

For the urban areas, the Company engaged AC Nielsen to conduct a study in the top-30 towns of India to understand how best it can take this agenda forward. Apart from modern trade, this study will identify the outlets or *kirana* shops through which the Company can push its products and brands.

In line with all these efforts, we increased our direct reach by 90,000 outlets to reach over 7.3 lac outlets in FY2017 and plan to reach over 8 lac outlets by end-FY2018.

YOUNG LEADERSHIP



EMAMI'S SECOND GENERATION OF PROMOTERS ARE TAKING THE BUSINESS AHEAD

THE EMAMI BUSINESS MODEL

Clutter-breaking

Nearly 300 products available in more than 500 SKUs



More than 25 products, extensions and variants launched during the past five years



Well-distributed

33 warehouses across the country



3,250 distributors nationally

Direct reach via 7.3 lac retailers in India



Pan India Indirect reach via 4.3 million retail outlet



Products available in 16,700 villages/towns with <50,000 people



International presence in more than 60 countries

Logistically competent

More than 1,800 field agents stay abreast of ground realities

Periodic consumer research sessions held to assess changing consumer preferences

Products made available across major e-commerce portals to boost online offtake

Multiple SKUs and LUPs to target consumers from various strata of the society

Employee-oriented

A balanced mix of youth and maturity



Fiscally-efficient

Focus on a de-leveraged Balance Sheet; long-term gearing at 0.27 as on 31st March 2017



Operationally seamless

A 15,000-strong supplier base ensures steady access to raw materials

Forward contracting for assured supply at predetermined prices

Farsighted

Leveraged operational strengths to lower cost of operations

Promotion-driven

More than 60 celebrities have endorsed Emami products



7 products in the 'power brand' category (clocking annual sales worth more than ₹100 crore)



The science of ayurveda combined with ground-breaking packaging

First-mover status across a number of categories

The impact of Emami's business model

Five-year CAGR revenue growth of 13%

High gross margin

Five-year CAGR EBIDTA growth of 21%

High A&P investments

Five-year CAGR Cash Profit growth of 19%

High EBIDTA margin

~170% increase in market capitalisation during the past five years

Enhancing shareholder value

- The initial shareholder who invested ₹1,000 for 100 shares and invested ₹4,000 following a rights issue would presently own Emami shares worth around ₹9.1 crore – 22,800-fold return across 37 years

- Shareholders' wealth increased more than 46 times and more than 10 times following the public issue in March 2005 and QIP in July 2009 respectively.



More than 3,000 person-hours of training imparted to employees in FY2016-17



Nearly 3,100 employees working for the Company (as on 31st March 2017)



Nearly 40% of the permanent employees engaged with the Company for more than five years



Strategic call of doing business with 30%+ EBIDTA margin

Competent working capital management; inventory turnover of 26 days of turnover equivalent and debtor turnover of 14 days

Interest cover of 13.09, reflecting ease in servicing debt



Operationalised manufacturing units in India and overseas that offered significant benefits

Routine updation of technology to drive operational efficiency

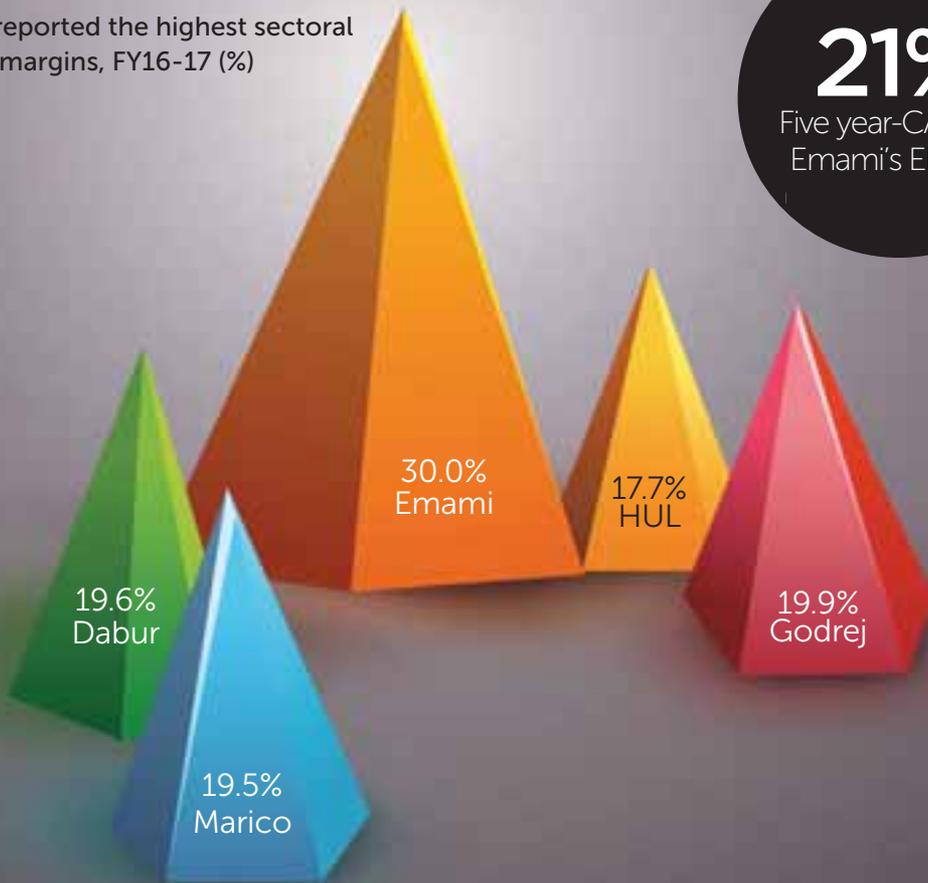
Healthy mix of print, TV and digital ads

Several ATL and BTL activities undertaken to catalyse offtake

THE MATHEMATICS OF MARGIN ACCRETION

How has Emami been able to maintain the highest margins among the peers?

Emami reported the highest sectoral EBIDTA margins, FY16-17 (%)



21%
Five year-CAGR of
Emami's EBIDTA

Graph not to scale



Emami has consistently focused on products and segments that provide superior margins.

As a means to this end, the Company proactively balanced the following equations:

Niche categories = Superior realisations:

Emami focused on relatively under-penetrated categories with attractive potential, often capitalising on a first-mover status and in the process establishing a moat. The result of prudent brand creation is that when raw material costs increase, the Company passes them to customers, protecting margins. Case in point: Emami's path-

breaking brands Fair & Handsome and Navratna Cool Oil nearly doubled their offtake in the last five years despite category stagnation, strengthening market share and margins.

Strategic acquisitions = Substantial returns:

Emami progressively acquired brands, transforming them from relative obscurity to growing brands marked by sizeable margins. Consider this: following acquisition, the Zandu range and Kesh King enjoy gross margins more than 70%.

Free zones = Fiscal benefits: For a newcomer to stay competitive, it is imperative to optimise costs.

Emami commissioned manufacturing units in fiscally-friendly zones. Here's evidence: the Pacharia plant in Assam (largest within the Company) enjoys a slew of fiscal benefits including excise exemptions, income tax exemptions and capital subsidy, among others, strengthening its viability from day one.

Operational discipline = Brand equity: The Company implemented TQM measures at the shop floor to enhance operational efficiency. Emami procured raw materials in a cost competitive manner to prevent cost-overruns. The Company substitutes

expensive raw materials with affordable alternatives without affecting overall product quality, reinforcing business sustainability.

Quick decision-making = Protected margins:

The Company launched a number of products in categories marked by the presence of deep-pocketed multi-nationals or established national players. The Company has been responsive in moderating investments in products entailing a longer maturity. In such cases, Emami has selected to reintroduce superior alternatives or withdrawn entirely, largely protecting the bottom-line.

Emami has consistently grown its EBIDTA margins (%)



Graph not to scale



NAVRATNA.
**GEM OF A
PRODUCT!**

NICHE. HOME-GROWN.
MARKET LEADER. NAVRATNA'S
SUCCESS EPITOMISES EMAMI'S
ENTREPRENEURIAL VISION

NAVRATNA OIL LEADS INDIA'S COOLING OIL CATEGORY - AND WITH SOME GOOD REASONS. FOLLOWING APPLICATION, ITS NINE AYURVEDIC HERBS ARE ACTIVATED WITHIN TWO MINUTES, PROVIDING THE USER WITH RELIEF FROM HEADACHE, TENSION, FATIGUE AND SLEEPLESSNESS.

A typical FMCG multinational invests considerable amounts in market research before it launches a new product. Thereafter, the product needs to address competitive dynamics to succeed. The reality is that a large proportion of FMCG products fail; only a few succeed; even fewer endure.

And then there's Emami. The Company has reported a high success strike rate through a closer understanding of consumer needs and complex consumer research. This approach is reflected in the classic success of Navratna Oil, a category marked by low organised presence on one hand and considerable market potential on the other. The result was that within a short time of being conceived and offered, Navratna Oil emerged as the market leader.

Strengthening brand recall

Navratna Oil leads India's cooling oil category – and with some good reasons. Following application, its nine ayurvedic herbs are activated within two minutes, providing the user with relief from headache, tension, fatigue and sleeplessness.

"Since the product needed a differentiated positioning to set it apart from competition, we came out with an incredibly catchy line '*Thanda Thanda Cool Cool*,'" says, Mr. Harsha V Agarwal, Director.





Navratna was the first brand in its space to be built around television commercials. The Company engaged Shah Rukh Khan and Amitabh Bachchan as brand ambassadors, kick starting a demand pull. Navratna Oil reinvented itself with a fresh contemporary packaging and brand new communication after a long gap of ten years.

The latest Navratna Oil commercial starring Bollywood Super Star Amitabh Bachchan features him in a dual role of an actor and singer. This new TVC recreated the iconic Johnny Walker song 'Sar Jo Tera Chakraye' in an innovative *nautanki* style. Nitesh Tiwari's directorial expertise and Amitabh Bachchan's youthful energy brought alive the character of *Raahat Raja*, the delightful *champiwalla* that struck a chord with viewers.

Inroads into every country corner

At Emami, 'rural' distribution is one of the key elements in the entire mechanism of the Company's growth. Case in point: dedicated sales vans ply from village to village where the Company currently does not possess a distribution footprint. Various trade engagement activities acknowledge stand-out wholesalers and retailers. Affordable SKUs (₹1 and ₹10 packs for Navratna Oil and ₹1, ₹7 and ₹10 SKUs for Navratna Talc) deepened market penetration. Moreover, mobile-based activities enhanced reach beyond the audiovisual media.

Strategic brand extensions

Emami did not merely live off the strength of its mother brands; it spun off successful extensions. Navratna Almond Cool Oil was a successful instance, providing cooling benefits, nourishing the scalp and enriching the experience with a pleasant fragrance – ideal for consumers seeking relief from stress, headache, sleeplessness and body-ache while seeking a

NAVRATNA TALC ENDORSEMENTS



"Navratna talc provides a cooling sensation and soothing aroma – ideal in a harsh summer."

– Ad Track report on brand imagery (9th round)



"Navratna cool talc gives longer-lasting cooling compared to other competitive brands."

– Ad Track report on brand imagery (9th round)



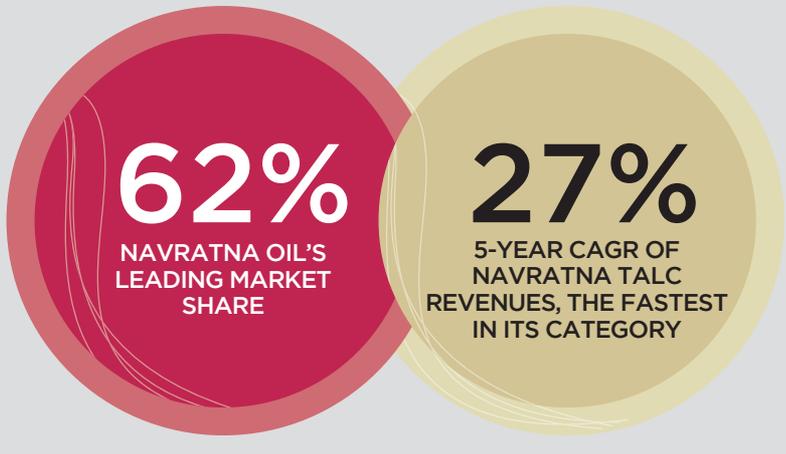
"Navratna Cool makes a summer day feel normal."

– Devarsh, New Delhi

pleasant sensorial experience. The other extension, Navratna Extra Thanda Oil, was introduced with stronger cooling power. When Emami extended Navratna's cooling properties to Navratna Cool Talc around the positioning '*Duniya ka sabse chhota AC*'; the launch proved popular in no time.

During the financial year under review, Navratna extended itself through the launch of Navratna i-COOL, a value-added cooling talc in a stark differentiated black packaging that cools on application and provides a second cooling burst when one sweats. i-COOL immediately encountered a demand wave from the secondary and tertiary trade levels through the unprecedented combination of fragrance and cooling. Consumers specifically asked for the '*kaalawala talc*', inspiring a widening of SKUs. A new television commercial featuring Shah Rukh Khan for i-COOL talc was widely accepted by consumers leading to robust growth.

Navratna Oil was awarded Gold Trophy under BTL activities for Innovation and a Silver Trophy under Events & Promotions for Creativity by ACEF for its campaign 'Navratna Oil – *Sukun Ka Safar*' for the Ujjain Kumbh Mela, at the 6th Edition of ACEF Awards in this year.



NAVRATNA OIL ENDORSEMENTS

 "Navratna Oil provides relaxation and calms my mind. It instantly reduces headaches and induces sleep."

– Hitesh Dwivedi, Kanpur

 "I sell vegetables for a living. Sir, *shaam hote-hote shareer aur dimaag bilkul kaam nahi karta. Aise mein Navratna tel se dimaag khul jaata hai aur shareer ka dard bhi khatam ho jata hai!*"

– Mahesh Mishra, Patna

 "I am an avid user of Navratna cool oil. It keeps my head very cool and gives me a lot of relaxation. I find it more effective especially during the time of stress and tension. It makes me peaceful."

– Mamoni Halder, Kalkdwip, West Bengal

 "Navratna Almond Cool is therapeutic, moderating ailments like migraine and myalgia!"

– Dr. Amrapali Patil, Mumbai

 "I got two sample sachets of Navratna Almond Cool Oil with *Sakshi*. I loved it. My request is that this product gets shelf space in East Godavari district, Andhra Pradesh, specifically in rural areas like Gollala Manugada, where I live."

– Ms. Sumalatha, Gollala Manugada, Andhra Pradesh



Performance, FY 2016-17

Navratna (62% market share) remained the dominant cooling oil player in the country. Although a prolonged summer spurred offtake during the first half of the year, second half sales were impacted by the demonetisation-induced consumer sluggishness given that 43% of Navratna sales were derived from rural India. During the year under review, Navratna range performed well led by a strong performance by Navratna Cool Talc.

Outlook, 2017-18

The Central Government strengthened its rural focus, a reality that is expected to catalyse Navratna's market share. Going ahead, the emphasis will be on growing the market share of Navratna Extra Thanda oil and Navratna Cool Talc by highlighting product superiority.

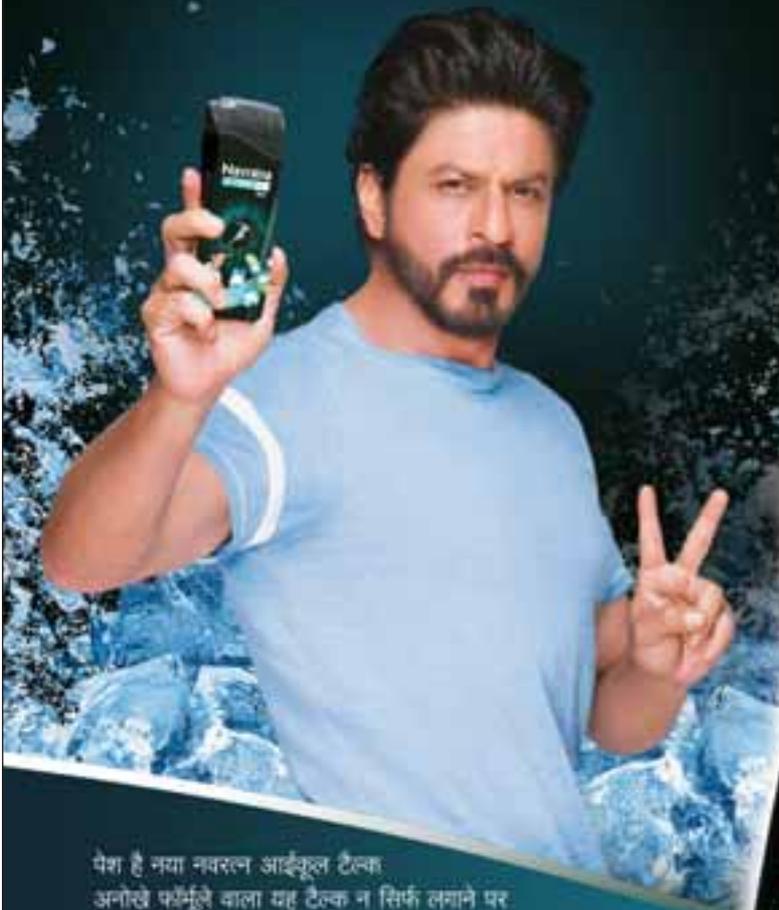
Navratna Almond Cool Oil – A value-added proposition providing the nourishing goodness of nine natural ingredients including almond in a pleasant and fragrant non-sticky format for the modern women of today. Bollywood actor Shilpa Shetty was roped in to endorse the variant

NAVRATNA OIL AVAILABILITY



4.3 (IN MILLION) OUTLETS ACROSS INDIA

पहला कूलिंग लगाने पर,
दोबारा कूलिंग पसीना आने पर.



2
मनमोहक
सुगंधों में
उपलब्ध

पेश है नया नवरातन आईकूल टैल्क
अनोखे फॉर्मूले वाला यह टैल्क न सिर्फ लगाने पर
कूलिंग दे, बल्कि पसीना आते ही आपको दोबारा
दे एक जबरदस्त कूलिंग का अहसास.

अब रहो फ्रेश और कूल पसीना आने पर भी.

Navratna
i-COOL TALC

दंडा
Cool
Talc



For queries visit us at www.navratnaindia.com or
call us at 020481-00004
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Over the last decade, the Company made two of the largest acquisitions in India's FMCG industry. None of these decisions were made on a whim; Emami leveraged its rich understanding of successful acquisitions thanks to its decades-long experience in the Indian FMCG space.

Zandu: Zandu was acquired for more than ₹700 crore in 2008. The industry whisper was that Zandu was stagnant; the advice was that Emami would do well to disengage from the deal. The Emami management was perceptive to see that Zandu possessed a treasure of brands. The deal went through and Emami silenced detractors: Zandu revenues trebled since acquisition and profits grew manifold.

Mr. Harsha V Agarwal, Director, indicates the success of the Company's approach: "Reshuffle the portfolio, repackage the products, enhance product

efficacy, introduce through structured distribution channels and increased feet-strength to drive offtake. While the Company assumed ₹440 crore of debt to finance the acquisition, we recovered it completely within two years."

Kesh King: Kesh King, a brand leader in the ayurvedic medicinal oil for hair and scalp care category, was owned by SBS Biotech. The brand enjoyed a strong recall in Northern and Western India, commanding a national market share of more than 30%. Besides, the brand enjoyed a superior Gross and EBIDTA margin.

The ₹1, 684 crore transaction was termed 'overpriced' by most. The Company funded the acquisition through a prudent mix of accruals and debt. Following acquisition, Emami leveraged its post-acquisition insight that had worked well with Zandu. The Company enhanced formulation, strengthened distribution

channels, repackaged the product to enhance aesthetics, invested in tactical A&P campaigns and launched in untapped markets.

The result: the Kesh King brand grew aggressively in H1 FY17. Emami has already repaid around 60% of the debt assumed to finance this acquisition and expects to go completely debt-free by FY2017-18.

"What we perceived is that although the hair oil segment was highly-penetrated, the ayurvedic medicinal oil category provided us with ample scope to grow. With more people suffering from hair damage as a result of changing lifestyles, we believe that the segment is expected to grow significantly," says Mrs. Priti A Sureka, Director.

THE SCIENCE OF IDENTIFYING

hidden potential

Emami's success is not only limited to identifying latent consumer needs and creating champion products; it has also identified likely champions owned by competing companies and acquired them.



Kesh King's retail reach prior to acquisition (MAT March 2015)

5.4 lac

Kesh King's retail reach in FY17 (MAT December 2016)

7.5 lac



#1
Ayurvedic medicinal oil for hair and scalp care, giving proven results to millions of consumers

Addresses issues like hair fall, premature greying, dandruff, split hair, hair loss, insomnia and headaches

Enjoys a market share of 32.1%

KESH KING PROPOSITION

Provides therapeutic benefits

Prepared by the ancient "Tel Paak Vidhi" from 21 natural medicinal herbs

Offers ayurvedic medicinal oils, shampoos, conditioner and capsules for hair and scalp care



HAIR TO STAY!

The hair care market is considered to be one of the most mature markets in India. Due to an increase in hair-related problems in general, the demand for effective hair care products is increasing rapidly, providing an impetus to the market's growth. The hair care market in India grew at a CAGR of 16.95% for the last five years and is projected to increase by 2021 due to a rising trend in personal care awareness, brand consciousness in the middle-income group along with increasing disposable incomes.

Against this backdrop, the acquisition of Kesh King proved to be a positive game-changer at Emami. Within a few months of acquisition, Kesh King emerged as one of the biggest revenue grossers for the Company.

Within two years of acquisition, Kesh King is widely recognised as the "King of Ayurveda" – the leading ayurvedic medicinal oil for hair and scalp care.

PERFORMANCE

While the initial months following the Kesh King acquisition proved challenging for Emami in addressing stock overflow, the situation improved in record time.

Kesh King was relaunched with an improved formulation and its distribution network was revamped. The brand roped in young celebrities to reach out to consumers.

Further, Emami launched a new variant - Kesh King Ayurvedic Medicinal Oil with blends of Coconut Oil targeting the South

Indian market. This is expected to strengthen brand traction in view of the strong consumer affinity towards coconut oil in the Southern region.

Besides, Emami launched an insight-driven television commercial that highlighted how hair problems would not just impact a user's appearance but affect self-esteem as well. Emami promoted the brand following increased trade engagement and below-the-line activities.

The result: Due to these factors, the Kesh King portfolio reported strong growth in H1 FY2016-17. Further, Kesh King outgrew the overall ayurvedic medicinal oil category by a margin of 300 bps during the year under review.

REACH

The operating leverage of Kesh King ayurvedic medicinal oil is large, as the product reaches only 3% of Indian households. Emami intends to capitalise on this opportunity through targeted communication leading to product trials.

OUTLOOK

The Kesh King brand is expected to grow significantly. The newly-launched anti-dandruff shampoo variant along with coconut oil variant, and an improved formula of the mother brand, are expected to catalyse growth. Kesh King also engaged actor Tapsee Pannu to endorse its shampoo and conditioner and also launched its sachet SKU for its shampoo during the year. Sachet packaging is the future driver for the shampoo category, contributing to almost 65% of the sales. The Kesh King portfolio is poised to report handsome growth in the days to come.



Latest BoroPlus TVC featuring Kangana Ranaut

World's
#1
Antiseptic
Cream

Antiseptic
Cream
Six-year CAGR
growth leading to
FY17
11%

BOROPLUS' ALL-ROUND PROTECTION!

THE ₹450-CRORE ANTISEPTIC CREAM CATEGORY IN INDIA IS DOMINATED BY TWO MAJOR BRANDS ACCOUNTING FOR 98% OF THE MARKET. THE SEGMENT HOLDS STRONG ROOM FOR GROWTH AS ANTISEPTIC CREAM PENETRATION IN THE COUNTRY STANDS AT 27%. FACTORS LIKE PROVEN EFFICACIOUS FORMULATION, STRONG COMMUNICATION, MULTIPLE SKU AVAILABILITY AND NATIONWIDE PRESENCE EMPOWERED BOROPLUS TO HOLD ON TO ITS STATUS AS A MARKET LEADER WITH A 76% VOLUME SHARE.

BRAND REACH

BoroPlus enjoys access to 22% of all Indian households.

SUCCESSFUL BRAND EXTENSIONS

- BoroPlus Total Results Moisturising Lotion
- BoroPlus Prickly Heat Powder
- BoroPlus Perfect Touch, a first-of-its-kind non-oily non-sticky 24-hour moisturising cream for face and body

MARKET SHARE

Enjoying a market share of 76%, BoroPlus aims to increase penetration through effective communication that establishes its status as a preferred all-weather choice of a multiple benefit product with ayurvedic ingredients over ordinary petroleum jellies or cold creams.

PERFORMANCE, FY 2016-17

Antiseptic Cream grew 15% in value and 11% in volume, catalysed by the onset of a timely winter

- Aired a prime time TV commercial featuring the winning combination of Amitabh Bachchan and Kangana Ranaut
- Jumped 30 spots in the Economic Times Brand Equity's 'Most Trusted Brands 2016' rankings, moving ahead of a number of national and international brands

THE BRAND OF FIRST RECALL...
A TRUSTED ANTISEPTIC BRAND FORMULATED USING CHOICEST AYURVEDIC ELEMENTS.

TIMELY INVESTMENTS HELPED KEEP THE BRAND RELEVANT THROUGH NEW PACKAGING STYLES

ENDORSED BY CELEBRITIES LIKE AMITABH BACHCHAN AND KANGANA RANAUT

POSITIONED AS A COMPREHENSIVE AYURVEDIC SKIN CARE SOLUTION

RELEVANT EXTENSIONS: MOISTURISING LOTIONS & CREAM AND PRICKLY HEAT POWDER

STRONG PROMOTIONS ACROSS DIGITAL MEDIA, FAIRS AND FESTIVALS

Various brand promoting exercises were undertaken during the year under review. A prudent leveraging of various channels – television, print, radio and cinema as well as innovative BTL activations – helped the brand to connect key consumer touch-points. This led to a multiplier effect in terms of volume growth, deepening the brand's household penetration.

OUTLOOK, 2017-18

Having overcome the demonetisation slowdown, the FY2017-18 outlook remains positive. The Company intends to strengthen the BoroPlus ecosystem through strategic communication and product extensions.

ENDORSEMENTS

"Jaise baal mein tel lagaate hai, vaise skin pe BoroPlus Antiseptic Cream lagaate hain. Ghar ke ek member ki tarah hai."
– Sunita Keswani, Housewife

"BoroPlus Antiseptic Cream is useful especially in winters suitable for all skin types with no side-effects." – Purabi Dey, School Teacher

THE MEN'S GROOMING EXPERT

Fairness creams still continue to be the biggest revenue generator in the skin care category. The Indian skin care segment has grown at a CAGR of 16.4% between 2011 & 2015, and is projected to double by 2021. The total market for fairness creams (for men and women) is estimated at ₹3,000 crore, compared with ₹1,500 crore a decade ago. (Source: Economic Times)

The insight to spin off a brand-new male grooming segment came from one product – fairness creams. In 2005, after finding out that over 30% consumers of fairness creams were men, Emami launched Fair and Handsome - a fairness cream for men in India, which led to a paradigm shift in the Indian FMCG market.



THE INDIAN FAIRNESS CREAM MARKET

• THE MEN'S FAIRNESS CREAM MARKET IS VALUED AT AROUND **₹400 CRORE**

• GENESIS: A 2004 SURVEY REVEALED THAT **30%**

OF YOUNG BOYS AND MEN RESORT TO USING SKIN LIGHTENING CREAMS

• THE PENETRATION LEVEL FOR MEN'S FAIRNESS CREAM IS LESS THAN **5%**

FAIR AND HANDSOME
KEY NUMBERS

65%

FAIR AND HANDSOME
MARKET SHARE

#1

FAIR AND HANDSOME'S
SECTORAL RANK
FOR THE
LAST 12 YEARS

Source: AC Nielsen



Reinventing the product!

Fair and Handsome is among the most trusted brands in the men's grooming space in India. Emami retained brand freshness and relevance by upgrading formulations and packaging; over the years, the brand has come up with far-sighted extensions catering to consumer needs.

Shah Rukh Khan came on board as the Brand Ambassador in 2007; he has been the face of Fair and Handsome Fairness Cream since. What started off as a standalone fairness cream 12 years ago, now has a wider portfolio: Fair and Handsome Instant Fairness Face Wash, Fair and Handsome Complete Winter Solution and Fair and Handsome 100% Oil Clear Instant Fairness Face Wash.

Prithvik Roshan, known for his well-groomed looks, became the Brand Ambassador of Fair and Handsome Face Wash in 2015.

The extensions strengthened

the core brand; the distribution widened from urban to semi-urban and rural markets; since the product category is relatively under-penetrated, it represents the next frontier for male grooming products.

Anytime availability

- Available in more than 14 lac pan-India retail outlets
- Offered affordable packs for different socio-economic classes
- Leveraged the steady rise in rural media penetration, identified price points and deepened distribution networks

Performance, 2016-17

Fairness creams

- Deceleration in sectoral sales, combined with demonetisation, slowed the brand's growth even as it gained category market share by 110 bps

Instant fairness face washes

- Within three years of entering the category, the brand exerted its

dominance and continued to grow significantly faster than the market

Product launches

• Fair and Handsome 100% Oil Clear Instant Fairness Face Wash

- Launched in October 2016, the product received an encouraging response. A new thematic campaign went live to build Face Wash relevance

• Fair and Handsome Complete Winter Solution

- Launched in 2015, the brand continues to gain momentum despite the winter season coinciding with the demonetisation

Promotional initiatives

- Contemporised the Handsome Bano 360° campaign as a thematic extension of the TVC launched during the year
- The brand deepened its South India presence, tying up with Rajnikanth's Kabali – one of only six brands to do so

Outlook

The men's grooming space in India is still nascent marked by low penetration across men's categories. To capitalise on the opportunity, Fair and Handsome will continue investing in marketing initiatives, launches and brand building.

Macroeconomic tailwinds

- Increase in disposable incomes
- Increase in media penetration and awareness levels

- High investment by men's grooming brands across existing categories

Positive trends

- Increased options in new categories and brands, especially for young men
- Desire to be seen by peers as trendsetters
- Age-old need to appear well-groomed
- Legitimisation of men's grooming products
- Growth of social media
- Emergence of modern trade channels

STRENGTHS

#1
Men's
fairness brand
(Source: AC Nielsen)

Most trusted
men's grooming
brand in the
categories of
operation
*(Source: Brand
Equity Study 2015)*

Second-most
valued men's
grooming brand
*(Source:
Rediffusion Brand
Asset Valuator)*

**FAIR AND
HANDSOME**
FACEWASH

BAS EK SPLASH...DIKHO
BRIGHT AND FRESH



For Normal Skin

For Oily Skin

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

Fair and Handsome, the No. 1 Fairness Brand[®] for men, understands the unique needs of normal skin and oily skin and presents 2 specially formulated face washes for men's tough skin:

- **INSTANT FAIRNESS FACE WASH™ for Normal Skin** – It has a unique Turbo Cleansing System™ with Acti-Fair Peptide™ that helps remove dirt, oil and sweat.
- **100% OIL CLEAR INSTANT FAIRNESS FACE WASH™ for Oily Skin** – Enriched with Oil Clear Peptide™ and Purifying Charcoal Beads, it helps eliminate dirt from within and clear excess oil up to 100%.

Now, experience a bright and fresh look with every splash of Fair and Handsome Face Wash.

REMOVES DIRT, OIL & SWEAT



*Based on instrumental evaluation conducted in clinical study from June-Oct 2014 on healthy male subjects.

**As per AC Nielsen Retail Audit, Jan-Dec 2014.

Here. There. Everywhere.

Emami is one of the most media-visible Indian FMCG companies.

Even as one would presume that the approach to advertising and promotion by most companies follows an established template, Emami has walked the road less travelled.

One, Emami is one of the highest spenders on advertising and promotions in its category. Emami leads the industry in terms of advertising and promotional spends; Despite demonetisation when consumer offtake moderated, the Company invested ₹443 crore in FY2016-17 compared with ₹430 crore in FY2015-16.

Two, Emami's promotions were directed at arresting attention. "The Company continued to engage a number of young Indian film personalities to endorse products directed towards the youth segment," says Mr Mohan Goenka, Director. "Emami associated with IPL to ensure

that its products gained traction. These IPL-centric media campaigns proved fruitful", he added.

Three, Emami selected the most impactful communication vehicles to stay relevant. The Company invested in print and television modes. With an increasing number of consumers trending on the internet, Emami enhanced its social media presence. The Company customised digital campaigns around different products. The Company is also seeking the help of its analytics team in this regard. Case in point: the Company promoted Kesh King through print ads in states like Uttar Pradesh, Bihar and Chhattisgarh where television penetration was relatively low; the Company launched advertisements for TV-friendly markets through the engagement of endorsing celebrities like Juhi Chawla, Sania Mirza and Shruti Haasan.





*Past & Present Emami
Brand Ambassadors

MAJOR DIGITAL CAMPAIGNS

#HEBrocode

On International Men’s Day 2016, a campaign was ideated which highlighted the typical exchanges that two ‘bros’ share. Individuals pledged their #Brocodes and shared them on social media. A microsite – www.hebrocode.com – comprised the uploaded videos. Microsite users got a chance to pledge the anthem and share their allegiance with the #HEBrocode. This one-of-its-kind Facebook-led activation campaign led to the creation of a #HEBrocode chain.

Exposure

■ Total campaign video views: 18,23,557

#HERESPECT

HE positioned itself around the ‘Be Interesting’ tagline – the first choice of the confident metrosexual man and a brand fostering meaningful social conversations. HE launched a three-tiered digital campaign against the objectification of women featuring the popular stand-up comic and actor Vir Das in the fuea=.

Exposure

f Total video views on Facebook: 48,61,014

YouTube Total video views on YouTube: 280,486



f Reach: 27,25,192 people ■ Video views: 5,20,333 ■ Interactions: 51,532

t Tweets: 22,465
Reach: 2,29,21,095 people

YouTube Total video views: 1,08,058

KABALI - #BeTheFire



Every Rajinikanth movie is a celebration in itself. 22nd July 2016 saw another such grand celebration for the nation. Fair and Handsome was one of the six brands associated with the movie.

The objective of the association was to connect with the Southern audience and build affinity by leveraging the equity of the superstar.

Fair And Handsome built a platform by leveraging the fiery avatar of Rajinikanth in the movie and connected it to men’s fire-like tough skin. Fair And Handsome – Created For The Men of Fire was a special brand platform for the campaign, leveraging how Fair And Handsome worked effectively on the tough male skin.

A complete 360 degree campaign went live on TV, print, retail and the digital media around the theme #BeTheFire.

A meme series was launched on the core theme of “MenOfFire, capturing the nuances of Rajini fans. It celebrated the essence of a large ticket Rajinikanth movie and the loyalty of his fans, which was brought alive through the humorous route of memes.

A short film Kabali Dot Aganum brought alive the association with a hilarious take on the movie.

The brand received strong engagement from the Southern markets. The campaign was among the most talked-about movie associations in 2016.

PERSPECTIVE >

READY, STEADY, GO!

The opportunity offered by India for consumer products is enormous. Nowhere else in the world is there a market of over 1 billion people, mostly very young, slowly and steadily getting richer, with an insatiable desire to live better, and have new experiences - just starting out on their consumption journey.

BY RAMA BIJAPURKAR,
EMINENT CONSUMER AND MARKETING STRATEGIST



Viewed through the customer lens, the current FMCG business in India barely scratches the surface of this opportunity, despite being worth around US\$50 billion already, today. The customer is ready and asking for more – the supplier lags behind. Consumer India wants to look better, eat better, feel better, be healthier, save negative labour and release time. It wants productivity tools to make up for terrible infrastructure and tough logistics of living; it wants affordable indulgences as a reward for hard slog; it wants entertainment and adventure.

There is a perfect storm of opportunity at our doorstep. There is a large market of babies who are getting fewer per family and hence more preciously pampered even as there is a significant 'silver' market of old people who need to look after themselves in this day and age of nuclear families and children who have migrated all over the country and the world. There is a large market of "anywhere" people who are global in their outlook and preferences and seek global experiences; even as there is a large market of very "local" people too,

rooted to their traditional ways of living, wanting just a more convenient yet authentic way of doing so.

Trendy women's western wear flourishes and saris and blouses of old take on 're-mixed' new avatars. People's world view and range has broadened but yet they are equally desirous of ayurveda and angioplasty, *bhel* and broccoli. Indians have always had many Gods, and now the God of consumption has been added to the pantheon. The rural-urban divide is also blurring and we are seeing mass markets of scale at last.

So in this feast of opportunity, what's the problem, where's the catch? The sobering news is that India will be, for a long time to come, a large market made up of many, many people who earn and spend only a little bit each. Price points will continue to be lower than the rest of the world. Yet consumers have seen the prices of everything come down in the past 20 years and the quality go up; they have seen prices come crashing down in airfares, the 'China price' in e-commerce levels, while benefit levels have improved. They are therefore conditioned by a set

of stretch expectations and want – and are getting in other categories too – the moon for sixpence.

However they are no longer stuck on *sasta-sundar-tikau*. They will however open their wallets where they see unique and innovative benefits – benefits that are relevant to their new self-image, their new ways of living, their new social rituals and games, their new desires. They will spend higher on brands that deliver visibly superior functionality even if at much higher prices and they will also spend on brands that give them identity and enable self-expression, be it the humble home cleaners or colour cosmetics. It is time for a new improved FMCG that is derived from putting the consumer first.

To paraphrase Shakespeare (with sincere apologies):

*'There is a tide in the affairs of men
Which, taken at the flood, leads to
fortune.....'*

*On such a full sea are we now
afloat*

*And we must take the current when
it serves....'*



PAIN SPECIALIST!



Portfolio						
Zandu Balm	Zandu Balm Ultra Power	Zandu Gel	Zandu Spray	Zandu Roll On	Mentho Plus Balm	Fast Relief
Largest selling pain relief balm in India	Balm for severe pain	The bodyache specialist	Pain relief specialist	Quick relief from headache	The headache specialist	For fast and long lasting relief from pain

The balm market in India

- The balm segment in India is still underpenetrated at 36%
- The size of the balm market is close to ₹900 crore
- As per Euromonitor 2015, the size of OTC analgesic market in India is about ₹2,000 crore and has grown at a CAGR of 9.9% through 2010 to 2015.
- The topical OTC analgesic which includes ointment, creams, gels, sprays and patches accounts for more than 70% of the market

Overview

Zandu and Mentho Plus Balms have a combined leadership with a nearly 55% market share.

In FY2016-17, Zandu cemented its reputation as India's leading balm brand by emerging as the bestselling pain relief solution. Mentho Plus reinforced its position as the second largest selling balm by volume, catalyzed by strong offtake in Southern India with market-leading positions in Andhra Pradesh and Karnataka. (Source: AC Nielsen)

While Zandu Balm and Zandu Balm Ultra Power are available in more than 16 lac outlets across the country, Mentho Plus is available in more than 12 lac outlets. Increasing Zandu balm distribution in rural Northern and Eastern India will widen Emami's pain management footprint.



Performance, FY2016-17

Emami's portfolio grew attractively prior to the demonetisation, with balms growing by 12% till H1 FY2016-17. Overall, in FY17, balms grew by 4%

The segment's growth was driven by the relaunch of Zandu with a complete 360° makeover. The product was reformulated with superior efficacy around fast action and fast absorption. The packaging was revamped to enhance contemporariness. The new television commercial focused on product efficacy, enhancing trust and attracting new users while reinforcing its bond with the existing ones.

On-ground activities like *Koshtho Kore Shreshtho Samman* acknowledged the efforts of small Kolkata pujo organisers and forged a strong local consumer connect. The result was that Zandu's market share grew strongly and the household segment showed an increase in average consumption. Zandu Balm and Mentho Plus established

a formidable digital media and website presence, enhancing offtake.

Reinventing the brand

Zandu Balm underwent a formulation change to enhance user-friendliness. The result was a non-sticky, quick-acting product. The Zandu portfolio also comprises gel, spray and roll-on, aimed at generating healthy growth. Zandu, a leader in the pain management category, carved a niche for itself as an umbrella brand catering to the needs of a large target audience.

Outlook

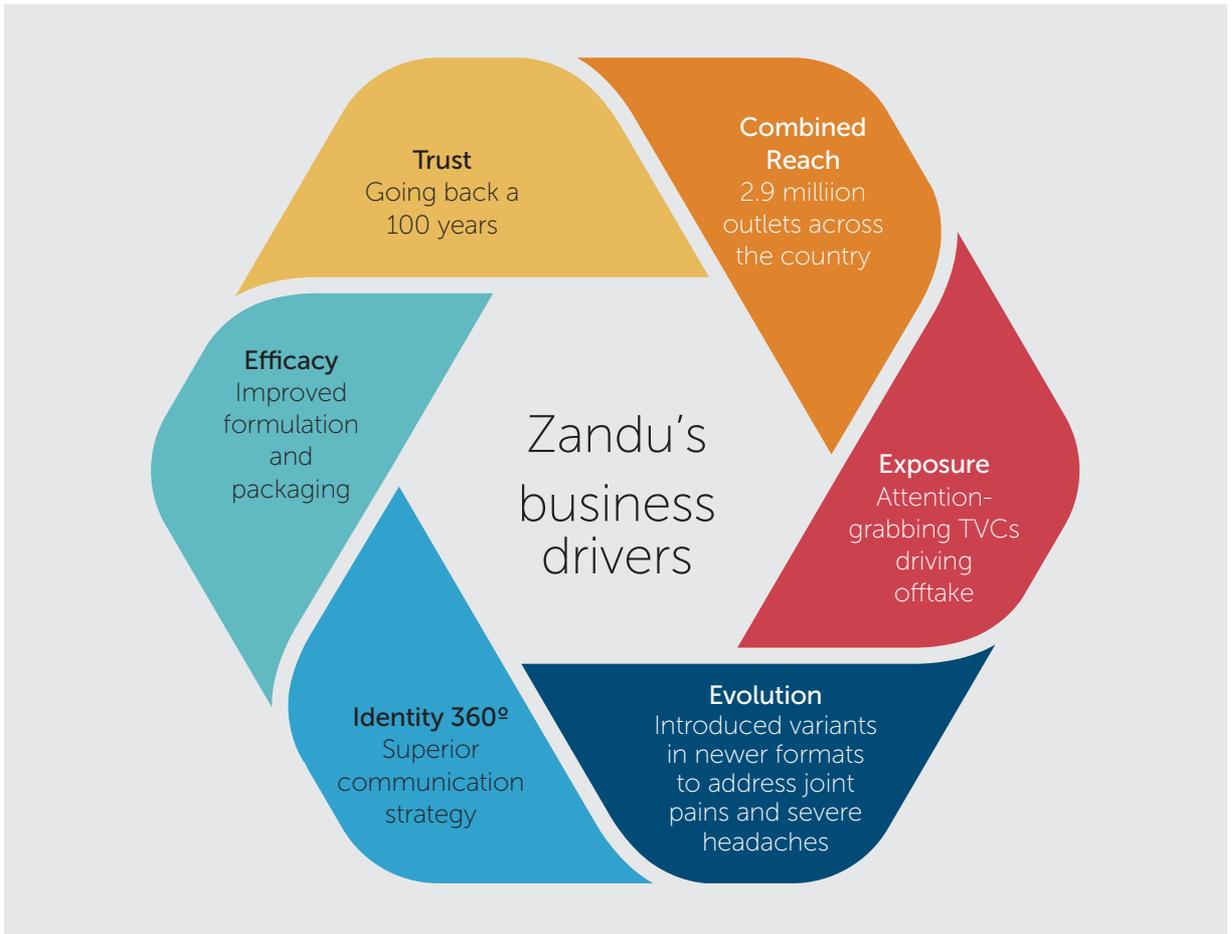
"Looking ahead, Emami's pain management portfolio is targeting a growth rate higher than that of the rubefacient category. With all the brands contributing almost equally to this growth, the prospect of an increased share in dominant markets does not appear daunting. The launch of new variants (gel, spray and roll-on) bodes well for Zandu." - Mohan Goenka, Director

WHAT ZANDU'S CUSTOMERS HAVE TO SAY...

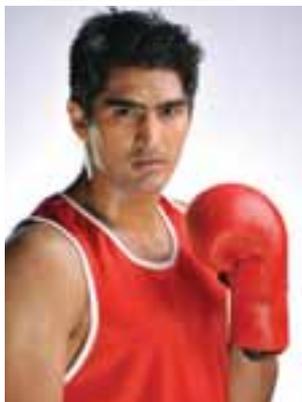
"I am a big Zandu Balm fan. It is a miracle balm. I was having serious problems with migraine. But thanks to Zandu it is now under control. I always carry Zandu Balm in my tour bag and keep one at home."
- Satish Das, Jabalpur

"Zandu Balm is effective in kicking pain out while being soothing on the skin with no irritation!"
- Aveek Majumder, Kolkata





Sports personalities who have endorsed Emami's Pain Management range in the past



NATURE CURES

EMAMI EXTENDED THE GOODNESS OF AYURVEDA IN SCIENTIFICALLY-PROVEN EFFECTIVE PRODUCTS, PROVIDING LONG-TERM RELIEF FROM VARIOUS LIFESTYLE-RELATED PROBLEMS.

With a growing preference for ayurveda, Emami and its ayurvedic flagship brand Zandu are poised to address the large and fast-growing ₹50,000 crore market. With the Indian government focusing on ayurveda through the Ministry of AYUSH, it is expected that the ayurvedic-driven health care sector will report 25%-plus annual

growth across the foreseeable future.

Data-driven

the Company's edge lies in its ability to validate product efficacy on the basis of data derived through systematic scientific research conducted at NABL and Ministry of AYUSH-accredited laboratories. Emami products are herbal (even capsule shells are vegetarian) and developed through proprietary methods using quality scientific tools.

Emami also conducts product toxicity studies, publishing results in premier medical journals on a case-to-case basis. The result: an increasing number of medical practitioners prescribe Emami products.

Complementary

Emami addressed lifestyle-induced ailments through the creation of products that complement available allopathic medicines, providing long-term relief without the worry of



negative side-effects. The Company was the first in India to undertake herb drug interaction studies to examine how Emami products behave in conjunction with other drugs.

Champion products

Emami graduated its ayurvedic healthcare portfolio to a new level following the Zandu acquisition. Emami reviewed its portfolio, repackaged products and floated dedicated television commercials. Following the introduction of effective products like Nityam

(laxative) and Pancharistha (digestive), the Company innovated through diverse dosage forms. Consider the instance of Nityam tablets: ayurvedic laxatives would traditionally need to be mixed with water while Emami introduced a tablet form that made ingestion easier, enhancing popularity.

Field soldiers

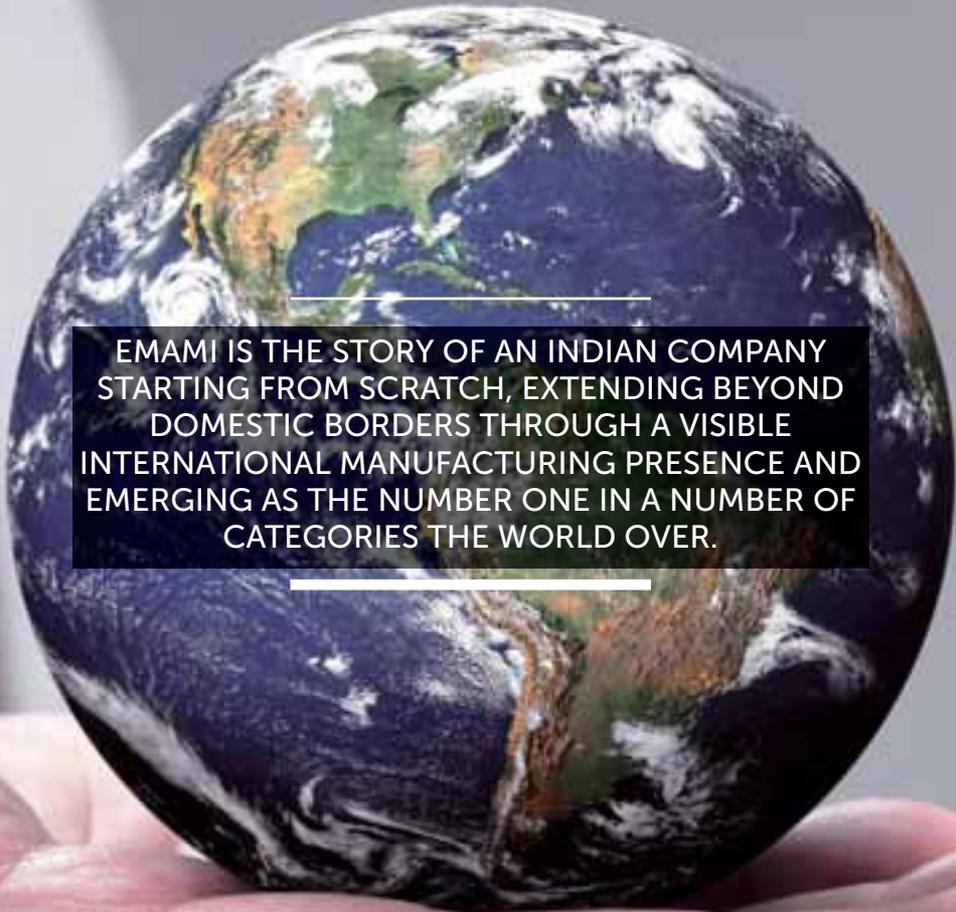
Emami's 'champion' products are grown through demand-creation and fulfillment teams. The team engages with doctors to explain

the therapeutic power of alternative medicines. As on 31st March 2017, Emami's field force reached more than 21,000 doctors across the country.

Outlook

The Company engaged an external consultant to help grow this business; it embarked on test-marketing products across select states and is leveraging its market understanding to accelerate its pan-India roll-out.

MADE IN INDIA. LOVED BY THE WORLD.

A close-up photograph of a person's hand holding a small, realistic globe of the Earth. The hand is positioned at the bottom of the frame, with fingers gently cradling the globe. The globe shows the Americas, Europe, and parts of Africa and Asia, with blue oceans and green/brown landmasses. The background is a soft, out-of-focus grey.

EMAMI IS THE STORY OF AN INDIAN COMPANY STARTING FROM SCRATCH, EXTENDING BEYOND DOMESTIC BORDERS THROUGH A VISIBLE INTERNATIONAL MANUFACTURING PRESENCE AND EMERGING AS THE NUMBER ONE IN A NUMBER OF CATEGORIES THE WORLD OVER.

At a time when it would have been comfortable to explore opportunities within India on the grounds that there lay a large unexplored market within, Emami did the unexpected: the Company extended into a challenging global playground.

What started as a tentative entry into adventure way back in the Nineties, has gone onto become one of Emami's mainstays. The Company's international business accounted for more than 11% of its revenues in FY2016-17.

The reason behind Emami's success was that while a number of companies stayed with the true and tested products for domestic and overseas markets, Emami opted to buck the trend. The Company reformulated products for diverse global geographies; it modified packaging according to the preferences of different countries. The result is that in a number of cases, Emami's domestic and overseas products are distinctly different.

In addition to a distinctive product perspective, Emami took a far-reaching call that yielded dividends. For instance, the Company selected not to carpet-bomb its presence across countries with its entire portfolio; it cherry-picked countries with large Indian-origin populations; it offered products that effectively seeded demand; it tactically invested in marketing campaigns (print and digital) that catalysed offtake. With critical sales mass in place, Emami commissioned a full-scale manufacturing unit in Bangladesh to service emerging local demand, completing its transformational global journey.

Global impact

- BoroPlus is a leading brand in Russia and Ukraine's antiseptic and healing topical supplements category
- Fair & Handsome leads in the United Arab Emirates; it is number two in Saudi Arabia and Bangladesh's men's face whitening and fairness cream category.
- Navratna leads the cool oil market in the United Arab Emirates, Saudi Arabia and Bangladesh

The Company introduced a number of products that gained traction in the international markets. Case in point: Emami 7 Oils in 1, launched in the international markets in 2014, generates more revenues outside than in the domestic market. Fair & Handsome Instant Fairness Face Wash is primed for robust growth across the foreseeable future.

FY2016-17 highlights

FY2016-17 turned out to be one of the most challenging years for the Company in the international sphere following a combination of adverse macro-economic factors. Gulf offtake remained muted owing to a decline in oil prices and related austerity measures. Emami protected its market share in United Arab Emirates; there was a marginal decline in presence in Saudi Arabia, which is

expected to correct with the oil prices rebounding.

The situation in CIS and Russian markets remained unstable; SAARC region performed well led by Emami 7 Oils in 1 and HE, among other brands. The Company launched Kesh King and BoroPlus Face Wash variants in Bangladesh, enjoying

strong response.

The Company reported strong growth in South East Asia in FY2016-17, with the Myanmar, Malaysia and Singapore markets performing exceptionally well.

Outlook

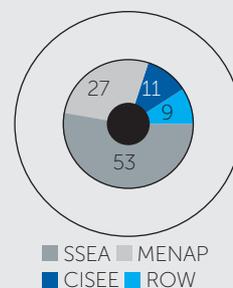
"Emami will strengthen its position in existing markets, while venturing into prospective ones. The Company will simplify logistics in Russia to streamline operations while enhancing promotions. The Company intends to launch more products in Bangladesh" says Prashant Goenka, Director.

Besides, Emami is stepping into new ASEAN markets; it registered products in Nigeria and Ghana and intends to launch them during the current year.

Following the successful commissioning of the Bangladesh plant, Emami is evaluating manufacturing options in other international markets to address growing demand.

The Company's international business accounted for more than 11% of its revenues in FY2016-17.

REGION-WISE CONTRIBUTION TO EXPORT REVENUES (%)



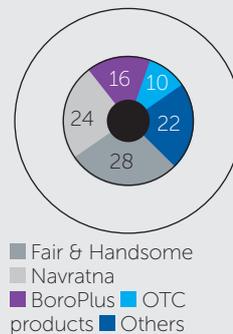
SSEA: South Asian Association for Regional Co-operation and South East Asia

MENAP: Middle East, North Africa & Pakistan

CISEE: Commonwealth of Independent States and Eastern Europe

ROW: Rest of the world

BRAND-WISE REVENUE SHARE (%)





“TO SUCCEED IN THE MARKET, IT IS IMPORTANT TO BUILD VALUE ALONG WITH NEW INNOVATIVE PRODUCTS.”



A CONVERSATION WITH DR. V PRAKASH, (FRSC), SCIENTIFIC ADVISOR

Q. WHAT WERE YOUR REASONS FOR ASSOCIATING WITH EMAMI?

A. I was invited by the Emami management to engage as Scientific Advisor. Emami provided my two-decade interest in the field of Nutraceuticals an opportunity to innovate and contribute. What makes Emami different from most peers is that its promoters possess a keen understanding of ayurveda realities and customer trends. For me, the Company represented a convergence of modern science and traditional Indian wisdom.

Q. WHAT DO YOU THINK IS THE COMPANY’S UNIQUE SELLING PROPOSITION?

A. To succeed in a competitive Ayurveda market, one needs to build value through the periodic introduction of new innovative

products. One of the most effective strategies is through continuous product upgradation, which keeps redefining the same brand in the eyes of the primary customers (trade partners) and eventual consumers.

Emami is one company that has lived this philosophy. Take a product like Sona Chandi Chyawanprash for instance – Indian, value-added and is scientifically-formulated, converging the power of three attributes to enhance value, translating into a consumer pull.

Q. ARE YOU OPTIMISTIC OF MARKET GROWTH IN THIS SEGMENT?

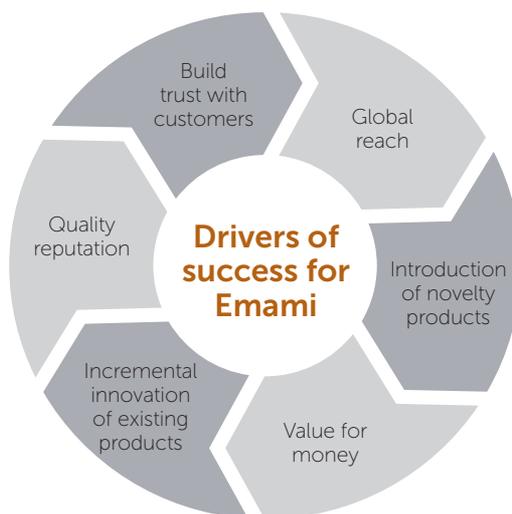
A. I believe that the market is large and growing; there is attractive space for safe, quality and reliable products. In fact, I would go to the extent of stating that the consumer-driven health food and ayurveda segments enjoy unlimited opportunities for a serious long-term player like Emami.

Even as I say this, I must add that

for companies to be sustainably successful, it is imperative to identify niches and focus on creative products. For instance, the next frontier lies in the competent addressal of comprehensive product safety needs and documented health claims for enhanced reliability. The more this transpires, the consumer perception will be stronger, creating a distinctive pull-effect in the market.

Q. HOW DOES EMAMI INTEND TO ADDRESS THESE NEEDS AND REALITIES?

A. Emami carefully studies markets; its response to opportunities is science and knowledge-based. Emami invested prudently in research and development to create science-based innovative products. It forayed into niche areas and specific food products through the launch of proprietary brands (for example, honey). The Company needs to explore wider and deeper across the world in line with its deep product competence and attractive consumer value.



WHAT ANALYSTS HAVE TO SAY ABOUT EMAMI...

"We would like to emphasise Emami as a strong buy at current valuations as we believe the Company will post robust performance over the medium-term driven by: aggressive distribution expansion, gradual reduction in interest cost, ability to gain market share in core portfolio and grow ahead of FMCG market, as well as an aggressive innovation pipeline to boost revenue."

ICICI Securities,
4 January 2017

"We expect revenues from Emami's recently-acquired brand Kesh King to recover as its channel issues are now sorted; the re-launch of key brands (Navratna and Zandu) in FY2017E with likely higher marketing activity; normal weather (if any) in FY2017E; revenue acceleration in Zandu's over-the-counter portfolio; and likely benefits of market expansion for ayurvedic players with the entry of holistic brands into staple categories."

Deutsche Bank,
15th July 2016

"Emami's product portfolio is well balanced, with a strong presence in the hair care, skin care, health supplements and OTC categories, with market leadership in four key products. The Company focuses on low penetration and high margin categories. This strategy has helped the Company post the highest gross margins in the consumer sector. Emami's persistent focus on innovative product launches, aggressive marketing and increase in direct reach would help the Company in accelerating growth in FY18-19"

HDFC Securities,
9th May 2017

"The Company generates superior growth rates through celebrity endorsements, a presence in low penetration products, increasing distribution in rural areas and value-accretive acquisitions."

Jefferies,
16th November 2016

We like Emami due to: **1)** its unique positioning in the underpenetrated niches that are expected to witness healthy growth, **2)** solid organic as well as inorganic execution ability that will continue to drive future potential, **3)** strong earnings growth trajectory, and **4)** improvement in return ratios (over 700bp jump in RoE seen over FY16-FY19). Emami could be a key beneficiary of emerging opportunities in the naturals/ ayurvedic market that is expected to grow at 9% CAGR till 2020.

BOA Merrill Lynch,
5th May 2017

CLSA,
15th December 2016

"Emami will see better growth going ahead led by robust innovation pipeline and on account of being key beneficiary of rural recovery. Lowering of overall reliance on wholesale channel will result in better control over sales"

"Emami has a strong product portfolio with a presence in niche categories characterised by low penetration, providing growth headroom. Careful category choices have resulted in industry-leading gross margins which have also translated into best-in-class operating margins even while its A&P spends are the highest in the sector."

Edelweiss,
5th May 2017

NEW ARRIVALS!

Zandu Gel: Effective on backache, knee pain, muscle and joint pain as well as sprains

Zandu Spray: Specially designed for joint, muscle and back pain and sports injuries providing immediate and long-lasting effect

Zandu Roll On: Quick and effective on headaches providing comforting relief. Convenient to use and can be used while out of home as well.



BoroPlus Perfect Touch is a first-of-its-kind non-sticky, non-oily, deep moisturising cream, with the goodness of ayurvedic herbs and antiseptic action. The new product comes in a vibrant pink pack that reflects strong youth appeal targeting the young generation.



HE 'Innovator' Men's Deodorant is an exciting fragrance for the young go-getter, who finds his way through any obstacle and sets the trend in every walk of life. This long-lasting fragrance is an interesting fusion of spicy, aromatic and woody family.

HE 'Power' Men's Perfume is a sensuous masculine fragrance for today's active man. Infused with citrus, aromatic and woody notes, HE 'Power' is a powerful, long-lasting fragrance that will leave users refreshed and energised all day long.

**Fair And Handsome
100% Oil Clear Instant
Fairness Face Wash**

Fair And Handsome presents an all-new 100% Oil Clear Instant Fairness Face Wash, enriched with Oil Clear Peptide and Purifying Charcoal Beads. This breakthrough formulation, specially designed for men's tough skin, helps eliminate dirt from within, clears excess oil upto 100% and instantly gives a clean, oil-clear fresh, fairer look.



HE 'On The Go' Waterless

Facewash - HE 'On The Go' Waterless Face Wash a differentiated product, creating a new niche within the emerging face wash category. With aloe vera and minerals from marine extracts, the product offers ease of use and convenience, making the user look cleaner, fresher and brighter - *anytime, anywhere.*

**Navratna i-COOL
Talc - Dynamite**

Talc with 'Intelligent Sweat Sense Technology'. Not only provides cooling at the time of application but also a second burst of cooling when one sweats.



SPREADING SMILES

Emami has always been at the forefront in giving back to society. The Company is engaged in a number of projects aimed at social upliftment. Emami's CSR activities are centred around education, women empowerment, healthcare and rural infrastructure among others.

Touching more than 175,000 lives

Padho India Padho

Motto

Ensuring quality education for all children irrespective of their location and status

Activities

- **Infrastructure development:** Emami supported around 40 schools by providing benches, water purifiers, fans and lights, setting up science laboratories and constructing classrooms.
- **Scholarships:** Emami provided financial support to economically-disadvantaged students, providing them with books.
- **After-school study centre:** Emami conducts after-school study classes across *Emami Centres for Social Advancement* and in several schools to empower first-generation learners to cope better with their studies.

Padhenge Hum Padhane Ke Liye

Motto

Improving teaching conditions in schools by way of a holistic programme

Activities

This is a holistic development programme implemented in Hooghly district and Kolkata schools, covering teachers, students and their families. The phased programme comprises the following:

- **Workshop on learning enhancement:** This programme comprises a workshop where teachers are introduced to new teaching methodologies, classroom management and child psychology basics to improve their teaching skills.
- **Holistic development:** In the second phase, students' awareness on the importance of discipline through counseling is enhanced.
- **Family sensitisation:** In the third phase, family members are explained the value of education and the need for a congenial domestic environment.

Badhte Kadam

Motto

Preventing migration of youth in search of livelihoods

Activities

Emami has set up nine skill development centres across West





CSR Programmes of Emami

Education	Teacher's Training
Skill Development and Livelihood Generation	Healthcare
Water and Sanitation	Women Empowerment



Bengal, Karnataka and Kerala, covering the following courses: stitching and tailoring, beauty and wellness, retail management, computer application, spoken english and personality development, among others.

Swasthya

Motto

Extending affordable and quality healthcare services

Activities undertaken

With increased globalisation comes the likelihood that the burden of disease appearing in one country will spread rapidly, affecting people in different countries and leading to



Srimad Jagadguru Shankaracharya Sri Raghaveshwara Bharati Swamiji

devastating health and economic impact. To arrest these outbreaks, the risk perception and its communication is critical. A large part of the country's population cannot afford even primary healthcare. Awareness creation on preventive aspects of various diseases plays a vital role. Emami is raising awareness through preventive health education and curative healthcare services.

• Preventive health education:

To educate Indians on ways and means of maintaining cardiac health, Emami implemented the National Programme for Prevention and Eradication of Heart Attacks [NPPEHA] in collaboration with the eminent cardiologist Dr. Bimal Chajjer. Emami organised camps on a routine basis in different locations across the country to detect patients prone to heart attacks via best-in-class diagnostic tests and provided them with inputs on how to manage their cardiac health better.

• Curative healthcare services:

Emami organised OPD clinics and runs charitable healthcare units at the *Emami Centres for Social Advancement*. They offered free medicine (allopathic, homeopathic and ayurvedic), consultation and surgical interference for optical,

cardiological, and neurological problems, among others. Emami's mobile healthcare units comprised specialist doctors and medics who visited all *Emami Centres for Social Advancement* as well as several remote locations, conducted screening tests for cataracts surgery, carried out basic checkups and provided medicines to help ailing patients unable to access primary healthcare facilities.

Emami's mission is to provide equal access to essential healthcare services, and thereby accelerate social and economic inclusion. Emami aims at empowering under-served communities towards improved health and a better standard of living. Emami undertakes regular healthcare programs by way of conducting general and specialised health camps in remote areas where quality medical facilities are scarcely available. Specialised eye camps were held every month in collaboration with M P Birla Eye Hospital and AMRI Hospital. Apart from this regular allopathic, cardiac, eye, ayurvedic and homeopathic clinics are operated in five locations in Kolkata, Howrah and Hooghly.



Health Camps

Swachhata

Motto

Cleanliness is the way towards achieving a cleaner planet

Activities

School sanitation programme:

Emami constructed toilets with running water; it renovated toilets in dilapidated conditions across schools, benefiting more than 10,000 students.



awareness of women's healthcare, addressing adolescent girls, pregnant women and lactating mothers.

Promotion of menstrual hygiene :

Overcome different superstitions related to women health and sexual wellness - Awareness programmes and promotion of use of sanitary napkins instead of different unhygienic conventional practices.

To address these issues, Emami started the following programmes:

- Mentoring the girl child by providing a stipend and counselling for education
- Installing sanitary napkins vending machine in schools
- Construction of toilets for girl students in schools
- Setting up gynaecology unit in



R.K. Goenka, Patron-CSR



Skill Development Workshop

Emami Centre for Social Advancement: Emami's six community contact points in West Bengal (Emami Centre for Social Advancement) provide support around healthcare, skill development and education.

Sukanya

In a patriarchal society like India, 'empowerment of women' will not be possible until financial independence of women & right of a girl child to education is ensured.

We focused on creating mass

charitable OPD clinics at *Emami Centres for Social Advancement*

Jana Kalyan

This programme covers all our activities in the social upliftment sector like disaster mitigation, animal welfare, promotion of art and culture and any other social welfare programme.

Awards and accolades

Won the ABP News CSR Leadership Award in the 'Support and Improvement in Quality of Education' category



MANAGEMENT DISCUSSION AND ANALYSIS REPORT



Senior management team

Senior management team

Bottom (L to R): K S Arunkumar, Mohan Panchabhai, N H Bhansali, Nihar Ranjan Ghosh

Top (L to R): Rana Banerjee, Dhiraj Agarwal, Madan Pandey, Punita Kalra, Dr CK Katiyar

Global economic overview

According to the IMF, the global growth for 2016 was estimated at 3.1% following lacklustre performances in most advanced economies, the impact of Britain's exit from the European Union and electoral disturbances. There was a persistent slowdown in aggregate demand marked by lowered commodity prices, stricter policies and current account imbalances. These factors dampened growth prospects of developed economies.

Emerging economies posted a growth rate of 3.4% in 2016 and are projected to grow at a rate of 4.2% in 2017 and 4.7% in 2018-19 owing to increased export volumes and

a gradual increase in commodity prices. Despite the global slowdown, India performed well on the back of effective macroeconomic policies, structural reforms and reduced inflation. India is also expected to grow at an accelerated rate in the aftermath of the demonetisation. A keen emphasis on digitisation and the introduction of the Goods and Services Tax Act bode well for the nation. As per the IMF, global growth (for both advanced and developing economies) is pegged at 3.4% and 3.6% for 2017 and 2018, respectively. (Source: IMF; World Bank)

Indian economic overview

The Asian Development Bank

pegged India's GDP growth at 7.1% for the fiscal year 2017 and at 7.4% and 7.6%, for FY18 and FY19, respectively. IMF lowered its GDP growth estimate for India to 6.6% for FY2017 in the wake of the demonetisation initiative, which slowed growth across sectors in the economy in the third quarter of the past year. Nevertheless, India, one of the fastest-growing economies, stood seventh in the world in terms of nominal GDP at the end of the fiscal year. Although demonetisation resulted in a huge cash crunch in the economy, it is expected to gradually benefit the economy in terms of lending and credit creation since bank rates will come down and will also address money laundering and terrorist funding issues.

The Economic Survey 2016 described India as a 'haven of stability' and 'an outpost of opportunity'. The China crisis of 2015, Brexit and other political disturbances in the global economy impacted the Indian economy but are expected to be gradually absorbed. The Economic Survey estimates that the agriculture sector will advance at a rate of 4.15% in 2016-17, significantly faster than in 2015-16 (1.2%). The Indian manufacturing sector currently accounts for a 16% share of the GDP and can potentially touch the US\$ 1 trillion-mark by 2025.

The Central Government's efforts towards reviving the manufacturing



Emami's Abhoypur Plant

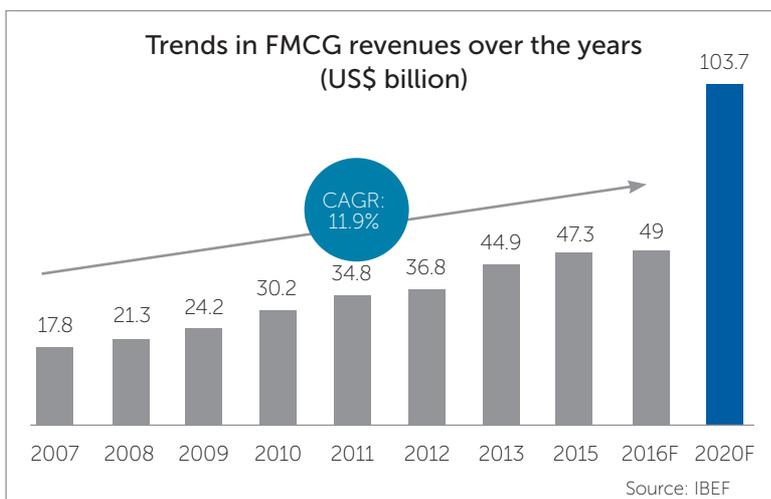
sector were supported by moderated inflation rates and a favourable monsoon. Persistent rise in disposable incomes will raise consumption and consumer spending which will eventually allow the Indian economy to rebound in FY2018. As per data furnished by the Reserve Bank of India in its weekly statistical supplement, India's total foreign exchange reserves rose by \$1.1 billion to reach almost \$368 billion for the week ended March 24, 2017. India's current account deficit jumped to a four-quarter high of 1.4% of the GDP in the December quarter (from 0.6% of the GDP in the September quarter). The Union Budget 2017-18 undertook several initiatives to strengthen the rural economy, foster infrastructural development, incentivise corporate

and individual taxpayers and enhance digitisation. (Source: IMF, World Bank, RBI)

Indian FMCG industry

Global presence

India's FMCG industry has grown at a rate of 11% over the past decade. Higher per capita incomes, better access to information, greater awareness, accelerated rural development, advanced R&D and innovative product mixes empowered the sector to emerge as the fourth-largest sector in the economy. Disposable incomes increased by 12% in 2016 from 2015 and expected to grow at a CAGR of 20.6% till 2020, fostering aspirational purchases and changing spending patterns.



Emami's corporate office, Kolkata

According to AC Nielsen estimates, the per capita FMCG consumption in India stood at US\$29 buoyed by a steadily growing consumer sector (5.7% per annum between FY2005 and FY2015). Better access to products, growing digitisation, increased preference for e-commerce portals and changing lifestyles escalated consumer spending. Consumer spending is likely to increase from ₹17,783.53 billion in FY16 Q4 to ₹21,000.00 billion in 2020, with food, household, transport and communication accounting for sizeable shares. Consequently, India's share of global consumption is expected to double to 5.8% by 2020. (Source: Nielsen, IBEF)

Demonetisation impact

The announcement banning all ₹500 and ₹1000 notes in the Indian economy affected the FMCG sector, which encountered a 20-40% drop in sales.

Following demonetisation, the Central Government undertook several initiatives like the installation of point-of-sale machines and promotion of the United Payments Interface to drive cashless payments. FMCG companies channelised their sales strategically.

Current size and prospects

According to AC Nielsen, the FMCG sector accounts for ~2% of the Indian GDP. The market size

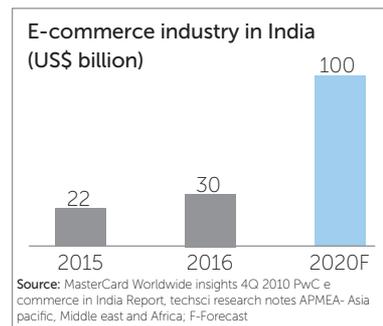
of the Indian FMCG industry is expected to reach US\$49 billion in terms of revenue and grow consistently to USD 103.7 billion by 2020. The Indian FMCG sector was divided into various segments, food products being the leader, accounting for 43% of the overall market. Personal and fabric care products accounted for 22% and 12%, respectively in terms of market share. The ease of purchase, product availability, urbanisation and increasing disposable incomes could catalyse sectoral growth.

Sectoral performance

ASSOCHAM estimates that the Indian beauty, cosmetic and grooming market will reach \$20 billion by 2025 from \$6.5 billion in 2016 primarily because >68% of youngsters feel that grooming products enhance confidence. The Indian men's grooming market posted a growth of >42% in five years. Euromonitor indicated that the market for tissue paper and hygiene products would increase from \$870 million to \$1.5 billion by 2020 due to mounting rural literacy and hygiene consciousness. Living conditions in rural areas continue to improve thanks to government initiatives. A growing workforce reported an evolution in consumer consumption habits with personal care and health care verticals emerging as beneficiaries.

Retail segment

The Indian retail segment is one of the fastest-growing, ranked fifth globally. India enjoyed the largest global per capita retail store availability. Increased participation from foreign investors and private companies allowed the segment to report a five-year CAGR of 16.7% since 2015, which propelled more companies to channelise their sales through online and offline retail outlets. According to KPMG, FMCG product consumption in Tier-II, III and IV cities could account for ~45% of the overall consumption by 2025.



INDIA IS LIKELY TO BECOME THE THIRD-LARGEST CONSUMER MARKET BY 2025
(SOURCE: BCG)



Cost drivers

- **Crude prices:** The first half of FY2017 saw crude prices rise. FMCG product prices adapted to allow additional costs to be passed to consumers. Looking ahead, as input costs reduce, consumers could pay less for these products.

- **Favourable monsoons:** The FMCG industry is largely dependent on good monsoons. Most of the companies in the sector (especially food products, personal care and hygiene) require natural ingredients, so substantial rain benefits the sector. Although the fiscal under review witnessed moderate rainfall, this is expected to revive, strengthening the FMCG industry.

- **Agricultural outputs:** A growth in agricultural output increases resource availability for FMCG companies.

Emerging trends

- **Non-necessity:** People are shifting gradually from buying 'necessary' products to 'aspirational' ones.

- **Nuclear:** According to Boston Consulting Group, the proportion of nuclear households is projected to rise to 74% by 2025, increasing their dependence on packaged foods in the face of hectic

lifestyles and the incidence of working women.

- **Natural:** Heightened health-consciousness has led to an increased preference for natural products.

- **New:** FMCG consumers are seeking innovative products.

- **Networking:** Growing digitisation means that consumers have access to more information before purchases.

Growth drivers

- **Per capita incomes:** The per capita income in India is expected to cross the ₹1 lac-mark in FY2017, clocking a 7.5% growth over that the preceding fiscal (~₹93,000).

- **Consumer spending patterns:** According to the Boston Consulting Group, consumer expenditure in emerging cities is rising ~14% and by ~12% in metropolises thanks to rising affluence and changing lifestyles.

- **Growing population:** India is the second-most populated country (1.3 billion people) and expected to become the most populous by 2022. For FMCG products, the urban-rural purchase ratio stands at 65:35 even as rural offtake is being driven by growing literacy and deeper distribution.

- **Evolving product mixes:** FMCG companies are constantly

strengthening their portfolios by adding variants to existing categories.

- **Rise of e-commerce:** Google predicted that by 2020, the Indian e-commerce market could be worth \$120 million. Amazon, Flipkart and Snapdeal are providing the ideal platform for FMCG companies to raise awareness, boost sales and revenues.

- **Modern trade formats:** Brick-and-mortar stores had been the foundation on which most Indian FMCG companies started their businesses. The emergence of modern trade formats (online and offline) have enhanced ease-of-access, ensured round-the-clock availability and guaranteed timely delivery. According to a report jointly released by RAI and Knight Frank India, the size of the modern retail industry in India is expected to double to ₹1.72 lac crore by 2019 from ₹87,100 crore at present across the six leading markets of the country.

- **Promotions and offers:** Consumers are more aware of all the offerings made by key players. There is cut-throat competition among players to increase their consumer bases, responding with discounts.

PROJECTED TOTAL RETAIL SPENDING AND PENETRATION OF MODERN RETAIL IN 2019

Space in sq ft

Total retail spending [₹ billion]

City	Brick and mortar modern retail	E-tail	Non-modern retail	Total retail spending [₹ billion]
Top 7 cities	13%	11%	76%	7,650
PUNE	14%	12%	74%	545
NCR	18%	15%	67%	1,919
MUMBAI	9%	8%	83%	2,243
KOLKATA	13%	12%	75%	589
HYDERABAD	7%	5%	88%	692
CHENNAI	13%	11%	77%	507
BENGALURU	18%	14%	69%	1,155

Legend: Brick and mortar modern retail (light blue), E-tail (dark blue), Non-modern retail (grey).
Note: Brick and mortar modern retail + E-tail = Modern retail

Source: Knight Frank Research



Government policies

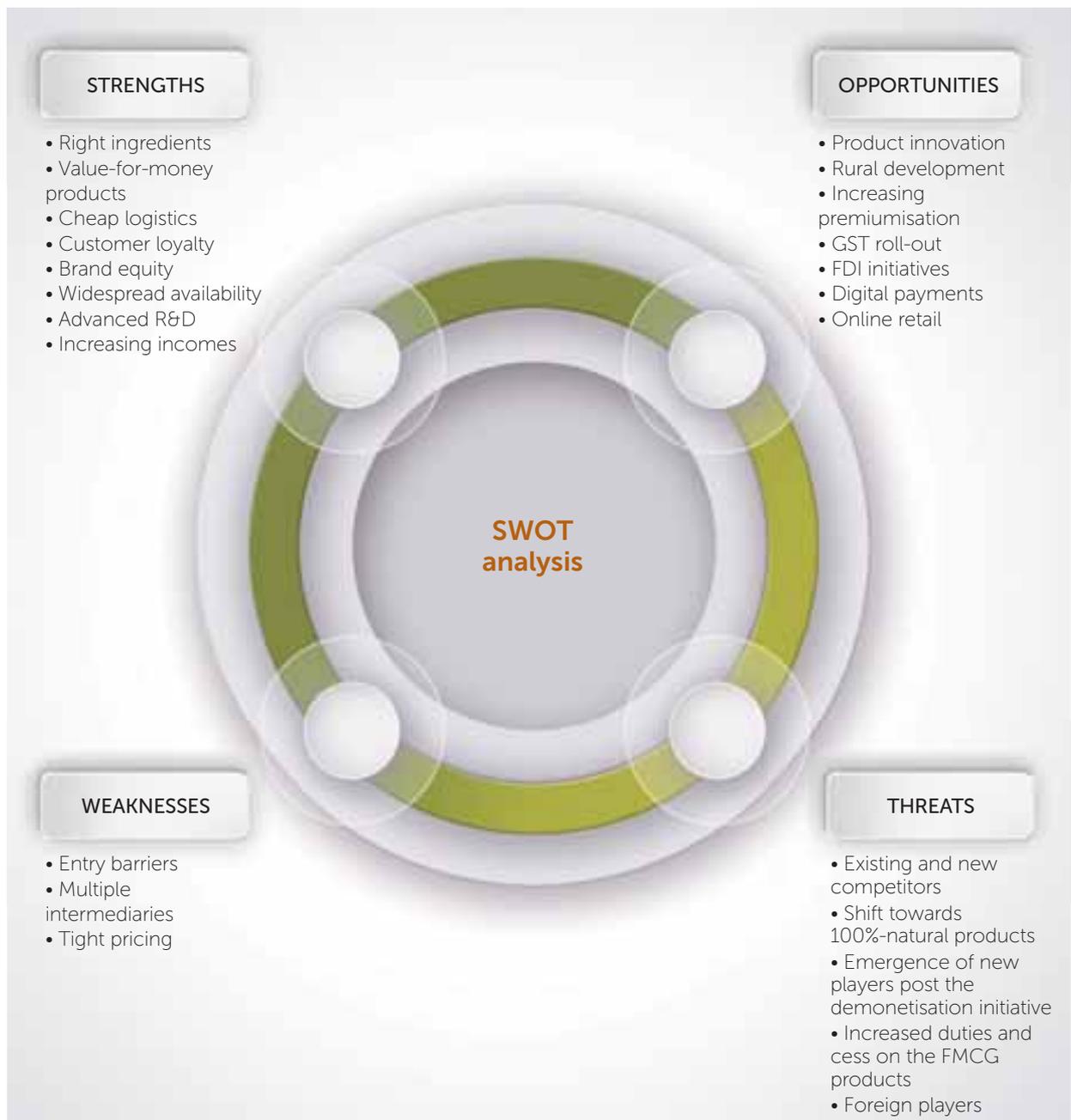
The roll-out of GST could allow FMCG companies to avoid the cascading effect of the existing indirect tax regime. This could level the playing ground for organised players by reducing costs. The benefits of this will directly pass on to consumers and drive sales. The Central Government is planning to tie up with FMCG companies for opening as many as 2,50,000 common services centres to offer digital training and services related to ration cards, birth certificates,

railway ticket booking and money transfer in rural areas. Moreover, the green-lighting of 51%-FDI in multi-brand retail and 100%-FDI in single-brand could retail drive consumption. *(Source: IBEF)*

Budgetary initiatives

About 40% of the sectoral revenues come from the rural sector. The rural FMCG market is anticipated to expand at a CAGR of 17.41% to US\$ 100 billion by 2025. The Central Government allocated ₹1.87 trillion towards rural development which

could, in turn, help catalyse FMCG sales. The tax rate for the lowest slab (₹0.25-0.50 million) was slashed from 10% to 5% and could result in higher disposable incomes. The BharatNet Project was introduced to spread broadband connectivity across 150,000 gram panchayats. Hotspots and other digital services at lowered tariffs could aid the burgeoning online retail trade. *(Source: IBEF, Union Budget 2017-18)*



Outlook

Consumer demand in India will rise as retail outlets grow, product availability increases, e-wallets find more takers and standards of living improve. The overall FMCG market is expected to increase at a CAGR of 14.7% to touch US\$ 110.4 billion by 2020. The rural FMCG market is anticipated to increase at a CAGR of 17.7% to reach US\$ 100 billion by 2025. (Source: IBEF)

Drivers of our business

Sales and distribution

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

Highlights, 2016-17

- Partnered AC Nielsen to drive distribution reach. Direct retail reach increased to 7.3 lac outlets (PY: 6.4 lac) along with a distributor strength of 3,250.
- Covered around 1,200+ distributors through secondary sales software, contributing 92% sales in FY17.
- Initiated Project Race, expanding direct urban coverage; targeting to



double rural coverage in two years.

- Initiated Project Dhanush to enhance rural direct reach through van operations.
- Project Sales Force Automation commenced; telecaller-based order processing to minimise loss due to absenteeism / attrition.
- Generated strong business for Kesh King from traditional and

new markets (Andhra Pradesh and Karnataka)

Road ahead: The year 2017-18 is expected to generate significant changes in sales and distribution, the entire sales force empowered with hand-held devices coupled with a growing respect for data analytics.

Raw material management

The FMCG sector addressed challenges arising from the price volatility of imported and domestic raw materials. Emami was dependent on agricultural commodities marked by stringent quality standards and natural resources where alternatives were not viable.

Emami's efficient material management system procured menthol, vegetable oil, refined rice bran oil, micro-crystalline wax, paraffin wax and packaging materials. Emami collaborated with partners to reduce material costs and ensure timely supply.

Routine assessments of existing

value chain dynamics helped Emami strengthen working capital management. Case in point: material costs accounted for 34.5% of the Company's revenues in 2016-17 vis-à-vis 35.5% in 2015-16. During the year under review, crude prices remained benign, which enhanced affordability.

Highlights, 2016-17

- Light liquid paraffin availability was affected during the year due to temporary shut-downs of a couple of major refineries (for annual maintenance). This situation is expected to recover from September 2017 onwards.
- Acute waste paper shortage caused kraft paper prices to escalate 23% (₹7 per kilogram);

costs of grey back board and virgin board increased by ~8% and ~4%, respectively.

• Emami's robust material management system resulted in significant savings against budgeted costs, leveraging superior market intelligence for high value/volume items, better product localisation, import substitution, extensive use of reverse auction tools and alternate vendor development for bi-colour cube technology.

Road ahead: With major suppliers starting their plants in North Eastern India, the Company's aim is to procure a large quantum of packaging materials locally during FY 17-18. Risk mitigation will be constantly reviewed especially

for single-source items and those that need to conform to strict regulations. The Company could bring more items to the reverse auction platform. The Company planned several activities to smoothly transition to GST.

Operations

Emami has eight domestic units and one international manufacturing unit (Bangladesh) in addition to a number of outsourcing units conforming with manufacturing benchmarks set by Emami. These units are strategically located keeping in mind proximity to consumption markets and

government incentives (four of eight domestic units enjoy fiscal benefits).

Highlights, 2016-17

- The Company commissioned operations at Pacharia, the largest Emami plant. Enhanced capacity of sachets, spouts, bottles, *dibbis* and other packaging units addressed increased demand.
- Overhauled infrastructure at Masat and Vapi units in line with GMP requirements (pharma products).
- Initiated upgradation and capacity enhancement of the Dongri unit for export.
- Incorporated more than 70 manufacturing excellence

facilitators across units as a part of the TPM initiative.

- Inducted five new 3P units with entitlements of tax benefits for three years.
- Participated in different Quality Circle competitions; won more than 20 awards (in Par Excellence, Gold and Silver categories).

Outlook: The Company will stabilise operations of its newly-commissioned Pacharia plant, complete capacity ramp-up and optimise operational costs.

Research & Development



Emami invested in a strong research and development unit to drive new product development and enhance process efficiency. The research and development team worked closely with the branding team to map consumer trends and create relevant offerings.

Highlights, 2016-17

- Carried out product efficacy studies approved by an Independent Ethics Committee at the best-in-class evaluation centre EIDOS™.
- Deployed the 'gate' system to mitigate risks and promote 'On Time In Full'.

- Accelerated product launches, strengthened organisational flexibility and achieved qualitative consistency across manufacturing units.
 - Ensured that organisational regulatory standards were benchmarked with the best in the world.
 - Received the R&D unit accreditation from NABL and AYUSH.
 - Established a new enzymatic assay for quick evaluation of product efficacy, nullifying the need for human chemical trials.
 - Won the Golden Peacock Innovation Management Award from the Institute of Directors' New Delhi; received DSIR's recognition for in-house R&D.
 - Launched innovative products like Fair & Handsome 100% Oil Control Instant Fairness Face Wash, BoroPlus Perfect Touch Cream, Navratna-i-COOL talc, HE 'On The Go' Waterless Facewash etc.
 - Undertook cost optimisation
- Road ahead:** The R&D team will continue offering consumers next-generation ayurvedic products.

Supply Chain Management

The FMCG business, if done right, could be one of the most profitable; it can also prove to be loss-making as it involves the management of large inventories.

Emami's supply chain management focus is to ensure that the right SKUs are available in the right quantities at the right place at the right time.

Highlights, 2016-17

- The Company reduced freight as a percentage of sales to 1.36% in 2016-17 from 1.41% in 2015-16, saving ₹1.29 crore in primary transportation costs.
- Leveraged cutting-edge technology to reduce transit times.
- Improved Stock Availability Index to 94%; controlled monthly loss in sales <1% through the automation of the DRP tool.

Road ahead: To upgrade supply chain efficiency, several improvement opportunities were identified; a leading analytics consultant was engaged to customise SCM solutions. The objective of the engagement was to design, develop and deploy different tools to improve performance and equip the SCM team to respond effectively to emerging challenges.



Quality management

The Company's Quality Assurance team monitors incoming raw material quality and checks final products to ensure qualitative consistency. In order to forge strong ties with consumers, the Company set up a dedicated customer care centre to resolve complaints, address queries and receive feedback. Emami established multiple communication channels (phone, mail and post) and displayed details prominently on product packs.

Highlights, 2016-17

- Remodelled the corporate Quality Assurance team to look into the three critical areas of compliance Q&A, design & delivery and manufacturing excellence.
- Implemented an organisation-wide quality improvement plan to assess operational excellence.

- Integrated design qualification and risk assessments in terms of packaging and formulae for new products.
- Reported zero product-related issues; developed an unbiased approach to keep a tab on all compliance-related metrics including manufacturing, R&D and distribution.
- Registered a 59% drop in customer complaints and 100% complaint resolution for the consumer care range.

Outlook: The Company will focus on qualitative excellence.

Packaging

A company may spend a lot on advertising, branding, marketing and sales but eventually packaging is the final sales person. Once the customer is inside the showroom facing a vast array of products, the decision taken by him or her is often influenced by

product packaging. As a means to this end, Emami emphasised four aspects: innovation, process excellence, cost optimisation and strengthening skills.

Highlights, 2016-17

- Introduced new products across categories in eye-catching and utility-based packaging.
 - Optimised current packaging assessment process by making it more consumer-centric, simpler and robust.
 - Optimised packaging material costs; achieved significant savings; reduced plastic resin consumption by ~90 tonnes and paper by ~220 tonnes.
 - Revamped the organisation structure to drive efficiency, ownership and collaboration.
 - Conducted routine workshops and training seminars in collaboration with business partners; brought personnel up-to-speed with new technologies and innovation.
 - Fair & Handsome and Emami 7 Oils in 1 won the ASIA STAR Packaging Award 2016 for premium and innovative decoration; Navratna Oil and Zandu Honey won a place in the CII India Design Book for aesthetic packaging design.
- Outlook:** Emami will focus on innovation, process excellence, cost moderation and enhancing team competence.





Snapshots of Emami's 33rd Annual General Meeting

International marketing division

Emami is present in more than 60 countries with a strong presence in GCC countries, Bangladesh, Russia and South Asia. A number of its products enjoy market leadership in different countries. For ease of servicing the international market, the Company started its first-ever international manufacturing unit in Bangladesh.

Highlights, 2016-17

- A challenging socio-economic scenario in GCC and Russia resulted in revenue from the international market declining by 16%.
- Changed the Saudi Arabian distributor to improve execution.
- Strengthened operations in Bangladesh.
- Telecast a new television commercial in Russia.
- Maintained or grew market share in some countries

Road ahead: Emami expects to consolidate its position in the GCC countries. With prospects in the Russian market brightening, the Company expects to rebound. The Company intends to commission a new manufacturing unit.

Information technology

Strategic business IT capability building gained significant momentum in 2016-17, following the successful movement of Emami's core Business IT infrastructure to Cloud, enhancing scalability, responsiveness and resilience.

In 2016-17, Emami undertook the following initiatives to strengthen its IT capabilities: transitioned the core operational SAP-ERP and reporting cum analytics solution to the high-performance HANA platform on Cloud, providing richer operational capability and eliminating period-end operational constraints. This accelerated the business and functional performance review.

the Company established Program

and Project Management office with international best practices, combined with IT advisory services of Gartner, an engine to accelerate investment decisions and speed of commissioning and realising value of strategic business IT capabilities.

the Company went live on SAP Success Factors, a global leader in Talent Lifecycle Management capability to simplify HR operations, accelerate recruitment, on-boarding, performance and goal management, learning management and de-boarding employees. The Company implemented Automated Product Costing and Profitability Analysis to enable faster product margin management decisions with accuracy. It leveraged the

distribution network of consumer care products by implementing Parivartan, expected to be implemented nationally in less than two quarters.

The high-performance SAP HANA based Enterprise analytics solution covered a significant and wide operational information, including secondary sales. Its use is improving with activation of a wide choice of reporting, analytics, dash-boarding and self-service data visualisation tools. The Company completed Phase One of two phased operational GST compliances of SAP ERP.

The sales and marketing teams of the health care range of products started leveraging the mobile

solution for planning, execution, e-detailing and analysis of the entire sales process in the market place. This streamlined field sales planning, execution and monitoring of field execution by line managers.

The Company streamlined and improved the visibility of the export Order-to-Cash Process to help the International Business enhance responsiveness to demand, customer service and inventory optimisation.

the Company strengthened the consolidation of multiple departmental solutions with SAP Knowledge management and collaboration platform, which accelerated use across functions. It built a tactical distribution planning solution, which streamlined and improved the speed of current planning operations.

The Company progressed steadily in finding a centralised solution for the distribution channel and sales force

automation capability.

Road ahead: During the coming year, the Company intends to leverage IT capabilities to transform new product development processes, supply chain management, project portfolio management, governance risk and control, application support and management, and improve operations through faster analytics.

Human resources

Emami has always focused on talent development, improving processes to develop professionals across their individual and cross-functional domains.

The Company will focus on objectives, values and targets to ensure that the policies and strategies adopted would be strongly aligned. The key initiatives of 2016-17 were as follows:

• **IT enabling of HR processes:**

One of the key initiatives drawn and executed during the year comprised the IT enabling of HR processes. Technology enabled HR process comprised major HR processes (Recruitment and On-boarding, Performance Management System and Learning Management System). The unique service empowered employees to access any employee-related information with accuracy.

• **Campus hiring:** the Company created a Campus Council comprising cross-functional leaders to select eligible candidates from best-in-class institutes. It reduced the duration of on-job training for management trainees from 12 months to six months.

• **Leadership Capability Development Program:** The Company created a unique programme to identify resources and groom them for potential roles. Eligible employees were identified and put through assessment centres. A two-day leadership programme was organised followed by a Personal Development Plan.



Overall Outlook

The Company intends to leverage market data to chalk out effective strategies related to the launch of new products.

The Company intends to improve brand relevance and search engine optimisation, enhancing purchasing frequency.

The Company focuses on the offtake of multipacks and larger

packs through up-sell and cross-sell strategies.

The Company intends to reach cross-category shoppers to drive penetration and rope in new buyers.

RISK MANAGEMENT

Emami institutionalised a strong risk management process to build a strong risk management culture. The risk management process at Emami revolves around establishing a context, identifying key risks, undertaking mitigation measures, monitoring their impact and preparing reports.

Emami's risk management team regularly evaluates emerging risks, prioritises them and works on mitigating them. While defining and developing a formalised risk management process, leading risk management standards and practices were taken into account.

KEY RISKS

Strategic objective	Key risk	Nature	Potential impact	Mitigation measures
	Industry downturn	External	<ul style="list-style-type: none"> • Slowdown in product offtake • Adverse impact on business sustainability 	<ul style="list-style-type: none"> • Offer innovative products in niche categories which can be classified as 'necessity' as opposed to 'luxury' • Leverage the robust economic growth prospects of the nation
	Climate	External	Reduced product offtake	<ul style="list-style-type: none"> • Create a balanced portfolio with products spread across diverse seasons • Launch products related to the lifestyle requirements of consumers
	Currency volatility	External	Adverse impact on profitability	<ul style="list-style-type: none"> • Employ natural hedge • Protect receivables through timely hedging

RISK MANAGEMENT PROCESS AT EMAMI



The Company has a comprehensive ISO 31000:2009-certified Enterprise Risk Management system at work, which identifies key external and internal risks and assesses their probable impact to devise adequate mitigation measures. The overall risk management initiatives are monitored by a Board-elected committee. Besides, the Company has created teams for pin-pointing and handling transactional risks on a daily basis. The Audit Committee and the Board evaluates the risk management reports quarterly and takes necessary corrective actions.

Strategic objective	Key risk	Nature	Potential impact	Mitigation measures
	Raw material	Internal	Interrupted operations	<ul style="list-style-type: none"> • Develop multiple vendor base for raw material procurement. • Participate in reverse auction to bring down cost.
	Innovations	Internal	Products may lose market relevance	<ul style="list-style-type: none"> • Created strong R&D team • Launched more than 20 products in the last three years • Conducted detailed consumer research
	Human capital	Internal	High attrition	<ul style="list-style-type: none"> • Defined career paths to ensure talent retention • Offered industry-best compensation packages • Held regular seminars to hone employee skills.
	Finance	Internal	Increased project costs and higher interest payouts	<ul style="list-style-type: none"> • Maintained a long-term gearing of 0.27 • Reduced cost of funds to 7.5%; one of the lowest in the industry • Using internal accruals to fund expansion as far as possible.

AWARDS & ACCOLADES

Corporate Awards

■ Emami Limited made it to the prestigious SUPER 50 listing by Forbes India for the second year consecutively.

■ Emami Limited was ranked as the 87th Most Valuable Company (PY: 91st Rank) in the BT 500 list of 2016.

■ Emami Limited was awarded the CSR Leadership Awards in the category of "Support & Improvement in Quality of Education" at the forum of World CSR Congress, in partnership with the

leading news television channel ABP News (Hindi).

■ Emami Limited bettered its ranking from the 326th rank in 2015 to the 291st rank in 2016 in BS Super 1000 Ranking – a jump by 35 ranks. In the sectoral section, Emami Limited scored the 14th position under the "Consumer Staples" out of 38 companies.



Winner of "Golden Peacock Innovation Management Award" for the year 2016



Brands & Marketing Awards

■ Navratna won the SILVER in WOW Awards 2016 under the category "Rural Activation of the Year for Sales Volume".

■ HE Deo won the prestigious IndIAA award for best campaign in personal care category. The brand also won the same award for its HE Respect digital campaign featuring Vir Das & Hritik Roshan.

■ BoroPlus, made a whopping jump by 30 ranks to the 54th position in the "Top 100 Most Trusted Brands" of the ET Brand Equity Survey 2016 from the 84th rank of the last year. The Survey has also featured another power brand Zandu in the 100th position in the overall ranking and 6th in the sub category of OTC brands.

Individual Recognitions



Mr. R.S. Agarwal and Mr. R.S. Goenka were conferred with the Degree of D.Litt. (*Honoris Causa*) by KIIT University, Bhubaneswar for their multifaceted contribution to business and society.



Mr Harsha V Agarwal was selected as one of the winners of the prestigious 'FORTY UNDER 40' list of 2016 in the third edition of India's top Forty under 40 list, put together by Spencer Stuart in collaboration with The Economic Times.

Mr R S Agarwal and Mr R S Goenka were conferred with Super Icon Awards 2017 by Society Magazine for being business visionaries.

In a special issue by Business Today, Shri R.S. Agarwal was featured in the 5th Annual List of India's Top 100 Best CEOs.



Mr N H Bhansali, CEO – Finance, Strategy & Business Development & CFO, was selected in the CFO India's 7th Annual CFO100 Roll of Honour in the category of 'Mergers & Acquisitions'.

TEAM EMAMI

HEADS OF
DEPARTMENTS



EMAMI. NEWSMAKER.

THE ECONOMIC TIMES

A Kumbh To Remember

There's no better place than a Kumbh Mela to find your marketing mojo. Take a look at Emami's marketing initiatives that range from Led & Found services to pop-up message parlours.

By Deekha Irani

There's no better place than a Kumbh Mela to find your marketing mojo. Take a look at Emami's marketing initiatives that range from Led & Found services to pop-up message parlours.

There's no better place than a Kumbh Mela to find your marketing mojo. Take a look at Emami's marketing initiatives that range from Led & Found services to pop-up message parlours.



Emami: Fairly handsome future

Due to a strong presence in under-penetrated segments, Emami is a better play in mid-cap FMCG space

Emami's growth has been consistent over the last few years. The company's revenue grew by 15% in FY2017, compared to 12% in FY2016. The company's EBITDA margin improved from 18% in FY2016 to 20% in FY2017. The company's operating leverage is 1.2x, indicating that the company's operating income is growing faster than its revenue.



Emami's growth has been consistent over the last few years. The company's revenue grew by 15% in FY2017, compared to 12% in FY2016. The company's EBITDA margin improved from 18% in FY2016 to 20% in FY2017. The company's operating leverage is 1.2x, indicating that the company's operating income is growing faster than its revenue.

Table with 2 columns: Metric and Value. Rows include Revenue, EBITDA, Operating Income, and Net Profit.

The hard-to-please brand of consumer

The brand of the day has been replaced by a more discerning consumer. Brands are now competing for a smaller, more affluent audience. This has led to a focus on quality and innovation in product development.



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Advertisement for 'mint' magazine. Text: 'Refreshing Clarity for Business'. The word 'mint' is written vertically in a large, stylized font.

Business Standard

Emami begins distribution overhaul to expand retail

The move aims to increase sales volume and push closer to existing brands. Emami is restructuring its distribution network to improve efficiency and reach.



Emami leans on Zandu's legacy

With the Zandu legacy, Emami is leveraging its heritage in Ayurvedic products. The company is focusing on traditional formulations and natural ingredients.



Kesh King pays off for Emami

Emami has acquired Kesh King, a leading brand in the hair care segment. This acquisition strengthens Emami's position in the FMCG market.



Facelift for Navratna

Emami is giving Navratna a facelift to revitalize the brand. The company is introducing new packaging and marketing strategies.





FROM FRIENDS TO BUSINESS TYCOONS

At a time when even blood no longer ties a family together. Radhe Shyam Agarwal and Radhe Shyam Goenka's long-standing friendship has defied the odds. Not only has the duo created the Emami business empire from the ground up, but more incredibly, their two families seem to have joined resources to act as one large extended joint family, who have held together strongly through triumphs and tribulations alike.

THOUGH OFFICIALLY EMAMI AS A COMPANY

STARTED TAKING shape from 1974, its seeds had been sown decades earlier in the form of an inseparable bond of friendship between two students of Kolkata's Maheswari Vidyalaya: Radhe Shyam Agarwal and Radhe Shyam Goenka. Their friendship stood the test of time through sunshine and rain, leading them to other avenues, one of which was the partnership venture that was to fuel Emami's stupendous growth into one of the foremost and fastest growing personal and health-care businesses in India.



Directors' Report,

Dear Shareholders

It's with immense pleasure that the Directors present their report on the business and operations of the Company and audited accounts for the financial year ended March 31, 2017.

1. Performance highlights

The country is passing through interesting phase of economy. While the governance & transparency are improving, ways of working are being changed which is temporarily adding stress for unlocking future growth potential. During the year, domestic market was significantly impacted by demonetization, lower industrial growth & lower disposal income, resulting in lower off-takes. The global environment was also very challenging. Currency volatility, political instability & depressed market conditions added further woes. The year 2016-17 was therefore marked with many disruptions. Your company however continued to perform consistently well in these challenging times and deliver better results than most of its peers. With sales at ₹2533 Crores, Emami has registered an overall growth of 5.6% in the turnover. EBIDTA at ₹759 Crores has also grown by 10.5% over previous year.

While all the power brands have performed well, new Launches viz. Fair & Handsome facewash, 7 oils in 1, HE Deodorant etc. have also performed satisfactorily. In order to strengthen its market, the company

continued to spend aggressively on advertisements and brand building. Steps have also been taken to improve the distribution and increase rural reach. Besides, efficiency improvement and cost optimisation have been followed vigorously across all the functions of the organisation. Further,

manufacturing capacity has been augmented by setting up a state of the art mega project at Pacharia in Guwahati, Assam at the planned outlay of ₹300 Crores. The unit has already commenced operations on 23rd February, 2017.

With implementation of GST and

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

Financial results

(₹ lacs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Operating income	2,34,075	2,18,913	2,53,261	2,39,755
Profit before interest, depreciation and taxation	78,420	69,328	79,021	73,173
Interest	5,762	5,375	5,801	5,403
Depreciation and amortisation	30,467	25,213	30,858	25,493
Profit before taxation	42,191	38,740	42,362	42,277
Less: Provision for taxation				
- Current tax	7,524	6,738	8,394	7,220
- Provision for taxation of earlier years	68	5	68	5
- Deferred tax (net)	1,362	(1,218)	1,299	(1,254)
- MAT Credit Entitlement	(1,400)	-	(1,400)	-
Profit after taxation	34,636	33,215	34,001	36,306
Add/Less; Share of minority interest	-	-	(41)	(46)
Profit after minority interest	34,637	33,215	34,042	36,352
Cash profit	65,104	58,428	64,900	61,845
Balance brought forward	31,349	13,829	36,339	15,682
Profit available for appropriation	65,986	47,044	70,381	52,034
Appropriation				
Debenture redemption reserve	-	7,500	-	7,500
General reserve	-	-	-	-
Interim dividend	3,972	-	3,972	-
Proposed dividend	15,888	6,809	15,888	6,809
Corporate dividend tax	3,683	1,386	3,683	1,386
Adjustment on account of change in Non controlling Interest	-	-	140	-
Balance carried forward	42,443	31,349	46,698	36,339
	65,986	47,044	70,381	52,034

2. Changes in the nature of business, if any

There has been no change in the nature of business of the company during the financial year 2016-17.

3. Dividend

The Company has paid an interim dividend of 175%, being ₹1.75 per share of Re. 1 each for the financial year 2016-17 to the shareholders as on its record date i.e. March 15, 2017. Your Directors are pleased to recommend the final dividend of ₹5.25 per share (525% on the Company's share capital) apart from interim dividend of ₹1.75 for FY 2016-17. The final dividend is subject to approval of shareholders at the ensuing Annual General Meeting. The final dividend, if approved, will be paid to members whose names appear in the Register of Members as on 27th July 2017. With respect to the shares held in dematerialised form, it would be paid to the members whose names are furnished by NSDL and CDSL as owners on the said date. The total dividend outgo for the financial year ended March 31, 2017 amounted ₹191.23 crore including the dividend distribution tax. The dividend payout ratio works out to 55.21%. The dividend is in accordance with the dividend distribution Policy of the Company.

4. Transfer to reserve

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

5. Material changes and commitments

No material changes and commitments have occurred from the date of close of the financial year till the date of this Report,

which might affect the financial position of the Company.

6. Share capital

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

7. Internal control systems and their adequacy

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

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

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

A summary of all significant findings by the audit department along with the follow-up actions undertaken thereafter is placed before the Audit Committee for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions

and keeps the Board of Directors informed about its major observations, from time to time. Your Company's internal audit department and risk management system have been accredited with ISO 9001:2015 and ISO 31000:2009 certifications, respectively.

8. Internal financial controls

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

9. Subsidiary companies, joint ventures and associate companies

A. Subsidiary Companies

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules 2014, the report on performance and financial position of subsidiaries included in the Consolidated Financial Statements of the Company. As at March 31, 2017, your Company has the following subsidiary companies:

- i. Emami Bangladesh Ltd., wholly-owned subsidiary of Emami Limited
- ii. Emami International FZE, wholly-owned subsidiary of Emami Limited
- iii. Emami Overseas FZE, UAE, wholly-owned subsidiary of

- Emami International FZE
- iv. Pharma Derm S A E Co, Egypt, 90.60% subsidiary of Emami Overseas FZE
 - v. Fravin Pty. Ltd., Australia, 85% subsidiary of Emami International FZE
 - vi. Greenlab Organics Ltd., Australia, a subsidiary of Fravin Pty. Ltd.
 - vii. Diamond Bio-tech Laboratories Pty. Ltd., Australia, a subsidiary of Fravin Pty. Ltd.
 - viii. Abache Pty Ltd, Australia, a subsidiary of Diamond Bio-tech Laboratories Pty. Ltd.

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

Brief financials and operation of subsidiary companies are given hereunder:

Emami Bangladesh Ltd.

Emami Bangladesh Ltd., a wholly-owned subsidiary of Emami Limited,

was incorporated on November 25, 2004 under the Companies Act of Bangladesh. It is engaged in the manufacture, import and sale of cosmetics and ayurvedic medicines from its manufacturing unit in Dhaka. During the financial year ended March 31, 2017, the Company clocked revenues worth ₹10710 lacs (previous year ₹9762 lacs) and profit after tax of ₹1548 lacs (previous year ₹875 lacs). During the year the Company has paid a sum of ₹676 lacs as dividend to its Holding Company for the FY 2015-16.

Emami International FZE

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

During the financial year ended March 31, 2017, the Company clocked revenues worth ₹14971 lacs (previous year ₹20540 lacs) and profit after tax of ₹(198) lacs (previous year ₹2,358 lacs). During the year the Company has paid a sum of ₹1004 lacs as dividend to its Holding Company for the FY 2015-16.

Emami Overseas FZE

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

During the financial year ended March 31, 2017, the Company

recorded revenues worth nil (previous year: nil) and a loss of ₹10 lacs (previous year loss of ₹3 lacs).

Pharma Derm S. A. E. Co.

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

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

During the financial year ended March 31, 2017, the Company has business activities and recorded revenues worth ₹164 lacs (previous year Nil) and loss of ₹33 lacs due to operational expenses.

Fravin Pty. Ltd.

Fravin Pty. Ltd. (Australia based subsidiary) is a 85% (previous year 66.67%) of Emami International FZE, was promoted by leading trichologist and internationally-renowned coiffeur, Peter Francis. With major strengths in research, development and manufacture of natural and organic personal care products, Fravin is a recipient of various prestigious awards in recognition of its qualitative excellence. Fravin, together with its group companies, manufactures a full range of hair care and skin care products certified by various certification bodies in Australia and United states such as the Australian Certified Organic and the United States Department of Agriculture, to name a few.

During the financial year ended March 31, 2017, the Company clocked revenues worth ₹140 lacs (previous year: ₹223 lacs) and a loss of ₹228 lacs (previous year loss of ₹63 lacs).

Diamond BioTech Laboratories Pty. Ltd.

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

During the financial year ended March 31, 2017, the Company recorded Nil revenues (previous year: nil) and a loss of ₹22 lacs (previous year loss of ₹32 lacs) due to operation expenses.

Greenlab Organics Limited

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

Abache Pty. Ltd.

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

During the financial year ended March 31, 2017, the Company earned revenues worth ₹39 lacs (previous year ₹199 lacs) and incurred loss of ₹24 lacs (previous year loss of ₹36 lacs).

B. Joint ventures and associate companies

Your Company does not have any joint ventures or associate companies as per the norms laid

down under the Companies Act, 2013.

10. Deposits

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

11. Non-convertible debentures

The Company issued, listed redeemable non-convertible debentures worth ₹300 crore and the redemption of the same is due during the financial year 2017-18. The Company had created a Debenture Redemption Reserve of ₹75 crore in terms of the provisions laid down under the Companies Act, 2013 and has also deposited/ invested a sum of ₹45 crore, i.e 15% of the debentures maturing during the financial year 2017-18 as per prescribed rules.

12. Consolidated financial statements

The consolidated financial statements, prepared in accordance with IND AS 110– consolidated financial statements, form part of this Report. The net worth of the consolidated entity as on March 31, 2017, stood at ₹175469 lacs as against ₹161161 lacs at the end of the previous year.

13. Auditors and Auditors' Reports

Statutory audit

Your Company's statutory auditors, M/s S. K. Agrawal & Co., Chartered Accountants, were appointed as statutory auditors at the 31st Annual General Meeting of the Company for a period of three years i.e. till the

conclusion of the ensuing Annual General Meeting. The term of appointment of M/s. S. K. Agrawal & Co., Chartered Accountants will complete at the conclusion of the forthcoming AGM. The Board took on record its appreciation of service rendered by them during their tenure as Statutory Auditors of the Company.

M/s S. R. Batliboi & Co LLP, Chartered Accountants have been proposed to be appointed as statutory auditors of the Company at the ensuing Annual General Meeting for a period of five years from the conclusion of the ensuing 34th AGM till the conclusion of 39th AGM of the Company. The said firm has given its consent and declared that they are not disqualified to be appointed as statutory auditors.

Report of M/s S. K. Agrawal & Co., Chartered Accountants, and statutory auditor's Report does not contain any qualifications, reservations or adverse remarks.

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 Board has appointed M/s MKB & Associates, practicing company secretaries, as its secretarial auditor to undertake the secretarial audit for FY 2016-17. The secretarial audit report in the specified form MR-3 is annexed herewith and forms part of this report (Annexure I). The secretarial audit report does not contain any qualifications, reservations or adverse remarks.

Cost audit

Your Company's cost accountants,

M/s. V.K. Jain & Co., were appointed by the Board of Directors at its meeting held on May 13, 2016 to audit the cost accounting records, as may be applicable to the Company for the FY 2016-17 and their remuneration has been approved at the previous Annual General Meeting.

M/S V. K. Jain & Co, have been reappointed as cost auditors for the financial year 2017-18. The remuneration payable to the cost auditors is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to them is included in the notice convening the AGM. The Board recommends the same for approval by members at the ensuing AGM.

14. 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 Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith and forms part of this Report. (Annexure II)

15. Extract of Annual Returns

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

16. Corporate social responsibility

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

In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted a CSR policy which is available at: [http://www.emamilttd.in/holisticliving/pdf / Corporate Social Responsibility Policy of Emami Ltd. pdf](http://www.emamilttd.in/holisticliving/pdf/Corporate%20Social%20Responsibility%20Policy%20of%20Emami%20Ltd.pdf)

The Annual Report on CSR expenditures for the FY 2016-17 is annexed herewith and forms part of this report. (Annexure IV). A sum of ₹191.65 lacs remained underspend mainly due to extraneous factors and also due to better planning and negotiations which resulted in savings despite carrying the activities as envisaged. Besides, some projects are of multiyear projects and so expenditure can be done in stages / year wise which may result in lower / higher expenditure in a particular year.

17. Directors and key managerial personnel

Upon recommendation of the Nomination and Remuneration Committee and subject to the approval of shareholders by way of special resolutions, the Board of Directors at its meeting held on January 30, 2017 re-appointed

Shri R.S. Agarwal as an Executive Chairman of the Company for a period of five years w.e.f. April 1, 2017 and Shri R.S. Goenka, as Whole-time Director of the Company upon completion of his existing term from November 8, 2017 till March 31, 2022.

Shri R. S. Goenka, Shri Mohan Goenka and Shri S. K. Goenka, Directors would retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

The term of appointment of Shri K. N. Memani, Shri Y. P. Trivedi, Shri M. D. Mallya, Shri S. B. Ganguly, Shri P.K. Khaitan and Shri Amit Kiran Deb as Independent Directors of the Company is completing at the conclusion of the ensuing AGM of the Company. In the ensuing Annual General Meeting, the Board on recommendation of the Nomination and Remuneration Committee, has proposed their reappointment for another term of 5 (five) years with effect from conclusion of 34th Annual General Meeting through special resolutions. The term of appointment of Shri Sajjan Bhajjanka as Independent Director of the Company is also ending on the conclusion of ensuing AGM of the Company and he has expressed his unwillingness to be further considered for reappointment due to his preoccupation in other business. The Board places on record its appreciation for the guidance received by it from Shri Sajjan Bhajjanka during his tenure as Independent Director.

In the ensuing Annual General Meeting, the Board on recommendation of the Nomination and Remuneration

Committee, has proposed appointment of Shri C. K. Dhanuka as an Independent Director for a period of 5 (five) years from date of the 34th Annual General Meeting of the Company.

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

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

A brief resume of the Directors proposed to be appointed/reappointed, is provided in the Notice of the 34th Annual General Meeting of the Company.

18. Business responsibility report

As required under Regulation 34 of SEBI Listing Regulations 2015, the Business Responsibility Report of the Company for the financial year ended March 31, 2017 is attached as part of the Annual Report.

19. 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 which inter alia explains the role, functions, and responsibilities expected of him/her as a Director of the Company is given. The Director is also explained in detail about the various compliances required from him/her as a Director under the provisions of the Companies Act 2013, SEBI Listing Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct of the Company and other relevant regulations.

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

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

20. Annual evaluation

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations, 2015 the Company has framed a policy for evaluating the annual performance of its Directors, Chairman, the Board as a whole, and the various Board Committees. The Nomination

and Remuneration Committee of the Company has laid down parameters for performance evaluation in the policy, they include:

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

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

21. Number of meetings of the Board

The Board of Directors held five meetings during the year on May 5, 2016, August 3, 2016, October 27, 2016, January 30, 2017 and on March 6, 2017. The maximum time gap between any two meetings was less than 120 days as stipulated under SEBI's Listing Requirements, 2015. The details of Board Meetings held and attendance of Directors are provided in the Report on

Corporate Governance forming part of this report.

22. Separate meeting of Independent Directors

A separate meeting of the Independent Directors was held on January 30, 2017. Shri Y. P. Trivedi, the Lead Independent Director presided the meeting. The Independent Directors at said meeting reviewed the performance of the Non- Independent Directors, the Board as a whole and the Executive Chairman 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.

23. Committees of the Board

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

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

VIII. Risk Management committee
Details of all the above Committees

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

24. Whistleblower policy

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

25. Remuneration policy

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

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

performance' principle.

26. Related party transactions

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

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

27. Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments made by the Company pursuant to section 186 of the Companies Act, 2013 are given in the notes to financial statements.

28. Particulars of employees and managerial remuneration

The information of employees and managerial remuneration, as required under Section 197(2) of

the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and other details are annexed herewith and forms part of this report. (Annexure V)

29. Management discussion and analysis and Corporate Governance Report

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

30. Risk management system

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

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

key business objectives.

31. Prevention of sexual harassment at workplace

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

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

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

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

33. Directors' Responsibility Statement

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

- I. In the preparation of the annual accounts for the year ended

March 31, 2017, 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, 2017 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 that such internal financial controls were adequate and operating effectively.
- VI. The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and the same are adequate and operating effectively.

34. Awards and accolades

During the year under review, the Company saw many successes,

some of which are listed as under:

- Ranked among the 'Super 50' by Forbes India for the second consecutive year and the 87th 'Most Valuable Companies' in the BT 500 list of 2016.
- Adjudged as the Winner of Golden Peacock Innovation Management Award for the year 2016.
- Ranked 342nd (previous year: 423rd) in BW Real 500, a ranking of India's largest companies conducted by Businessworld. The ranking has been done on basis of their combined total assets and total income. In the market cap subsector, Emami ranked 65th among the 70 companies featured.
- Award for CSR Leadership in the 'Support & Improvement in Quality of Education' category.
- Ranked 349th in the FE 1000 2016 rankings and 90th in terms of market cap.
- Ranked 291st in BS Super 1000 (previous year: 326th) and secured the 14th position in the 'Consumer Staples' segment among 38 companies.

Marketing awards

- Navratna won the 'Silver' award at the WOW Awards 2016 in the 'Rural Activation of the Year for Sales Volume' category.
- HE Deo won a prestigious IndIAA award for 'Best Campaign in Personal Care' category. The brand

won the same award for the 'HE Respect' campaign, which featured Vir Das and Hrithik Roshan, which was aired digitally in May 2016.

- BoroPlus jumped 30 ranks to occupy the 54th position in the 'Top 100 Most Trusted Brands' of the ET Brand Equity Survey 2016 from the 84th rank of the last year. The survey also featured another power brand, Zandu, at the 100th position in the overall rankings and sixth in the OTC brands sub-category.

Individual recognitions

- Shri R.S. Agarwal and Shri R.S. Goenka were ranked 30th in the BS Billionaire Club; they were conferred with Super Icon Awards 2017 by Society for being business visionaries and with a D.Litt. degree (honoris causa) by KIIT University, Bhubaneswar for their multi-faceted contribution to business and society.
- FORBES INDIA – Collector's Edition (issue dated 21st December, 2016) featured Shri R. S. Agarwal and Shri R. S. Goenka on THE 100 RICHEST INDIANS, ranking them at the 84th position.
- In a special issue of Business Today, Shri R. S. Agarwal was featured fifth in an annual list of 'India's Top 100 Best CEOs'.
- Emami features at #30 as 'Radheshyam Agarwal & Family' – comprising the market cap of Emami Ltd., Emami Infra, Emami

Paper and Zandu Realty India's Super Rich 2016 by Businessworld.

- Shri H. V. Agarwal selected as one of the winners of the prestigious 'Forty under 40' list of 2016 in India's top-40 under 40 list, put together by Spencer Stuart in collaboration with The Economic Times.
- Shri N. H. Bhansali, CEO – Finance, Strategy & Business Development and CFO, was selected as CFO India's 7th Annual CFO100 Roll of Honour; won the award as the CFO in the category of 'Mergers & Acquisitions'; Best CFO Award for 'Consistent Liquidity Management in Mid-Cap segment' and special jury award of being the 'Overall Champion CFO' by the YES Bank-Businessworld CFO Awards 2016.

35. Acknowledgements

Your Directors would like to acknowledge and place on record their sincere appreciation of all stakeholders, Regulators, 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 4, 2017

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, 2017

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

To
The Members,
EMAMI LIMITED

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper

Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:

- a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
- b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
- f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- h) The Securities & Exchange Board of India (Buyback

of Securities) Regulations, 1998

vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, the following laws/acts are also, inter alia, applicable to the Company:

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

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

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

During the period under review the Company has complied with the provisions of the Act,

Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

dissenting member's view in the minutes.

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

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

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

For MKB & Associates
Company Secretaries

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

Place: Kolkata
Date: May 4, 2017

To
The Members,
EMAMI LIMITED

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

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

For MKB & Associates
Company Secretaries

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

Place: Kolkata
Date: May 4, 2017

ANNEXURE-II

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

1. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

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

B. STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY

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

C. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

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

2. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

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

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

B. BENEFITS DERIVED

1. The benefits derived by the Company for such adaptation have been evident in reducing cost, improving packaging, upgrading existing products and developing new products. Thus, it helped the Company to satisfy consumer needs and business requirements.

2. Future plan of action: Emphasis will continue to be laid on innovative products keeping in view the need and taste of consumers, innovative packaging and adoption of latest technology and know-how to make products more cost-effective as well as of high quality.

C. IMPORTED TECHNOLOGY

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

D. RESEARCH & DEVELOPMENT

- 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.
- Expenditure in R&D:

	<i>₹ in Lacs</i>
Capital	235.65
Recurring	2074.18
Total	2309.83
R&D as a percentage of total turnover	0.99%

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 2016-17 was ₹7306.23 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:

<i>₹ in Lacs</i>	
Raw materials	2317.97
Capital goods	1874.27
Professional fees	334.29
Others	149.52
Total	4676.05

C. Foreign exchange earnings during the year

<i>₹ in Lacs</i>	
Export of goods on FOB basis	7306.23
Dividend	1680.52
Dividend	120.84
Total	9107.59

ANNEXURE-III

Extract of Annual Return Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN:- L63993WB1983PLC036030

Registration Date: 11/03/1983

Name of the Company: Emami Limited

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

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

Whether listed company : Yes

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

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	NIC Code of the Product	% to total turnover of the company
1	Ayurvedic Medicinal Products	304.3	76.11%
2	Cosmetic & Toiletries	305.6	23.23%

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 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)
3	"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)
4	"PharmaDerm S A E Co, UAE New Borg El Arab Industrial City, 3rd Zone, Part No. 5, Block 11, Alexandria, Egypt"	N.A.	Subsidiary of Emami Overseas FZE	90.60%	2(87)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
5	"Fravin Pty. Ltd., Australia C/o Inventure Adam & Rogers Pty. Ltd. Level 1, 214 Greenhill Road, Eastwood SA 5063, Australia"	N.A.	Subsidiary of Emami International FZE	85.00%	2(87)
6	"Greenlab Organics Ltd. 10 John Street, London, WC1N 2EB "	N.A.	Subsidiary of Fravin Pty. Ltd.	100%	2(87)
7	"Diamond Bio-tech Laboratories Pty. Ltd. C/o Inventure Adam & Rogers Pty. Ltd. Level 1, 214 Greenhill Road, Eastwood SA 5063, Australia"	N.A.	Subsidiary of Fravin Pty. Ltd.	100%	2(87)
8	"Abache Pty. Ltd., Australia C/o Inventure Adam & Rogers Pty. Ltd. Level 1, 214 Greenhill Road, Eastwood SA 5063, Australia"	N.A.	Subsidiary of Diamond Bio-Tech Laboratories Pty. Ltd.	100%	2(87)

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

i Category-wise Share Holding

Category of Shareholders	Number of Shares held at the beginning of the year [As on 01/Apr/2016]				Number of Shares held at the end of the year [As on 31/Mar/2017]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	22296826	-	22296826	9.82	20285971	-	20285971	8.94	-9.02
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	138726281	-	138726281	61.13	140122471	-	140122471	61.74	1.01
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	161023107	-	161023107	70.95	160408442	-	160408442	70.68	-0.38
(2) Foreign									
a) NRIs - Individuals	4065748	-	4065748	1.79	4680413	-	4680413	2.06	15.12
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/Fi									
e) Any other									
Sub-total (A)(2)	4065748	-	4065748	1.79	4643413	-	4643413	2.06	15.12
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	165088855	-	165088855	72.74	165088855	-	165088855	72.74	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2603339	-	2603339	1.15	6072371	-	6072371	2.68	133.25
b) Banks/Fi	120396	168	120564	0.05	145555	168	145723	0.06	20.87
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									

Category of Shareholders	Number of Shares held at the beginning of the year [As on 01/Apr/2016]				Number of Shares held at the end of the year [As on 31/Mar/2017]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies									
g) FIs	18017262	-	18017262	7.94	6221844	-	6221844	2.74	-65.47
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors	18893660	-	18893660	8.32	29188217	-	29188217	12.86	54.49
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	39634657	168	39634825	17.46	41627987	168	41628155	18.34	5.03
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	12384865	4116	12388981	5.46	10091239	4116	10095355	4.45	-18.51
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	7724159	907615	8631774	3.80	8436637	863637	9300274	4.10	7.74
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	659598	-	659598	0.29	-	-	-	0.00	-100.00
c) Others (Specify)									
Non Resident Indians	380570	420	380990	0.17	507589	420	508009	0.22	33.34
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	168250	-	168250	0.07	205842	-	205842	0.09	22.34
Trusts	5251	-	5251	0.00	131308	-	131308	0.06	2400.63
NBFCs	4895	-	4895	-	5621	-	5621	-	14.83
Domestic Corporate Unclaimed Shares Account	-	4200	4200	-	-	4200	4200	-	-
Sub-total(B)(2):-	21327588	916351	22243939	9.80	19378236	872373	20250609	8.92	-8.96
Total Public Shareholding (B)=(B)(1)+(B)(2)	60962245	916519	61878764	27.26	61006223	872541	61878764	27.26	-
c. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	226051100	916519	226967619	100.00	226095078	872541	226967619	100.00	-

Shareholding of Promoters and Promoter Group

Sl No.	Shareholder's Name with PAN	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding
		No. of Shares	% of total Shares	% of Shares Pledged / encumbered	No. of Shares	% of total Shares	% of Shares Pledged / encumbered	
1	Diwakar Viniyog Private Limited	33326237	14.68	38.97	33771887	14.88	38.08	1.34
2	Suntrack Commerce Private Limited	32691366	14.40	47.43	33136016	14.60	43.85	1.36
3	Bhanu Vyapaar Private Limited	27604261	12.16	41.74	27791381	12.24	40.38	0.68
4	Ravi Raj Viniyog Pvt Ltd (formerly known as Emami Enclave Makers Private Limited)	13458553	5.93	5.57	13886007	6.12	24.33	3.18
5	Prabhakar Viniyog Pvt Ltd (Formerly known Emami High Rise Private Limited)	13076503	5.76	5.74	13199961	5.82	19.17	0.94
6	Suraj Viniyog Private Limited	13099281	5.77	21.31	12957139	5.71	23.89	-1.09
7	Tmt Viniyogan Limited	4956580	2.18	27.94	4866580	2.14	25.87	-1.82
8	Amitabh Goenka	4015748	1.77	-	3785748	1.67	-	-5.73
9	Priti Sureka	4950000	2.18	-	3410000	1.50	-	-31.11
10	Rohin Raj Sureka	750000	0.33	-	1750000	0.77	-	133.33
11	Aditya Vardhan Agarwal	1319334	0.58	-	1232334	0.54	-	-6.59
12	Usha Agarwal	911548	0.40	-	836548	0.37	-	-8.23
13	Rajkumar Goenka	794750	0.35	-	712750	0.31	-	-10.32
14	Avishi Sureka	300000	0.13	-	700000	0.31	-	133.33
15	Radheshyam Goenka	378638	0.17	-	683638	0.30	-	80.55
16	Saswat Goenka	565000	0.25	-	565000	0.25	-	-
17	Vibhash Vardhan Agarwal	536439	0.24	-	536739	0.24	-	0.06
18	Vihan Vardhan Agarwal	536000	0.24	-	536000	0.24	-	-
19	Harsha Vardhan Agarwal	585133	0.26	-	535133	0.24	-	-8.55
20	Sachin Goenka	538000	0.24	-	534500	0.24	-	-0.65
21	Advay Goenka	502000	0.22	-	502000	0.22	-	-
22	Saroj Goenka	269620	0.12	-	482620	0.21	-	79.00
23	Emami Paper Mills Ltd	466500	0.21	-	466500	0.21	-	-
24	Indu Goenka	294410	0.13	-	459850	0.20	-	56.19
25	Ritu Goenka	477465	0.21	-	452465	0.20	-	-5.24
26	Radheshyam Agarwal	769500	0.34	-	439500	0.19	-	-42.89
27	Chikky Goenka	320850	0.14	-	305850	0.13	-	-4.68
28	Reyansh Goenka	303875	0.13	-	303875	0.13	-	-
29	Devarsh Goenka	303875	0.13	-	303875	0.13	-	-
30	Manan Goenka	282500	0.12	-	282500	0.12	-	-
31	Nikunj Goenka	282500	0.12	-	282500	0.12	-	-
32	Darsh Goenka	282500	0.12	-	282500	0.12	-	-
33	Shruti Goenka	298065	0.13	-	273065	0.12	-	-8.39
34	Nimisha Goenka	247000	0.11	-	247000	0.11	-	-
35	Manish Goenka	246098	0.11	-	246098	0.11	-	-
36	Jyoti Agarwal	315000	0.14	-	244000	0.11	-	-22.54
37	Vidishree Agarwal	240000	0.11	-	240000	0.11	-	-
38	Vidula Agarwal	240000	0.11	-	240000	0.11	-	-
39	Shreya Goenka	240000	0.11	-	240000	0.11	-	-

Sl No.	Shareholder's Name with PAN	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding
		No. of Shares	% of total Shares	% of Shares Pledged / encumbered	No. of Shares	% of total Shares	% of Shares Pledged / encumbered	
40	Jayant Goenka	232127	0.10	-	232127	0.10	-	-
41	Sobhna Agarwal	315000	0.14	-	225000	0.10	-	-28.57
42	Mansi Agarwal	261000	0.12	-	225000	0.10	-	-13.79
43	Santosh Goenka	193560	0.09	-	198120	0.09	-	2.36
44	Rashmi Goenka	208200	0.09	-	185700	0.08	-	-10.81
45	Sushil Kumar Goenka	191250	0.08	-	179250	0.08	-	-6.27
46	Rachana Goenka	173850	0.08	-	158850	0.07	-	-8.63
47	Richa Agarwal	158861	0.07	-	145861	0.06	-	-8.18
48	Mohan Goenka	140450	0.06	-	130950	0.06	-	-6.76
49	Jyoti Goenka	157700	0.07	-	124388	0.05	-	-21.12
50	Yogesh Goenka	122700	0.05	-	122700	0.05	-	-
51	Reha Goenka	120000	0.05	-	120000	0.05	-	-
52	Rachna Bagaria	135000	0.06	-	105000	0.05	-	-22.22
53	Aditya Vardhan Agarwal (HUF)	102139	0.05	-	102139	0.05	-	-
54	Prashant Goenka	95000	0.04	-	95000	0.04	-	-
55	Smriti Agarwal	177000	0.08	-	89000	0.04	-	-49.72
56	Mohan Goenka (HUF)	100000	0.04	-	87000	0.04	-	-13.00
57	Manish Goenka (HUF)	100000	0.04	-	87000	0.04	-	-13.00
58	Sushil Kumar Goenka (HUF)	100000	0.04	-	87000	0.04	-	-13.00
59	Harsh Vardhan Agarwal (HUF)	100000	0.04	-	86000	0.04	-	-14.00
60	Puja Goenka	114699	0.05	-	84699	0.04	-	-26.16
61	Ashish Goenka	95000	0.04	-	65000	0.03	-	-31.58
62	Meena Goenka	461310	0.20	-	61232	0.03	-	-86.73
63	Epl Securities Ltd	42000	0.02	-	42000	0.02	-	-
64	Laxmi Devi Bajoria	75000	0.03	-	39000	0.02	-	-48.00
65	Jayant Goenka (HUF)	50000	0.02	-	37000	0.02	-	-26.00
66	Amitabh Goenka (HUF)	50000	0.02	-	37000	0.02	-	-26.00
67	Prashant Goenka (HUF)	50000	0.02	-	37000	0.02	-	-26.00
68	Ashish Goenka (HUF)	50000	0.02	-	37000	0.02	-	-26.00
69	Madan Lal Agarwal	30000	0.01	-	30000	0.01	-	-
70	Pradeep Agarwal	20575	0.01	-	20575	0.01	-	-
71	Kusum Agarwal	19500	0.01	-	18900	0.01	-	-3.08
72	Sangita Agarwal	13000	0.01	-	13000	0.01	-	-
73	Divya Agarwal	13000	0.01	-	13000	0.01	-	-
74	Shubham Agarwal	12230	0.01	-	12230	0.01	-	-
75	Abhishek Agarwal	12000	0.01	-	12000	0.01	-	-
76	Dhiraj Agarwal	8375	-	-	8375	-	-	-
77	Emami Frank Ross Limited	5000	-	-	5000	-	-	-
78	Vishal Agarwal	4100	-	-	4100	-	-	-
79	Sumangal Agarwal	4100	-	-	4100	-	-	-
Total		165088855	72.74		165088855	72.74		-

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):				
	At the End of the year (or on the date of separation, if separated during the year)				

There is no change in promoters' shareholding during the period April 1, 2016 to March 31, 2017 except inter - se transfer

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

Sl No.	Name	Shareholding at the beginning [01/Apr/16]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	NOMURA INDIA INVESTMENT FUND MOTHER FUND *				
	01/04/16	0	0.00		
	17/06/2016 - Transfer	597944	0.26	597944	0.26
	08/07/2016 - Transfer	500000	0.22	1097944	0.48
	29/07/2016 - Transfer	31537	0.01	1129481	0.50
	02/09/2016 - Transfer	489609	0.22	1619090	0.71
	11/11/2016 - Transfer	50000	0.02	1669090	0.74
	30/12/2016 - Transfer	175000	0.08	1844090	0.81
	06/01/2017 - Transfer	55000	0.02	1899090	0.84
	03/02/2017 - Transfer	300000	0.13	2199090	0.97
	31/03/17	2199090	0.97	2199090	0.97
2	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED *				
	01/04/16	608913	0.27		
	08/04/2016 - Transfer	50700	0.02	659613	0.29
	15/04/2016 - Transfer	26700	0.01	686313	0.30
	22/04/2016 - Transfer	124000	0.05	810313	0.36
	06/05/2016 - Transfer	600	0.00	810913	0.36
	13/05/2016 - Transfer	140	0.00	811053	0.36
	20/05/2016 - Transfer	-56	0.00	810997	0.36
	27/05/2016 - Transfer	3086	0.00	814083	0.36
	03/06/2016 - Transfer	849	0.00	814932	0.36
	17/06/2016 - Transfer	25578	0.01	840510	0.37
	24/06/2016 - Transfer	3222	0.00	843732	0.37
	30/06/2016 - Transfer	2041	0.00	845773	0.37
	08/07/2016 - Transfer	45090	0.02	890863	0.39
	22/07/2016 - Transfer	401	0.00	891264	0.39
	02/09/2016 - Transfer	4341	0.00	895605	0.39
	23/09/2016 - Transfer	4600	0.00	900205	0.40
	30/09/2016 - Transfer	4700	0.00	904905	0.40
	07/10/2016 - Transfer	-1700	0.00	903205	0.40
	11/11/2016 - Transfer	-2900	0.00	900305	0.40
	25/11/2016 - Transfer	50000	0.02	950305	0.42

Sl No.	Name	Shareholding at the beginning [01/Apr/16]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	02/12/2016 - Transfer	49730	0.02	1000035	0.44
	09/12/2016 - Transfer	1300	0.00	1001335	0.44
	16/12/2016 - Transfer	422	0.00	1001757	0.44
	30/12/2016 - Transfer	1291	0.00	1003048	0.44
	20/01/2017 - Transfer	-66	0.00	1002982	0.44
	27/01/2017 - Transfer	25000	0.01	1027982	0.45
	03/03/2017 - Transfer	25150	0.01	1053132	0.46
	17/03/2017 - Transfer	25000	0.01	1078132	0.48
	24/03/2017 - Transfer	600	0.00	1078732	0.48
	31/03/2017 - Transfer	24851	0.01	1103583	0.49
3	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND #	1	1	1	1
	01/04/16	1659967	0.73		
	23/12/2016 - Transfer	-6209	0.00	1653758	0.73
	30/12/2016 - Transfer	-149251	0.07	1504507	0.66
	24/02/2017 - Transfer	-54609	0.02	1449898	0.64
	03/03/2017 - Transfer	-202804	0.09	1247094	0.55
	10/03/2017 - Transfer	-144333	0.06	1102761	0.49
	17/03/2017 - Transfer	-72183	0.03	1030578	0.45
	31/03/17	1030578	0.45	1030578	0.45
4	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE ADVANTAGE FUND				1
	01/04/16	956929	0.42		
	08/04/2016 - Transfer	1000	0.00	957929	0.42
	13/05/2016 - Transfer	300	0.00	958229	0.42
	03/06/2016 - Transfer	25000	0.01	983229	0.43
	10/06/2016 - Transfer	4000	0.00	987229	0.44
	08/07/2016 - Transfer	2542	0.00	989771	0.44
	26/08/2016 - Transfer	22200	0.01	1011971	0.45
	02/09/2016 - Transfer	4050	0.00	1016021	0.45
	09/09/2016 - Transfer	150000	0.07	1166021	0.51
	16/09/2016 - Transfer	12000	0.01	1178021	0.52
	07/10/2016 - Transfer	35000	0.02	1213021	0.53
	28/10/2016 - Transfer	10600	0.00	1223621	0.54
	04/11/2016 - Transfer	16000	0.01	1239621	0.55
	11/11/2016 - Transfer	151900	0.07	1391521	0.61
	02/12/2016 - Transfer	4050	0.00	1395571	0.61
	09/12/2016 - Transfer	-4000	0.00	1391571	0.61
	16/12/2016 - Transfer	20000	0.01	1411571	0.62
	30/12/2016 - Transfer	150000	0.07	1561571	0.69
	03/02/2017 - Transfer	59100	0.03	1620671	0.71
	17/02/2017 - Transfer	-1800	0.00	1618871	0.71
	03/03/2017 - Transfer	510000	0.22	2128871	0.94
	10/03/2017 - Transfer	100000	0.04	2228871	0.98
	31/03/2017 - Transfer	16650	0.01	2245521	0.99
5	TIAA-CREF FUNDS - TIAA CREF INTERNATIONAL EQUITY FUND				
	01/04/16	375519	0.17		
	20/05/2016 - Transfer	181285	0.08	556804	0.25
	27/05/2016 - Transfer	33486	0.01	590290	0.26
	30/09/2016 - Transfer	217629	0.10	807919	0.36
	07/10/2016 - Transfer	405348	0.18	1213267	0.53
	28/10/2016 - Transfer	-36896	0.02	1176371	0.52

Sl No.	Name	Shareholding at the beginning [01/Apr/16]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	11/11/2016 - Transfer	-11880	0.01	1164491	0.51
	18/11/2016 - Transfer	-20459	0.01	1144032	0.50
	06/01/2017 - Transfer	-54319	0.02	1089713	0.48
	13/01/2017 - Transfer	-28635	0.01	1061078	0.47
	24/02/2017 - Transfer	-16753	0.01	1044325	0.46
	03/03/2017 - Transfer	-65357	0.03	978968	0.43
	31/03/17	978968	0.43	978968	0.43
6	ABERDEEN GLOBAL INDIAN EQUITY LIMITED				
	01/04/16	1110000	0.49		
	22/07/2016 - Transfer	450000	0.20	1560000	0.69
	29/07/2016 - Transfer	361812	0.16	1921812	0.85
	05/08/2016 - Transfer	98188	0.04	2020000	0.89
	31/03/17	2020000	0.89	2020000	0.89
7	SMALLCAP WORLD FUND, INC				
	01/04/16	5805950	2.56		
	08/04/2016 - Transfer	-201491	0.09	5604459	2.47
	15/04/2016 - Transfer	-422435	0.19	5182024	2.28
	22/04/2016 - Transfer	-779024	0.34	4403000	1.94
	27/05/2016 - Transfer	-240127	0.11	4162873	1.83
	03/06/2016 - Transfer	-260726	0.11	3902147	1.72
	10/06/2016 - Transfer	-164783	0.07	3737364	1.65
	17/06/2016 - Transfer	-1202969	0.53	2534395	1.12
	24/06/2016 - Transfer	-1021395	0.45	1513000	0.67
	31/03/17	1513000	0.67	1513000	0.67
8	MATTHEWS ASIA GROWTH FUND #				
	01/04/16	1551001	0.68		
	20/01/2017 - Transfer	-38866	0.02	1512135	0.67
	27/01/2017 - Transfer	-167907	0.07	1344228	0.59
	03/02/2017 - Transfer	-508486	0.22	835742	0.37
	31/03/17	835742	0.37	835742	0.37
9	MATTHEWS INDIA FUND				
	01/04/16	3520577	1.55		
	23/09/2016 - Transfer	-110000	0.05	3410577	1.50
	30/09/2016 - Transfer	-392286	0.17	3018291	1.33
	07/10/2016 - Transfer	-92038	0.04	2926253	1.29
	14/10/2016 - Transfer	-195676	0.09	2730577	1.20
	25/11/2016 - Transfer	-65000	0.03	2665577	1.17
	10/02/2017 - Transfer	-455	0.00	2665122	1.17
	31/03/17	2665122	1.17	2665122	1.17
10	SBI DUAL ADVANTAGE FUND SERIES VII *				
	01/04/16	82800	0.04		
	08/04/2016 - Transfer	1330	0.00	84130	0.04
	15/04/2016 - Transfer	-43	0.00	84087	0.04
	29/04/2016 - Transfer	-24000	0.01	60087	0.03
	20/05/2016 - Transfer	-6	0.00	60081	0.03
	03/06/2016 - Transfer	-28827	0.01	31254	0.01
	10/06/2016 - Transfer	-21173	0.01	10081	0.00
	24/06/2016 - Transfer	1005000	0.44	1015081	0.45
	08/07/2016 - Transfer	793740	0.35	1808821	0.80
	15/07/2016 - Transfer	80000	0.04	1888821	0.83
	29/07/2016 - Transfer	-1138	0.00	1887683	0.83

Sl No.	Name	Shareholding at the beginning [01/Apr/16]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	26/08/2016 - Transfer	-8800	0.00	1878883	0.83
	30/09/2016 - Transfer	-1	0.00	1878882	0.83
	07/10/2016 - Transfer	-257000	0.11	1621882	0.71
	04/11/2016 - Transfer	34	0.00	1621916	0.71
	11/11/2016 - Transfer	35	0.00	1621951	0.71
	18/11/2016 - Transfer	24351	0.01	1646302	0.73
	25/11/2016 - Transfer	86908	0.04	1733210	0.76
	02/12/2016 - Transfer	-43000	0.02	1690210	0.74
	09/12/2016 - Transfer	35	0.00	1690245	0.74
	16/12/2016 - Transfer	20000	0.01	1710245	0.75
	20/01/2017 - Transfer	-100000	0.04	1610245	0.71
	17/02/2017 - Transfer	1	0.00	1610246	0.71
	03/03/2017 - Transfer	-2	0.00	1610244	0.71
	10/03/2017 - Transfer	-229443	0.10	1380801	0.61
	24/03/2017 - Transfer	-169190	0.07	1211611	0.53
	31/03/2017 - Transfer	-25000	0.01	1186611	0.52
11	J O HAMBRO CAPITAL MANAGEMENT UMBRELLA FUND PLC J O HAMBRO CAPITAL MANAGEMENT AS				
	01/04/16	1202422	0.53		
	10/06/2016 - Transfer	-29703	0.01	1172719	0.52
	17/06/2016 - Transfer	-7360	0.00	1165359	0.51
	24/06/2016 - Transfer	-6187	0.00	1159172	0.51
	30/06/2016 - Transfer	63380	0.03	1222552	0.54
	22/07/2016 - Transfer	-19516	0.01	1203036	0.53
	29/07/2016 - Transfer	12013	0.01	1215049	0.54
	05/08/2016 - Transfer	-6378	0.00	1208671	0.53
	12/08/2016 - Transfer	-15821	0.01	1192850	0.53
	02/09/2016 - Transfer	-3791	0.00	1189059	0.52
	23/09/2016 - Transfer	53536	0.02	1242595	0.55
	07/10/2016 - Transfer	36606	0.02	1279201	0.56
	14/10/2016 - Transfer	32000	0.01	1311201	0.58
	25/11/2016 - Transfer	-5193	0.00	1306008	0.58
	02/12/2016 - Transfer	-5659	0.00	1300349	0.57
	30/12/2016 - Transfer	-42944	0.02	1257405	0.55
	13/01/2017 - Transfer	-27345	0.01	1230060	0.54
	03/02/2017 - Transfer	-11509	0.01	1218551	0.54
	31/03/17	1218551	0.54	1218551	0.54
12	BMO EMERGING MARKETS FUND				
	01/04/16	1235592	0.54		
	20/05/2016 - Transfer	-64169	0.03	1171423	0.52
	30/06/2016 - Transfer	-1974	0.00	1169449	0.52
	14/10/2016 - Transfer	-12640	0.01	1156809	0.51
	31/03/17	1156809	0.51	1156809	0.51
13	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND,L.P. #				
	01/04/16	863895	0.38		
	08/04/2016 - Transfer	110606	0.05	974501	0.43
	22/04/2016 - Transfer	23485	0.01	997986	0.44
	23/12/2016 - Transfer	-14799	0.01	983187	0.43
	30/12/2016 - Transfer	-48882	0.02	934305	0.41
	24/02/2017 - Transfer	-30000	0.01	904305	0.40

Sl No.	Name	Shareholding at the beginning [01/Apr/16]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	31/03/2017 - Transfer	-28804	0.01	875501	0.39
14	Avees Trading And Finance Private Limited				
	01/04/16	8089055	3.56		
	13/05/2016 - Transfer	199993	0.09	8289048	3.65
	20/05/2016 - Transfer	193007	0.09	8482055	3.74
	27/05/2016 - Transfer	100000	0.04	8582055	3.78
	10/06/2016 - Transfer	-40000	0.02	8542055	3.76
	30/06/2016 - Transfer	162500	0.07	8704555	3.84
	08/07/2016 - Transfer	-1931300	0.85	6773255	2.98
	15/07/2016 - Transfer	-157842	0.07	6615413	2.91
	22/07/2016 - Transfer	-725000	0.32	5890413	2.60
	29/07/2016 - Transfer	-383000	0.17	5507413	2.43
	26/08/2016 - Transfer	263000	0.12	5770413	2.54
	02/09/2016 - Transfer	-150000	0.07	5620413	2.48
	16/09/2016 - Transfer	150000	0.07	5770413	2.54
	30/12/2016 - Transfer	56000	0.02	5826413	2.57
	03/02/2017 - Transfer	203	0.00	5826616	2.57
	10/02/2017 - Transfer	698	0.00	5827314	2.57
	24/02/2017 - Transfer	-3923	0.00	5823391	2.57
	31/03/17	5823391	2.57	5823391	2.57

* Not in the list of Top 10 shareholders as on 01/04/2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

Shareholding of Directors and 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	7,69,500	0.34		
		As on 11/11/2016 - Inter-se Transfer (Sale)	-3,30,000	0.15		
		At the End of the year			4,39,500	0.19
2	Shri R.S. Goenka	At the beginning of the year	3,78,638	0.17		
		As on 31/03/2017 - Inter-se Transfer (Purchase)	3,05,000	0.13		
		At the End of the year			6,83,638	0.30
3	Shri K.N. Memani	At the beginning of the year			NIL	
		Transfer/Bonus/Purchase/Sale			NIL	
		At the End of the year			NIL	

Sl No.	Directors	Particulars	No. of Shares	% of total Shares	Cumulative Shareholding during the year	
					No. of Shares	% of total Shares
4	Shri Y.P. Trivedi	At the beginning of the year			NIL	
		Transfer/Bonus/Purchase/Sale			NIL	
		At the End of the year			NIL	
5	Shri P. K. Khaitan	At the beginning of the year			NIL	
		Transfer/Bonus/Purchase/Sale			NIL	
		At the End of the year			NIL	
6	Shri M. D. Mallya	At the beginning of the year			NIL	
		Transfer/Bonus/Purchase/Sale			NIL	
		At the End of the year			NIL	
7	Shri Amit Kiran Deb	At the beginning of the year			NIL	
		Transfer/Bonus/Purchase/Sale			NIL	
		At the End of the year			NIL	
8	Shri S.B. Ganguly	At the beginning of the year			NIL	
		Transfer/Bonus/Purchase/Sale			NIL	
		At the End of the year			NIL	
9	Shri Sajjan Bhajanka	At the beginning of the year			NIL	
		Transfer/Bonus/Purchase/Sale			NIL	
		At the End of the year			NIL	
10	Smt Rama Bijapurkar	At the beginning of the year	500	NIL		NIL
		Transfer/(Sale)	-500	NIL	NIL	NIL
		At the End of the year		NIL		NIL
11	Shri S.K. Goenka	At the beginning of the year	1,91,250	0.08		
		As on 11/11/2016 - Inter-se Transfer (Sale)	-12000	0		
		At the End of the year			1,79,250	0.08
12	Shri Mohan Goenka	At the beginning of the year	140,450	0.06		
		As on 11/11/2016 - Inter-se Transfer (Sale)	-9,500	0.00		
		At the End of the year			1,30,950	0.06
13	Shri A. V. Agarwal	At the beginning of the year	13,19,334	0.58		
		As on 11/11/2016 - Inter-se Transfer (Sale)	-87,000	0.04		
		At the End of the year			12,32,334	0.54
14	Shri H. V. Agarwal	At the beginning of the year	5,85,133	0.26		
		As on 18/03/2016 - Inter-se Transfer(Sale)	-50,000	0.02		
		At the End of the year			5,35,133	0.24
15	Smt. Priti A Sureka	At the beginning of the year	49,50,000	2.18		
		As on 11/11/2016 - Inter-se Transfer(Sale)	-1,40,000	0.06		
		As on 31/03/2017 - Inter-se Transfer(Sale)	-14,00,000	0.61		
		At the End of the year			34,10,000	1.51
16	Shri Prashant Goenka	At the beginning of the year	95,000	0.04		
		Transfer/Bonus/Purchase/Sale	Nil	0.00		
		At the End of the year			95,000	0.04

Sl No.	Key Managerial Personnel (KMP)	For Each KMP	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			
Indebtedness at the beginning of the financial year					
i) Principal Amount	-	3000.00	33000.00	-	36000.00
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	0.00
Total (i+ii+iii)	-	3000.00	33000.00	-	36000.00
Change in Indebtedness during the financial year					
- Addition	-	1500.00	1000.00	-	2500.00
- Reduction	-	2009.69	23020.00	-	25029.69
Net Change	-	-509.69	-22020.00	-	-22529.69
Indebtedness at the end of the financial year					
i) Principal Amount	-	2490.31	10980.00	-	13470.31
ii) Interest due but not paid	-	-	0.45	-	0.45
iii) Interest accrued but not due	-	-	-	-	0.00
Total (i+ii+iii)	-	2490.31	10980.45	-	13470.76

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	300.00	300.00	92.00	72.00	72.00	57.00	42.00	935.00
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.48	0.40	0.22	2.56	0.40	0.40	0.40	4.86
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961								-
2	Stock Option	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-
4	Commission - as % of profit	250.00	250.00						500.00
	- others, specify	-	-	-	-	-	-	-	-
5	Others, please specify (PF contribution)	36.00	36.00	11.04	8.64	8.64	6.84	5.04	112.20
	Total (A)	586.48	586.40	103.26	83.20	81.04	64.24	47.44	1,552.06

B. Remuneration to other directors:

₹ In Lacs

Sl. No.	Independent Directors Particulars of Remuneration	Name of Directors									Total
		Shri K.N. Memani	Shri Y.P. Trivedi	Shri P. K. Khaitan	Shri M. D. Mallya	Shri S. B. Ganguly	Shri Sajjan Bhajanka	Shri Amit Kiran Deb	Smt Rama Bijapurkar	Shri A. V. Agarwal	
1	Fee for attending Board / Committee meetings	1.50	3.00	3.50	2.25	2.95	3.05	6.10	1.75	4.25	28.35
2	Commission	7.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.25	39.00
3	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (B)	9.00	7.50	8.00	6.75	7.45	7.55	10.60	6.25	4.25	67.35
	Total Managerial Remuneration (A)+(B)										1619.41
	Overall Ceiling as per the Act										5319.40

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

₹ In Lacs

Sl. No.	Particulars of Remuneration	Name of KMP		Total
		Shri A. K. Joshi 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	41.97	199.09	241.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	-	0.32
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	42.29	199.09	241.38

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

ANNEXURE-IV

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

Composition of CSR Committee:

1. Shri S. K. Goenka, Chairman
2. Shri A. K. Deb, Independent Director
3. Shri Mohan Goenka, Whole-time Director
4. Shri H. V. Agarwal, Whole-time Director
5. Smt. Priti A. Sureka, Whole-time Director

Average Net Profit for the three previous Financial years: ₹47349 lacs

Prescribed CSR Expenditure: ₹947 lacs

Total amount spent in the Financial Year 2016-17: ₹755.35 lacs

Amount underspend: ₹191.65 lacs

Reason for underspend: Explained in the Directors Report

CSR Expenditure 2016-2017

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 Education, Vocational Training and Skill Development.	(i)	Infrastructure support to schools, colleges, institutions	Haripa (Hooghly), Kolkata, Abhoypur, Kamroop, Assam, BT Road(Kolkata), Karnataka, Kerela, Chandi, Amatala, (24Parganas(S)), West Bengal	677.00	428.95	428.95	Directly by Units, Emami Foundation, Dharma Chakra Trust, St. Xaviers College, Kolkata, Vivekananda Mission Ashram Institute of Ophthalmic Training
			Scholarship/Assistance to students and Education Support Program to	Kolkata, BT Road, Haripal, Hoogly, Sashtitala (Kidderpore), West Bengal		36.49	36.49	Directly from Units, Emami Foundation; Udayan Care, Apne Aap Women Worldwide
			Skill Development Program by providing support for building Computer Training Centre for mentally challenged children, Creating public awareness, Vocational Training Centres and other educational initiatives.	Panthnagar, Uttarakhand, Kolkata, West Bengal		36.05	36.05	Directly from Units, Emami Foundation; Arogya Sandhan Charitable Trust, Manovikas Kendra Rehabilitation & Research Institute.
								Calcutta Zoological Garden
Sub Total					677.00	501.49	501.49	

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered #	Projects or Program	Amount spent on Projects or programs (1) Local area or other (2) Specify the State and District where projects or program was undertaken	Amount outlay (budget) Project or Program wise	Amount spent on the projects or programs* 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the reporting period.	Direct or through implementing agency
2	Social Upliftment	(i)	Eradicating hunger, poverty and malnutrition [Hunger Mitigation Program]	Parts of Kolkata, Suburbs, BT Rd, Kolkata, West Bengal, Abhaypur & Amingaon, (Kamrup, Assam);	120.00	6.51	6.51	Directly from Units,
			Promoting Art & Culture by building Art & Dance Academy and supporting Yoga festival.	Gulmohar Park, New Delhi; Paramarth Niketan Ashram, Uttarakhand		36	36	Kalashram, New Delhi; Swami Shukdevanand Trust (Paramarth Niketan Ashram) Uttarakhand.
			Support to the under privileged community through Distribution of Ayurvedic Items	Kakdwip, 24Pgs (S), Kolkata, West Bengal, Bhubaneswar, Odissa		5.9	5.9	Directly
			Rural Development Program- support, in building Cold Storage for better crop management, Construction of Burning Ghat	Khandaipada district, Odissa, Haripal, Hooghly, West Bengal		9.31	9.31	Association For Active Social & Humanitarian Aid (Odisha), Emami Foundation
			Disaster Management Program- Support during natural calamities & camp in Kumbh Mella, Ujjain	Kolkata, West Bengal; Kamrup, Assam, Ujjain, madhya Pradesh		49.01	49.01	Directly From Ho & Units, HIVE India
			Sub Total			120.00	106.73	106.73
3	Promoting Health care, Water & Sanitation	(i)	Health Care Infrastructure Development Program	Kolkata, Haripa, Hooghly, West Bengal & at unit level	150.00	13.91	13.91	Directly, Lions District 322 B Welfare Trust, Emami Foundation, Marwari Relief Society.
			Promoting health Care activities through Clinics & Camps	Muktarambabu Street, Anandham, CN Roy Road, Nondanga Kolkata, Liluah, Aradhanadham, Haripal, Hoogly, Delhi, Mumbai, Bangaluru.		92.94	92.94	OPD Clinics & Health Camps, Support to VJM, Indian Cancer Society, National Programme for prevention and Eradication of Heart Attack (Delhi, Mumbai, Bangaluru, Kolkata), SAAOL Heart Camp.
			Water & Sanitation Program	Hripal and Kolkata		7.83	7.83	Emami Units & Emami Foundation
			Animal Welfare and Environment Program	Amingaon, Kamroop Assam and Kolkata, West Bengal		32.45	32.45	Amingaon Unit , Calcutta Pinjrapole Society (Kolkata)
			Sub Total			150.00	147.13	147.13
			Total		947.00	755.35	755.35	

*All the expenditures are Direct Expenditures and no Overheads

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

RESPONSIBILITY STATEMENT

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

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

sd/-
Shri Sushil Kr. Goenka
Chairman
CSR Committee

ANNEXURE-V

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

- i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2016-17

Sr. No.	Name	Ratio
1	Shri R.S Agarwal	254.04:1
2	Shri R. S. Goenka	254.04:1
3	Shri S. K. Goenka	44.73 : 1
4	Shri Mohan Goenka	35.84 : 1
5	Shri H. V. Agarwal	35.11 :1
6	Smt. Priti A Sureka	27.83 : 1
7	Shri Prashant Goenka	20.55 : 1

- ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in Financial Year 2015-16:

Sr. No.	Name	Designation	2015-2016	2016-2017	% Increase
1	Shri R. S. Agarwal	Executive Chairman	552.80	586.48	6.08%
2	Shri R. S. Goenka	Whole Time Director	552.80	586.40	6.08%
3	Shri S. K. Goenka	Managing Director	80.86	103.26	27.70%
4	Shri Mohan Goenka	Whole Time Director	62.56	82.72	32.23%
5	Shri H. V. Agarwal	Whole Time Director	60.88	81.04	33.12%
6	Smt. Priti A Sureka	Whole Time Director	60.88	64.24	5.52%
7	Shri Prashant Goenka	Whole Time Director	40.72	47.44	16.50%
8	Shri N. H. Bhansali	CEO - Finance, Strategy & Business Development and CFO	193.93	199.09	2.66%
9	Shri A. K. Joshi	Company Secretary & VP - Legal	39.49	42.29	7.10%

- iii) Number of permanent employees on the rolls of company as on March 31, 2017 : 3097

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

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

- v) The Market Capitalisation of the Company on March 31, 2017 was ₹23,94,508.38 Lacs as compared to ₹21,12,614.60 Lacs as on March 31, 2016; an increase of 13.34%. The price earning ratio of the Company was 72.11 as on March 31, 2017 and was 64.45 on March 31, 2016.

The closing share price of the Company on BSE on March 31, 2017 being ₹1055 per equity share of face value of Re. 1/- each has grown 38.95 times since the last public issue made in the year 2005 (Price on March 23, 2005 being ₹81.25 and the Adjusted price being ₹27.08 on account of bonus issue and split of shares).

- vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 10.42% whereas the increase in the managerial remuneration was 6.25%. The average increase every year is an outcome of the Company's performance as against its peer group companies and standard industry practices aligned with the Remuneration Policy of the Company.

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

The Board's report shall include a statement showing the name of every employee of the company, who-

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakhs rupees
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate was not less than Eight Lakhs Fifty Thousand rupees per month

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

1. Shri R.S. Agarwal, Executive Chairman, 58648271, Contractual, 47, FCA, FCS, M.Com, LLB, 03.05.1994, 71, HGI Industries Ltd., President & Secretary, 0.34, Father of Shri H.V. Agarwal, Shri A.V. Agarwal & Smt. Priti A Sureka; 2. Shri R.S. Goenka, Whole-Time Director, 58639600, Contractual, 47, B.Com, M.Com, 08.11.2012, 70, Emami Paper Mills Ltd., Executive Chairman, 0.25, Father of Shri Mohan Goenka and Brother of Shri S.K. Goenka; 3. Shri S.K., Managing Director, 10325600, Contractual, 37, B.Com, 17.05.1994, 60, Not applicable, Not applicable, 0.08, Brother of Shri R.S. Goenka; 4. Shri N.H. Bhansali, CEO-Finance, Strategy and Business Development & CFO, 19908593, Employee, 27, FCA, 01.11.2001, 51, Reliance Industries Ltd., Business Analyst, 0.01,-; 5. Smt. Punita Kalra, CEO-R&D & Innovation, 27200850, Employee, 19, Master in Pharmaceutical Science, 01.04.2010, 45, Hindustan Unilever Ltd., Product Technology Group Head Skin Care, Skin Regional Technology Centre,-,-; 6. Shri C.K. Katiyar, CEO-Technical (HC), 19636166, Employee, 34, PHD, 01.11.2012, 63, Dabur India Ltd., Vice President & Head (R&D), -,-; 7. Shri K.S. Arun Kumar, President-IT, 17603292, Employee, 34, MBA, 07.10.2013, 52, Hindustan Unilever Ltd. IT Director,-,-; 8. Shri Mohan Rajabhau Panchabhau, COO-Operations, 16788340, Employee, 31, BE, 09.06.2014, 53, Hindustan Unilever Ltd., Head of Innovation, Technology & Planning,-,-; 9. Shri Madan Mohan Pandey, President-Sales, 15293118, Employee, 18, BE, PGDM, 22.12.2015, 45, Marico Ltd., Head Sales, Supply chain and Business Development-South East Asia,-,-; 10. *Shri Koushik Gupta, Sr. VP-Marketing (IMD), 11202704, Employee, 22, MBA, 01.04.2016, 48, Glaxo Smithkline, Director, Global Business Lead,-,-; 11. * Shri Rana Banerji, President-HCD, 4966234, Employee, 22, MBA, 02.01.2017, 51, Dabur India Ltd., Head of the Marketing,-,-; 12. **Shri Ajith Babu Narasimha, CEO-HCD, 14175395, Employee, 30, B.Tech, PGDM, 01.08.2014, 52, Colgate Palmolive (India) Ltd., VP-Marketing,-,-; 13. **Shri Raghav Agrawal, CEO-IMD, 24199650, Employee, 27, BE, PGDM, 20.07.2015, 50, Hindustan Unilever Ltd., Personal Care Leader, skin, Unilever Europe,-,-.

* Employees who were employed for part of the financial year

** Resigned during the year

- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company



Corporate Governance Report

for the year ended March 31, 2017

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Emami firmly believes in adhering to established corporate governance practices in order to protect the interests of investors and ensure healthy growth of the Company. The Company stringently complies with the corporate governance practices as enumerated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {hereinafter referred to as the SEBI Listing Regulations}.

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

The Company further believes that the concept of corporate governance is founded upon the core values of transparency,

empowerment, accountability, independent monitoring and environmental consciousness. The Company has always given its best efforts to uphold and nurture these core values across all operational aspects. As a means to this end, the Company formed a Board comprising reputed experts and inducted persons of eminence as Independent Directors. These people contribute to corporate strategising and provide external perspectives, wherever appropriate.

BOARD OF DIRECTORS

a. Introduction

The Board of Directors is the apex body that governs the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness besides ensuring that the long-term interests of stakeholders are being served. The Board plays a pivotal role in ensuring good governance.

The Board's role, functions, responsibility and accountability are clearly defined in this regard.

The members of our Board are from diverse backgrounds with skills and experience in critical areas like taxation, finance, entrepreneurship, marketing, consumer behaviour as well as legal and general management. Many of them have worked extensively in senior management positions in global corporations with a deep understanding of the Indian business environment. The Chairman, Managing Director and Whole-time Directors are assisted by the CEOs/CFO/ senior managerial personnel in overseeing the functional matters of the Company.

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

The Board Meetings are usually

held at the registered office of the Company at Emami Tower, 687, Anandapur, E M Bypass, Kolkata-700 107

b. Composition of the Board

The Board of Directors comprises professionals drawn from diverse fields, resulting in a wide range of skills and experience being brought to the Board. The Company's policy is to maintain an optimal combination of Executive and Non-Executive Directors. As on 31st March 2017, the Board comprised an Executive Chairman, a Managing Director, five Executive Directors and nine Non-Executive Directors including eight Independent Directors. The Company has two women Directors on its Board. The Company has complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) of the SEBI Listing Regulations with respect to the Composition of the Board.

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

Name and Category of Directors			
	Promoter Directors		Non-Executive Independent Directors
1)	Shri R.S. Agarwal, Executive Chairman	1)	Shri K.N. Memani
2)	Shri R.S. Goenka, Wholetime Director	2)	Shri Y.P. Trivedi
3)	Shri S.K. Goenka, Managing Director	3)	Shri P. K. Khaitan
4)	Shri Mohan Goenka, Wholetime Director	4)	Shri M. D. Mallya
5)	Shri A.V. Agarwal, Non- Executive Director	5)	Smt. Rama Bijapurkar
6)	Shri H.V. Agarwal, Wholetime Director	6)	Shri Sajjan Bhajanka
7)	Smt Priti A Sureka, Wholetime Director	7)	Shri S.B. Ganguly
8)	Shri Prashant Goenka, Wholetime Director	8)	Shri Amit Kiran Deb

At the time of appointment, every Independent Director signs a declaration to confirm that he/she

fulfills all the conditions for being an Independent Director as laid down under the law.

The Independent Directors comply with the definition of Independent Directors as given under Section

149(6) of the Companies Act 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations & Requirements) Regulations 2015. While appointing/reappointing any independent Directors/Non-Executive Directors on the Board, NRCommittee considers the criteria as laid down in the Companies Act 2013 and Regulation 16(1) (b) of SEBI Listing Regulations, 2015. All the Independent Directors give a certificate confirming that they meet the independence criteria as mentioned in Section 149(6) of the Companies Act 2013 and SEBI Listing Regulations, 2015.

c. Agenda papers distributed in advance

Agenda of the Meeting of Board of Directors/committees are circulated among the Directors/invitees; well in advance, in a structured format. All material information is incorporated in the agenda papers to facilitate meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda and approval for the same is taken from the Board/committees as applicable. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

d. Directors' responsibilities

- i. The principal responsibility of the Board is to oversee the management of the Company and in doing so serve the best interest of the Company and its stakeholders. These

include:

- Reviewing and approving operating, financial and other corporate plans, strategies and objectives.
 - Evaluating whether the corporate resources are used for the appropriate business purposes.
 - Establishing a corporate environment that promotes timely and effective disclosures (including robust and appropriate control procedures and incentives), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations.
 - Evaluating the performance of the Company.
 - Attending the meetings of the Board, committees and shareholders.
- ii. Exercise best business judgments: In discharging their fiduciary duties with care and loyalty, the Directors exercise their judgment to act in what they reasonably believe to be in the best interest of the Company and its stakeholders.
 - iii. Understand the Company and its business: The

Directors have an obligation to remain informed about the Company and its business, including principal operational and financial objectives, strategies and plans.

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

e. The role of Company Secretary in the overall governance process

The Company Secretary plays a vital role in ensuring that Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and the senior management for effective decision-making at the meeting.

f. Compliance

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations primarily the Companies Act, 2013 read with the rules thereunder and SEBI Listing Regulations, 2015; besides preparing the agenda, the notes on the agenda and minutes of the meeting, among others. The Company Secretary establishes and regularly monitors the compliance mechanism in place to carry out effective and timely compliance of relevant laws, rules and regulations.

A composite report of statutory compliances of all applicable laws, rules and regulations among others along with the Certificates of Compliance duly signed by the respective heads of Department are placed before the Board on a quarterly basis. The Company has a dedicated team to monitor the compliance system and in turn is responsible for checking and reviewing the reports and preparing the Composite Compliance report. Based on the reports and certificates, a certificate of statutory compliances duly signed by the Managing Director and the CEO Finance, Strategy & Business Development and the CFO is also

placed before each Board Meeting held during the year under review.

The Audit Committee and the Board of Directors review the compliance reports of the laws applicable to the Company as well as instances of non-compliances, if any, together with their possible impacts on the business, if any. A strict internal audit system is also in place to monitor and certify the compliance system.

The Company has complied with all the mandatory requirements of SEBI Listing Regulations, 2015.

g. Risk management

The Company has a comprehensive

ISO 31000:2015 certified Enterprise Risk Management system at work. The risk management system is periodically reviewed by the Risk Management Committee, Audit Committee, Corporate Governance Committee and the Board of Directors of the Company.

The Board has appointed Shri Manoj Agarwal, Sr. VP Audit & Control as the Chief Risk Officer.

h. Number of Board meetings and the Directors present therein

The Board of Directors held five meetings during the year on May 5, 2016, August 3, 2016, October 27, 2016, January 30, 2017 and March 6, 2017.

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, 2016	16	16
2	August 3, 2016	16	14
3	October 27, 2016	16	15
4	January 30, 2017	16	14
5	March 6, 2017	16	12

The maximum time gap between any two meetings was less than 120 days as prescribed under regulation 17(2) of SEBI Listing Regulations, 2015. Video conferencing facilities are also used to facilitate Directors at other location to participate in board meetings.

i. Attendance of Directors at Board meetings, last Annual General Meeting, relationship with other Directors and number of Directorships held, Chairmanship or memberships of committees of each Director in various companies as at March 31, 2017

Details of board meetings held during the financial year and the number of Directors present:

Sl. No.	Name of Director & DIN	Position	Relationship with other Directors	Date of Joining	Number of Board meetings attended	Number of Directorships as on 31.03.2017 *	Number of committee positions held**	Attendance at the last AGM
1	Shri R.S. Agarwal DIN 00152996	Promoter Executive (Chairman) Director	Father of Shri A.V. Agarwal, Shri H.V. Agarwal & Smt. Priti A Sureka	03.05.94	5	6	None	Yes
2	Shri R.S. Goenka DIN 00152880	Promoter Executive Director	Brother of Shri S.K. Goenka and father of Shri Mohan Goenka	08.11.12#	5	8	Chairman-2 Member-4	Yes

Sl. No.	Name of Director & DIN	Position	Relationship with other Directors	Date of Joining	Number of Board meetings attended	Number of Directorships as on 31.03.2017 *	Number of committee positions held**	Attendance at the last AGM
3	Shri S. K. Goenka DIN 00149916	Promoter Executive (Managing Director)	Brother of Shri R.S. Goenka	17.05.95	5	4	Chairman-1 Member-3	Yes
4	Shri K.N. Memani DIN 00020696	Non – Executive Independent Director	-	15.05.06	3	8	Chairman-3 Member-5	No
5	Shri Y.P. Trivedi DIN 00001879	Non – Executive Independent Director	-	30.01.10	5	6	Chairman-2 Member-3	Yes
6	Shri P K Khaitan DIN 00004821	Non-Executive Independent Director	-	24.06.13	5	10	Chairman-6 Member-23	No
7	Shri M D Mallya DIN 01804955	Non-Executive Independent Director	-	20.01.14	4	10	Chairman-2 Member-6	Yes
8	Shri Sajjan Bhajanka DIN 00246043	Non – Executive Independent Director	-	08.05.12	3	13	Chairman-1 Member-4	No
9	Shri S.B. Ganguly DIN 01838353	Non – Executive Independent Director	-	30.01.10	3	9	Chairman-3 Member-9	Yes
10	Shri Amit Kiran Deb DIN 02107792	Non – Executive Independent Director	-	30.01.10	5	7	Chairman-1 Member-4	Yes
11	Smt. Rama Bijapurkar DIN 00001835	Non – Executive Independent Director	-	01.09.15	3	9	Chairman-1 Member-4	Yes
12	Shri Mohan Goenka DIN 00150034	Promoter Executive Director	Son of Shri R. S. Goenka	15.01.05	5	5	Chairman-1 Member-5	Yes
13	Shri A. V. Agarwal DIN 00149717	Promoter Non-Executive Director	Son of Shri R.S. Agarwal & brother of Shri H.V. Agarwal & Smt. Priti A Sureka	15.01.05	5	8	Chairman-2 Member-7	Yes
14	Shri H. V. Agarwal DIN 00150089	Promoter Executive Director	Son of Shri R.S. Agarwal & Brother of Shri A.V. Agarwal & Smt. Priti A Sureka	15.01.05	5	6	Member-5	Yes
15	Smt. Priti A Sureka DIN 00319256	Promoter Executive Director	Daughter of Shri R S Agarwal & Sister of Shri A.V. Agarwal & Shri H.V. Agarwal	30.01.10	5	5	Member-4	Yes
16	Shri Prashant Goenka DIN 00703389	Promoter Executive Director	Nephew of Shri R.S. Goenka & Shri S.K.Goenka	30.01.10	5	6	None	Yes

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

** Committees also include non-statutory committees.

Shri R. S. Goenka has become Whole Time Director, before that he was Non-Executive Director.

None of the Directors are members of more than Ten Board-level Statutory Committees or Chairman of more than five such Committees.

j. Information placed before Board of Directors

The Company has complied with Part A of Schedule II of SEBI Listing Regulations, 2015 read with Regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

The following items are generally tabled for information and review of the Board:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Company's annual financial results, financial statements, Auditors' Report and 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 on human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, among others;
- Sale of material nature of investment, subsidiaries and assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, among others;
- Financials and minutes of meetings of subsidiary companies;
- Appointment, remuneration and resignation of Director(s) and key managerial personnel;
- General notices of interest to the Directors including declaration of Independent Directors at the time of appointment/annually;
- Appointment of internal auditors, cost auditors and secretarial auditors;
- Secretarial audit report submitted by secretarial auditor;
- Certificate of statutory compliance certifying compliance with all laws as applicable to the Company;
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulation, 1996;
- Dividend declaration;
- Grant of loans and making investments of surplus funds;
- Transactions with related parties;
- Review of the risk management policy;
- Any other important or critical matters.

The Board is presented with all the information under the above heads whenever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board meetings, or are tabled in the course of the Board meetings or meetings of the relevant committees. Functional heads are also called upon to provide additional inputs to the items being discussed by the Board/committee as and when required

k. Presentation by the management

Before putting on record the quarterly/annual financial results of the Company, a presentation is made before the Board on operations of the Company including performance of major brands, international businesses, initiatives taken for sales promotion and all other matters having impact on the business of the Company.

l. Succession plan: The Board of Directors has satisfied itself that plans are in place for orderly succession for outgoing members of the Board of Directors and Senior Management Personnel.

m. Training of Board members and familiarisation programme for Independent Directors

At Emami, all the members of the Board of Directors are well-experienced professionals who are well acquainted with nature of industry, business model and other aspects of the Company.

The Board members are provided presentations containing about the Company, its business model, among others. The Company arranges training in the field of risk management of the Company's business for the executive Directors. Such training enables them for better decision-making in discharging their responsibilities.

During the year, the Executive Directors were imparted training on the Companies Act 2013, the SEBI Listing Regulations 2015, Direct & Indirect Taxation, impact of proposed GST, among others.

The relevant statutory changes/updates are discussed with the directors from time to time so that it helps them to make better and

informed decisions.

The Company has initiated a familiarisation programme for the Independent Directors as required under regulation 25(7) of the SEBI Listing Regulations 2015. The details of the Familiarisation programme can be accessed at: [http://www.emamiltd.in/investor-info/pdf/Familiarisation Programme For Independent Directors.pdf](http://www.emamiltd.in/investor-info/pdf/Familiarisation%20Programme%20For%20Independent%20Directors.pdf)

Independent Directors are regularly informed and updated on the business activities of the Company by providing them with the details of businesses of the Company as well as details of competitors, changes in relevant laws, their duties/responsibilities and liabilities as a Director. Such information enables the Independent Directors to be familiarised with the Company's operations and the industry at large. The Company had also organised factory visits for the Independent Directors as a part of the familiarisation programme.

n. Whistleblower mechanism

The Company has a strong and effective whistleblower policy which aims to deter and detect actual or suspected, misconduct. It has been established to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place within the organisation, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism. Any employee may report such incident without fear to the Chairman of the audit committee or alternatively may report to Head – Internal

Audit.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website www.emamiltd.in. The Audit Committee is empowered to monitor the functioning of the mechanism. It reviews the status of complaints received under this policy. The Committee has, in its report, affirmed that no personnel have been denied access to the Audit Committee.

o. Criteria for selection of Directors

The selection process of Board members is dependent on several parameters. The Company recognises and embraces the benefits of having a diverse Board and believes that it will enhance the quality of the decisions of the Board by utilising their varied skills, qualifications, professional experience, gender, knowledge, among others, of the members of the Board, which is necessary for achieving sustainable and balanced growth of the Company.

The Nomination and Remuneration Committee, in consultation with the Chairman of the Board, suggests appointment of suitable professionals who may be inducted into the Board. Upon fulfilment of the parameters, the Directors are appointed.

p. Terms and conditions for appointment of Independent Directors

The terms and conditions of appointment of the Independent Directors are subject to the provisions of the applicable laws,

including the Companies Act, 2013, SEBI Listing Regulations, 2015 along with the Articles of Association of the Company. Each Independent Director is issued a letter specifying the details of appointment at the time of joining. Every Independent Director signs a declaration to confirm that he/she fulfills all the conditions for being an Independent Director as laid down under the law.

q. Board diversity policy

The Company recognises and embraces the benefits of having a diverse Board of Directors. The Company believes that increasing diversity at the Board level is an essential element in maintaining a competitive advantage in the complex business that it operates. It recognises that a Board comprising of appropriately qualified people, with a broad range of experience relevant to the business of the Company, is important to achieve effective corporate governance and sustained commercial success.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors, and Women Directors. The composition of the Board is in accordance with requirements of the Articles of Association of the Company, Companies Act, 2013, SEBI Listing Regulations, 2015 and all other Statutory, Regulatory and Contractual obligations of the Company.

r. Board evaluation policy

The primary objective of the policy is to provide a framework and set standards for the evaluation of the Board as a whole and each Director individually. The Company aims to achieve a balance of merit,

experience and skills on the Board. The policy is to assess and enhance the effectiveness of the Board as a whole. Individual members are assessed on their effective contribution and commitment to their role and responsibilities as Directors. The Board evaluation process is carried out by the Nomination and Remuneration Committee.

s. Post meeting follow-up mechanism

The important decisions taken at the Board/Board-level Committee meetings are promptly communicated to the concerned departments/divisions. A report on the action taken on the decisions/suggestions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/committee for noting the same.

Code of conduct

The Company has its code of conduct for all the members of the Board including Independent Directors, Committees and employees working at the level of Heads of Departments. In compliance with SEBI Listing Regulations, 2015 and Companies Act, 2013 the code of conduct suitably lays down the duties of the Independent Director.

The said code is displayed on the Company's website, www.emamiltd.in, Under the Code; the Board has designated the Managing Director of the Company as Chief Executive Officer (CEO).

The CEO affirmed to the Board that the members of the Board and Committees and Heads of Departments have complied with the provisions of this Code. A

declaration signed by the CEO in this regard is annexed at the end of this Report.

Committees of the Board

With an objective to have a more focused attention on various facets of business, better accountability and ensuring compliances, the Board has constituted under mentioned committees which complies with the requirements of the Companies Act, 2013 as well as SEBI Listing Regulations, 2015.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Share Transfer Committee
4. Stakeholders Relationship Committee
5. Finance Committee
6. Corporate Governance Committee
7. Corporate Social Responsibility Committee
8. Risk Management Committee

Each of these committees has been mandated to operate within a given framework.

1. Audit Committee

The Audit Committee was constituted by the Board of Directors on March 28, 2001.

The Audit Committee acts as the link between the statutory auditors, the internal auditors and the Board of Directors of the Company.

The terms of reference of the Audit Committee are as per the guidelines set out in Regulation 18 of the SEBI Listing Regulations, 2015 read with Section 177 of the Companies Act, 2013.

The Company has a well-defined and structured internal audit

control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company.

The internal audit department governs its audit through modules/checklists to carry out process-wise audit and to ensure effective discharges of their duties and compliance with SEBI Listing Regulations, 2015. The Audit process being used by Internal Audit Department is also reviewed from time to time with a view to bring it in line with the regulatory framework.

The representatives of statutory auditors are permanent invitees to the audit committee meeting. The representative of the cost auditor is invited to attend the meeting of the audit committee when the cost audit report is tabled for discussion. The Managing Director, the CEO- Finance, Strategy & Business Development & CFO and Sr. VP - Finance & IR attend the Audit Committee as special invitees.

As on March 31, 2017 the Audit Committee comprises four (4) Directors out of whom three (3) are Independent Directors.

Shri S.B. Ganguly, Chairman of the Committee, possesses vast and longstanding experience in corporate matters.

Shri R.S. Goenka has expertise in commercial and taxation matters; Shri Amit Kiran Deb, IAS and M.A. in Political Science was Chief Secretary to the Government of West Bengal; and Shri Sajjan Bhajanka is a commerce graduate and an eminent industrialist with longstanding experience in corporate matters.

Shri A. K. Joshi, Company Secretary and VP-Legal, is the Secretary of the Committee.

The Audit Committee held 4 (four) meetings during the year on May 5, 2016, August 2, 2016, (along with an adjourned meeting on August 3, 2016), October 27, 2016 and January 30, 2017.

Shri S.B. Ganguly, Chairman of the Committee was duly present at Annual General Meeting held on August 3, 2016.

The gap between any two meetings did not exceed 120 days complying with the Companies Act, 2013 and provisions of SEBI Listing Regulations, 2015.

The functions of the committee include:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company including cost auditor of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section

134 of the Companies Act, 2013;

- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, among others), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence, performance and effectiveness of the audit process;
- Approval or any subsequent

modification of transactions of the Company with related parties;

- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the

internal auditors into matters where there is suspected fraud, irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 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., Chief Financial Officer 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	Independent	3
Shri R.S. Goenka	Promoter/ Executive Director	4
Shri Sajjan Bhajanka	Independent	2
Shri Amit Kiran Deb	Independent	4

2. Nomination and Remuneration Committee

The 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 three (3) Non-Executive Independent Directors and Shri A.K. Joshi, Company Secretary and VP-Legal, as its Secretary.

The Committee held two (2)

meetings during the year on May 5, 2016 and January 30, 2017

Shri A .K .Deb, Chairman of the Committee was duly present at the Annual General Meeting held on August 3, 2016. The Company complies with the Regulation 19 of SEBI Listing Regulations, 2015 with

respect to composition, role and responsibilities of Nomination and Remuneration Committee.

The functions of the Committee include:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration of the Directors, key managerial

personnel and other employees.

- To formulate criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become a Director and who may be appointed in senior management.
- To evaluate, review and

recommend to the Board, the remuneration of the Executive Directors, striking a balance between the performance and achievement.

- Whether to extend or continue the terms of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

Composition and attendance of the Members at the meeting:

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri Amit Kiran Deb, Chairman	Independent	2
Shri Sajjan Bhajanka	Independent	2
Shri S. B. Ganguly	Independent	1

REMUNERATION POLICY

Executive Directors

The Nomination and Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendations to the Board. The Board, based on the recommendations, decides the quantum of remuneration to be paid to Executive Directors, subject to approval by the shareholders in terms of the provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims to reward stellar performances on a periodical basis.

The Company has entered into agreement with each of the Executive Directors which may be terminated by either party by giving to the other party six months' notice of such termination.

Non-Executive Directors

The Non-Executive Directors are paid Sitting Fees of ₹50,000

(Rupees fifty thousand only) for attending Board meeting, ₹40,000 (Rupees forty thousand only) for attending Audit Committee meeting and ₹25,000 (Rupees twenty Five thousand only) for attending each of other Committees' meetings including Separate Meeting of Independent Directors. The aggregate sitting fees paid to Non-Executive Directors for the FY 2016-17 amounted to ₹28.35 lacs (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 under Section 197 of the Companies Act, 2013.

Criteria for payment to Non-Executive Directors

The Non-Executive Directors bring

with them significant professional expertise and substantial benefits through their rich experience in finance, legal, marketing, consumer behaviors and corporate strategy. Through their experience and knowledge, they safeguard the interest of investors by exercising an appropriate control at various levels. The Company has also inducted them in the various committees of the Board – audit committee, nomination and remuneration committee, stakeholder's relationship committee, finance committee, corporate governance committee, corporate social responsibility committee, share transfer committee and risk management committee.

Non-Executive Directors are paid sitting fees for attending the meetings of the Board within the prescribed limits and commission under Section 197 of the Companies Act, 2013.

Performance evaluation criteria

for Independent Directors

As per the provisions of SEBI Listing Regulations, 2015 the Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and the Board. The Committee formulates evaluation criteria for the

Independent Directors which is broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Level of oversight; and
- Professional conduct and independence.

In terms of Section 134 of the

Companies Act 2013, the Directors' Report also includes a statement indicating the process in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company

Details of remuneration for the financial year 2016-17

(₹ 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)	-	300.00	250.00	36.00	0.48	586.48
2	Shri R.S. Goenka (Whole Time Director)	-	300.00	250.00	36.00	0.40	586.40
3	Shri S.K. Goenka (Managing Director)	-	92.00	-	11.04	0.22	103.26
4	Shri K.N. Memani (Independent Director)	1.50	-	7.50	-	-	9.00
5	Shri Y.P. Trivedi (Independent Director)	3.00	-	4.50	-	-	7.50
6	Shri P. K. Khaitan (Independent director)	3.50	-	4.50	-	-	8.00
7	Shri M. D. Mallya (Independent Director)	2.25	-	4.50	-	-	6.75
8	Shri Sajjan Bhajanka (Independent Director)	3.05	-	4.50	-	-	7.55
9	Shri S.B. Ganguly (Independent Director)	2.95	-	4.50	-	-	7.45
10	Shri Amit Kiran Deb (Independent Director)	6.10	-	4.50	-	-	10.60
11	Smt. Rama Bijapurkar (Independent director)	1.75	-	4.50	-	-	6.25
12	Shri Mohan Goenka (Wholetime Director)	-	72.00	-	8.64	2.56	83.20
13	Shri A. V. Agarwal (Non-Executive Director)	4.25	-	-	-	-	4.25
14	Shri H. V. Agarwal (Whole Time Director)	-	72.00	-	8.64	0.40	81.04
15	Smt. Priti A Sureka (Whole Time Director)	-	57.00	-	6.84	0.40	64.24
16	Shri Prashant Goenka (Whole Time Director)	-	42.00	-	5.04	0.40	47.44

Shares held by the Non – Executive Directors as on 31st March, 2017

Sl. No.	Name of 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	Smt. Rama Bijapurkar	Independent	Nil
9	Shri A.V. Agarwal	Promoter Non-Executive	12,32,334

3. Share Transfer Committee

The share Transfer Committee was constituted on August 19, 2010.

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

The Committee held four (4) meetings during the year on July 27, 2016, August 11, 2016, November 15, 2016, and February 20, 2017

The functions of the committee include:

- Approval of transfer/transmission of securities of the Company;
- Overseeing of the performance of the registrar and share transfer agents of the Company;
- Redressal of shareholders' complaints relating to transfer of shares, non-receipt of annual reports and non-receipt of declared dividend, among others;
- Disposal of old stationeries of dividend warrants, among others;
- Issue of duplicate share certificates;
- Recommending upgradation measures for the standard of service to investors;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of Meetings attended
Shri Mohan Goenka, Chairman	Promoter Executive	4
Shri A. V. Agarwal	Promoter Non-Executive	4
Shri H. V. Agarwal	Promoter Executive	4
Smt. Priti A Sureka	Promoter Executive	4

4. Stakeholders' Relationship Committee

The stakeholders' relationship 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 in line with Companies Act, 2013. The company complies with provisions of Regulation 20 of SEBI Listing Regulations 2015

The stakeholders' relationship committee comprises two (2)

Independent Directors and two (2) Promoter Executive Directors.

Shri A. K. Joshi, Company Secretary and VP - Legal, is the Secretary of the Committee.

The functions of the Committee include:

- Considering and resolving the grievances of security holders of the Company;
- Providing guidance for overall improvement in the quality of services to investors;
- Dissemination of factually correct information to investors and the public at large;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

The Committee held one (1) meeting during the year on January 30, 2017 wherein the Committee reviewed the status of Unclaimed Shares, Unclaimed Dividend of previous years and the system of providing Investors' services among others.

Composition and attendance of the Members at the meeting:

Members	Category of Director	Number of Meetings attended
Shri Sajjan Bhajanka, Chairman	Independent	1
Shri S. B. Ganguly	Independent	-
Shri Mohan Goenka	Promoter Executive	1
Shri H. V. Agarwal	Promoter Executive	1

The Company Secretary is the Compliance Officer as per the SEBI Listing Regulations, 2015.

During the year ended March 31, 2017, seventeen complaints were received from shareholders, all of which have been attended/resolved as of date. Details of the complaints received and redressed are given below:

Nature of Complaint	Pending as on 1st April 2016	Received during the year	Disposed during the year	Pending as on 31st March, 2017
1. Non-receipt of dividend	NIL	7	7	NIL
2. Non-receipt of share certificate	NIL	2	2	NIL
3. Non-receipt of annual report	NIL	8	8	NIL
Total	NIL	17	17	NIL

5. Finance Committee

The finance committee was constituted on May 28, 2008. Subsequently, the Board changed nomenclature of the committee as risk management and finance committee and assigned an additional responsibility of reviewing risk management aspects of the Company. However, in view of Regulation 21 of the SEBI Listing Regulations, 2015 a specific committee for risk management aspect was constituted by the Board on October 29, 2015 and the committee has now been renamed as finance committee.

The finance committee of the Board comprises six (6) Directors, five (5) of whom are Executive

Directors. Shri A. K. Joshi, Company Secretary and VP-Legal, is the Secretary of the Committee.

The Committee held three (3) meetings during the year on June 8, 2016, July 28, 2016, and November 30, 2016.

The functions of the Committee include:

- Opening, modification and closure in operation of bank accounts;
- Reviewing and considering periodical budgets of the Company and approval of capital expenditures;
- Execution of power of attorney for empowering executives and/

or authorised representatives for business operations of the Company;

- Opening, modification and closure of trading and demat accounts required for securities, derivatives, foreign currency and all other options;
- Consideration of matters relating to participation in bids/tender/expression of interest and all other business alliances and joint ventures, among others, if any;
- Any other matters(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition, category of Directors and number of meetings attended:

Name of the Members	Category of Director	Number of Meetings attended
Shri R.S. Goenka, Chairman	Promoter Executive	3
Shri S.K. Goenka	Promoter Executive	3
Shri Mohan Goenka	Promoter Executive	2
Shri A. V. Agarwal	Promoter Non- Executive	3
Shri H.V. Agarwal	Promoter Executive	2
Smt. Priti A Sureka	Promoter Executive	3

6. Corporate Governance Committee

The corporate governance committee was constituted by the Board on July 30, 2010.

The corporate governance committee comprises three (3) Independent Directors and one (1) Promoter Director of the Company. Shri A. K. Joshi, Company Secretary and VP - Legal, is the Secretary of the Committee

The functions of the committee include

- Review of the best corporate

governance practices;

- Review of compliance with corporate governance at all levels and providing suggestions for its furtherance wherever necessary;
- Enhancement of shareholders' value and protection of their interests;
- Building up of an environment of trust and confidence with an eye on corporate performance and accountability;
- Review of compliances under the Listing Agreement.

The committee held one (1) meeting during the year on January 30, 2017 and Shri Y.P. Trivedi chaired the meeting.

The following reports were reviewed by the committee at the said meeting:

- Statutory compliance report;
- Compliance controls and audit methodology report and
- Auditing methodology report of the statutory auditors.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of Meetings attended
Shri S. B. Ganguly, Chairman	Independent	-
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 of five (5) Directors including one (1) Independent Director. Shri A.K. Joshi Company Secretary and VP-Legal, is the Secretary of the Committee.

The Committee is delegated and empowered to do the following:

- Formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the CSR activities to be undertaken by the Company as specified in the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;

- Monitor the expenses incurred as per the CSR policy of the Company from time to time;
- Any other matters as may be considered expedient by the members in furtherance of and to comply with the CSR policy of the Company.

The committee has held four (4) meetings during the year on May 5, 2016, August 2, 2016, October 27, 2016 and January 27, 2017.

Composition, category of Directors and number of meetings attended

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

8. Risk Management Committee

In terms of Regulation 21 of the SEBI Listing Regulations, 2015, the Board has constituted a Risk Management Committee on October 29, 2015.

The risk management committee of the Board comprises six (6) Directors, five (5) of whom are Executive Directors and One (1) Independent Director. Shri A. K.

Joshi, Company Secretary and VP-Legal, is the Secretary of the Committee.

The Committee held four (4) meetings during the year on May 5, 2016, August 2, 2016, October 27, 2016, and January 27, 2017.

The functions of the Committee include:

- Review and Monitoring of the

Enterprise Risk Management System of the Company;

- Review and Monitoring of the Risk Mitigation plan of the Company;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board;

Composition, category of Directors and number of meetings attended:

Name of the Members	Category of Director	Number of Meetings attended
Shri R.S. Goenka, Chairman	Promoter Executive	4
Shri S. B. Ganguly	Independent Director	3
Shri S.K. Goenka	Promoter Executive	4
Shri Mohan Goenka	Promoter Executive	4
Shri H. V. Agarwal	Promoter Executive	3
Smt. Priti A Sureka	Promoter Executive	2

Separate meeting of the Independent Directors

A separate meeting of Independent Directors was held on January 30, 2017 without presence of non-Independent Directors. In accordance with the SEBI Listing Regulations, 2015, the following matters were, inter alia, reviewed and discussed in the meeting:

- Performance of Non-independent Directors and the Board of Directors as a whole
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Governance in subsidiary companies

The Company does not have

a material non-listed 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.

The Policy for determination of Materiality of Subsidiaries can be accessed at: <http://www.emamitd.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf>

As at March 31, 2017 the Company had the following non-listed overseas subsidiary Companies:

1. Emami Bangladesh Ltd, a wholly-owned subsidiary of Emami Limited
2. Emami International FZE, UAE a wholly-owned subsidiary of Emami Limited
3. Emami Overseas FZE , UAE a wholly-owned subsidiary of Emami International FZE
4. Pharma Derm S A E Co, Egypt,

90.60% subsidiary of Emami Overseas FZE

5. Fravin Pty. Ltd, Australia, 85% subsidiary of Emami International FZE
6. Greenlab Organics, Australia, a wholly-owned subsidiary of Fravin Pty Ltd
7. Diamond Bio-tech Laboratories Pty. Ltd., Australia, a wholly-owned subsidiary of Fravin Pty Ltd
8. Abache Pty Ltd, Australia, a wholly-owned subsidiary of Diamond Bio-tech Laboratories Pty. Ltd.

The audit committee reviewed the financial statements and investments made by the above subsidiary companies. The minutes of these subsidiary companies meetings are placed before the Board of Directors from time to time.

The Company has complied with Regulation 24 of the SEBI Listing Regulations, 2015 with respect to

the subsidiary companies.

DISCLOSURES

a. Related-party transactions

In accordance with relevant provisions of the Companies Act 2013 and SEBI Listing Regulations, 2015 the Company has formulated a policy on materiality of related party transactions and on dealings with related party transactions. The policy for Transactions with Related Parties can be accessed at: <http://www.emamilttd.in/investorinfo/pdf/PolicyforTransactionswithRelatedParties.pdf>

All related party transactions are approved by the audit committee prior to the transaction. Related party transactions of repetitive natures are approved by audit committee on omnibus basis for one financial year at a time. All transactions pursuant to omnibus approval are reviewed by the audit committee on a quarterly basis.

A confirmation as to compliance of related party transaction as per SEBI Listing Regulations, 2015 is also sent along with quarterly compliance report on corporate governance.

There were no material significant related-party transactions and all contracts / agreements/ transactions entered into during the period with the related parties were carried out at arm's length at the fair market value.

Details of such transactions as per requirements of IND-AS-24 are disclosed in Note no. 3.52 to the audited accounts. A statement of these transactions was also placed before the Audit Committee and in the Board meetings from time to time.

b. Details of non-compliance

by the Company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has been no instance of any non-compliance.

c. Accounting treatment in preparation of financial statements

The Company followed the guidelines as laid down in the IND-AS, prescribed by the Institute of Chartered Accountants of India, for the preparation of the financial statements.

d. Risk management

The Company has framed a comprehensive enterprise risk management policy, not only to manage risks but also to minimise their impact. This policy is periodically reviewed by the management and the risk management committee in consultation with reputed and specialised consultants. The policy is updated as per requirements to ensure that the risks are properly dealt and mitigated. The Risk Management procedures are discussed and reviewed by the Risk Management Committee, Audit Committee and the Board of Directors every quarter.

e. Proceeds from public issues, right issues, preferential issues among others

The Company did not have any of the above issues during the year under review.

f. Management discussion and analysis report

The Company's annual report has a separate section for detailed management discussion and

analysis.

g. Observance of the secretarial standards issued by the Institute of Company Secretaries of India (ICSI).

The ICSI has issued secretarial standards on board meetings, general meetings, payment of dividend, maintenance of register and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal among others. The Ministry of Corporate Affairs has mandated SS-1 and SS-2 with respect to board meetings and general meetings, respectively. The Company has complied with these two standards, besides voluntarily complying with the other standards.

h. Audit report for reconciliation of share capital:

A qualified practicing company secretary Ms. Shruti Agarwal carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and the CSDL and the total issued and listed equity share capital. The audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

General shareholders' information Resignation /Appointment of Director

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on January 30, 2017 re-appointed Shri R.S. Agarwal as an Executive Chairman of the Company for a period of 5 (five) years with effect from April 1, 2017 and Shri R.S. Goenka, Whole-time Director of the Company

upon completion of his term on November 7, 2017 from November 8, 2017 till March 31, 2022 subject to approval of shareholders at the ensuing Annual General meeting by way of special resolutions.

Shri R. S. Goenka, Mohan Goenka and Shri S. K. Goenka, Directors would retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

The term of appointment of Independent Directors of the Company namely Shri K. N. Memani, Shri Y. P. Trivedi, Shri P.K. Khaitan, Shri M. D. Mallya, Shri S. B. Ganguly,

and Shri A. K. Deb is completing at the conclusion of the ensuing AGM of the Company. In the ensuing Annual General Meeting, the Board has, on recommendation of the Nomination and Remuneration Committee, proposed for their reappointment for a further term of 5 (five) years from the conclusion of 34th Annual General Meeting through special resolutions.

The term of appointment of Shri Sajjan Bhajjanka as Independent Director of the Company is completing at the conclusion of ensuing AGM of the Company and he has expressed his unwillingness

to be further considered for reappointment due to his preoccupation in other business. The Board took on record its appreciation for guidance received by it during his tenure as Independent Director.

In the ensuing Annual General Meeting, the Board has, on recommendation of the Nomination and Remuneration Committee, proposed appointment of Shri C. K. Dhanuka as an Independent Director for a period of 5 (five) years from the date of the ensuing 34th Annual General Meeting of the Company.

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	Date, location and time	Special resolutions transacted
March 31, 2016	Wednesday, August 3, 2016 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11:30 am	<ol style="list-style-type: none"> 1) Continuation of holding of office of Executive Chairman by Shri R.S. Agarwal (DIN 00152996) after attaining the age of 70 (Seventy) years. 2) Continuation of holding of office of Whole Time Director by Shri R.S. Goenka (DIN 00152880) upon attaining the age of 70 (Seventy) years.
March 31, 2015	Wednesday, August 5, 2015 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11:30 am	<ol style="list-style-type: none"> 1) Offer and Issue of Unsecured Redeemable Non-Convertible Debentures ('NCDs') on Private Placement Basis in one or more tranches upto a sum of ₹700 crore (Rupees Seven hundred crore only). 2) Authorisation for Borrowing up to a sum of ₹1,500 crore (Rupees fifteen hundred crore) under Section 180(1) (c) of the Companies Act 2013.
March 31, 2014	Saturday, August 9, 2014 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11:30 am	<ol style="list-style-type: none"> 1) Alteration of Articles of Association in relation to use of electronic mode for voting by members, participation in meeting of the Board of 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 under Section 180 (1) (a) of the Companies Act, 2013 for the purpose of securing borrowings. 3) Approval for continuation of transactions with Emami Bangladesh Ltd and Emami International FZE, the wholly owned subsidiaries of the Company u/s 188 of the Companies Act, 2013.

Whether any special resolution passed through postal ballot in the previous year: None

Person who conducted the postal ballot: Not applicable

Details of resolutions passed through e-voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provided members the facility to exercise their right to vote on resolutions transacted at the AGM by electronic means, provided by Central Depository Securities Limited (CDSL).

Green initiatives undertaken as per the directives of the Ministry of Corporate Affairs, Government of India

The Company as a responsible corporate citizen welcomes and supports the Green Initiatives taken by the Ministry of Corporate Affairs, Government of India by its circular, enabling electronic delivery of documents to the shareholders. The Company has already implemented to send the communication to the shareholders by electronic mode at their e-mail addresses registered with the depository/ registrar and share transfer agent and all such communications were immediately uploaded at the Company's website. This helped in prompt delivery of documents avoiding loss in transit.

The Company had requested the shareholders to register their e-mail ids with the registrar and share transfer agents of the Company or to their depository participants so as to enable the Company to use

the same for serving documents to them electronically.

Code for prevention of Insider-Trading practices

As per the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company Secretary is the compliance officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, pre-clearance of trade, monitoring of trades and implementation of the code of conduct for trading in Company's securities under the overall supervision of the Board.

The Company has adopted a code of conduct for prevention of insider trading as well as a code of corporate disclosure practices. All the Directors on the Board, senior management at all locations and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this code. The Company has also formulated code of practices and procedures for fair disclosure of unpublished price-sensitive information which is available on the Company's website www.emamiltd.in

Foreign Exchange Risk Management Policy

With an objective to indemnify the Company as a result of Foreign Exchange fluctuations, the Company has framed a structure of Foreign Exchange Risk Management Policy which elaborates on the process of risk management and to protect profits/ insulate against losses on account of Forex fluctuations.

Means of communication

i. 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

ii. Presentations/News releases

Presentations and Official press release made to the media, analysts, and institutional investors, among others are displayed on the Company's website.

iii. Website

The Company's corporate website www.emamiltd.in contains comprehensive information about the Company. An exclusive section is for investors wherein annual reports, quarterly/half-yearly financial results, notices, shareholding patterns, policies among others are available for reference or download.

iv. Annual report

The annual report containing inter alia audited annual accounts, consolidated financial statements, reports of the auditors and directors, chairman's statement, management discussion and analysis report and other important information is circulated to the members and displayed on the Company's website.

v. Designated exclusive email-id

The Company has designated email-id exclusive for investor services – investors@emamigroup.com which has been displayed on the Company's website www.emamiltd.in.

vi. Intimation to stock exchanges

The Company intimates the stock

exchanges about all price sensitive information or such other matters which in its opinion are material and of relevance to the shareholders.

vii. Investor relations

The Company's executives participate in investor meetings including conferences in India and abroad from time to time organised by financial institutions, analyst and broking houses. A conference call is done every quarter after declaration of financial results to address the queries of analysts.

Shareholders' information

Date, time and venue of the annual general meeting

The 34th Annual General Meeting will be held on Wednesday, August 2, 2017 at 11:30 am at the auditorium of South City International School, 375, Prince Anwar Shah Road, Kolkata- 700 068.

Last date of receipt of proxy: Monday, July, 31, 2017 till 11:30 am

Final dividend payment date: August 2, 2017 onwards (within

thirty days of the declaration of the dividend)

Electronic voting: Pursuant to Section 108 and other applicable provisions of the Companies Act 2013, read with Companies (Management and Administration) Rules 2014, remote e-voting will be made available at the 34th Annual General Meeting, the voting will be from Friday, July 28, 2017 to Tuesday August, 1, 2017 (both days inclusive) from 9 am to 5 pm

Financial calendar

Financial year: April 1, 2016 to March 2017

The board meetings for approval of financial results for financial year 2016-17 were held on the following dates:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	August 3, 2016	October 27, 2016	January 30, 2017	May 4, 2017

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2017-18 are as follows:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	On or before August 14, 2017	On or before November 14, 2017	On or before February 14, 2018	On or before May 30, 2018

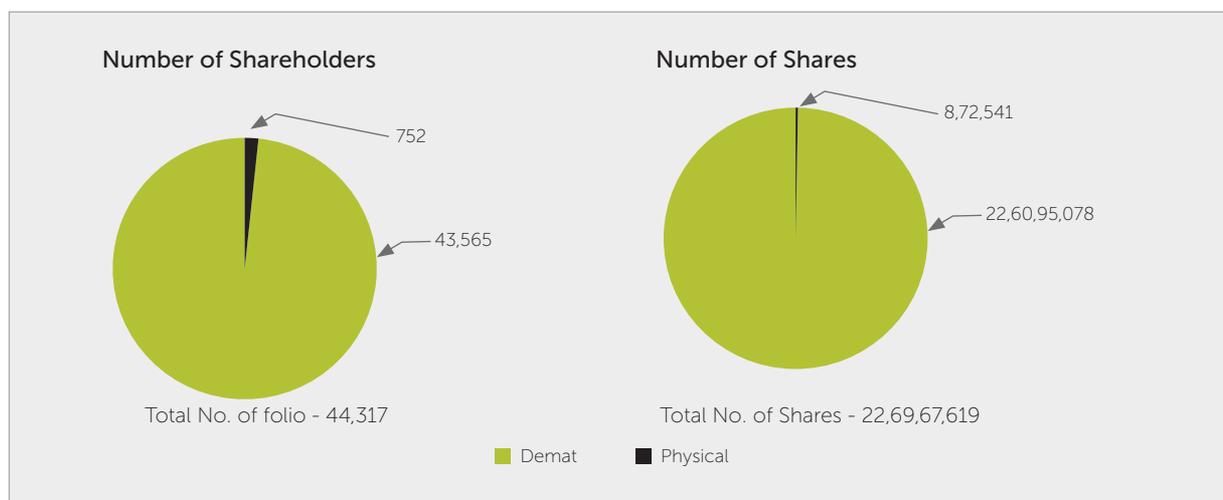
Market information

Listing on stock exchanges

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

Sl. No.	Name and address of the exchange	Stock code
1	The National Stock Exchange of India Ltd Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai 400 051, India	EMAMI LTD
2	BSE Ltd Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 023, India	531162
3	The Calcutta Stock Exchange Ltd 7, Lyons Range, Kolkata-700001, India	18136

Number of shareholders and shares held in physical and dematerialised form as on March 31, 2017:



Dematerialisation of shares and liquidity as on March 31, 2017

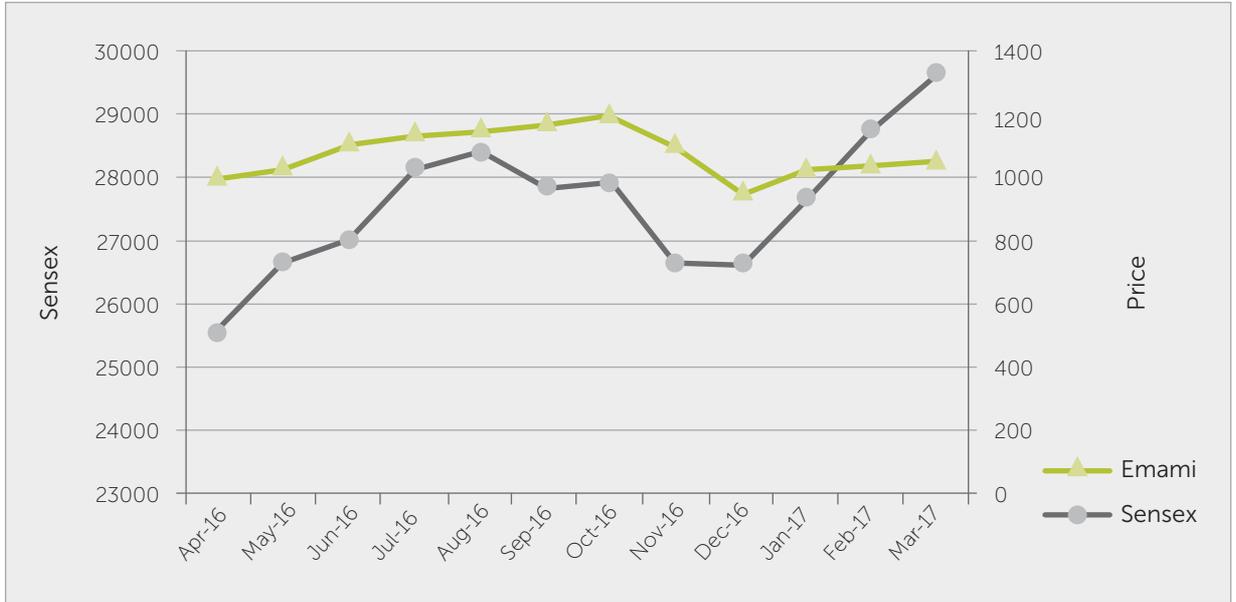
Nature of holding	Holders	Shares	Percentage
Physical	752	8,72,541	0.38
Demat	43,565	22,60,95,078	99.62
Total	44,317	22,69,67,619	100.00

Emami share price at BSE and NSE

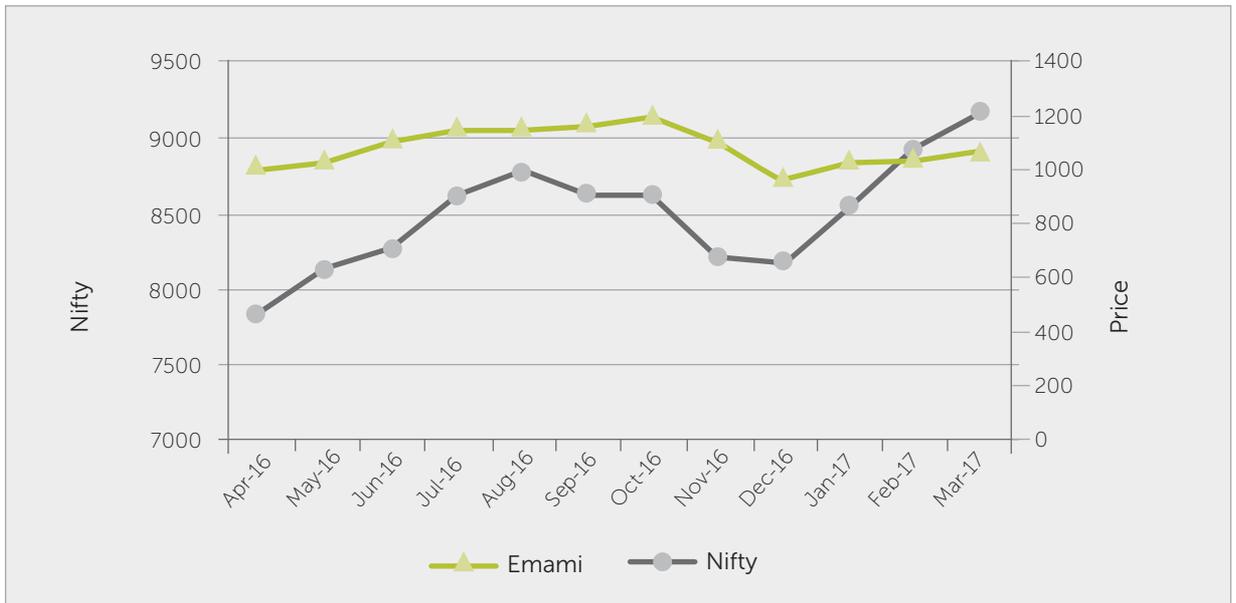
April 2016-March 2017 (Face value of shares: ₹ 1 each)

Month	Emami share price on BSE			Emami share price on NSE		
	High	Low	Close	High	Low	Close
April-16	1045.00	915.60	1004.25	1047.00	915.25	1006.75
May-16	1138.00	961.00	1023.40	1138.40	961.00	1024.00
June-16	1112.00	972.00	1100.05	1112.25	970.00	1100.25
July-16	1169.90	1025.00	1138.30	1159.80	1075.05	1140.30
August-16	1197.00	1077.75	1148.05	1199.00	1080.00	1146.70
September-16	1247.70	1130.95	1178.85	1248.00	1140.00	1169.90
October-16	1232.15	1110.00	1202.30	1234.00	1107.00	1203.80
November-16	1260.80	993.60	1107.30	1260.00	990.00	1108.90
December-16	1100.00	937.00	955.90	1111.20	935.40	951.55
January-17	1087.40	945.00	1035.15	1089.00	941.55	1031.15
February-17	1197.00	1018.55	1041.20	1199.00	1013.95	1040.40
March-17	1080.00	990.10	1054.90	1086.05	990.00	1064.35

Graphical representation of share price of Emami Ltd at BSE vis-à-vis S&P BSE Sensex



Graphical representation of share price of Emami Ltd at NSE vis-à-vis Nifty



Debt securities

The redeemable non-convertible debentures issued by the Company are listed on the Wholesale Debt Market (WDM) of National Stock Exchange of India Limited (NSE).

Debenture trustees (for privately placed debentures)

IDBI Trusteeship Services Limited
Ground Floor, Asian Building,
17, R Kamani Marg,
Ballard Estate, Mumbai 400 001

Redemption schedule:

Series I: 22nd May, 2017
(₹150 crore)

Series II: 22nd August, 2017
(₹75 crore)

Series III: 22nd November, 2017
(₹ 75 crore)

Registrar and share transfer agents
(for equity shares and debentures)

M/s Maheshwari Datamatics Private Limited

23, R. N. Mukherjee Road, Kolkata –
700001, West Bengal, India Tel: 91-
033-2248 2248, 2243 5809 / 5029
Fax No 91-033-2248 4787, Email:
mdpl@cal.vsnl.net.in

All activities in relation to both physical and electronic share transfer facility are maintained by the registrar and share transfer agent of the Company, a compliance certificate in this respect duly signed by the compliance officer and the authorised representative of the share transfer agent is submitted to the exchanges within one month from the end of each half of the financial with the requirements of sub- regulation 7(3) of SEBI Listing Regulations, 2015.

Applications for transfer of shares held in the physical form are received at the office of the registrar and share transfer agent of the Company. All valid transfers/ requests are processed within 15 days from the date of receipt.

Physical shares received for 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 depository participants under advice to the shareholders.

Pursuant to the provisions of Regulation 40(9) of SEBI Listing Regulations, 2015, a certificate on a half-yearly basis 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 Stock Exchanges where the shares are listed.

Reconciliation of share capital audit report

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.

Distribution of shareholding by size as on March 31, 2017

Shareholding of nominal Value (₹1/-)	Shareholders		Share amount	
	Number	% of total	In ₹	% of total
Up to – 500	41037	92.60	3441290	1.52
501 – 1000	1441	3.25	1016387	0.45
1001 – 2000	722	1.63	989541	0.44
2001 – 3000	277	0.63	678383	0.30
3001 – 4000	135	0.30	473429	0.21
4001 – 5000	102	0.23	460114	0.20
5001 – 10,000	168	0.38	1170860	0.51
10,001 and above	435	0.98	218737615	96.37
Grand Total	44317	100.00	226967619	100.00

Shareholding pattern as on 31 March, 2017

Category	Number of shares held	% of shareholding
A. Promoters' holding		
- Indian promoters		
Individuals	2,02,85,971	8.94
Corporates	14,01,22,471	61.74
- Foreign promoters (NRI)	46,80,413	2.06
Sub-total	16,50,88,855	72.74
B. Non-promoters holding		
1. Institutional investors		
a. Mutual funds and UTIs	60,72,371	2.68
b. Banks, financial institutions and insurance companies	1,45,723	0.06
c. Foreign institutional investors	3,54,10,061	15.60
Sub-total	4,16,28,155	18.34
2. Others		
a. Private corporate bodies	1,00,99,555	4.45
b. Indian Public	93,00,274	4.10
c. NRIs/OCBs	5,08,009	0.22
d. NBFC	5,621	0.00
e. Trusts	1,31,308	0.06
f. Clearing member	2,05,842	0.09
Sub-total	2,02,50,609	8.92
Grand total	22,69,67,619	100.00

Top-ten shareholders as on 31st March, 2017

Sl. No.	Name	No of Shares held	% of Shareholding
1	Diwakar Viniyog Private Limited	3,37,71,887	14.88
2	Suntrack Commerce Private Limited	3,31,36,016	14.60
3	Bhanu Vyapaar Private Limited	2,77,91,381	12.24
4	Raviraj Viniyog Private Limited	1,38,86,007	6.12
5	Prabhakar Viniyog Private Limited	1,31,99,961	5.82
6	Suraj Viniyog Private Limited	1,29,57,139	5.71
7	Avees Trading And Finance Private Limited	58,23,391	2.56
8	TMT Viniyogan Limited	48,66,580	2.14
9	Shri Amitabh Goenka	37,85,748	1.67
10	Smt. Priti Sureka	34,10,000	1.50

Corporate benefits offered to investors during the year:

Interim dividend

The Board of Directors at their meeting held on 6th March 2017 declared payment of interim dividend at the rate of ₹1.75 per equity share for the financial year 2016-17, the said interim dividend was paid to all the members of the

Company on the record date i.e. 15th March 2017.

Final dividend

The Board of Directors at their meeting held on May 4, 2017 recommended payment of final dividend @ ₹5.25 per share subject to approval of shareholders in the ensuing annual general meeting and the said dividend if

declared, would be paid to all the members registered in the register of members maintained by the company / depositories on the record date i.e. 27th July 2017 fixed for determining entitlement of said final dividend.

Unclaimed dividends

Unclaimed Dividend for the Financial Year 2008-09 amounting

to ₹3,78,572 was transferred into Investors Education & Protection Fund on January 30, 2017 in compliance with Section 124 the Companies Act, 2013.

The particulars of unpaid dividend for the previous seven years were uploaded on the Company's website and filed with the Ministry of Corporate Affairs.

Equity shares in the suspense account

600 equity shares of the Company and 66 equity shares of Emami Infrastructure Limited allotted in terms of scheme of arrangement between Emami Limited, Zandu Pharmaceutical Works Limited and Emami Infrastructure Limited, are lying in the suspense Account as on March 31, 2017 in demat form.

4200 equity shares of the Company which were undelivered and dividend on which was also unclaimed since last seven consecutive years are lying in Emami Limited securities suspense account in physical form. The voting rights of the shares standing in the suspense account shall remain frozen till the rightful owner of such shares claims the same.

Furthermore, with respect to unclaimed shares, as required under Regulation 39(4) of SEBI Listing Regulations, 2015, the Company has sent three reminders to shareholders to claim these shares. These share certificates are released on requests received from eligible shareholders after due verification. The balance unclaimed share certificates will be

transferred to unclaimed suspense account as required under the SEBI Listing Regulations, 2015 in due course.

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

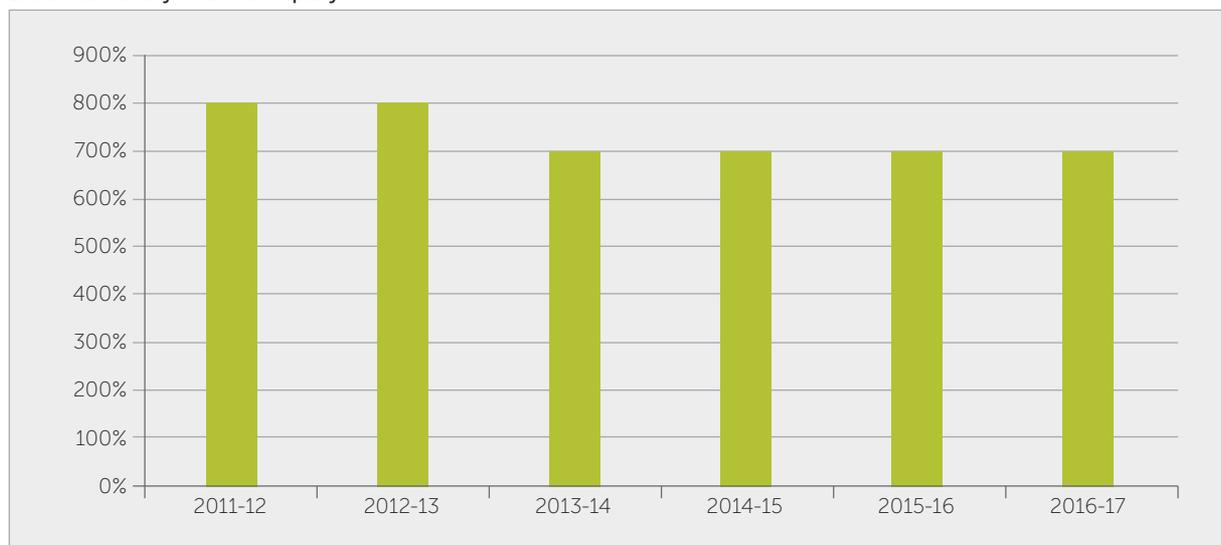
The Company has issued individual notice through registered post to all the shareholders whose dividends are lying unclaimed for consecutive seven years and a public notice in this respect has been given in English and vernacular newspapers as per Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016. The details of such shareholders have been uploaded in the Company's website.

Dividend history of the Company with EPS and payout ratio:

Financial Year	Dividend (%)	Dividend per share (₹)	Earnings per share (₹)	Payout Ratio* (%)
2011-12	400% + 400% special dividend	8.00	16.97	54.70%
2012-13	800%	8.00	20.80	45.00%
2013-14	Interim 300%	7.00	17.73	46.24%
	Final 400%			
2014-15	Interim 400% Final 300%	7.00	21.40	38.75%
2015-16	700%	7.00	15.82	53.26%
2016-17				
Interim	175%	1.75		
Final	525%	5.25	14.98	55.00%

*Including dividend distribution tax.

Dividend History of the Company



Capital base increased in the Financial Year 2013-14 due to issue of bonus shares.

Correspondence regarding change of address among others

Shareholders are requested to ensure that any correspondence for change of address and change in bank mandates among others should be signed by the first named shareholder. The Company is now further requesting for supporting documents such as proof of residence and proof of identification, whenever a letter

requesting for change of address is received. This is being done in the interest of shareholders, to avoid fraudulent change of the registered address of shareholders by unscrupulous parties. Shareholders are requested to kindly cooperate and submit the necessary documents/evidence while sending the letters for change of address. Shareholders who hold shares in dematerialised

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

The Company has entered into agreements with both 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	Maharashtra Sanjan Village, Dongari, TalukaTalasari, Maharashtra - 401601
Assam Amingaon Plant EPIP Complex Amingaon, Guwahati - 781031	Gujarat Plot No. 82, G I D C, Vapi, Gujarat - 396194
Abhoypur Plant Abhoypur Plant P.O. College Nagar, Abhoypur, Guwahati, Assam - 781031	Uttarakhand Plot No 40 & 41, Sector 5,IIE,Pantnagar, Udham Singh Nagar, Uttarakhand - 263 152
Pacharia Plant Pacharia Nalgar Road, Pacharia, Dolarpathar, Kamrup, Pin-781104, Assam	Dadra & Nagar Haveli Survey No 61/2, Plot No 1, Village Masat, Silvassa, Dadra & Nagar Haveli - 396230

Representing Officers:

Compliance Officer :	Shri A. K. Joshi, Company Secretary & VP-Legal
Institutional Investors / Financial Analysts	Shri Rajesh Sharma, Sr. VP- Finance & Investor Relations
Indian Retail Investors	Shri Ashok Purohit, Assistant Company Secretary
Communication address of the above officers	Emami Limited Emami Tower, 687, Anandapur, E M Bypass, Kolkata 700107, West Bengal investors@emamigroup.com T + 91- 033 - 6613 6264 F +91-033-6613 6600

Communication channels:

Category	Channels
Shareholders	Annual reports, shareholders meetings, formal communications, website, e-mails, newspaper publications
Financial Analysts	Annual reports, press releases, websites
General Public	Website, newspaper publications

Details of publication of Financial Results

Quarter ended	National	Vernacular
31.03.2016	Economic Times, Business standard, Indian Express, Mint :Published on May 6, 2016	Ei samay : Published on May 7, 2016
30.06.2016	Economic Times, Business standard, Financial Express, Mint : Published on August 4, 2016	Ei samay : Published on August 4, 2016
30.09.2016	Economic Times, Business standard, Published on October 28, 2016	Ei samay : Published on October 28, 2016
31.12.2016	Economic Times, Business standard, Published on January 31, 2017	Ei samay : Published on January 31, 2017

CEO (Managing Director)/ CFO certification

The CEO and CFO certification as required by SEBI Listing Regulations is enclosed at the end of the report.

Report on corporate governance

The quarterly compliance report has been submitted to the stock exchanges where the Company's equity shares are listed in the prescribed format as per SEBI Listing Regulations, 2015 duly signed by the company secretary.

Compliance requirements

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the regulations are as below:

Mandatory requirements

The Company was fully compliant with mandatory requirements SEBI Listing Regulations, 2015.

Non-mandatory requirements:

1. The Board (maintenance of Chairman's office):

The Company has an Executive Chairman and as such does not require a Non-Executive Chairman's Office.

2. Shareholders' rights

The quarterly and half-yearly financial results are published in widely circulating national and local dailies and are displayed on the Company's website 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 said purpose.

5. Reporting of internal auditor

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company. The internal auditor reports directly to the Audit Committee.

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

We, Sushil Kr. Goenka, Managing Director and N. H. Bhansali, CEO-Finance, strategy & Business Development and CFO of Emami Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements of the Company for the year ended March 31, 2017, and all its schedules and notes on accounts, as well as the Cash Flow statement.
2. To the best of our knowledge and information:
 - a. these statements do not contain any materially untrue statement or omit to state a material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the Company's code of conduct.
4. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures.
5. The Company has disclosed where ever applicable, to the Company's auditors and to the audit committee of the Company, the following:
 - a. All significant deficiencies in the design or operation of internal controls, which we are aware of and have taken steps to rectify these deficiencies;
 - b. Significant changes in internal control during the year;
 - c. Any fraud, which we have become aware of and that involves Management or other employees who have significant role in the Company's internal control systems;

We further declare that all members of the Board and Committees and all employees working at the level Head of the department have affirmed compliance with the Code of Conduct of the Company for the financial year 2016-17.

Date: May 4, 2017
Place: Kolkata

Sushi Kr Goenka
Managing Director

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

Auditors' Certificate on Corporate Governance

To,
The Members of
Emami Limited

We have examined the compliance of conditions of Corporate Governance by Emami Limited ('the Company'), for the year ended 31st March 2017 as referred to in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **S K Agrawal & Company**
Chartered Accountants
ICAI Firm Registration No-306033E

Place: Kolkata
Dated: May 4, 2017

S K Agrawal
Partner
Membership No.9067



Business Responsibility Report

Emami Ltd.

About this report

Regulation 34(2)(f) of SEBI (Listing obligations and Disclosure Requirements), Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 500 listed entities based on market capitalisation as on 31st March every year. The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles. Following is the Business Responsibility Report of our Company which is based on the format suggested by SEBI in its abovementioned circular.

About Emami Limited

Emami Limited is one of the leading and fastest growing personal and healthcare businesses in India, with an enviable portfolio of household brand names such as BoroPlus, Navratna, Fair and Handsome, Zandu Balm, Kesh King and Mentho Plus Balm.

Established in 1974, we have a portfolio of nearly 300 products based on ayurvedic formulations. Our current operations comprise more than 60 countries and over 120 Emami products are sold every second somewhere around the world.

Emami has maintained a CAGR turnover of 13% over the last 5 years through its consistent business performance. Emami focuses on aggressive marketing powered by celebrity endorsements like Amitabh Bachchan, Shah Rukh Khan, Hrithik Roshan, Shahid Kapur, Kareena Kapoor Khan, Kangana Ranaut, Yami Gautam, Juhi Chawla, Shruti Haasan, Sania Mirza, Parineeti Chopra, Bipasha Basu, Sonakshi Sinha, Mahendra Singh Dhoni, MC Mary Kom, Saina Nehwal, Sushil Kumar, and Gautam Gambhir among others.

Philanthropic efforts of Emami Limited

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 sustainability initiatives are 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.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN):	L63993WB1983PLC036030
2.	Name of Company:	Emami Limited
3.	Registered Address:	Emami Tower, 687, Anandapur, E.M. Bypass, Kolkata 700107, West Bengal
4.	Website:	www.emamiltd.in
5.	Email ID:	contact@emamigroup.com
6.	Financial Year Reported:	2016-17

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Emami Ltd. is a Fast-Moving Consumer Goods (FMCG) company and operates in niche consumer and healthcare product categories like Cooling Oils, Balms, Antiseptic cream, Fairness creams for men and ayurvedic Hair and Scalp Care Oils. Our product portfolio includes nearly 300 trusted products. The principle products of the Company with Industrial Activity code are :

Sl. NO.	Product	Industrial Activity Code
1.	Navratna Oil	30049011
2.	Zandu and Mentho Plus Balm	30049011
3.	BoroPlus Antiseptic Cream	30049011
4.	Fair and Handsome Cream	33049910
5.	Kesh King Oil	30049011

8. List Key products that the Company manufactures:

- Navratna Oil
- Zandu and Mentho Plus Balm
- BoroPlus Antiseptic Cream
- Fair and Handsome Cream
- Kesh King Ayurvedic Medicinal Oil

9. Total number of locations where business activity is undertaken by the Company:

- Number of International Locations (Details of major 5) - Emami operates through 8 overseas subsidiaries and has presence in 60+ countries with a manufacturing unit in Bangladesh as well. Major geographies where Emami operates in are:
 - South Asian Association for Regional Cooperation (SAARC)
 - Middle East, North Africa and Pakistan (MENAP),
 - South East Asia and Australia (SEAA)
 - CIS and Eastern Europe (CISEE)
 - Africa
- Number of National Locations: Emami carries out its operations through its Head Office in Kolkata, 4 regional offices, 8 manufacturing units and 33 depots across India.

10. **Markets Served by the Company:** Indian market, export and operations in International geographies as above.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid Up Capital (INR):	22.69 crore
2.	Total Turnover (INR):	2,533 crore
3	Total Profit after Taxes (INR)	340 crore
4	Total spending on CSR as a percentage of Profit After Tax	2.22%
5	List of activities in which expenditure in point 4 above has been incurred	
	a. Promoting Education and Enhancing Vocational Skills	
	b. Promoting Healthcare Water and Sanitation	
	c. Social Upliftment Programmes	

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? : Yes.
2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies):

Emami has subsidiaries in foreign countries as under:

- i. Emami International FZE
- iii. Emami Overseas FZE (Step down subsidiary of Emami International FZE)
- iv. Pharmaderm Company SAE (Step down subsidiary of Emami Overseas FZE)
- v. Fravin PTY Ltd (Step down subsidiary of Emami International FZE)
- vi. Diamond Bio-Tech Laboratories PTY Ltd. (Step down subsidiary of Fravin PTY Ltd.)
- vii. Greenlab Organics Ltd. (Step down subsidiary of Fravin PTY Ltd.)
- viii. Abache PTY Ltd. (Step down subsidiary of Fravin PTY Ltd.)

The Business Responsibility policies of the subsidiaries are in line with the Company's requirements.

3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (Less than 30%, 30-60%, more than 60%).

The Business Responsibility policies are applicable to the management and all the employees of the Company. Emami Limited encourages adoption of BR initiatives by its Business Partners. Based on dialogue with the suppliers and distributors of the Company, currently less than 30% of other entities participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

- a. Details of Director/ Directors responsible for implementation of the BR policy/ policies:
 - Name of the Director: Shri S.K. Goenka
 - Designation: Managing Director
 - DIN No: 00149916
- b. Details of the BR head:

Sl. No.	Particulars	Details
1.	DIN No. (if applicable)	00149916
2.	Name	Shri S.K. Goenka
3.	Designation	Managing Director
4.	Telephone No.	033-66136624
5.	Email id	skgoenka@emamigroup.com

2. Principle wise (as per NGV's) BR Policy/ Policies (Reply in Y/N)

- Principle 1: Ethics, Transparency and Accountability [P1]
- Principle 2: Products Lifecycle Sustainability [P2]
- Principle 3: Employees' Well-being [P3]
- Principle 4: Stakeholder Engagement [P4]
- Principle 5: Human Rights [P5]
- Principle 6: Environment [P6]
- Principle 7: Policy Advocacy [P7]
- Principle 8: Inclusive Growth [P8]
- Principle 9: Customer Value [P9]

Sl. No.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
1.	Do you have policy/policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes. The policies have been approved by the Managing Director								
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR Head periodically assesses the BR performance of the Company.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

Emami Limited publishes its Business Responsibility Reports in its Annual Report. The Business Responsibility Reports can also be accessed at: <http://www.emamiltd.in/investor-info/>

SECTION E: PRINCIPLE WISE PERFORMANCE

PRINCIPLE 1: Ethics, Transparency and Accountability

Emami Limited lays a strong emphasis on ethical corporate citizenship and establishment of good corporate culture. It has always believed in adhering to the best governance practices to ensure protection of interests of all stakeholders of the Company in tandem with healthy growth of the Company. The Company has always discouraged practices that are abusive, corrupt, or anti-competitive.

The Company further believes the concept of corporate governance founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company has always made timely financial and statutory disclosures to all the stakeholders. The Company has always given its best efforts to uphold and nurture these core values across all operational aspects.

These values and the commitment

to ethical business practices are reflected in the following policies of the Company: (a) Policy on Ethics, Transparency and Accountability and (b) Code of Conduct. These policies inspire the Company to set standards which not only meet the requirements of applicable legislations but go beyond in many areas of its functioning. The Company periodically cascades the principles embodied under these policies across the organisation.

The Company has a strong and effective Whistle blower Policy which aims to deter and detect actual or suspected misconduct. It has been established to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place within the organisation, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism.

Any employee may report such incident without fear to the Chairman of the Audit Committee or alternatively may report to Head-Internal Audit. The Policy on Vigil Mechanism may be accessed on the Company's website at <http://www.emamiltd.in/investor-info/pdf/WhistleBlowerPolicyEmami.pdf>.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes /No. Does it extend to the Group/joint ventures/suppliers/contractors/NGOs/ others?

The Company's policies on Ethics, Transparency and Accountability along with the Code of Conduct, is applicable to all individuals working in the Company. For the subsidiaries, the Code is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its business partners to follow the code.

2. How many stakeholder complaints received in the past financial year and what percentage was satisfactorily resolved by the Management?

Stakeholder	Complaints Received during FY17	Complaints Resolved during FY17	Complaints Resolved (%)
Investors' Complaints	17	17	100%
Consumers' Complaints	402	402	100%
Total	418	418	100%

PRINCIPLE 2: Products Lifecycle Sustainability

For more than 35 years Emami has been innovating and launching products meeting multiple consumer needs, spanning across various income groups, from young to old and everyone in - between. The Company is passionate about creating best in class and affordable brands in health and personal care markets.

Emami has harnessed the potential of Ayurveda and modern science to improve lives. Emami relentlessly strives to introduce next generation, eco-friendly technologies and foster differentiation through the utilisation of people-centric technologies that win the hearts of consumers.

Emami has always strived to raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services. Emami undertakes multi-centre clinical trials to ensure that Emami's products do not have an untoward impact on users.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- i. Navratna Cool Oils
- ii. BoroPlus Antiseptic Cream
- iii. Zandu Balms
- iv. Zandu Zandopa

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Emami has undertaken special efforts in the area of Sustainable

Development. The Company has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to produce our products. The Company has proactively looked at opportunities in green solutions as well as organic product designs. Following initiatives were undertaken in FY17

- i. Installed a new Environment friendly energy efficient boiler (Replaced HSD Fuel Boiler with Briquette Fuel Boiler) and steam condensate recovery system which resulted in reduced fuel consumption by 4.23% per metric ton of production and reduced steam consumption by 12.22% per metric ton of production.
- ii. Installed a new design extraction vessel with spray ball cleaning system and high pressure jet cleaning machine which reduced water consumption per metric ton of production by 2.76% and reduced treated effluent discharge by around 6 litres per metric ton of production.
- iii. Initiated reuse of ETP treated water for toilet and gardening purpose.
- iv. Implemented Condensate recovery system reducing the RO water consumption by 50% for the boiler. This also led to an increase in its efficiency by 2%.
- v. Reduced electricity consumption by 30% in some manufacturing units by upgrading to energy efficient lights i.e. LED's.
- vi. Reduced plastic consumption in some products through

leading foil modification, PVC film modification and through container modification.

- vii. Initiated generation of energy by using Windmills.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Emami has established an effective inter-department communication mechanism enabling the purchases department to act according to production and sales forecasts for the forthcoming quarters to ensure optimum raw material procurement. The Company strives to reduce the weight and volume of the materials that it uses for packaging and supports initiatives to use recycled materials. Emami strongly discourages the use of forced labour and child labour at its business associates' premises.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, Emami has embedded sustainability throughout its procurement supply chain.. Emami procures herbs and medicinal plants from traders who procure them from small farmers. Other raw materials and packing materials are procured from vendors close to the manufacturing units wherever applicable.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of

products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has always strived to reduce waste associated with its products. Initiatives like using light-weight materials, optimising structural and material design

and eliminating unnecessary packaging, have resulted in effective management of packaging waste.

PRINCIPLE 3: Employees' Well-being

Emami focuses on ensuring the well-being of all its employees. The safety and health of employees is extremely important to the Company. Emami believes in giving its employees ample opportunities to perform as employee well-being is imperative to achieve a profitable growth. Ensuring diversity, preventing discrimination, safety and health are part of Emami's policy on Employees' well-being.

Emami provides equal employment opportunities to all irrespective of their caste, creed, gender, race, religion, disability or sexual orientation. The Company respects the right of employees to freedom of association, participation, and collective bargaining and provides access to appropriate grievance Redressal mechanisms.

Emami is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action. The Company has established a policy against Sexual Harassment for its employees. The policy allows any employee to freely report any such act and prompt action will be taken thereon. The Policy lays down severe punishment for any such act.

Emami has strengthened its

performance-driven orientation through robust competence mapping, gap identification, training and development. In FY17 the HR team conducted nearly 400 training programs covering nearly 3,000 man days.

Emami regularly organises recreational events for its employees like inter departmental cricket matches, Quiz contests, Family Picnics, Cultural Fiesta, creativity week, Best Idea week etc. The Company contributes to the medical insurance of its employees and also organises health check-ups and camps for employees as well as their family members. Emami also engaged a reputed consultant to enhance employee engagement, enriching the HR system.

Emami is deeply committed to safety of its Employees at workplace. It regularly organises mock fire drills and Fire Safety training classes at all its locations. Emami's commitment towards safety of its employees can be reflected in the awards won by the Company for employee safety and health. 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 also received the Greentech Safety Award - 2014 – Gold Category (for outstanding fire and safety management) and the Masat Unit won the SIA safety award in 2016.

1. Please indicate the total number of employees:- 3,097
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis:- 2,351
3. Please indicate the number of permanent women employees:- 414
4. Please indicate the Number of permanent employees with disability:- NIL
5. Do you have an employee association that is recognised by management? yes, 7 Employee associations are recognised by the management
6. What percentage of your permanent employees is members of this recognised employee association:- 29.5%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:- None

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Particulars	%
Permanent Employees	41
Casual/ Temporary/ Contractual Employees	53
Employees with disabilities	NA

PRINCIPLE 4: Stakeholder Engagement

Emami recognises employees, business associates (network of suppliers, stockists and dealers), customers, shareholders/investors and communities surrounding our operations and regulatory authorities as key stakeholders. The Company continues its engagement with them through various mechanisms such as consultations with local communities, supplier/vendor meets, customer/employee satisfaction surveys, investor forums, etc.

The Company's website, www.emamiltd.in, contains comprehensive information for the stakeholders about the Company. The Company also has designated and exclusive email-id for investor services – investors@emamigroup.com.

The Company also promptly

intimates the Stock Exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the stakeholders of the Company.

1. Has the Company mapped its internal and external stakeholders?

Yes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Emami identifies underprivileged communities around its business locations as disadvantaged, vulnerable and marginalised stakeholders. Emami continuously engages with all such stakeholders identifying their needs and priorities so as to serve these

needs accordingly.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders.

The Company provides healthcare facilities to the underprivileged in and around its business premises. Emami conducts community development initiatives and disaster management initiatives across its factory locations. Emami also conducts drinking water and sanitation programme in schools, provides scholarships to deserving students, computer training programmes, beautician training programmes, stitching and tailoring programmes to the underprivileged across its business locations.

PRINCIPLE 5: Human Rights

Emami respects and promotes human rights for all individuals. The Company's commitment to human rights and fair treatment is set in its Policy on Human Rights. The policy provides to conduct the operations with honesty, integrity and openness with respect for human rights and interests of employees.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/

Others?

The Company follows its policy on Human Rights which are applicable to all employees in the Company. For its subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its Business Partners to follow the policy. Emami discourages dealing with any supplier/contractor if it is in violation of human rights also prohibits the

use of forced or compulsory labour at all manufacturing units /with business associates.

2. How many stakeholder complaints pertaining to violation of Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received pertaining to human rights violation during the reporting period.

PRINCIPLE 6: Environment Rights

The Company places highest corporate priority in ensuring and adhering to best procedures relating to environment protection. Emami sets high standards in the area of environmental responsibility – striving for performance that does not merely comply with regulations but reduces environmental impacts. Emami believes that it has a responsibility to take care of the planet and preserve its beauty, resources and strength for future generations. Emami has always strived to reduce and mitigate waste and is in the process of identifying new ways to reduce waste even further.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company follows its policy on Environment Protection which is applicable to all its business places. For the subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. However, the same is not applicable to suppliers and contractors.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?

The company has started initiatives like installation of zero discharge ETP and a condensate recovery system.

3. Does the Company identify and assess potential environmental risks?

Emami firmly believes in sustainable development which is reinforced by environmental management systems practiced across manufacturing units. Emami is consistently putting in efforts to improve the environment protection measures further.

4. Does the Company have any project related to Clean Development Mechanism?

No

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?

Emami has designed technologies to enable

resource efficient, sustainable manufacturing processes and technologies required to manufacture its products. The power consumption of the Company is negligible compared to its revenues. The efforts of the Company are aimed to minimise energy consumption in spite of the rapid increase in operations of the Company. The company has also initiated the use of windmills during the year as a means of generating renewable energy.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

In FY17, the emissions, solid waste and effluents generated were within the limits as prescribed by CPCB or SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

PRINCIPLE 7: Policy Advocacy

Emami believes that a lot can be achieved if the Company works together with the Government, legislators, trade bodies and regulators to create positive social and environmental outcomes. Emami has always strived to create a positive impact in the business eco-system and communities by practicing pro-active advocacy not for securing certain benefits for industry, but for advocating certain best practices for the

benefit of society at large. Emami engages with industry bodies and associations to influence public and regulatory policy in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. Emami Limited is a member of several industrial

and trade bodies namely:

- a. CII
- b. FICCI
- c. ASSOCHAM
- d. MCC Chamber of Commerce and Industry
- e. Bharat Chamber of Commerce
- f. Indian Chamber of Commerce
- g. The Advertising Standards Council of India

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

Yes. Emami has advocated through the above organisations on Economic Reforms and has taken initiatives for the

advancement / improvement of public good.

PRINCIPLE 8: Inclusive Growth and Equitable Development

Emami has always believed to ensure protection of interests of all stakeholders of the Company in tandem with healthy growth of the Company. The Company has leveraged the ancient science of ayurveda to create brands to meet the health care needs of the consumers.

The Company has always contributed towards CSR activities even before it was mandated by the law. All the business places of the Company have initiated many programmes for the underprivileged. The Company provides healthcare facilities, conducts community development initiatives, disaster management initiatives, drinking water and sanitation programme in schools, provides scholarships to deserving students and imparts vocational development skills across all its business locations.

1. Does the Company have specified programmes/

initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. A brief outline of the policy for undertaking the CSR activities of the Company includes the following:

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

These projects are in accordance with Schedule VII of the Companies Act, 2013.

2. 1. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

The aforesaid projects have been carried out by the Company directly and/or through implementing agencies. The details can be found in Annexure IV of the Directors Report.

3. Have you done any impact assessment of your initiative?

Yes, the CSR committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Sl. No.	CSR Project	Expenditure (Rs. in Cr)
1.	Promotion of Education & Vocational Skills	Rs. 5.04
2.	Providing Health-care, water & sanitation facilities	Rs. 1.46
3.	Social Upliftment Programmes and others	Rs. 1.05
TOTAL		Rs. 7.55

Details of the same have been provided in Annexure IV of the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

All the businesses locations of Emami continuously engage

with communities surrounding their operations through focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with

inputs from the community itself. This is done to ensure flow of benefits to communities even if the Company is unable to support the programme in the future. This ensures successful adoption by communities to the extent possible.

PRINCIPLE 9: Customer Value

Emami Limited is dedicated to delivering products that satisfy the unmet needs of the consumers. Emami's products are the result of understanding latent consumer needs, through path breaking technology by combining generations of practical experience with a continuous flow of new knowledge. An invigorating synergy of Ayurveda and modern science has been the backbone of Emami's innovative product pipeline to ensure sustainable growth over the years to come. Emami undertakes multi-centre clinical trials to ensure that Emami's products do not have an untoward impact on users.

Being involved in the business of personal care and healthcare, it is of paramount importance to align products with stringent qualitative and performance-related parameters. Emami has made prudent investments to benchmark its products with those that are the best in the industry. Well-defined SOPs and precise measurement procedures have helped identify bottlenecks and eliminate them, whereas benchmarking via a unified system has helped in establishing documental reference. All products coming out of the Emami stable undergo quality checks at different levels (pre-process, in-process and post-process). Along with this, product stability studies are conducted on control samples on a routine basis to make sure that not even the smallest complaint goes unaddressed.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No consumer complaints are pending as on the end of financial year. As at the end of financial year, two consumer cases are pending before the Delhi State Commission.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes, Emami displays product information on its packaging for the benefit of the consumer, over and above what is mandated by local laws like Bureau of Indian Standards Act and Drugs and Cosmetics Act. This additional information is provided to enhance the value consumers can derive from the product and to ensure safe and appropriate use. The additional information on the product label relates to various active ingredients contained in the product, their proven clinical benefits, consumer grievance redressal mechanisms, directions for use, safety, caution etc. and varies from product to product.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible

advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

Two consumer cases are pending before the Delhi District Commission. A consumer complaint was filed with respect to an advertisement of the Company at the Delhi District Consumer Forum. The forum passed an order against the Company. Challenging the said order, the Company has filed an appeal before the Delhi State Commission which has passed an order remanding the matter back to the District Commission. The second case is pending before the District Commission.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Emami's innovation strategy has been to develop breakthrough products for the emerging consumer needs and therefore the Company works towards delivering aspirational products. Consumer Research is at the heart of every product/ solution that we design. Our innovation process ensures that we validate the concept, product and its packaging with the consumers through its lifecycle with the consumers and also follow up with them for their satisfaction post launch.

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Emami Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **EMAMI LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes In Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements).

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cashflows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with relevant Rules issued thereunder.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cashflows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 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 accounts 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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
 - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st

March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements (Refer Note No. 3.36 & 3.39 to the standalone Ind AS financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. [Refer Note 3.42 to the standalone Ind AS financial statements].

For, S. K. AGRAWAL & CO.

Chartered Accountants

Firm's Registration Number- 306033E

S.K.Agrawal

Partner

Place: Kolkata

Dated: May 4, 2017

Membership No: 9067

Annexure -A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of EMAMI LIMITED (the Company') on the standalone Ind AS financial statements for the year ended on 31st March 2017. 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.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
 - ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
 - iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
 - iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities made.
- 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 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, 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, 2017 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no material dues of duty of customs and service tax 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 income tax, Sales tax, duty of excise 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 (Rs. 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	14.27	2005-06	ADC
		185.64	1996-2001, 2009-11, 2012-13, 2014-15, 2016-17	AC(A), DC(A), JC(A) & Addl. CCT
		509.34	1990-91, 2000-06, 2010-12, 2013-14, 2015-17	Tribunal/Board of Revenue
		264.4	1999-2000, 2004-07	High Court
		113.5	1989-90, 1993-97	Supreme Court
The Central Excise Act, 1934	Excise Duty	28.33	2009-13, 2014-15	Commissioner (Appeals)
		5.48	1993-96, 2009-10	CESTAT
Income Tax Act, 1961	Income Tax	70.68	2008-09 & 2010-11	CIT (A)

- viii. 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, banks, government and debenture holders.
- ix. 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. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- xi. According to the information and explanations given to us, the Company has paid/provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, S. K. AGRAWAL & CO.

Chartered Accountants

Firm's Registration Number- 306033E

S.K.Agrawal

Partner

Place: Kolkata

Dated: May 4, 2017

Membership No: 9067

Annexure -B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Emami Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial

control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, S. K. AGRAWAL & CO.

Chartered Accountants

Firm's Registration Number- 306033E

S.K.Agrawal

Partner

Place: Kolkata

Dated: May 4, 2017

Membership No: 9067

Balance Sheet

as at 31st March, 2017

₹ in Lacs

	Notes	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
ASSETS							
1. Non-Current Assets							
(a) Property, Plant and Equipment	3.1	66,981.60		39,628.94		34,376.97	
(b) Capital Work-in-Progress	3.1	1,132.69		5,480.34		2,267.43	
(c) Investment Property	3.2	4,490.02		4,723.29		4,762.01	
(d) Intangible Assets	3.3	123,765.93		149,754.39		3,255.84	
(e) Intangible Assets under Development	3.3	861.43		545.12		229.49	
(f) Financial Assets							
(i) Investments	3.4	9,483.25		3,593.40		3,756.29	
(ii) Loans	3.5	430.14		594.27		400.41	
(g) Other Non-Current Assets	3.6	4,008.01	211,153.07	10,345.23	214,664.98	3,774.39	52,822.83
2. Current Assets							
(a) Inventories	3.7	16,920.14		14,314.39		11,845.29	
(b) Financial Assets							
(i) Investments	3.8	3,332.14		1,193.31		49,656.51	
(ii) Trade Receivables	3.9	3,413.19		5,274.26		5,601.05	
(iii) Cash and Cash Equivalents	3.10	853.07		7,255.51		32,608.50	
(iv) Loans	3.11	361.96		314.13		216.55	
(v) Other Financial Assets	3.12	101.51		80.29		117.27	
(c) Current Tax Assets (Net)	3.13	544.09		1,793.47		-	
(d) Other Current Assets	3.14	8,817.92	34,344.02	8,275.21	38,500.57	5,958.70	106,003.87
TOTAL ASSETS			245,497.09		253,165.55		158,826.70
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity Share Capital	3.15	2,269.68		2,269.68		2,269.68	
(b) Other Equity	3.16	168,985.90		153,663.64		129,121.93	
Total Equity attributable to equity shareholders of the Company			171,255.58		155,933.32		131,391.61
LIABILITIES							
1. Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	3.17	-		30,000.00		-	
(ii) Other Financial Liabilities	3.18	1,167.93		1,240.21		1,229.69	
(b) Provisions	3.19	2,203.05		1,748.38		1,338.14	
(c) Deferred Tax Liabilities (Net)	3.20	4,371.04		996.47		2,251.59	
(d) Other Non-Current Liabilities	3.21	125.61	7,867.63	140.87	34,125.93	-	4,819.42
2. Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	3.22	13,470.31		36,000.00		837.99	
(ii) Trade Payables	3.23	14,862.33		18,802.95		13,035.40	
(iii) Other Financial Liabilities	3.24	33,389.22		3,108.57		4,077.47	
(b) Other Current Liabilities	3.25	2,279.33		2,636.84		1,858.23	
(c) Provisions	3.26	2,372.69		2,557.94		2,038.21	
(d) Current Tax Liabilities (Net)	3.27	-	66,373.88	-	63,106.30	768.37	22,615.67
TOTAL EQUITY AND LIABILITIES			245,497.09		253,165.55		158,826.70
Summary of Significant Accounting Policies and Notes on Accounts	2 & 3						

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants
Firm's Registration No-306033E

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S.K.Agrawal
Partner
Membership No : 9067

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP-Legal

Kolkata
4th May, 2017
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Statement of Profit & Loss

for the year ended 31st March, 2017

₹ in Lacs

	Notes	2016-17	2015-16
INCOME			
Revenue From Operations	3.28	234,074.60	218,913.00
Other Income	3.29	4,519.08	3,913.12
Total Income (A)		238,593.68	222,826.12
EXPENSES			
Cost of Materials Consumed		64,452.57	60,621.62
Purchase of Stock-in-Trade		16,405.13	18,419.86
(Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress	3.30	(1,319.86)	(2,009.33)
Excise Duty on Sale of Goods		3,957.33	3,920.46
Employee Benefit Expenses	3.31	19,496.28	17,176.13
Other Expenses	3.33	57,182.25	55,369.42
Total Expenses Before Interest, Depreciation, Amortisation & Impairment (B)		160,173.70	153,498.16
Earnings Before Interest, Depreciation, Amortisation & Impairment and Tax (A-B)		78,419.98	69,327.96
Finance Costs (C)	3.32	5,761.72	5,374.74
Depreciation, Amortisation & Impairment Expense:			
a. Amortisation & Impairment of Intangible Assets (Brands, Trade Marks etc)	3.3	26,152.86	21,264.53
b. Depreciation of Other assets	3.1 & 3.2	4,314.23	3,948.47
(D)		30,467.09	25,213.00
Total Expenses (B+C+D)=E		196,402.51	184,085.90
Profit Before Tax (A-E)=F		42,191.17	38,740.22
Tax Expense: (G)			
Current Tax		7,524.00	6,738.00
(Excess)/Short Provision of Earlier Years		67.90	4.67
MAT Credit Entitlement		(1,400.00)	-
Deferred Tax		1,362.56	(1,217.55)
Profit for the period (F-G)=H		34,636.71	33,215.10
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Equity instrument through other comprehensive income		6,181.99	(162.89)
Remeasurement of the net defined benefit liability/ asset		74.54	(448.89)
Income Tax Effect		(2,028.01)	133.57
Total Other Comprehensive Income, net of tax		4,228.52	(478.21)
Total Comprehensive Income for the Period		38,865.23	32,736.89
Cash Profit (H+D)		65,103.80	58,428.10
Earnings Per Equity Share	3.53		
(1) Basic (Face value of Re 1 each)		15.26	14.63
(2) Diluted (Face value of Re 1 each)		15.26	14.63
(3) Cash (Face value of Re 1 each)		28.68	25.74
Summary of Significant Accounting Policies and Notes on Accounts	2 & 3		

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants
Firm's Registration No-306033E

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S.K.Agrawal
Partner
Membership No : 9067

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP-Legal

Kolkata
4th May, 2017

Statement of Changes in Equity

₹ in Lacs

Particulars	Equity Share Capital	Reserve & Surplus					Other Comprehensive Income		Total Equity attributable to equity share holders of the company
		Capital Reserve	Securities Premium Reserve	Retained Earnings	Debenture Redemption Reserve	General Reserve	Equity Component through Other Comprehensive Income	Remeasurements of the Net Defined Benefit Plans	
Balance as at 1.04.2015	2,269.68	79.64	33,205.16	13,828.97	-	80,000.00	2,008.16	-	131,391.61
Profit for the Period	-	-	-	33,215.10	-	-	-	-	33,215.10
Other Comprehensive Income	-	-	-	-	-	-	(162.89)	(448.89)	(611.78)
Income Tax Effect	-	-	-	-	-	-	37.57	96.00	133.57
Total Comprehensive Income	-	-	-	33,215.10	-	-	(125.32)	(352.89)	32,736.89
Dividend Paid#	-	-	-	(6,809.03)	-	-	-	-	(6,809.03)
Corporate Dividend Tax#	-	-	-	(1,386.15)	-	-	-	-	(1,386.15)
Transfer to Debenture Redemption Reserve	-	-	-	(7,500.00)	7,500.00	-	-	-	-
Balance as at 31.03.2016	2,269.68	79.64	33,205.16	31,348.89	7,500.00	80,000.00	1,882.84	(352.89)	155,933.32
Balance as at 1.04.2016	2,269.68	79.64	33,205.16	31,348.89	7,500.00	80,000.00	1,882.84	(352.89)	155,933.32
Profit for the Period	-	-	-	34,636.71	-	-	6,181.99	74.54	40,893.24
Other Comprehensive Income	-	-	-	-	-	-	-	-	-
Income Tax Effect	-	-	-	-	-	-	(2,012.01)	(16.00)	(2,028.01)
Total Comprehensive Income	-	-	-	34,636.71	-	-	4,169.98	58.54	38,865.23
Dividend Paid#	-	-	-	(19,859.66)	-	-	-	-	(19,859.66)
Corporate Dividend Tax#	-	-	-	(3,683.31)	-	-	-	-	(3,683.31)
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2017	2,269.68	79.64	33,205.16	42,442.63	7,500.00	80,000.00	6,052.82	(294.35)	171,255.58

Refer note no : 3.46

For S. K. Agrawal & Co.
Chartered Accountants
Firm's Registration No-306033E

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S.K.Agrawal
Partner
Membership No : 9067

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP-Legal

Kolkata
4th May, 2017

Cash Flow Statement

for the year ended 31st March, 2017

₹ in Lacs

	2016-17	2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	42,191.17	38,740.22
Add: ADJUSTMENTS FOR		
Depreciation, Amortisation & Impairment Expenses	30,467.09	25,213.00
Interest (Net)	5,631.77	4,396.28
Loss / (Profit) on sale of Property, Plant & Equipments	(138.20)	51.44
Loss / (Profit) on sale of Current Investments	5,784.86	5,550.78
Sundry Balances Written back off	7.80	(60.83)
Foreign Exchange Fluctuations	(359.05)	(435.22)
Dividend Received	(8,893.44)	(7,045.10)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	74,692.00	66,410.57
Add: DECREASE / (INCREASE) IN WORKING CAPITAL		
Trade Payables, Other Financial Liabilities and current Liabilities	(4,089.82)	7,112.37
Inventories	(2,605.74)	(2,469.10)
Trade Receivables	1,861.07	326.79
Loans & other financial assets	74.91	(344.49)
Other Assets	7,194.51	(8,887.35)
Provision for Indirect Taxes	47.41	93.54
Provision for Employee Benefits	296.55	387.54
	2,778.89	(3,780.70)
CASH GENERATED FROM OPERATIONS	77,470.89	62,629.87
Less: Direct Taxes Paid	6,358.52	9,208.51
NET CASH FLOW FROM OPERATING ACTIVITIES	71,112.37	53,421.36
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Property, Plant & Equipment	346.47	122.52
Interest Received	141.57	1,073.28
Dividend Received	8,893.44	7,045.10
Fixed Deposits maturity Proceeds	(30.37)	(347.81)
Sale of Investments	180,633.38	252,021.64
	189,984.49	259,914.73
Less: Purchase of Property, Plant & Equipment	27,294.24	12,548.59
Purchase of Intangible Assets	480.71	168,078.71
Purchase of Investments	188,264.93	209,109.22
NET CASH USED IN INVESTING ACTIVITIES	(26,055.39)	(129,821.79)

Cash Flow Statement

for the year ended 31st March, 2017

₹ in Lacs

	2016-17	2015-16
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan Taken/(Repaid)	(23,847.41)	64,435.08
Interest Paid	(5,793.28)	(5,163.16)
Dividend Paid	(19,851.11)	(6,796.27)
Corporate Dividend Tax	(3,683.31)	(1,386.15)
	(53,175.11)	51,089.50
NET CASH USED IN FINANCING ACTIVITIES	(53,175.11)	51,089.50
D. EFFECT OF FOREIGN EXCHANGE FLUCTUATION	359.05	435.22
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C+D)	(7,759.08)	(24,875.71)
CASH & CASH EQUIVALENTS-OPENING BALANCE	6,503.58	31,379.29
CASH & CASH EQUIVALENTS-CLOSING BALANCE	(1,255.50)	6,503.58
Cash & Cash Equivalents includes:		
Balances with Banks	36.95	6,465.04
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	-	-
Cash on hand	25.27	38.54
Total cash & Cash Equivalents (Refer note no : 3.10)	62.22	6,503.58
Cash Credit (Refer note no : 3.22)	(1,317.72)	-
Net cash & cash Equivalents for cash flow statement	(1,255.50)	6,503.58

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants
Firm's Registration No-306033E

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S.K.Agrawal
Partner
Membership No : 9067

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP-Legal

Kolkata
4th May, 2017

Accounting Policy

1. Company Overview

Emami Limited ("the Company") is one of India's leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products with an enviable portfolio of household brand names such as BoroPlus, Navratna, Fair and Handsome, Zandu Balm, Kesh King, Zandu Pancharishta, Mentho Plus Balm and others. The Company is a public limited company domiciled in India and is primarily listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at 687, Anandapur, E.M. Bypass, Kolkata, West Bengal.

2. Significant Accounting Policies

(a) Basis of Preparation

These accounts have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016. These financial statements are prepared in accordance under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarised in note 2.2.1 & 2.2.2.

(b) Revenue Recognition

Revenue from sale of goods in the course of ordinary activities is recognised when all significant risks and rewards of their ownership are transferred to the customer as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Revenue is measured at the fair value of the consideration received or receivable and includes excise duty and are net of returns and allowances, trade discounts, volume rebates and sales tax.

Dividend income is recognised when the company's right to receive dividend is established. Interest income is recognized using the effective interest method. All other income are recognised on accrual basis.

(c) Property, Plant & Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production. Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives are as follows:

Building	30-60 Years
Plant & Machinery*	15 Years
Furniture & Fixtures	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

Leasehold Land is amortised over the period of lease.

*Block, Dies & Moulds (other than High-End Moulds) are depreciated @100% on prorata basis.

Accounting Policy

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date is classified as Capital Advances under other Non-Current Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'. The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit & Loss. The method of depreciation, useful lives and residual values are reviewed at each financial year end.

(d) Investment Property

Investment properties are measured initially at cost, including transaction costs and are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit & Loss as incurred.

The Company depreciates building component of investment property on the straight line method over the estimated useful life of 60 years from the date of original purchase and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

(e) Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit & Loss. The Company amortises intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Softwares & Licences	6 Years
Brand, Trademarks and Copy Rights	5 - 10 Years

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss when the asset is derecognised.

Research and Development Cost

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are also charged to Statement of Profit & Loss unless a product's technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. The amount capitalised comprises expenditure that can be attributed or allocated on a reasonable

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and consistent basis to creating, producing and making the asset ready for its intended use. Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

(f) Business Combination

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the considerations transferred at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value on the date of acquisition. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

(g) Financial Instruments

Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost -

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income -

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss -

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

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(iv) Financial liabilities -

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries-

Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income.

Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(h) Fair Value of Financial Instruments

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(i) Impairment

Impairment is recognized based on the following principles:

- (i) Financial Assets: The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in profit or loss.

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(ii) Non-Financial Assets: Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating unit) Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

(j) Provisions

Provisions are recognised when the Company has a present 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.

(k) Inventory

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.

(l) Foreign Currency Transactions & Translations

The functional currency of Emami Limited is Indian Rupee. These Financial Statements are presented in Indian Rupee (rounded off to the nearest Lacs).

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction. Gains & losses arising on account of realisation are accounted for in the Statement of Profit & Loss.

In accordance with Ind AS 101, the company has elected to capitalize exchange differences arising on long-term foreign currency monetary items outstanding as on 31st March, 2015 in accordance with paragraph 46A of Accounting Standard 11, "The Effect of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising from such 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 are recognized as income or expenses in the Statement of Profit & Loss.

Monetary Assets & Liabilities in foreign currency that are outstanding at the year end are translated at the year end exchange rates and the resultant gain/loss is accounted for in the Statement of Profit & Loss.

(m) Employee Benefits

Defined Contribution Plan

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.

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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.

Defined Benefit Plan

- a. 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.
- b. The Company operates a defined benefit gratuity plan in India, comprising of Gratuity fund with Life Insurance Corporation of India. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in the Statement of Profit & Loss.

Other Long Term Benefits

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. In Vapi, Dongari and Masat units the Leave Fund is with Life Insurance Corporation of India. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in Statement of Profit & Loss.

(n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(o) Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit & Loss over the lease term.

(p) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit & Loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a

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systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit & Loss.

(q) Income Taxes

Income tax expense is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Provision for current tax is made at the current tax rates based on assessable income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(r) Cash and Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(s) Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has issued the Company (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard, applicable to the company.

The amendments to standards that are issued, but not yet effective, upto the date of issuance of the Companies financial statements are disclosed below.

Amendments to Ind AS 7, Statement of Cash Flows

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment entities are not required to provide comparative information for preceding periods. The amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

2.1 First-Time Adoption of Ind-AS

These standalone financial statements of Emami Limited for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed

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the guidance prescribed in Ind AS 101-First Time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note 2.2.1 and 2.2.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.1.1 .

2.1.1 Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from thereto respective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

(a) Business Combination

In accordance with Ind AS 101, the Company has elected not to restate business combinations that occurred before the date of transition i.e 1st April 2015. In view of the same, the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

(b) Property Plant and Equipment, Intangible Assets and Investment Properties

In accordance with Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of Property, Plant and Equipment. The same election has been made in respect of intangible assets and investment property also.

(c) Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVPL).

The Company has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition.

(d) Investment in Subsidiaries

Under previous GAAP, investment in subsidiaries were stated at cost and provisions made to recognise decline, other than temporary. Under Ind AS, the company has elected to regard such carrying amount as at 31st March 2015, as deemed cost at the date of transition.

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2.2 Reconciliation

The following reconciliation provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Equity as at April 1, 2015 and March 31, 2016
2. Net profit for the year ended March 31, 2016

2.2.1 Reconciliation of Equity as previously reported under IGAAP to Ind AS

₹ in Lacs

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
1. Non-Current Assets							
(a) Property Plant and Equipment	a	39,138.98	(4,762.01)	34,376.97	44,352.23	(4,723.29)	39,628.94
(b) Capital Work-in-Progress		2,267.43	-	2,267.43	5,480.34	-	5,480.34
(c) Investment Property	a	-	4,762.01	4,762.01	-	4,723.29	4,723.29
(d) Other Intangible Assets	b	3,255.84	-	3,255.84	149,840.09	(85.70)	149,754.39
(e) Intangible Assets under Development		229.49	-	229.49	545.12	-	545.12
(f) Financial Assets:							
(i) Investments	c	707.99	3,048.30	3,756.29	708.01	2,885.39	3,593.40
(ii) Loans		400.41	-	400.41	594.27	-	594.27
(g) Other Non-Current Assets		3,774.39	-	3,774.39	10,345.23	-	10,345.23
Total Non-Current Assets		49,774.53	3,048.30	52,822.83	211,865.29	2,799.69	214,664.98
2. Current Assets							
(a) Inventories		11,845.29	-	11,845.29	14,314.39	-	14,314.39
(b) Financial Assets :							
(i) Investments	d	49,465.36	191.15	49,656.51	1,191.90	1.41	1,193.31
(ii) Trade Receivables		5,601.05	-	5,601.05	5,274.26	-	5,274.26
(iii) Cash and Cash Equivalents		32,608.50	-	32,608.50	7,255.51	-	7,255.51
(iv) Loans		216.55	-	216.55	314.13	-	314.13
(v) Other Financial Assets	e	117.27	-	117.27	22.45	57.84	80.29
(c) Current Tax Assets (Net)		-	-	-	1,793.47	-	1,793.47
(d) Other Current Assets		5,958.70	-	5,958.70	8,275.21	-	8,275.21
Total Current Assets		105,812.72	191.15	106,003.87	38,441.32	59.25	38,500.57
Total Assets		155,587.25	3,239.45	158,826.70	250,306.61	2,858.94	253,165.55
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		2,269.68	-	2,269.68	2,269.68	-	2,269.68
(b) Other Equity	h	118,945.96	10,175.97	129,121.93	132,819.94	20,843.70	153,663.64
Total Equity		121,215.64	10,175.97	131,391.61	135,089.62	20,843.70	155,933.32

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2.2.1 Reconciliation of Equity as previously reported under IGAAP to Ind AS (Contd.)

₹ in Lacs

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
1. Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings		-	-	-	30,000.00	-	30,000.00
(ii) Other Financial Liabilities		1,229.69	-	1,229.69	1,240.21	-	1,240.21
(b) Provision		1,338.14	-	1,338.14	1,748.38	-	1,748.38
(c) Deferred Tax Liabilities (Net)	h	1,239.00	1,012.59	2,251.59	-	996.47	996.47
(d) Other Non-Current Liabilities	g	-	-	-	-	140.87	140.87
Total Non-Current Liabilities		3,806.83	1,012.59	4,819.42	32,988.59	1,137.34	34,125.93
2. Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings		837.99	-	837.99	36,000.00	-	36,000.00
(ii) Trade Payables		13,035.40	-	13,035.40	18,802.95	-	18,802.95
(iii) Other Financial Liabilities	e	3,831.39	246.08	4,077.47	3,108.57	-	3,108.57
(b) Other Current Liabilities		1,858.23	-	1,858.23	2,636.84	-	2,636.84
(c) Provisions	f	10,233.40	(8,195.19)	2,038.21	21,680.04	(19,122.10)	2,557.94
(d) Current Tax Liabilities (Net)		768.37	-	768.37	-	-	-
Total Current Liabilities		30,564.78	(7,949.11)	22,615.67	82,228.40	(19,122.10)	63,106.30
Total Equity and Liabilities		155,587.25	3,239.45	158,826.70	250,306.61	2,858.94	253,165.55

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

- In accordance with Ind AS 40, the company has reclassified land & buildings to investment property. Under previous GAAP, this was disclosed as a part of Property, Plant & Equipment.
- In accordance with Ind AS 103, acquisition cost capitalised under previous GAAP has been expensed out.
- Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, financial assets in equity instruments other than investment in subsidiaries have been classified as Fair Value Through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.
- Under previous GAAP, current investments were stated at lower of cost and fair value, under Ind AS, these financial assets have been classified as fair value through profit or loss on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.
- Under previous GAAP, the premium or discount on derivative instruments were expensed over the period of the contract. Under Ind AS, the net mark to market loss/gain on fair valuation of such instruments are recognised in Statement of Profit & Loss.

Accounting Policy

2.2.1 Reconciliation of Equity as previously reported under IGAAP to Ind AS (Contd.)

- f. Under previous GAAP, dividend payable is recognised as a liability in the period to which it relates. Under Ind AS, dividends to shareholders are recognised when declared by the members in a general meeting.
- g. Under previous GAAP, Grant or Subsidy relating to assets were shown as part of capital reserve. Under Ind AS, such grants are treated as deferred income and are recognized as other income in the Statement of Profit & Loss on a systematic and rational basis over the useful life of the asset.
- h. Adjustments to retained earnings, other comprehensive income and deferred tax has been made in accordance with Ind AS, for the above mentioned line items. In addition, as per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

2.2.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to IND AS

₹ in Lacs

Particulars	Note	Year ended March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS
INCOME				
Revenue from operations	a	239,151.42	(20,238.42)	218,913.00
Other income	b & c	3,710.78	202.34	3,913.12
Total Income		242,862.20	(20,036.08)	222,826.12
Expenses				
Cost of Material Consumed		60,621.62	-	60,621.62
Purchases of Stock-in-Trade		18,419.86	-	18,419.86
Changes in Inventories of Finished Goods, Stock in Trade & WIP		(2,009.33)	-	(2,009.33)
Excise duty on Sale of Goods	a	-	3,920.46	3920.46
Employee benefit expenses	a & d	17,243.57	(67.44)	17,176.13
Other expenses	a, d & e	79,813.58	(24,444.16)	55,369.42
Total Expenses before Interest, Depreciation and Amortisation		174,089.30	(20,591.14)	153,498.16
Finance Cost		5,374.74	-	5,374.74
Depreciation and amortisation expenses	e	25,223.37	(10.37)	25,213.00
Total Expenses		204,687.41	(20,601.51)	184,085.90
Profit before Tax		38,174.79	565.43	38,740.22
Tax Expenses :				
- Current Tax		6,642.00	96.00	6,738.00
- (Excess)/Short Provision of Earlier years		4.67	-	4.67
- Deferred Tax		(1,239.00)	21.45	(1,217.55)
Profit for the Period		32,767.12	447.98	33,215.10
Other comprehensive Income				
Items that will not be reclassified subsequently to profit or loss				
Equity Instruments through Other Comprehensive Income	c	-	(162.89)	(162.89)
Remeasurements of the Net Defined Benefit Plans	d	-	(448.89)	(448.89)
Income Tax Effect		-	133.57	133.57
		-	(478.21)	(478.21)
Total comprehensive income for the period		32,767.12	(30.23)	32,736.89

Accounting Policy

2.2.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to IND AS (Contd.)

Explanations for Reconciliation of Profit and Loss as previously reported under IGAAP to IND AS

- a. Under Ind AS, revenue from sales of goods is inclusive of excise duty and are net of sales tax, discounts and secondary trade promotions. Under previous GAAP, sales included sales tax but was shown net of excise duty. Secondary promotions linked to sales was disclosed as part of advertisement & promotion under other expenses. Field Force expenses has been shown as part of employee benefit expenses.
- b. Under Ind AS, Grants/Subsidy earlier treated as reserve now considered as deferred income and amortized to income based on the useful life of assets against which the same was received.
- c. Under Ind AS, Mutual Funds, Forward & Option Contracts have been measured at Fair Valued Through Profit or Loss (FVTPL). Under Ind AS, financial assets in equity instruments other than investment in subsidiaries have been classified as Fair Value Through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.
- d. Under Ind AS, Actuarial Gain/Loss on Gratuity routed through Other Comprehensive Income instead of profit or loss.
- e. Acquisition related costs expensed off instead of being capitalized with intangible assets.

2.2.3 Cash flow statement

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

Notes Forming Part of the Accounts

3. Notes Forming Part of the Accounts

3.1 Property Plant & Equipment (Current Year)

₹ in Lacs

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	Balance as at 1.04.2016	Additions	Disposals/ Transfer	Balance as at 31.03.2017	Balance as at 1.04.2016	For the year	Disposals/ Transfer	Balance as at 31.03.2017	Balance as at 31.03.2017	Balance as at 31.03.2016
Land										
Leasehold	364.24	-	-	364.24	38.50	4.88	-	43.38	320.86	325.74
Freehold	2,443.25	1,950.23	-	4,393.48	-	-	-	-	4,393.48	2,443.25
Building*	17,648.00	11,209.06	(113.15)	28,970.21	3,524.57	463.66	7.97	3,980.26	24,989.95	14,123.43
Plant & Equipment	31,744.90	17,455.38	1,001.97	48,198.31	12,258.39	3,011.93	961.95	14,308.37	33,889.94	19,486.51
Furniture & Fixture	2,697.01	424.89	268.44	2,853.46	1,072.01	263.51	143.76	1,191.76	1,661.70	1,625.00
Office Equipment	3,749.23	511.89	52.49	4,208.63	2,627.47	368.74	44.76	2,951.45	1,257.18	1,121.76
Motor Vehicles	923.53	90.44	74.69	939.28	420.28	103.48	52.97	470.79	468.49	503.25
Property, Plant & Equipment Total	59,570.16	31,641.89	1,284.44	89,927.61	19,941.22	4,216.20	1,211.41	22,946.01	66,981.60	39,628.94
Capital Work- In-Progress	5,480.34	2,248.14	6,595.79	1,132.69	-	-	-	-	1,132.69	5,480.34
Total	65,050.50	33,890.03	7,880.23	91,060.30	19,941.22	4,216.20	1,211.41	22,946.01	68,114.29	45,109.28

*Transfer includes Rs 137.85 lacs (accumulated depreciation Rs 2.61 lacs) transferred from Investment Property.

3.2 Investment Property (Current Year)

₹ in Lacs

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	Balance as at 1.04.2016	Additions	Disposals/ Transfer	Balance as at 31.03.2017	Balance as at 1.04.2016	For the year	Disposals/ Transfer	Balance as at 31.03.2017	Balance as at 31.03.2017	Balance as at 31.03.2016
Building*	5,017.64	-	137.85	4,879.79	294.35	98.03	2.61	389.77	4,490.02	4,723.29
Total	5,017.64	-	137.85	4,879.79	294.35	98.03	2.61	389.77	4,490.02	4,723.29

*Transfer includes Rs 137.85 lacs (accumulated depreciation Rs 2.61 lacs) transferred to Property, Plant & Equipment.

3.3 Intangible Assets (Current Year)

₹ in Lacs

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	Balance as at 1.04.2016	Additions	Disposals/ Adjustments	Balance as at 31.03.2017	Balance as at 1.04.2016	For the year	Disposals/ Adjustments	Balance as at 31.03.2017	Balance as at 31.03.2017	Balance as at 31.03.2016
Goodwill	1,050.00	-	-	1,050.00	1,050.00	-	-	1,050.00	-	-
Software	2,177.94	164.40	-	2,342.34	1,252.94	292.69	-	1,545.63	796.71	925.00
Brands, Trade Marks, Copy Rights & others	169,229.31	-	-	169,229.31	20,399.92	25,860.17	-	46,260.09	122,969.22	148,829.39
Intangible Assets Total	172,457.25	164.40	-	172,621.65	22,702.86	26,152.86	-	48,855.72	123,765.93	149,754.39
Intangible Assets under Development	545.12	316.31	-	861.43	-	-	-	-	861.43	545.12
Grand Total	173,002.37	480.71	-	173,483.08	22,702.86	26,152.86	-	48,855.72	124,627.36	150,299.51

Notes forming part of the Accounts

3.1 Property Plant & Equipment (Previous Year)

₹ in Lacs

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	Balance as at 1.04.2015	Additions	Disposals/ Adjustments	Balance as at 31.03.2016	Balance as at 1.04.2015	For the year	Disposals/ Adjustments	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 1.04.2015
Land										
Leasehold	309.96	54.28	-	364.24	33.90	4.60	-	38.50	325.74	276.06
Freehold	2,029.57	413.68	-	2,443.25	-	-	-	-	2,443.25	2,029.57
Building	16,684.90	987.08	23.98	17,648.00	3,073.77	469.03	18.23	3,524.57	14,123.43	13,611.13
Plant & Equipment	25,030.36	6,997.19	282.65	31,744.90	9,718.76	2,719.72	180.09	12,258.39	19,486.51	15,311.60
Furniture & Fixture	2,311.39	397.90	12.28	2,697.01	848.29	237.29	13.57	1,072.01	1,625.00	1,463.10
Office Equipment	3,433.72	351.65	36.14	3,749.23	2,315.23	328.96	16.72	2,627.47	1,121.76	1,118.49
Motor Vehicles	917.68	90.05	84.20	923.53	350.66	106.30	36.68	420.28	503.25	567.02
Property, Plant & Equipment Total	50,717.58	9,291.83	439.25	59,570.16	16,340.61	3,865.90	265.29	19,941.22	39,628.94	34,376.97
Capital Work- In-Progress	2,267.43	5,733.21	2,520.30	5,480.34	-	-	-	-	5,480.34	2,267.43
Total	52,985.01	15,025.04	2,959.55	65,050.50	16,340.61	3,865.90	265.29	19,941.22	45,109.28	36,644.40

3.2 Investment Property (Previous Year)

₹ in Lacs

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	Balance as at 1.04.2015	Additions	Disposals/ Adjustments	Balance as at 31.03.2016	Balance as at 1.04.2015	For the year	Disposals/ Adjustments	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 1.04.2015
Building	4,973.79	43.85	-	5,017.64	211.78	82.57	-	294.35	4,723.29	4,762.01
Total	4,973.79	43.85	-	5,017.64	211.78	82.57	-	294.35	4,723.29	4,762.01

3.3 Intangible Assets (Previous Year)

₹ in Lacs

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	Balance as at 1.04.2015	Additions	Disposals/ Adjustments	Balance as at 31.03.2016	Balance as at 1.04.2015	For the year	Disposals/ Adjustments	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 1.04.2015
Goodwill	-	1,050.00	-	1,050.00	-	1,050.00	-	1,050.00	-	-
Software	1,908.89	269.05	-	2,177.94	997.52	255.42	-	1,252.94	925.00	911.37
Brands, Trade Marks, Copy Rights & others	2,785.28	166,444.03	-	169,229.31	440.81	19,959.11	-	20,399.92	148,829.39	2,344.47
Intangible Assets Total	4,694.17	167,763.08	-	172,457.25	1,438.33	21,264.53	-	22,702.86	149,754.39	3,255.84
Intangible Assets under Development	229.49	315.63	-	545.12	-	-	-	-	545.12	229.49
Grand Total	4,923.66	168,078.71	-	173,002.37	1,438.33	21,264.53	-	22,702.86	150,299.51	3,485.33

Notes forming part of the Accounts

3.4 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Non Current			
Investment carried at cost			
Investment in Equity instruments (Unquoted)			
In Subsidiaries			
Emami UK Limited			
Nil (31.03.16- Nil , 01.04.2015- 38704 shares)	-	-	-
Refer note : 3.52			
Emami Bangladesh Limited			
37,916 Ordinary Shares of Taka 100 each	27.81	27.81	27.81
Emami International FZE			
1 Share of UAE Dirham 1,50,000/- each	18.98	18.98	18.98
In Other Company (Unquoted)			
CRI Limited (face value -Rs 10 each)			
Nil (31.03.16-95,630 Shares, 01.04.2015-95,630 Shares)	-	27.17	27.17
AMRI Hospitals Limited (face value -Rs 10 each)			
Nil (31.03.16- 8,00,000 Shares, 01.04.2015- 8,00,000 Shares)	-	264.66	264.66
Investment In Government & Trust Securities (Unquoted)			
6 Years' National Savings Certificate (Lodged With Government Authority)	0.58	0.58	0.58
(i)	47.37	339.20	339.20
Investment carried at fair value through Other Comprehensive Income			
Investment In Equity Instruments (Quoted)			
Emami Paper Mills Limited (face value -Rs 2 each) 79,46,000 Equity Shares	9,435.88	3,253.89	3,416.78
Creative Eye Limited (face value -Rs 5 each) Nil (31.03.16- 10,000 Shares, 01.04.2015- 10,000 Shares)	-	0.31	0.31
(ii)	9,435.88	3,254.20	3,417.09
Total (i) + (ii)	9,483.25	3,593.40	3,756.29
Aggregate Amount of Quoted Investments & Market Value thereof	9,435.88	3,254.20	3,417.09
Aggregate Amount of Unquoted Investments	47.37	339.20	339.20

Notes forming part of the Accounts

3.5 LOANS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Financial assets carried at amortised cost			
Unsecured, Considered Good			
Security Deposits	287.85	337.02	256.55
Advances to Related Parties (Refer Note No 3.52)	109.26	201.27	110.98
Advances to Employees	33.03	55.98	32.88
Total	430.14	594.27	400.41

3.6 OTHER NON - CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016		As at 1.04.2015	
Capital Advances		2,783.61		9,134.54		2857.44
Advances other than Capital Advances		-		329.15		102.85
Balances with Excise and Sales Tax Department		337.80		389.51		416.79
Other Receivables	1,006.42		611.85		517.13	
Less: Provision for Doubtful Receivables	(119.82)	886.60	(119.82)	492.03	(119.82)	397.31
		4,008.01		10,345.23		3774.39

3.7 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016		As at 1.04.2015	
Raw and Packing Materials						
Raw Materials	3,779.29		2,917.36		2,755.41	
Packing Materials	2,825.63	6,604.92	2,406.71	5,324.07	2,125.99	4,881.40
Work-in-Progress		400.67		249.89		181.99
Finished Goods		7,549.41		6,318.00		5,089.88
Traded Goods		2,170.15		2,232.48		1,519.17
Stores and Spares		194.99		189.95		172.85
Total		16,920.14		14,314.39		11,845.29

Notes forming part of the Accounts

3.8 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Current			
Investment carried at fair value through Profit or loss			
Investment in Mutual Fund (Unquoted)			
Axis Liquid Fund - Direct - Growth	-	-	1501.10
Nil (31.03.16- Nil Units, 01.04.2015- 96,778.689 units)			
Axis Banking Debt Fund-Direct Plan -Growth	-	-	1012.27
Nil (31.03.16- Nil Units, 01.04.2015- 78,847.489 Units)			
Axis Treasury Advantage Fund - Direct - Growth	500.00	-	-
27084.094 (31.03.16- Nil Units, 01.04.2015- Nil Units)			
Baroda Pioneer Liquid Fund- Plan B Growth	-	-	500.32
Nil (31.03.16- Nil Units, 01.04.2015- 31,167.266 Units)			
Birla Sun Life Income Fund- Growth - Direct Plan	-	-	2009.36
Nil (31.03.16- Nil Units, 01.04.2015- 31,44,194.324 Units)			
BOI AXA Treasury Advantage Fund - Direct Plan - Growth	-	-	501.86
Nil (31.03.16- Nil Units, 01.04.2015- 30,324.962 Units)			
Birla Sun Life Floating Rate Fund - Short Term - Growth - Direct Plan	-	-	4003.94
Nil (31.03.16- Nil Units, 01.04.2015- 21,48,923.371 Units)			
Birla Sun Life Treasury Optimizer Plan- Growth - Direct Plan	2,030.49	-	-
9,65,321.577 (31.03.16- Nil Units, 01.04.2015- Nil Units)			
Edelweiss Arbitrage Fund - Direct Plan - Dividend Option - Payout	-	-	202.49
Nil (31.03.16- Nil Units, 01.04.2015- 19,55,244.454 Units)			
Edelweiss Liquid Fund - Direct Plan - Growth Option	-	-	500.12
Nil (31.03.16- Nil Units, 01.04.2015- 36,626.272 Units)			
Edelweiss Absolute Return Fund - Direct Plan - Dividend Option - Payout	-	191.90	-
Nil (31.03.16- 13,73,658.244, 01.04.2015- Nil Units)			
HDFC Liquid Fund - Direct Plan - Growth Option	-	-	2501.54
Nil (31.03.16- Nil Units, 01.04.2015- 90,59,336.604 Units)			
HDFC Banking & PSU Debt Fund - Direct Growth Option	-	-	501.11
Nil (31.03.16- Nil Units, 01.04.2015- 45,40,748.679 Units)			
ICICI Prudential Liquid - Direct Plan - Growth	-	-	1000.72
Nil (31.03.16- Nil Units, 01.04.2015- 4,83,210.606 Units)			
ICICI Prudential Banking PSU Debt Fund - Direct Plan - Growth	-	-	1512.07
Nil (31.03.16- Nil Units, 01.04.2015- 96,96,123.490 Units)			
ICICI Prudential Gilt Fund - Investment Plan - PF Option - Direct Plan	-	-	1495.45
Nil (31.03.16- Nil Units, 01.04.2015- 53,96,654.074 Units)			
Indiabulls Liquid Fund - Direct Growth - Direct Plan	-	-	500.15
Nil (31.03.16- Nil Units, 01.04.2015- 36,737.194 Units)			

Notes forming part of the Accounts

3.8 INVESTMENTS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
IDFC Money Manager Fund-Treasury Plan - Growth - (Direct Plan)	-	-	505.86
Nil (31.03.16- Nil Units, 01.04.2015- 22,79,877.799 Units)			
JM Short Term Fund (Direct) - Growth Plan	-	-	1505.99
Nil (31.03.16- Nil Units, 01.04.2015- 75,46,030.788 Units)			
JM High Liquidity Fund (Direct) - Growth Option	-	-	1000.94
Nil (31.03.16- Nil Units, 01.04.2015- 26,18,246.560 Units)			
JM Income Fund (Direct) - Growth Option	-	-	1500.82
Nil (31.03.16- Nil Units, 01.04.2015- 35,54,426.564 Units)			
JM Floater Short Term Fund (Direct) - Growth	-	-	1009.61
Nil (31.03.16- Nil Units, 01.04.2015- 46,56,946.068 Units)			
Kotak Treasury Advantage Fund - Direct Plan - Growth	-	-	505.76
Nil (31.03.16- Nil Units, 01.04.2015- 22,59,458.092 Units)			
L&T Liquid Fund - Direct Plan - Growth	-	-	500.29
Nil (31.03.16- Nil Units, 01.04.2015- 26,075.097 Units)			
L&T Cash Fund - Direct Plan - Growth	-	-	605.50
Nil (31.03.16- Nil Units, 01.04.2015- 53,432.794 Units)			
L&T Ultra Short Term Fund - Direct Plan - Growth	-	-	5509.64
Nil (31.03.16- Nil Units, 01.04.2015- 2,41,57,878.323 Units)			
Mirae Asset Cash Management Fund - Direct Plan - Growth	-	-	110.80
Nil (31.03.16- Nil Units, 01.04.2015- 74,66.858 Units)			
Pramerica Ultra Short Term Bond Fund - Direct Plan - Growth Option	-	-	1008.00
Nil (31.03.16- Nil Units, 01.04.2015- 67,204.816 Units)			
Principal Cash Management Fund - Direct - Growth	-	-	1000.97
Nil (31.03.16- Nil Units, 01.04.2015- 73,534.505 Units)			
Reliance Income Fund - Direct - Growth Option	-	-	3804.71
Nil (31.03.16- Nil Units, 01.04.2015- 81,95,013.081 Units)			
Reliance Short Term Fund - Direct - Growth	-	-	3024.93
Nil (31.03.16- Nil Units, 01.04.2015- 1,13,92,635.800 Units)			
Reliance Liquid Fund - Cash Plan - Direct - Growth	-	1001.41	1677.03
Nil (31.03.16- 40,948.253 Units, 01.04.2015- 74,394.971 Units)			
Reliance Liquid Fund - Treasury Plan - Direct - Growth	-	-	2001.33
Nil (31.03.16- Nil Units, 01.04.2015- 58,668.254 Units)			
Reliance Money Manager Fund - Direct - Growth	-	-	2858.11
Nil (31.03.16- Nil Units, 01.04.2015- 1,48,043.691 Units)			
Religare Invesco Liquid Fund - Direct Plan - Growth	-	-	1000.60
Nil (31.03.16- Nil Units, 01.04.2015- 51,979.190 Units)			
Reliance Floating Rate Fund Short Term Plan - Direct - Growth	-	-	418.22
Nil (31.03.16- Nil Units, 01.04.2015- 18,77,687.440 Units)			

Notes forming part of the Accounts

3.8 INVESTMENTS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
SBI Magnum Insta Cash Fund Liquid Floater - Direct - Growth	-	-	655.33
Nil (31.03.16-Nil Units, 01.04.2015- 27,383.101 Units)			
Sundaram Income Plus - Direct - Growth	801.65	-	-
Nil (31.03.16-Nil Units, 01.04.2015- 40,982.226 Units)			
Taurus Short Term Income Fund- Direct Plan - Growth	-	-	1007.30
Nil (31.03.16-Nil Units, 01.04.2015- 40,982.226 Units)			
Tata Money Market Fund - Direct Plan - Growth	-	-	201.40
Nil (31.03.16-Nil Units, 01.04.2015- 9,133.074 Units)			
UTI-Money Market Fund - Institutional Plan - Direct Plan - Growth	-	-	500.87
Nil (31.03.16-Nil Units, 01.04.2015- 48,16,604.620 Units)			
Total	3,332.14	1,193.31	49,656.51
Aggregate Amount of Unquoted Investments & Market Value thereof	3,332.14	1,193.31	49,656.51

3.9 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Unsecured, considered Good			
Trade Receivables	3,413.19	5,274.26	5601.05
Total	3,413.19	5,274.26	5,601.05

3.10 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016		As at 1.04.2015	
Cash and Cash Equivalents						
Balances with Banks	36.95		6,465.04		588.36	
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	-		-		31,598.00	
Cash on hand	25.27	62.22	38.54	6,503.58	30.78	32,217.14
Other Bank Balances						
Unpaid Dividend Account	119.32		110.77		98.01	
Deposit with Original maturity of more than 3 months but less than 12 months	671.53	790.85	641.16	751.93	293.35	391.36
Total		853.07		7,255.51		32,608.50

Notes forming part of the Accounts

3.11 LOANS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Financial assets carried at amortised cost			
Unsecured, considered good			
Advances to Employees	328.73	272.04	196.14
Advances to Related Parties (Refer note no 3.52)	33.23	42.09	20.41
Total	361.96	314.13	216.55

3.12 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Unsecured, considered good			
Financial assets carried at amortised cost			
Interest Receivable on Deposits	10.83	22.45	117.27
Financial assets carried at fair value through Profit or loss			
Foreign Currency Forward & Option Contracts	90.68	57.84	-
Total	101.51	80.29	117.27

3.13 CURRENT TAX ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Advance Income Tax (Net of Provision)	544.09	1,793.47	-
Total	544.09	1,793.47	-

3.14 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Advances other than Capital Advances	4,982.55	5,705.07	4,009.53
Balances with Excise and Sales Tax Department	1,702.80	1,467.04	1,281.53
MAT Credit Entitlement	1,400.00	-	-
Claims & Recoverables	387.21	668.26	378.37
Prepaid Expenses	345.36	434.84	289.27
Total	8,817.92	8275.21	5958.70

Notes forming part of the Accounts

3.15 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Authorised			
25,00,00,000 Equity Shares of Re 1/- each	2,500.00	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	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	2,269.68
Total Issued, Subscribed and Fully paid up Share Capital	2,269.68	2,269.68	2,269.68

*Of the above, 7,56,55,873 equity shares fully paid up have been issued other than cash by way of bonus shares in last 5 years.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2017		As at 31.03.2016		As at 1.04.2015	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Shares outstanding at the beginning of the year	22,69,67,619	2,269.68	22,69,67,619	2,269.68	22,69,67,619	2,269.68
Shares outstanding at the end of the year	22,69,67,619	2,269.68	22,69,67,619	2,269.68	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	As at 31.03.2017		As at 31.03.2016		As at 1.04.2015	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	33,749,387	14.87	33,326,237	14.68	33,310,237	14.68
Suntrack Commerce Private Limited	33,113,516	14.59	32,691,366	14.40	32,675,366	14.40
Bhanu Vyapaar Private Limited	27,764,381	12.23	27,604,261	12.16	27,133,761	11.95
Raviraj Viniyog Private Limited (Formerly Known as Emami Enclave Makers Private Limited)	13,877,007	6.11	13,458,553	5.93	13,211,053	5.82
Suraj Viniyog Private Limited	12,957,139	5.71	13,099,281	5.77	12,841,931	5.66
Prabhakar Viniyog Private Limited (Formerly Known as Emami High Rise Private Limited)	13,190,961	5.81	13,076,503	5.76	12,837,353	5.66

Notes forming part of the Accounts

3.16 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016		As at 1.04.2015	
Retained Earnings						
Opening Balance	31,348.89		13,828.97			
Net Profit for the Period	34,636.71		33,215.10			
Transfer to Debenture Redemption Reserve	-		(7,500.00)			
Interim Dividend#	(3,971.93)		-			
Final Dividend#	(15,887.73)		(6,809.03)			
Corporate Dividend Tax#	(3,683.31)		(1,386.15)			
Closing Balance		42,442.63		31,348.89		13,828.97
Other Reserves						
Other Comprehensive Income						
Opening Balance	1,529.95		2,008.16			
Equity Instruments through Other Comprehensive Income	6,181.99		(162.89)			
Remeasurements of the Net Defined Benefit Plans	74.54		(448.89)			
Income Tax Effect	(2,028.01)	5,758.47	133.57	1,529.95		2,008.16
Capital Reserves		79.64		79.64		79.64
Securities Premium Reserve		33,205.16		33,205.16		33,205.16
General Reserve		80,000.00		80,000.00		80,000.00
Debenture Redemption Reserves						
Opening Balance	7,500.00		-			
Transferred from Surplus in Statement of Profit & Loss	-		7,500.00			
Closing Balance		7,500.00		7,500.00		-
Total		168,985.90		153,663.64		129,121.93

Refer note no : 3.46

Notes forming part of the Accounts

3.17 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Financial liabilities carried at amortised cost			
Unsecured			
8.45% Non Convertible Debentures	-	30,000.00	-
Redeemable at par as per below schedule :			
- ₹ 75 cr on 22nd November'17			
- ₹ 75 cr on 22nd August'17			
- ₹ 150 cr on 22nd May'17			
(Refer Note No: 3.24 - Current Maturities of Long Term Borrowings)			
Total	-	30,000.00	-

3.18 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Financial liabilities carried at amortised cost			
Trade Deposits	519.37	591.65	581.13
Security Deposits	648.56	648.56	648.56
Total	1,167.93	1,240.21	1,229.69

3.19 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Provision for Employee Benefits			
Gratuity	2,203.05	1,748.38	1,338.14
Total	2,203.05	1,748.38	1,338.14

3.20 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Deferred Tax Liabilities			
Tax impact due to difference between tax depreciation and book depreciation	2,847.00	-	3,575.37
Investment carried at fair value through Other Comprehensive Income	3,138.04	996.47	1,034.04
Deferred Tax Assets			
Tax Impact of expenses charged off in financial statement but allowance under tax law deferred	1,614.00	-	2,357.82
Total	4,371.04	996.47	2,251.59

Notes forming part of the Accounts

3.21 OTHER NON - CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Deferred Income	125.61	140.87	-
Total	125.61	140.87	-

3.22 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Financial liabilities carried at amortised cost			
Secured			
From Banks			
Cash Credit	1,317.72	-	837.85
Packing Credit	1,172.59	3,000.00	-
(Secured by hypothecation of stocks, book debts on first charge basis ranking pari passu among Canara Bank, ICICI Bank and Hongkong and Shanghai Banking Corporation)			
Unsecured			
From Banks			
Commercial Paper	10,000.00	27,500.00	-
Packing Credit	980.00	5,500.00	-
ICICI Pact Project	-	-	0.14
Total	13,470.31	36,000.00	837.99

3.23 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Financial liabilities carried at amorised cost			
Micro, Small & Medium Enterprises (Refer Note 3.37)	110.07	281.47	151.42
Others	14,752.26	18,521.48	12883.98
Total	14,862.33	18,802.95	13,035.40

3.24 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Financial liabilities carried at amorised cost			
Current Maturities of Long-Term Borrowings	30,000.00	-	1564.78
Interest Accrued but not due on Borrowings	270.44	283.86	27.61
Interest Accrued and due on Trade Deposits	15.91	34.05	78.72
Creditors for Capital Goods	1,102.82	313.67	195.68
Unpaid Dividends	119.32	110.77	98.01
Employee Benefits	1,880.73	2,366.22	1863.31
Financial assets carried at fair value through Profit or loss			
Foreign Currency Forward & Option Contracts	-	-	249.36
Total	33,389.22	3,108.57	4,077.47

Notes forming part of the Accounts

3.25 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Advance from Customers	547.06	871.73	589.00
Duties & Taxes	1,732.27	1,765.11	1269.23
Total	2,279.33	2,636.84	1,858.23

3.26 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Provision for Employee Benefits			
Provident Fund	55.51	43.43	25.14
Gratuity	-	349.93	-
Leave Encashment	1,185.81	1,080.62	1,022.65
Others			
Provision for Indirect Taxes	1,131.37	1,083.96	990.42
Total	2,372.69	2,557.94	2,038.21

3.27 CURRENT TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 1.04.2015
Provision for Direct Taxes (Net of Advance Tax)	-	-	768.37
Total	-	-	768.37

3.28 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2016-2017		2015-2016	
Sale of Products	233,786.90		218,462.62	
Other Operating Revenues	287.70	234,074.60	450.38	218,913.00
Total		234,074.60		218,913.00

3.29 OTHER INCOME

₹ in Lacs

Particulars	2016-2017		2015-2016	
Interest Received on financial assets carried as amortised cost				
Loans & Deposits	129.86		975.04	
Others	0.09	129.95	3.42	978.46
Dividend Income from equity investment carried at cost		1,680.81		-
Dividend Income from equity investment carried at fair value through OCI		47.68		47.68
Income received on investment carried at fair value through Profit or loss				

Notes forming part of the Accounts

3.29 OTHER INCOME (Contd.)

₹ in Lacs

Particulars	2016-2017		2015-2016	
Dividend from investment in mutual funds		7,164.95		6,997.42
Profit/ (loss) on Sale of mutual funds		(4,691.37)		(6,465.66)
Profit/ (loss) on Derivative Instruments		(1,093.49)		914.88
Profit/(loss) on Sale of Property, Plant & Equipments		159.95		39.34
Rent and Maintenance Charges Received		370.33		433.06
Sundry Balances Written Back		5.54		60.83
Miscellaneous Receipts		385.68		471.89
Net Foreign Exchange Gain		359.05		435.22
Total		4,519.08		3,913.12

3.30 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lacs

Particulars	2016-2017		2015-2016	
(I) Opening Stock				
Work-in-progress	249.89		181.99	
Finished Goods	6,318.00		1,519.17	
Stock in trade	2,232.48	8,800.37	5,089.88	6,791.04
(II) Closing Stock				
Work-in-progress	400.67		249.89	
Finished Goods	7,549.41		6,318.00	
Stock in trade	2,170.15	10,120.23	2,232.48	8,800.37
(I) - (II)		(1,319.86)		(2,009.33)

3.31 EMPLOYEE BENEFIT EXPENSES

₹ in Lacs

Particulars	2016-17	2015-16
Salaries and Wages	17,241.42	15,452.69
Contribution to Provident and Other Funds	1,715.24	1,240.05
Welfare Expenses	539.62	483.39
Total	19,496.28	17,176.13

3.32 FINANCE COSTS

₹ in Lacs

Particulars	2016-17	2015-16
Interest Expense	5,761.72	5,374.74
Total	5,761.72	5,374.74

Notes forming part of the Accounts

3.33 OTHER EXPENSES

₹ in Lacs

Particulars	2016-2017		2015-2016	
Consumption of Stores and Spare parts		327.60		274.87
Power and Fuel		1,451.24		1,155.99
Rent		604.63		486.62
Repairs & Maintenance :				
Building	308.54		162.65	
Machinery	866.73		743.82	
Others	1,646.87	2,822.14	1,163.39	2,069.86
Insurance		298.39		245.15
Rates and Taxes		313.93		116.51
Freight & Forwarding		6,021.20		6,052.41
Directors' Fees and Commission		571.88		553.30
Advertisement & Sales Promotion		36,578.03		35,204.09
Commission		1,217.27		1,090.22
Loss on Sale/Disposal of Property, Plant & Equipments		21.75		90.78
Sundry Balance Written off		13.34		-
Legal and Professional Fees		1,662.81		2,524.55
Travelling and Conveyance		2,331.20		2,075.06
Expenditure on CSR Activities (Refer Note : 3.49)		755.35		998.76
Miscellaneous Expenses (Refer Note : 3.40)		2,191.49		2,431.25
Total		57,182.25		55,369.42

3.34 DEFINED BENEFIT PLANS :

As per actuarial valuations as on 31st March, 2017 and recognised in the financial statements in respect of Employees benefit schemes.

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
A Expenses Recognised in the income Statement				
1 Current Service Cost	471.80	229.43	477.84	243.85
2 Past Service Cost	-	-	-	-
3 Loss/(Gain) on settlement	-	-	-	-
4 Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	165.82	85.13	104.60	79.94
5 Re-measurement (or Actuarial)(gain)/loss arising from :	-	-	-	-
- Change in demographic assumptions	-	-	-	-
- Change in financial assumptions	-	(69.52)	-	(187.43)
- Experience variance (i.e.Actual experience vs assumptions)	-	(133.62)	-	(78.24)
- Others	-	-	-	-

Notes forming part of the Accounts

3.34 DEFINED BENEFIT PLANS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
6 Return on plan assets,excluding amount recognised in net interest expense	-	(0.61)	-	(0.68)
7 Re-measurement (or Actuarial)(gain)/loss arising because of change in effect of asset ceiling	-	-	-	-
8 Total Expenses recognised in the Statement of Profit & Loss	637.62	110.81	582.44	57.44
B Assets and Liability				
1 Present value of Obligation	4,141.74	1,319.81	3,591.88	1,198.90
2 Fair Value of Plan Assets	1,938.69	134.00	1,491.36	120.48
3 Funded Status [Surplus/(deficit)]	(2,203.05)	(1,185.81)	(2,100.52)	(1,078.42)
4 Effects of Asset Ceiling, if any	-	-	-	-
5 Net asset/(liability) recognised in balance sheet	(2,203.05)	(1,185.81)	(2,100.52)	(1,078.42)
C Change in Present Value of Obligation				
1 Present value of Obligation as at beginning of period	3,591.88	1,198.90	2,673.31	1,132.22
2 Current Service Cost	471.79	229.40	477.84	243.85
3 Interest Expense or Cost	283.56	94.64	192.90	88.50
Re-measurement (or Actuarial)(gain)/loss arising from :				
- Change in demographic assumptions	-	-	-	-
- Change in financial assumptions	(152.09)	(69.52)	(375.11)	(187.43)
- Experience variance (i.e.Actual experience vs assumptions)	77.99	(133.62)	834.05	(78.24)
- Others	-	-	-	-
4 Past Service Cost	-	-	-	-
5 Effect of change in foreign exchange rates	-	-	-	-
6 Benefits Paid	(131.40)	-	(211.11)	-
7 Acquisition Adjustment	-	-	-	-
8 Effect of business combinations or disposals	-	-	-	-
9 Present value of Obligation as at the end of period	4,141.73	1,319.80	3,591.88	1,198.90
D Change in Fair Value of Plan Assets				
1 Fair Value of Plan Assets at beginning of period	1,491.36	120.47	1,335.17	109.52
2 Investment Income	117.73	9.51	104.37	8.56
3 Employer's Contribution	460.56	3.40	252.88	1.71
4 Employee's Contribution	-	-	-	-
5 Benefits paid	(131.40)	-	(211.11)	-
6 Return on plan assets,excluding amount recognised in net interest expense	0.44	0.61	10.05	0.68
7 Acquisition Adjustment	-	-	-	-
8 Fair Value of Plan Assets at end of period	1,938.69	133.99	1,491.36	120.47

Notes forming part of the Accounts

3.34 DEFINED BENEFIT PLANS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
E Other Comprehensive Income				
1 Acturial (gains)/losses				
- Change in demographic assumptions			-	-
- Change in financial assumptions	(152.09)	-	(375.11)	-
- Experience variance (i.e.Actual experience vs assumptions)	77.99	-	834.05	-
- Others	-	-	-	-
2 Return on plan assets,excluding amount recognised in net interest expense	(0.44)	-	(10.05)	-
3 Re-measurement (or Acturial)(gain)/loss arising because of change in effect of asset ceiling	-	-	-	-
4 Components of defined benefit costs recognised in other comprehensive income	(74.54)	-	448.89	-
F Financial Assumptions				
1 Discount Rate (%)	7.30%	7.30%	7.90%	7.90%
2 Salary Growth Rate (per annum)	10.00%		11.00%	
G Demographic Assumptions				
1 Mortality Rate (% of IALM 06-08)	100%	100%	100%	100%
2 Withdrawal Rate (per annum)	1.00%	1.00%	1.00%	1.00%

Sensitivity Analysis :-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Defined Benefit Obligation (Base)	4,141.73	3,591.89	1,319.81	1,198.87

₹ in Lacs

Particulars	Gratuity			
	As at 31.03.2017		As at 31.03.2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	4,573.00	3,775.47	3,956.61	3,282.45
(% change compared to base due to sensitivity)	10.40%	-8.80%	10.20%	-8.60%
Salary Growth Rate (- / + 1%)	3,780.75	4,557.42	3,299.52	3,927.80
(% change compared to base due to sensitivity)	-8.70%	10.00%	-8.10%	9.40%
Attrition Rate (- / + 50%)	4,180.94	4,104.80	3,631.22	3,554.90

Notes forming part of the Accounts

Sensitivity Analysis (Contd.)

₹ in Lacs

Particulars	Gratuity			
	As at 31.03.2017		As at 31.03.2016	
	Decrease	Increase	Decrease	Increase
(% change compared to base due to sensitivity)	0.90%	-0.90%	1.10%	-1.00%
Mortality Rate (- / + 10%)	4,144.06	4,139.42	3,594.31	3,589.47
(% change compared to base due to sensitivity)	0.10%	-0.10%	0.10%	-0.10%

₹ in Lacs

Particulars	Leave Encashment			
	As at 31.03.2017		As at 31.03.2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,519.42	1,155.26	1,379.47	1,050.00
(% change compared to base due to sensitivity)	15.10%	-12.50%	15.10%	-12.40%
Salary Growth Rate (- / + 1%)	1,157.60	1,512.11	1,056.87	1,366.58
(% change compared to base due to sensitivity)	-12.30%	14.60%	-11.80%	14.00%
Attrition Rate (- / + 50%)	1,339.51	1,301.49	1,219.88	1,179.37
(% change compared to base due to sensitivity)	1.50%	-1.40%	1.80%	-1.60%
Mortality Rate (- / + 10%)	1,320.99	1,318.63	1,200.11	1,197.62
(% change compared to base due to sensitivity)	0.10%	-0.10%	0.10%	-0.10%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

For Leave, the Scheme is partly managed on funded basis.

b) Expected Contribution during the next annual reporting period

₹ in Lacs

Particulars	Gratuity		Leave Encashment	
	2016-2017	2015-2016	2016-2017	2015-2016
The Company's best estimate of Contribution during the next year	2,711.54	2,549.73	1,185.81	1,078.39

c) Maturity Profile of Defined Benefit Obligation

Particulars	Gratuity		Leave Encashment	
	2016-2017	2015-2016	2016-2017	2015-2016
Weighted average duration (based on discounted cashflows)	10 Years	10 Years	14 Years	15 Years

Notes forming part of the Accounts

c) Maturity Profile of Defined Benefit Obligation (Contd.)

Expected cash flows over the next (valued on undiscounted basis):	Gratuity		Leave Encashment	
	2016-2017	2015-2016	2016-2017	2015-2016
1 Year	816.78	618.29	88.34	67.21
2 to 5 Years	853.06	705.67	164.93	137.02
6 to 10 Years	1,546.08	1,434.58	443.30	407.47
More than 10 Years	7,011.66	6,839.45	3,785.55	3,964.90

3.35 PROVIDENT FUND

₹ in Lacs

Assets and Liability	Year Ending		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Accumulated Account Value of Employee's Fund	7,495.16	5,767.28	4,071.26
Interest Rate Guarantee Liability	141.85	104.49	65.10
Present value of benefit obligation at end of the period	7,637.01	5,871.77	4,136.36
Fair Value of Plan Assets	7,581.50	5,828.35	4,111.23
Net Asset / (Liability)	(55.51)	(43.43)	(25.14)
Actuarial Assumptions			
Discount Rate	7.10%	7.90%	7.80%
Expected Guarantee Interest Rate	8.65%	8.80%	8.75%

₹ in Lacs

Interest Rate Guarantee Liability	As at 31.03.2017	As at 31.03.2016
Interest Rate Guarantee Liability	141.85	104.49
Fund Reserve and Surpluses	86.34	61.07
Net Liability	55.51	43.42

Liability sensitivity analysis

Significant actuarial assumptions for the determination of the guarantee liability are interest rate guarantee and discount rate.

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016
Defined Benefit Obligation (Base)	7,637.01	5,871.77

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	7,644.07	7,619.49	5,881.85	5,862.94
(% change compared to base due to sensitivity)	0.1%	-0.2%	0.2%	-0.2%
Interest rate guarantee (-/+ 1%)	7,450.98	7,976.54	5,728.74	6,132.82
(% change compared to base due to sensitivity)	-2.4%	4.4%	-2.4%	4.4%

Notes forming part of the Accounts

3.36

The Company has made a provision of Rs. 126.48 Lacs (P.Y.- 105.89 Lacs) towards Indirect Taxes resulting mainly from issues, which are under litigation/dispute as shown below :

	₹ in Lacs		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Opening Balance	1,083.98	990.42	990.42
Provisions made during the year	126.48	105.89	-
Payment/reversals during the year	79.09	12.33	-
Closing Balance	1,131.37	1,083.98	990.42

3.37

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.

3.38

Long Term Loans & Advances include Security Deposit of Rs. 5.75 Lacs (P.Y.-Rs. 5.85 Lacs) due from Directors of the Company against tenancies. (Maximum amount outstanding during the year - Rs. 5.85 Lacs (P.Y.-Rs. 7.04 Lacs).

3.39 Contingent Liabilities & Commitments

I) Contingent Liabilities:

	₹ in Lacs		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
a) Claims against the Company not acknowledged as debt (Net of Advances):			
i) Excise Duty demands	33.82	5.49	139.69
ii) Sales Tax demands under appeal	520.85	693.26	703.31
iii) Entry Tax	9.28	10.27	133.51
iv) Income Tax	70.68	-	-
v) Others	64.55	62.13	42.37

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.

	₹ in Lacs		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(b) Guarantees and counter guarantees given	6,666.72	5,452.14	6,367.60

II) Commitments:

	₹ in Lacs		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Estimated amount of commitments [net of advances of Rs. 2552.71 lacs (P.Y.- Rs. 9125.94 lacs)] on capital account not provided for	3,565.16	7,493.80	4,308.88

Notes forming part of the Accounts

3.40 PAYMENT TO AUDITORS

₹ in Lacs

Description	2016-17	2015-16
As Auditors :		
Audit Fees	40.25	40.06
Tax Audit Fees	4.04	4.08
Limited Review	1.73	1.71
In Other Capacity :		
Other Services		
- Income Tax Matter	11.50	-
- Other Certification fees	5.65	6.11
	63.17	51.96
Payment to Cost Auditors		
Audit Fees	1.55	1.55

3.41 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lacs

Description	As at 31.03.2017	As at 31.03.2016
Income derived from investment properties	389.32	432.08
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	93.52	99.20
Less : Direct operating expenses (including repairs and maintenance) that did not generate income from investment property	-	-
Profit arising from investment properties before depreciation and indirect expenses	295.80	332.88
Less : Depreciation	83.68	82.92
Profit arising from investment properties before indirect expenses	212.12	249.96

3.42 DISCLOSURE ON SPECIFIED BANK NOTES (SBN'S)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below :

₹ in Lacs

Particulars	SBN's *	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	45.28	13.49	58.77
(+) Permitted receipts	-	81.06	81.06
(-) Permitted payments	-	65.92	65.92
(-) Amount deposited in Banks	45.28	-	45.28
Closing cash in hand as on December 30, 2016	-	28.63	28.63

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Notes forming part of the Accounts

3.43 CARRYING VALUE AND FAIR VALUE OF FINANCIAL INSTRUMENTS IS AS FOLLOWS :

₹ in Lacs

Particulars	Total Carrying Value			Total Fair Value		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets :						
Investments in liquid mutual funds	3,332.14	1,193.31	49,656.51	3,332.14	1,193.31	49,656.51
Investments in equity instruments	9,483.25	3,593.40	3,756.29	9,483.25	3,593.40	3,756.29
Loans	792.10	908.40	616.96	792.07	908.40	616.96
Trade Receivables	3,413.19	5,063.28	5,601.05	3,413.19	5,063.28	5,601.05
Cash and Cash Equivalents	853.07	7,255.51	32,608.50	853.06	7,255.51	32,608.50
Other Financial Assets	101.51	286.50	117.27	101.51	286.50	117.27
TOTAL	17,975.26	18,300.40	92,356.58	17,975.22	18,300.40	92,356.58
Financial Liabilities :						
Borrowings	13,470.31	66,000.00	837.99	13,470.31	66,000.00	837.99
Trade Payables	14,862.33	18,998.18	13,232.11	14,862.33	18,998.18	13,232.11
Other Financial Liabilities	34,557.15	4,148.76	5,110.45	34,557.15	4,148.77	5,110.45
TOTAL	62,889.79	89,146.94	19,180.55	62,889.79	89,146.95	19,180.55

3.44 FAIR VALUE HIERACHY

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

₹ in Lacs

Particulars	As of 31st March, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	3,332.14	3,332.14	-	-
Investments in equity instruments	9,483.25	9,483.25	-	-
Derivative financial instruments - foreign currency forward and option contracts	90.68	-	90.68	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts	-	-	-	-

Notes forming part of the Accounts

3.44 FAIR VALUE HIERACHY (Contd.)

₹ in Lacs

Particulars	As of 31st March, 2016	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	1,193.31	1,193.31	-	-
Investments in equity instruments	3,593.40	3,593.40	-	-
Derivative financial instruments - foreign currency forward and option contracts	264.05	-	264.05	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts	-	-	-	-

₹ in Lacs

Particulars	As of 1st April, 2015	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	49,656.51	49,656.51	-	-
Investments in equity instruments	3,756.29	3,756.29	-	-
Derivative financial instruments - foreign currency forward and option contracts	-	-	-	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts	249.36	-	249.36	-

3.45 Income Taxes

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below:

₹ in Lacs

Particulars	31st March, 2017	31st March, 2016
Profit before Income Taxes	42,191.13	38,740.22
Enacted Tax Rate in India	34.61%	34.61%
Computed expected tax expenses	14,601.51	13,407.22
Tax Incentives for 80IC/IE units	(6,644.40)	(5,565.75)
Other Adjustments	(402.65)	(2,316.35)
Income Tax expense	7,554.46	5,525.12

Notes forming part of the Accounts

3.46 DISTRIBUTION OF DIVIDEND

₹ in Lacs

Particulars	31st March, 2017	31st March, 2016
Dividend on equity shares declared and paid :		
Final dividend for the year ended on 31 March 2016 :- Rs. 7/- per share (31 March 2015 :- Rs. 3/- per share)	15887.73	6809.03
Dividend Distribution Tax (DDT) on final dividend	3234.36	1386.15
Interim dividend for the year ended on 31 March 2017 :- Rs. 1.75 per share (31 March 2016 :- Rs. Nil per share)	3971.93	-
DDT on Interim dividend	448.95	-
	23542.97	8195.18
Proposed dividends on Equity Shares		
Final dividend for the year ended on 31 March 2017 :- Rs. 5.25 per share (31 March 2016 :- Rs. 7/- share)	11,915.80	15887.73
DDT on Proposed dividend	2,425.78	3234.36
	14,341.58	19122.09

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March 2017.

3.47 LEASES - THE LEASE RENTALS CHARGED DURING THE PERIOD IS AS UNDER:

₹ in Lacs

Particulars	31st March, 2017	31st March, 2016
Lease Rentals recognised during the period	604.63	486.62

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

₹ in Lacs

Future minimum lease payable	As at		
	31.03.2017	31.03.2016	01.04.2015
Not later than 1 year	688.57	489.08	464.72
Later than 1 year and not later than 5 years	2,256.52	2,945.09	2,825.66
Later than 5 years	-	-	608.51

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

3.48 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Notes forming part of the Accounts

3.48 FINANCIAL RISK MANAGEMENT (Contd.)

Market risk

Foreign Currency risk

The Company operates both in domestic market and internationally and a major portion of the business is transacted in foreign currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas countries, and purchases from overseas suppliers in foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table analyzes foreign currency risk from financial instruments

₹ in Lacs

Particulars	As at	
	31.03.2017	31.03.2016
Exposer Currency (USD)		
Trade Receivable	2452.90	2625.69
	2452.90	2625.69

For the year ended March 31, 2017 and March 31, 2016, every percentage appreciation in the exchange rate between the Indian rupee and U.S. dollar, has affected the Company's Profit before tax by approx Rs. 24.53 Lacs.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution.

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

₹ in Lacs

Particulars	As at	
	31.03.2017	31.03.2016
Less than 1 year		
Forward Contract (Currency - USD)	1167.09	5770.96
Option Contract (Currency - USD)	-	2308.38
	1167.09	8079.34
More than 1 year		
Forward Contract (Currency - USD)	-	-
Option Contract (Currency - USD)	-	-
	-	-
Total derivative financial instruments	1167.09	8079.34

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 3413.19 Lacs and Rs. 5063.28 Lacs as of March 31, 2017 and March 31, 2016, respectively. Trade receivables includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Notes forming part of the Accounts

3.48 FINANCIAL RISK MANAGEMENT (Contd.)

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, certificates of deposit which are funds deposited at a bank for a specified time period.

Liquidity Risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2017, the Company had a working capital of Rs. 7255.24 Lacs (P.Y. Rs. 2747.67 Lacs).

The table below provides details regarding the contractual maturities of significant financial liabilities. ₹ in Lacs

Particulars	As at	
	31.03.2017	31.03.2016
Less than 1 year		
Borrowings	13470.31	36000.00
Trade Payables	14018.29	18998.18
Other financial Liabilities	33389.21	3108.56
	60877.81	58106.74
More than 1 year		
Borrowings	-	30000.00
Other financial Liabilities	1167.93	1040.21
	1,167.93	31040.21
Total	62045.74	89146.95

3.49

The underspend in the CSR activities in financial year 2016-17 amounting Rs. 191.63 Lacs was mainly due to extraneous factors and also due to better planning and negotiations which resulted in savings despite carrying the activities as envisaged. Besides, some projects are multiyear projects and so expenditure can be done stages/ year wise which may result in lower expenditure in a particular year.

3.50

Commercial production of the Company's Newly setup plant in Pacharia, Dolapathar, Kamrup, Assam has commenced from 23rd February 2017.

3.51

On 12th June 2015, the Company acquired Hair & Scalp Care business under the "Kesh King" and allied Brands at Rs 1,68,400 Lacs (Including duties & taxes). Intangible Assets viz. Brands/Trademarks including Goodwill has been valued based on valuation report of an expert. In accordance with the provisions of Ind AS 38- Intangible Assets, the management has estimated useful life of various intangible assets at 5 to 10 years, except Goodwill of Rs 1,050 Lacs which has been charged to the statement of profit & loss. For the year ended 31st March 2017, amortisation of acquired Trade Marks/ Brands includes Rs 23,996.68 Lacs (P Y Rs 19,517 lacs) respectively provided on intangible assets of "Kesh king" business on pro-rata basis.

Notes forming part of the Accounts

3.51 (Contd.)

The fair values of the identifiable assets and liabilities of Kesh King as at the date of acquisition were: ₹ in Lacs

Particulars	Fair value recognised on acquisition
Assets	
Brand, Trademark and other Intangibles	166540.11
Debtors	731.17
Inventory	214.56
Others	12.76
	167498.60
Liabilities	
Creditors	148.60
	148.60
Total identifiable net assets at fair value	167350.00
Goodwill arising on acquisition	1050.00
Purchase consideration transferred	168400.00

3.52 Related Party Transactions :

A. Parties where Control exists :

₹ in Lacs

	Country of Incorporation	As at		
		31st March, 2017	31st March, 2016	1st April, 2015
SUBSIDIARIES				
i) Emami UK Limited (Dissolved w.e.f 15th September 2015)	United Kingdom	-	-	100.00%
ii) Emami Bangladesh Limited	Bangladesh	100.00%	100.00%	100.00%
iii) Emami International FZE	UAE	100.00%	100.00%	100.00%
iv) Emami Overseas FZE - Subsidiary of Emami International FZE	UAE	100.00%	100.00%	100.00%
v) Pharma Derm SAE Co.- Subsidiary of Emami Overseas FZE	Egypt	90.60%	90.60%	90.60%
vi) Fravin Pty.Ltd,Australia-Subsidiary of Emami International FZE	Australia	85.00%	66.67%	66.67%
vii) Greenlab Organics,Australia-Subsidiary of Fravin Pty Ltd.	United Kingdom	85.00%	66.67%	66.67%
viii) Diamond Bio-tech,Australia - Subsidiary of Fravin Pty Ltd.	Australia	85.00%	66.67%	66.67%
ix) Abache Pty Ltd,Australia - Subsidiary of Diamond Bio Tech.	Australia	85.00%	66.67%	66.67%

Notes forming part of the Accounts

3.52 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	Shri N. H. Bhansali		CEO - Finance, Strategy & Business Development and CFO
9	Shri Arun Kumar Joshi		Company Secretary & VP- Legal
ii)	Other Directors		
1	Shri Aditya Vardhan Agarwal		Non Executive Director
2	Shri K.N.Memani		Independent Director
3	Shri Amit Kiran Deb		Independent Director
4	Shri Y. P. Trivedi		Independent Director
5	Shri S. B. Ganguly		Independent Director
6	Shri Sajjan Bhajanka		Independent Director
7	Shri P. K. Khaitan		Independent Director
8	Shri M. D. Mallya		Independent Director
9	Smt. Rama Bijapurkar		Independent Director
iii)	Relatives of Key Management Personnel		
1	Smt. Usha Agarwal	15	Smt. Rachna Goenka
2	Smt. Saroj Goenka	16	Smt. Rashmi Goenka
3	Smt. Indu Goenka	17	Smt. Richa Agarwal
4	Smt. Rachna Bagaria	18	Ms. Shreya Goenka
5	Smt. Laxmi Devi Bajoria	19	Ms. Vidula Agarwal
6	Smt. Jyoti Agarwal	20	Shri Suresh Kr. Goenka
7	Smt. Pooja Goenka	21	Shri Raj Kr. Goenka
8	Ms. Smriti Agarwal	22	Shri Manish Goenka
9	Smt. Sobhna Agarwal	23	Shri Jayant Goenka
10	Ms. Vidisha Agarwal	24	Shri Sachin Goenka
11	Ms. Avishi Sureka	25	Shri Rohin Raj Sureka
12	Smt. Jyoti Goenka	26	Shri Vibhash Vardhan Agarwal
13	Smt. Mansi Agarwal	27	Shri Yogesh Goenka
14	Smt. Meena Goenka	28	Shri Saswat Goenka

Notes forming part of the Accounts

3.52 Related Party Transactions : (Contd.)

B. Other Related Parties with whom transactions have taken place during the period (Contd.)

iv)	Entities where Key Management Personnel and their relatives have significant influence		
1	Suntrack Commerce Private Limited	19	Emami Rainbow Niketan Private Limited
2	Diwakar Viniyog Private Limited	20	Emami Vriddhi Commercial Private Limited
3	Bhanu Vyapaar Private Limited	21	Emami Estates Private Limited
4	Suraj Viniyog Private Limited	22	Emami Projects Private Limited
5	Emami Paper Mills Limited	23	Emami Capital Markets Limited
6	Emami Cement Limited	24	Emami Group of Companies Private Limited
7	Emami Frank Ross Limited	25	Emami Home Private Limited
8	Pan Emami Cosmed Limited	26	Emami Institute of Corporate Solutions Pvt. Ltd.
9	Emami Realty Limited	27	Emami Power Limited
10	Emami Infrastructure Limited	28	Narcissus Bio-Crops Private Limited (Formerly known as Emami International Private Limited)
11	Emami Agrotech Limited	29	Emami (Meghalaya) Cement Limited
12	CRI Limited	30	Emami Natural Resouces Private Limited
13	Aviro Vyapar Private Limited	31	Emami Constructions Private Limited
14	AMRI Hospital Limited	32	Emami Buildcon Private Limited
15	Zandu Realty Limited	33	TMT Viniyogan Limited
16	Prabhakar Viniyog Private Limited (Formerly known as Emami High Rise Private Limited)	34	Emami Foundation
17	Ravi Raj Viniyog Private Limited (Formerly known as Emami Enclave Makers Private Limited)	35	Aradhana Trust
18	Emami Nirman Private Limited	36	Kesar Deo Ratni Devi Goenka Trust

C. Disclosure of Transactions between the Company and Related Parties.

₹ in Lacs

Particulars	Subsidiaries		Directors, Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Remuneration and Employee Benefits								
i) EXECUTIVE DIRECTORS								
- Short Term Employee benefits	-	-	1,052.04	911.95	-	-	1,052.04	911.95
- Post Employment benefits	-	-	47.33	38.96	-	-	47.33	38.96
- Commission	-	-	500.00	500.00	-	-	500.00	500.00
ii) OTHER DIRECTORS								
- Sitting Fees	-	-	28.35	25.25	-	-	28.35	25.25
- Commission	-	-	39.00	28.00	-	-	39.00	28.00
iii) CEO & COMPANY SECRETARY								
- Short Term Employee benefits	-	-	241.38	233.42	-	-	241.38	233.42
- Post Employment benefits	-	-	17.66	16.98	-	-	17.66	16.98

Notes forming part of the Accounts

3.52 Related Party Transactions : (Contd.)

C. Disclosure of Transactions between the Company and Related Parties. (Contd.)

₹ in Lacs

Particulars	Subsidiaries		Directors, Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
2. Sales								
- Sale of Goods	6,381.02	10,300.22	-	-	128.89	75.19	6,509.91	10,375.41
- Sale of Export Benefit Licence	-	-	-	-	110.24	73.22	110.24	73.22
3. Other Income								
- Sale of Property, Plant & Equipment	10.16	-	-	-	510.00	11.79	520.16	11.79
- Sale of Shares	-	-	-	-	304.82	-	304.82	-
- Rent, Maintenance & Other Charges Received	-	-	-	-	308.99	318.54	308.99	318.54
- Royalty Received	87.61	92.69	-	-	104.36	119.80	191.97	212.49
- Dividend Received	1,680.81	-	-	-	47.68	47.68	1,728.49	47.68
- Guarantee Commission Received	33.23	39.80	-	-	-	-	33.23	39.80
4. Purchase								
- Purchase of Gift and Promotional Items	-	-	-	-	27.13	15.22	27.13	15.22
- Purchase of Raw Materials	-	-	-	-	529.91	288.47	529.91	288.47
5. Other Expenses								
- Rent, Maintenance & Other Charges Paid	-	-	4.80	8.31	3.53	2.85	8.33	11.16
- Donation Paid	-	-	-	-	337.07	93.10	337.07	93.10
- Commission Paid	-	-	-	-	10.06	9.65	10.06	9.65
- Others	-	-	-	-	44.66	37.13	44.66	37.13
6. Dividend Paid	-	-	1,542.93	638.33	12,160.03	4,127.14	13,702.96	4,765.47
7. Security Deposit Received	-	-	-	-	3.00	14.73	3.00	14.73
8. Refund against Security Deposit Paid	-	-	0.20	2.40	-	-	0.20	2.40
9. Refund against Security Deposit Received	-	-	-	-	29.73	15.64	29.73	15.64
10. Reimbursement of Expenses	27.23	15.67	-	-	114.00	42.80	141.23	58.47

D. The details of amount due to or due from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 as follows :

₹ in Lacs

Particulars	Related Party	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Investment	Subsidiaries	46.79	46.79	46.79
	Entities where Key Management Personnel and their relatives have significant influence	368.48	660.31	660.31
		415.27	707.10	707.10
Trade Receivable	Subsidiaries	203.77	2,285.90	2,929.49
Other Receivable	Subsidiaries	213.82	219.22	86.72
	Entities where Key Management Personnel and their relatives have significant influence	-	2.29	-

Notes forming part of the Accounts

3.52 Related Party Transactions : (Contd.)

D. The details of amount due to or due from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 as follows: (Contd.)

₹ in Lacs

Particulars	Related Party	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
		213.82	221.51	86.72
Other Payable	Entities where Key Management Personnel and their relatives have significant influence	1.03	2.41	-
Security Deposit Paid	Key Management Personnel & Relatives	14.65	14.85	17.25
	Entities where Key Management Personnel and their relatives have significant influence	7.00	7.00	7.00
		21.65	21.85	24.25
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	18.21	44.94	29.73
Corporate Guarantee given	Subsidiaries	5,742.01	4,919.80	5,891.98

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

3.53 INFORMATION FOR EARNINGS PER SHARE AS PER IND AS 33

₹ in Lacs

	As at	
	31.03.2017	31.03.2016
Net Profit (Rs. in Lacs)	34636.71	33215.10
Cash Profit (Rs. in Lacs)	65103.80	58428.10
Weighted average number of shares	226967619	226967619
Earnings Per Share - Basic & Diluted (Rs.)	15.26	14.63
Earnings Per Share - Cash (Rs.)	28.68	25.74

3.54

Previous year's figures have been rearranged/regrouped wherever necessary

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants
Firm's Registration No-306033E

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S.K.Agrawal
Partner
Membership No : 9067

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP-Legal

Kolkata
4th May, 2017

Consolidated Financial Statement

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Emami Limited

Report on the Consolidated Ind AS 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 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board is responsible for the preparation and presentation of these consolidated Ind AS 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 state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder. 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at 31st March, 2017, and their consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other Matters

We did not audit the financial statements/financial information of seven subsidiaries, whose financial statements/financial information reflect total assets of Rs 16,679 lacs as at 31st March 2017, total revenue of Rs 26,022 lacs and net cash outflows amounting to Rs 1824 lacs for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) 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 Ind AS financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- i. 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 consolidated Ind AS financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. The Holding Company does not have any subsidiary incorporated in India and accordingly separate report on the adequacy

of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls have not been annexed to this report;

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 2.32 & 2.34 to the consolidated Ind AS 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.
- iv. The Holding Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Holding Company. [Refer Note 3.43 to the consolidated Ind AS financial statements].

For, S. K. AGRAWAL & CO.

Chartered Accountants

Firm's Registration Number- 306033E

S.K.Agrawal

Partner

Place: Kolkata

Dated: May 4, 2017

Membership No: 9067

Consolidated Balance Sheet

as at 31st March, 2017

₹ in Lacs

	Notes	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
ASSETS							
1. Non-Current Assets							
(a) Property, Plant and Equipment	3.1	69,656.73		41,408.34		35,949.09	
(b) Capital Work-in-Progress	3.1	1,290.75		6,163.85		2,647.37	
(c) Investment Property	3.2	5,383.10		5,653.09		5,654.86	
(d) Intangible Assets	3.3	123,930.12		149,935.01		3,277.77	
(e) Intangible Assets under Development	3.3	861.43		545.12		229.49	
(f) Goodwill on Consolidation		408.05		408.05		408.05	
(g) Financial Assets							
(i) Investments	3.4	9,436.45		3,546.61		3,709.50	
(ii) Loans	3.5	484.70		688.23		470.73	
(h) Other Non-Current Assets	3.6	4,021.89	215,473.22	10,345.59	218,693.89	3,982.93	56,329.79
2. Current Assets							
(a) Inventories	3.7	17,915.46		15,053.50		12,665.47	
(b) Financial Assets							
(i) Investments	3.8	3,332.14		1,193.31		49,656.51	
(ii) Trade Receivables	3.9	9,701.27		13,087.63		10,177.88	
(iii) Cash and Cash Equivalents	3.10	5,005.46		10,843.30		35,410.66	
(iv) Loans	3.11	394.16		362.12		206.99	
(v) Other Financial Assets	3.12	123.92		80.29		117.27	
(c) Current Tax Assets (Net)	3.13	93.80		1,500.70		-	
(d) Other Current Assets	3.14	9,226.77	45,792.98	8,407.01	50,527.86	6,306.80	114,541.58
TOTAL ASSETS			261,266.20		269,221.75		170,871.37
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity Share Capital	3.15		2,269.68		2,269.68		2,269.68
(b) Other Equity	3.16		173,199.53		158,890.84		130,974.82
Total Equity attributable to owners of the Company			175,469.21		161,160.52		133,244.50
(c) Non-Controlling Interest			141.27		409.69		456.23
TOTAL EQUITY			175,610.48		161,570.21		133,700.73
LIABILITIES							
1. Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	3.17	-		30,000.00		170.85	
(ii) Other Financial Liabilities	3.18	1,167.93		1,240.21		1,229.69	
(b) Provisions	3.19	2,388.22		1,898.58		1,439.50	
(c) Deferred Tax Liabilities (Net)	3.20	4,216.22		903.62		2,212.21	
(d) Other Non-Current Liabilities	3.21	125.61	7,897.98	140.87	34,183.28	-	5,052.25
2. Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	3.22	17,295.50		37,143.93		1,769.73	
(ii) Trade Payables	3.23	18,470.34		24,871.91		19,700.49	
(iii) Other Financial Liabilities	3.24	33,802.34		3,780.88		4,492.10	
(b) Other Current Liabilities	3.25	2,293.33		2,676.14		1,977.94	
(c) Provisions	3.26	5,896.23		4,995.40		3,235.36	
(d) Current Tax Liabilities (Net)	3.27	-	77,757.74	-	73,468.26	942.77	32,118.39
TOTAL EQUITY AND LIABILITIES			261,266.20		269,221.75		170,871.37
Summary of Significant Accounting Policies and Notes on Accounts	1 & 2						

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants
Firm's Registration No-306033E

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S.K.Agrawal
Partner
Membership No : 9067

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP-Legal

Kolkata
4th May, 2017

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Statement of Consolidated Profit & Loss

for the year ended 31st March, 2017

₹ in Lacs

	Notes	2016-17	2015-16
INCOME			
Revenue From Operations	3.28	253,261.21	239,755.27
Other Income	3.29	3,107.74	4,445.34
Total Income (A)		256,368.95	244,200.61
EXPENSES			
Cost of Materials Consumed		67,369.53	63,693.60
Purchase of Stock-in-Trade		17,553.20	19,382.58
(Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress	3.30	(1,566.92)	(1,862.96)
Excise Duty on Sale of Goods		3,957.33	3,920.46
Employee Benefit Expenses	3.31	23,354.71	20,780.00
Other Expenses	3.33	66,680.01	65,114.14
Total Expenses Before Interest, Depreciation, Amortisation & Impairment (B)		177,347.86	171,027.82
Earnings Before Interest, Depreciation, Amortisation & Impairment and Tax		79,021.09	73,172.79
Finance Costs	(C) 3.32	5,801.13	5,403.01
Depreciation, Amortisation & Impairment Expense:			
a. Amortisation & Impairment of Intangible Assets (Brands, Trade Marks etc)	3.3	26,169.66	21,265.51
b. Depreciation of Other assets	3.1 & 3.2	4,687.92	4,227.66
Total Expenses (B+C+D)=E	(D)	30,857.58	25,493.17
Profit Before Tax (A-E)=F	(A-E)=F	42,362.37	42,276.61
Tax Expense: (G)	(G)		
Current Tax		8,394.53	7,220.53
(Excess)/Short Provision of Earlier Years		67.90	4.67
Deferred Tax		1,299.31	(1,254.44)
MAT Credit Entitlement		(1,400.00)	-
Profit for the period (F-G)=H	(F-G)=H	34,000.63	36,305.85
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Equity instrument through other comprehensive income		6,181.99	(162.89)
Remeasurement of the net defined benefit liability/ asset		74.54	(448.89)
Income Tax Effect		(2,028.01)	133.57
B. Items that will be Reclassified to Profit or Loss			
Exchange difference on translation of foreign operations		(279.05)	237.02
Income Tax Effect		-	-
Other Comprehensive Income for the year, net of tax		3,949.47	(241.19)
Total Comprehensive Income for the Period		37,950.10	36,064.66
Profit attributable to:			
Owners of the Company		34,041.80	36,352.39
Non-Controlling Interests		(41.17)	(46.54)
Total Comprehensive Income attributable to:			
Owners of the Company		37,991.27	36,111.20
Non-Controlling Interests		(41.17)	(46.54)
Cash Profit (H+D)	(H+D)	64,899.39	61,845.56
Earnings Per Equity Share	2.40		
(1) Basic (Face value of Re 1 each)		14.98	16.02
(2) Diluted (Face value of Re 1 each)		14.98	16.02
(3) Cash (Face value of Re 1 each)		28.59	27.25
Summary of Significant Accounting Policies and Notes on Accounts	1 & 2		

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants
Firm's Registration No-306033E

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S.K.Agrawal
Partner
Membership No : 9067

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP-Legal

Kolkata
4th May, 2017

Consolidation

Statement of Changes in Equity

₹ in Lacs

Particulars	Equity Share Capital	Reserve & Surplus					Other Comprehensive Income		Total Equity attributable to equity share holders of the company	Total Equity attributable to owners of the company	Non-Controlling Interests (NCI)	Total Equity
		Capital Reserve	Securities Premium Reserve	Retained Earnings	Debenture Redemption Reserve	General Reserve	Equity Component through Other Comprehensive Income	Remeasurements of the Net Defined Benefit Plans				
Balance as at 1.04.2015	2,269.68	79.64	33,205.16	15,681.86	-	80,000.00	2,008.16	-	-	133,244.50	456.23	133,700.73
Profit for the Period	-	-	-	36,352.39	-	-	-	-	-	36,352.39	(46.54)	36,305.85
Other Comprehensive Income	-	-	-	-	-	-	(162.89)	(448.89)	-	(611.78)	-	(611.78)
Income Tax Effect	-	-	-	-	-	-	37.57	96.00	237.02	370.59	-	370.59
Total Comprehensive Income	-	-	-	36,352.39	-	-	(125.32)	(352.89)	237.02	36,111.20	(46.54)	36,064.66
Dividend Paid#	-	-	-	(6,809.03)	-	-	-	-	-	(6,809.03)	-	(6,809.03)
Corporate Dividend Tax#	-	-	-	(1,386.15)	-	-	-	-	-	(1,386.15)	-	(1,386.15)
Transfer to Debenture Redemption Reserve	-	-	-	(7,500.00)	7,500.00	-	-	-	-	-	-	-
Balance as at 31.03.2016	2,269.68	79.64	33,205.16	36,339.07	7,500.00	80,000.00	1,882.84	(352.89)	237.02	161,160.52	409.69	161,570.21
Balance as at 1.04.2016	2,269.68	79.64	33,205.16	36,339.07	7,500.00	80,000.00	1,882.84	(352.89)	237.02	161,160.52	409.69	161,570.21
Profit for the Period	-	-	-	34,041.80	-	-	-	-	-	34,041.80	(41.17)	34,000.63
Other Comprehensive Income	-	-	-	-	-	-	6,181.99	74.54	(279.05)	5,977.48	-	5,977.48
Income Tax Effect	-	-	-	(139.61)	-	-	(2,012.01)	(16.00)	-	(2,167.62)	(227.25)	(2,394.87)
Total Comprehensive Income	-	-	-	33,902.19	-	-	4,169.98	58.54	(279.05)	37,851.66	(268.42)	37,583.24
Dividend Paid#	-	-	-	(19,859.66)	-	-	-	-	-	(19,859.66)	-	(19,859.66)
Corporate Dividend Tax#	-	-	-	(3,683.31)	-	-	-	-	-	(3,683.31)	-	(3,683.31)
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.03.2017	2,269.68	79.64	33,205.16	46,698.29	7,500.00	80,000.00	6,052.82	(294.35)	(42.03)	175,469.21	141.27	175,610.48

Refer note no : 3.47

For S. K. Agrawal & Co.
Chartered Accountants
Firm's Registration No-306033E

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S.K.Agrawal
Partner
Membership No : 9067

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP-Legal

Kolkata
4th May, 2017

Consolidated Cash Flow Statement

for the year ended 31st March, 2017

₹ in Lacs

	2016-17	2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	42,362.37	42,276.61
Add: ADJUSTMENTS FOR		
Depreciation, Amortisation & Impairment Expenses	30,857.58	25,493.17
Interest (Net)	5,578.92	4,318.15
Loss / (Profit) on sale of Property, Plant & Equipments	(138.67)	(7.25)
Loss / (Profit) on sale of Current Investments	5,784.86	5,550.78
Sundry Balances Written back off	(20.23)	(66.26)
Diminution in value of Investment	-	9.17
Foreign Exchange Fluctuations	565.34	861.36
Dividend Received	(7,212.63)	(7,054.27)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	77,777.54	71,381.46
Add: DECREASE / (INCREASE) IN WORKING CAPITAL		
Trade Payables, Other Financial Liabilities and current Liabilities	(6,793.62)	6,783.06
Inventories	(2,861.96)	(2,388.03)
Trade Receivables	3,373.02	(2,909.85)
Loans & other financial assets	138.65	(430.47)
Other Assets	6,935.40	(8,471.73)
Provision for Indirect Taxes	815.73	1,322.68
Provision for Employee Benefits	649.27	447.55
	2,256.49	(5,646.79)
CASH GENERATED FROM OPERATIONS	80,034.03	65,734.67
Less: Direct Taxes Paid	7,071.53	9,572.67
NET CASH FLOW FROM OPERATING ACTIVITIES	72,962.50	56,162.00
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Property, Plant & Equipment	395.47	182.72
Interest Received	211.42	1,179.68
Dividend Received	7,212.63	7,054.27
Fixed Deposits maturity Proceeds	(1,404.99)	(347.81)
Sale of Investments	180,633.38	252,012.47
	187,047.91	260,081.33
Less: Purchase of Property, Plant & Equipment	28,046.35	13,381.83
Purchase of Intangible Assets	484.25	168,233.62
Purchase of Investment	188,264.93	209,109.22
NET CASH USED IN INVESTING ACTIVITIES	(29,747.62)	(130,643.34)

Consolidated Cash Flow Statement

for the year ended 31st March, 2017

₹ in Lacs

	2016-17	2015-16
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan Taken/(Repaid)	(19,848.43)	63,555.50
Interest Paid	(5,832.70)	(5,191.43)
Dividend Paid	(19,851.11)	(6,796.27)
Acquisition of Non-Controlling Interest	(366.30)	-
Corporate Dividend Tax	(3,683.31)	(1,386.15)
	(49,581.85)	50,181.65
NET CASH USED IN FINANCING ACTIVITIES	(49,581.85)	50,181.65
D. EFFECT OF FOREIGN EXCHANGE FLUCTUATION	(844.40)	(624.34)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C+D)	(7,211.37)	(24,924.03)
CASH & CASH EQUIVALENTS-OPENING BALANCE	10,051.36	34,975.39
CASH & CASH EQUIVALENTS-CLOSING BALANCE	2,839.99	10,051.36
Cash & Cash Equivalents includes:		
Balances with Banks	564.25	7,203.45
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	1,861.43	2,129.68
Cheque-in-hand	388.13	675.92
Cash on hand	26.18	42.31
Total cash & Cash Equivalents (Refer note no : 3.10)	2839.99	10051.36
Cash Credit (Refer note no : 3.22)	(5142.91)	-
Net cash & cash Equivalents for cash flow statement	(2302.92)	10051.36

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants
Firm's Registration No-306033E

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S.K.Agrawal
Partner
Membership No : 9067

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP-Legal

Kolkata
4th May, 2017

Accounting Policy

1. Company Overview

Emami Limited ("the Company" or "Holding Company") is one of India's leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products with an enviable portfolio of household brand names such as BoroPlus, Navratna, Fair and Handsome, Zandu Balm, Kesh King, Zandu Pancharishta, Mentho Plus Balm and others. The Company is a public limited company domiciled in India and is primarily listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at 687, Anandapur E.M. Bypass, Kolkata, West Bengal.

The consolidated financial statements comprise financial statements of **EMAMI LIMITED** and its Subsidiaries (collectively referred to as "Group") for the year ended 31st March 2017.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on May 4, 2017.

2. Significant Accounting Policies

(a) Basis of Preparation

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016. These consolidated financial statements are prepared in accordance under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

The Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101- First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarised in Note 2.2.1 & 2.2.2.

(b) Basis of Consolidation

The consolidated financial statements comprise financial statements of the Company and its Subsidiaries has been prepared in accordance with Indian Accounting Standard for Consolidated Financial Statements (IND AS 110), prescribed under section 133 of the Companies Act, 2013 ('Act'). Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The Consolidated Financial Statements have been prepared on the following basis:

- i) The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.
- ii) 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.

Accounting Policy

Changes in parents ownership interest in subsidiary that do not result in the parent losing control of the subsidiary are recognised directly in equity.

- iii) Non controlling 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 shareholders' of the company. Non controlling interest in net assets of the subsidiaries is identified and presented separately in Consolidated Financial Statements.
- iv) 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.
- v) 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.
- vi) Foreign Exchange fluctuations on conversion of the accounts of foreign subsidiaries have been taken to "Foreign Currency Translation Reserve" (Arising on Consolidation).

(c) Revenue Recognition

Revenue from sale of goods in the course of ordinary activities is recognised when all significant risks and rewards of their ownership are transferred to the customer as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Revenue is measured at the fair value of the consideration received or receivable and includes excise duty and are net of returns and allowances, trade discounts, volume rebates and sales tax.

Dividend income is recognised when the company's right to receive dividend is established. Interest income is recognized using the effective interest method. All other income are recognised on accrual basis.

(d) Property, Plant & Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production. Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives are as follows:

Building	30-60 Years
Plant & Machinery*	15 Years
Furniture & Fixtures	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

Leasehold Land is amortised over the period of lease.

*Block, Dies & Moulds (other than High-End Moulds) are depreciated @100% on prorata basis.

In Pharmaderm Co. SAE -Egypt, depreciation is provided on reducing balance method@ 25% except for Building & Utilities which is depreciated @ 5%.

In Fravin Pty.Ltd. and its Subsidiaries depreciation is calculated on straight line method over their useful lives.

Accounting Policy

In Emami Bangladesh Limited, depreciation is provided on reducing balance method @ 20% except for furniture & block and dies which is depreciated @10% and 30% respectively.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date is classified as Capital Advances under Other Non-Current Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work in Progress'. The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit & Loss. The method of depreciation, useful lives and residual values are reviewed at each financial year end.

(e) Investment Property

Investment properties are measured initially at cost, including transaction costs and are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property on the straight line method over the estimated useful life of 60 years from the date of original purchase and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

(f) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. The Group amortises intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Softwares & Licences	6 Years
Brand, Trademarks and Copy Rights	5 - 10 Years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss when the asset is derecognised.

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Research and Development Cost

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are also charged to Statement of Profit & Loss unless a product's technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. The amount capitalised comprises expenditure that can be attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

(g) Business Combination

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the considerations transferred at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value on the date of acquisition. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

(h) Financial Instruments

Initial Recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost -

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income -

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

Accounting Policy

(iii) Financial assets at fair value through profit or loss -

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities -

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries-

Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income.

Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(i) Fair Value of Financial Instruments

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(j) Impairment

Impairment is recognized based on the following principles:

- (i) Financial Assets: The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case

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those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in profit or loss.

- (ii) Non-Financial Assets: Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units) Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

(k) Provisions

Provisions are recognised when the Group has a present 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 Group 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.

(l) Inventory

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.

(m) Foreign Currency Transactions & Translations

The functional currency of Emami Limited is Indian Rupee. The functional currencies for Emami Bangladesh Ltd., Emami International FZE, Emami Overseas FZE, Pharmaderm Company S.A.E., Fravin Pty. Ltd., Diamond Bio-Tech Laboratories Pty. Ltd., Abache Pty. Ltd. and Greenlab Organics Limited are the respective local currencies. These Financial Statements are presented in Indian Rupee (rounded off to the nearest Lacs).

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction. Gains & losses arising on account of realisation are accounted for in Statement of Profit & Loss.

In accordance with Ind AS 101, the Group has elected to capitalize exchange differences arising on long-term foreign currency monetary items outstanding as on 31st March, 2015 in accordance with paragraph 46A of Accounting Standard 11, "The Effect of Changes in Foreign Exchange Rates". Accordingly, exchange differences arising from such 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 are recognized as income or expenses in the Statement of Profit & Loss.

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Monetary Assets & Liabilities in foreign currency that are outstanding at the year end are translated at the year end exchange rates and the resultant gain/loss is accounted for in the Statement of Profit & Loss.

(n) Employee Benefits

Defined Contribution Plan

The Group makes contributions towards provident fund and superannuation fund to the regulatory authorities to a defined contribution retirement benefit plan for qualifying employees, where the Group has no further obligations. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

In Vapi, Dongari and Masat Units the superannuation fund is administered by the Life Insurance Corporation of India (LIC). Under the plan, the Group is required to contribute a specified amount to the retirement benefit plan to fund the benefits.

Defined Benefit Plan

- a. In respect of certain employees, provident fund contributions are made to a Trust administered by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Group is additionally provided for.
- b. The Group operates a defined benefit gratuity plan in India, comprising of Gratuity fund with Life Insurance Corporation of India. The Group's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in the Statement of Profit & Loss.

Other Long Term Benefits

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. In Vapi, Dongari and Masat units the Leave Fund is with Life Insurance Corporation of India. The Group's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in Statement of Profit & Loss.

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(p) Leases

Leases under which the group assumes substantially all the risks and rewards of ownership are classified

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as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Comprehensive Income over the lease term.

(q) Government Grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit & Loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit & Loss.

(r) Income Taxes

Income tax expense is recognized in the Statement of Profit & Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Provision for current tax is made at the current tax rates based on assessable income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(s) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(t) Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has issued the Company (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard, applicable to the Group.

The amendments to standards that are issued, but not yet effective, upto the date of issuance of the Group's

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financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when become effective.

Amendments to Ind AS 7, Statement of Cash Flows

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of Financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment entities are not required to provide comparative information for preceding periods. The amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

List of Subsidiaries included in the Consolidated financial statements are as under:-

Names of Subsidiary Companies	Country of Incorporation	As at		
		31 March 2017	31 March 2016	1 April 2015
Emami UK Limited (Ceased w.e.f 15th September 2015)	United Kingdom	-	-	100%
Emami Bangladesh Limited	Bangladesh	100%	100%	100%
Emami International FZE	UAE	100%	100%	100%
Emami Overseas FZE -(Subsidiary of Emami-International FZE)	UAE	100%	100%	100%
Pharmaderm Co. SAE -Egypt (Subsidiary of Emami Overseas FZE)	Egypt	90.60%	90.60%	90.60%
Fravin Pty.Ltd. (Subsidiary of Emami International FZE)	Australia	85.00%	66.67%	-
Greenlab Organics Ltd. (Subsidiary of Fravin Pty Ltd.)	United Kingdom	85.00%	66.67%	-
Diamond Bio-tech Laboratories Pty. Ltd. (Subsidiary of Fravin Pty Ltd.)	Australia	85.00%	66.67%	-
Abache Pty Ltd. (Subsidiary of Diamond Bio Tech Laboratories Pty. Ltd.)	Australia	85.00%	66.67%	-

2.1 First-Time Adoption of Ind-AS

These consolidated financial statements of Emami Limited and its subsidiaries for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Group has followed the guidance prescribed in Ind AS 101-First Time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the consolidated financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in note 1 have been applied in preparing the consolidated financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's Consolidated Balance sheet and Consolidated Statement of profit and loss, is set out in note 2.2.1 and 2.2.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.1.1.

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2.1.1 Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has accordingly applied the following exemptions:

(a) Business Combination

In accordance with Ind AS 101, the Group has elected not to restate business combinations that occurred before the date of transition i.e 1st April 2015. In view of the same, the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

(b) Property, Plant and Equipment, Intangible Assets and Investment Properties

In accordance with Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of Property, Plant and Equipment. The same election has been made in respect of intangible assets and investment property also.

(c) Cumulative translation differences

In accordance with Ind AS 101, an entity may deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings. The Group has elected to avail of the above exemption.

(d) Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVPL).

The Group has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition.

(e) Non-Controlling Interests (NCI)

Ind AS 110 requires that total comprehensive income should be attributed to the owners of the parent and the NCI even if this results in the NCI having a negative balance. Ind AS 101 requires this requirement to be applied prospectively from the date of transition to Ind AS. The Group has elected to apply such exemption.

Accounting Policy

2.2 Reconciliation

The following reconciliation provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Equity as at April 1, 2015 and March 31, 2016
- Net profit for the year ended March 31, 2016

2.2.1 Reconciliation of Equity as previously reported under IGAAP to Ind AS

₹ in Lacs

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
1. Non-Current Assets							
(a) Property Plant and Equipment	a	41,603.95	(5,654.86)	35,949.09	47,061.43	(5,653.09)	41,408.34
(b) Capital Work-in-Progress		2,647.37	-	2,647.37	6,163.85	-	6,163.85
(c) Investment Property	a	-	5,654.86	5,654.86	-	5,653.09	5,653.09
(d) Other Intangible Assets	b	3,278.24	(0.47)	3,277.77	150,021.16	(86.15)	149,935.01
(e) Intangible Assets under Development		229.49	-	229.49	545.12	-	545.12
(f) Goodwill on Consolidation		408.05	-	408.05	408.05	-	408.05
(g) Financial Assets:							
(i) Investments	c	661.20	3,048.30	3,709.50	661.22	2,885.39	3,546.61
(ii) Loans		470.73	-	470.73	688.23	-	688.23
(h) Deferred Tax Assets (Net)		-	-	-	91.91	(91.91)	-
(i) Other Non-Current Assets		3,982.93	-	3,982.93	10,345.59	-	10,345.59
Total Non- Current Assets		53,281.96	3,047.83	56,329.79	215,986.56	2,707.33	218,693.89
2. Current Assets							
(a) Inventories		12,665.47	-	12,665.47	15,053.50	-	15,053.50
(b) Financial Assets :							
(i) Investments	d	49,465.36	191.15	49,656.51	1,191.90	1.41	1,193.31
(ii) Trade Receivables		10,177.88	-	10,177.88	13,087.63	-	13,087.63
(iii) Cash and Cash Equivalents		35,410.66	-	35,410.66	10,843.30	-	10,843.30
(iv) Loans		206.99	-	206.99	362.12	-	362.12
(v) Other financial Assets	e	117.27	-	117.27	22.45	57.84	80.29
(c) Current Tax Assets (Net)		-	-	-	1,500.70	-	1,500.70
(d) Other Current Assets		6,306.80	-	6,306.80	8,407.01	-	8,407.01
Total current Assets		114,350.43	191.15	114,541.58	50,468.61	59.25	50,527.86
Total Assets		167,632.39	3,238.98	170,871.37	266,455.17	2,766.58	269,221.75
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital		2,269.68	-	2,269.68	2,269.68	-	2,269.68
(b) Other Equity	h	120,794.08	10,180.74	130,974.82	138,043.94	20,846.90	158,890.84
Total Equity attributable to owners of the Company		123,063.76	10,180.74	133,244.50	140,313.62	20,846.90	161,160.52
(c) Non-Controlling Interests		456.23	-	456.23	412.42	(2.73)	409.69
Total Equity		123,519.99	10,180.74	133,700.73	140,726.04	20,844.17	161,570.21

Accounting Policy

2.2.1 Reconciliation of Equity as previously reported under IGAAP to Ind AS (Contd.)

₹ in Lacs

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
1. Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings		170.85	-	170.85	30,000.00	-	30,000.00
(ii) Other Financial Liabilities		1,229.69	-	1,229.69	1,240.21	-	1,240.21
(b) Provisions		1,439.50	-	1,439.50	1,898.58	-	1,898.58
(c) Deferred Tax Liabilities (Net)	h	1,204.75	1,007.46	2,212.21	-	903.62	903.62
(d) Other Non-Current Liabilities	g	-	-	-	-	140.87	140.87
Total Non-Current Liabilities		4,044.79	1,007.46	5,052.25	33,138.79	1,044.49	34,183.28
2. Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		1769.73	-	1,769.73	37,143.93	-	37,143.93
(ii) Trade Payables		19,700.49	-	19,700.49	24,871.91	-	24,871.91
(iii) Other Financial Liabilities	e	4,246.02	246.08	4,492.10	3,780.88	-	3,780.88
(b) Other Current Liabilities		1,977.94	-	1,977.94	2,676.14	-	2,676.14
(c) Provisions	f	11,430.66	(8,195.30)	3,235.36	24,117.48	(19,122.08)	4,995.40
(d) Current Tax Liabilities (Net)		942.77	-	942.77	-	-	-
Total Current Liabilities		40,067.61	(7,949.22)	32,118.39	92,590.34	(19,122.08)	73,468.26
Total Equity and Liabilities		167,632.39	3,238.98	170,871.37	266,455.17	2,766.58	269,221.75

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

- In accordance with Ind AS 40, the company has reclassified land & buildings to investment property. Under previous GAAP, this was disclosed as a part of Property, Plant & Equipment.
- In accordance with Ind AS 103, acquisition cost capitalised under previous GAAP has been expensed out.
- Under previous GAAP, non current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such investments. Under Ind AS, financial assets in equity instruments other than investment in subsidiaries have been classified as Fair Value Through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.
- Under previous GAAP, current investments were stated at lower of cost and fair value, under Ind AS, these financial assets have been classified as fair value through profit or loss on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.
- Under previous GAAP, the premium or discount on derivative instruments were expensed over the period of the contract. Under Ind AS, the net mark to market loss/gain on fair valuation of such instruments are recognised in Statement of Profit & Loss.
- Under previous GAAP, dividend payable is recognised as a liability in the period to which it relates. Under Ind AS, dividends to shareholders are recognised when declared by the members in a general meeting.
- Under previous GAAP, Grant or Subsidy relating to assets were shown as part of capital reserve. Under Ind AS, such grants are treated as deferred income and are recognized as other income in the Statement of Profit & Loss on a systematic and rational basis over the useful life of the asset.

Accounting Policy

2.2.1 Reconciliation of Equity as previously reported under IGAAP to Ind AS (Contd.)

- h. Adjustments to retained earnings, other comprehensive income and deferred tax has been made in accordance with Ind AS, for the above mentioned line items. In addition, as per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

2.2.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to IND AS

₹ in Lacs

Particulars	Note	Year ended March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS
INCOME				
Revenue from operations	a	262,379.01	(22,623.74)	239,755.27
Other income	b & c	4,241.81	203.53	4,445.34
Total Income		266,620.82	(22,420.21)	244,200.61
Expenses				
Cost of Material Consumed		63,693.60	-	63,693.60
Purchases of Stock-in-Trade		19,382.58	-	19,382.58
Changes in Inventories of Finished Goods, Stock in Trade & WIP		(1,862.96)	-	(1,862.96)
Excise duty on Sale of Goods	a	-	3,920.46	3,920.46
Employee benefit expenses	a & d	20,847.89	(67.89)	20,780.00
Other expenses	a, d & e	91,941.97	(26,827.83)	65,114.14
Total Expenses before Interest, Depreciation and Amortisation		194,003.08	(22,975.26)	171,027.82
Earning before Interest, Depreciation & Amortisation and Tax		72,617.74	555.05	73,172.79
Finance Cost		5,403.01	-	5,403.01
Depreciation and amortisation expenses	e	25,503.54	(10.37)	25,493.17
Total Expenses		224,909.63	(22,985.63)	201,924.00
Profit before Tax		41,711.19	565.42	42,276.61
Tax Expenses :				
- Current Tax		7,124.53	96.00	7,220.53
- (Excess)/Short Provision of Earlier years		4.67	-	4.67
- Deferred Tax		(1,280.08)	25.64	(1,254.44)
Profit after taxation before minority Interest		35,862.07	443.78	36,305.85
Other comprehensive Income				
A. Items that will not be reclassified subsequently to profit or loss				
Equity Instruments through Other Comprehensive Income	c	-	(162.89)	(162.89)
Remeasurements of the Net Defined Benefit Plans	d	-	(448.89)	(448.89)
Income Tax Effect		-	133.57	133.57
B. Items that will be reclassified subsequently to profit or loss				

Accounting Policy

2.2.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to IND AS (Contd.)

₹ in Lacs

Particulars	Note	Year ended March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS
Exchange difference on translation of foreign operations		-	237.02	237.02
Other Comprehensive Income for the year, net of tax		-	(241.19)	(241.19)
Total comprehensive income for the period		35,862.07	202.59	36,064.66
Profit attributable to:				
Owners of the company		35,905.88	446.51	36352.39
Non-controlling interests	f	(43.91)	(2.63)	(46.54)
Total comprehensive income attributable to:		35861.97	443.88	36305.85
Owners of the company		35905.88	205.32	36111.20
Non-controlling interests	f	(43.91)	(2.63)	(46.54)
		35861.97	202.69	36064.66

Explanations for Reconciliation of Profit and Loss as previously reported under IGAAP to IND AS

- Under Ind AS, revenue from sales of goods is inclusive of excise duty and are net of sales tax, discounts and secondary trade promotions. Under previous GAAP, sales included sales tax but were shown net of excise duty. Secondary promotions linked to sales were disclosed as part of advertisement & promotion under other expenses. Field Force expenses has been shown as part of employee benefit expenses.
- Under Ind AS, Grants/Subsidy earlier treated as reserve now considered as deferred income and amortized to income based on the useful life of assets against which the same was received.
- Under Ind AS, Mutual Funds, Forward & Option Contracts have been measured at Fair Valued Through Profit or Loss (FVTPL). Under Ind AS, financial assets in equity instruments other than investment in subsidiaries have been classified as Fair Value Through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.
- Under Ind AS, Actuarial Gain/Loss on Gratuity routed through Other Comprehensive Income instead of profit or loss.
- Acquisition related costs expensed off instead of being capitalized with intangible assets.
- Ind AS 110 requires that total comprehensive income should be attributed to the owners of the parent and the NCI even if this results in the NCI having a negative balance. Ind AS 101 requires this requirement to be applied prospectively from the date of transition to Ind AS.

2.2.3 Cash flow statement

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

Notes Forming Part of the Accounts

3. Notes Forming Part of the Accounts

3.1 Property Plant & Equipment (Current Year)

₹ in Lacs

Particulars	Gross Block					Depreciation & Amortisation				Net Block		
	Balance as at 1.4.2016	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2017	Balance as at 1.4.2016	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2017	Balance as at 31.03.2017	Balance as at 31.03.2016
Land												
Leasehold	364.24	-	-	-	364.24	38.50	4.88	-	-	43.38	320.86	325.74
Freehold	2,534.31	1,950.23	-	(47.76)	4,436.78	-	-	-	-	-	4,436.78	2,534.31
Building*	18,458.57	11,992.14	(113.15)	(80.51)	30,483.35	3,863.17	572.44	7.97	(37.37)	4,390.27	26,093.08	14,595.39
Plant & Equipment	32,974.49	17,805.80	1,082.29	(50.84)	49,647.16	12,634.97	3,160.40	996.11	(23.53)	14,775.74	34,871.43	20,339.52
Furniture & Fixture	3,064.95	654.83	299.67	(15.50)	3,404.61	1,260.74	335.08	172.62	(23.54)	1,399.65	2,004.96	1,804.22
Office Equipment	3,929.56	570.02	52.49	(5.47)	4,441.63	2,682.30	387.65	44.76	2.39	3,027.58	1,414.05	1,247.26
Motor Vehicles	1,024.66	90.44	74.69	(2.99)	1,037.41	462.75	113.46	52.97	(1.39)	521.85	515.57	561.90
Property, Plant & Equipment Total	62,350.78	33,063.46	1,395.99	(203.07)	93,815.17	20,942.43	4,573.91	1,274.43	(83.44)	24,158.47	69,656.73	41,408.34
Capital Work- In-Progress	6,163.85	2,248.14	7,091.87	(29.37)	1,290.75	-	-	-	-	-	1,290.75	6,163.85
Total	68,514.63	35,311.60	8,487.86	(232.44)	95,105.92	20,942.43	4,573.91	1,274.43	(83.44)	24,158.47	70,947.48	47,572.19

*Transfer includes Rs 137.85 lacs (accumulated depreciation Rs 2.61 lacs) transferred from Investment property.

3.2 Investment Property (Current Year)

₹ in Lacs

Particulars	Gross Block					Depreciation & Amortisation				Net Block		
	Balance as at 1.4.2016	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2017	Balance as at 1.4.2016	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2017	Balance as at 31.03.2017	Balance as at 31.03.2016
Building*	6,002.32	-	137.85	(22.26)	5,842.21	349.23	114.01	2.61	(1.52)	459.11	5,383.10	5,653.09
Total	6,002.32	-	137.85	(22.26)	5,842.21	349.23	114.01	2.61	(1.52)	459.11	5,383.10	5,653.09

*Transfer includes Rs 137.85 lacs (accumulated depreciation Rs 2.61 lacs) transferred to Property, Plant & Equipments

3.3 Intangible Assets (Current Year)

₹ in Lacs

Particulars	Gross Block					Depreciation & Amortisation				Net Block		
	Balance as at 1.4.2016	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2017	Balance as at 1.4.2016	For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2017	Balance as at 31.03.2017	Balance as at 31.03.2016
Goodwill	1,050.00	-	-	-	1,050.00	1,050.00	-	-	-	1,050.00	-	-
Software	2,177.94	164.40	-	-	2,342.34	1,255.87	292.69	-	-	1,548.56	793.78	921.60
Brands, Trade Marks, Copy Rights & others	169,497.24	3.54	-	(6.73)	169,494.05	20,483.83	25,876.97	-	(3.09)	46,357.71	123,136.34	149,013.41
Intangible Assets Total	172,725.18	167.94	-	(6.73)	172,886.39	22,789.70	26,169.66	-	(3.09)	48,956.27	123,930.12	149,935.01
Intangible Assets under Development	545.12	316.31	-	-	861.43	-	-	-	-	-	861.43	545.12
Grand Total	173,270.30	484.25	-	(6.73)	173,747.82	22,789.70	26,169.66	-	(3.09)	48,956.27	124,791.55	150,480.13

Notes Forming Part of the Accounts

3.1 Property Plant & Equipment (Previous year)

₹ in Lacs

Particulars	Gross Block					Depreciation & Amortisation					Net Block		
	Balance as at 01.04.2015	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2016	Balance as at 01.04.2015	For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2016	Balance as at 31.03.2016	Balance as at 01.04.2015	
Land													
Leasehold	309.96	54.28	-	-	364.24	33.90	4.60	-	-	38.50	325.74	276.06	
Freehold	2,129.52	413.68	-	(8.89)	2,534.31	-	-	-	-	-	2,534.31	2,129.52	
Building	17,419.52	1,035.95	23.98	27.07	18,458.56	3,317.63	551.62	18.23	12.15	3,863.17	14,595.39	14,101.89	
Plant & Equipment	25,951.66	7,270.84	282.65	34.64	32,974.49	9,975.87	2,827.39	180.09	11.80	12,634.97	20,339.52	15,975.79	
Furniture & Fixture	2,586.42	475.17	13.79	17.16	3,064.96	987.22	281.34	13.57	5.75	1,260.74	1,804.22	1,599.20	
Office Equipment	3,583.72	371.83	36.14	10.15	3,929.56	2,349.53	346.66	16.72	2.83	2,682.30	1,247.26	1,234.19	
Motor Vehicles	1,014.42	90.05	84.20	4.39	1,024.66	381.98	117.03	36.68	0.43	462.76	561.90	632.44	
Property, Plant & Equipment Total	52,995.22	9,711.80	440.76	84.52	62,350.78	17,046.13	4,128.64	265.29	32.96	20,942.44	41,408.34	35,949.09	
Capital Work- In-Progress	2,647.37	6,387.60	2,873.68	2.56	6,163.85	-	-	-	-	-	6,163.85	2,647.37	
Total	55,642.59	16,099.40	3,314.44	87.08	68,514.63	17,046.13	4,128.64	265.29	32.96	20,942.44	47,572.19	38,596.46	

3.2 Investment Property (Previous year)

₹ in Lacs

Particulars	Gross Block					Depreciation & Amortisation					Net Block		
	Balance as at 01.04.2015	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2016	Balance as at 01.04.2015	For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2016	Balance as at 31.03.2016	Balance as at 01.04.2015	
Building	5,902.92	43.85	-	55.55	6,002.32	248.06	99.02	-	2.15	349.23	5,653.09	5,654.86	
Total	5,902.92	43.85	-	55.55	6,002.32	248.06	99.02	-	2.15	349.23	5,653.09	5,654.86	

3.3 Intangible Assets (Previous year)

₹ in Lacs

Particulars	Gross Block					Depreciation & Amortisation					Net Block		
	Balance as at 01.04.2015	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2016	Balance as at 01.04.2015	For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2016	Balance as at 31.03.2016	Balance as at 01.04.2015	
Intangible Assets													
Goodwill	-	1,050.00	-	-	1,050.00	-	1,050.00	-	-	1,050.00	-	-	
Software	1,908.89	269.05	-	-	2,177.94	1,000.45	255.89	-	-	1,256.34	921.60	908.44	
Brands, Trade Marks, Copy Rights & others	2,893.88	166,598.94	-	3.85	169,496.67	524.55	19,959.62	-	(0.89)	20,483.28	149,013.41	2,369.33	
Intangible Assets Total	4,802.77	167,917.99	-	3.85	172,724.61	1,525.00	21,265.51	-	(0.89)	22,789.62	149,935.01	3,277.77	
Intangible Assets under Development	229.49	315.63	-	-	545.12	-	-	-	-	-	545.12	229.49	
Total	5,032.26	168,233.62	-	3.85	173,269.73	1,525.00	21,265.51	-	(0.89)	22,789.62	150,480.13	3,507.26	

Notes Forming Part of the Accounts

3.4 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non Current			
Investment carried at cost			
In Other Company (Unquoted)			
CRI Limited (face value -Rs 10 each)			
Nil (31.03.16-95,630 Shares, 01.04.2015-95,630 Shares)	-	27.17	27.17
AMRI Hospitals Limited (face value -Rs 10 each)			
Nil (31.03.16- 8,00,000 Shares, 01.04.2015- 8,00,000 Shares)	-	264.66	264.66
Investment In Government & Trust Securities (Unquoted)			
6 Years' National Savings Certificate (Lodged With Government Authority)	0.58	0.58	0.58
(i)	0.58	292.41	292.41
Investment carried at fair value through Other Comprehensive Income			
Investment In Equity Instruments (Quoted)			
Emami Paper Mills Limited (face value -Rs 2 each)			
79,46,000 Equity Shares	9,435.88	3,253.89	3,416.78
Creative Eye Limited			
Nil (31.03.16- 10,000 Shares, 01.04.2015- 10,000 Shares)	-	0.31	0.31
(ii)	9,435.88	3,254.20	3,417.09
Total (i) + (ii)	9,436.45	3,546.61	3,709.50
Aggregate Amount of Quoted Investments & Market Value thereof	9,435.88	3,254.20	3,417.09
Aggregate Amount of Unquoted Investments	0.58	292.41	292.41

3.5 LOANS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial assets carried at amortised cost (Unsecured, cosidered good)			
Security Deposits	342.41	430.98	326.87
Loans and Advances to Related Parties (Refer Note No 3.53)	109.26	201.27	110.98
Advances to Employees	33.03	55.98	32.88
Total	484.70	688.23	470.73

Notes Forming Part of the Accounts

3.6 OTHER NON CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
Capital Advances		2,783.61		9,134.91		3,065.98
Advances other than Capital Advances		-		329.15		102.85
Balances with Excise and Sales Tax Department		337.80		389.51		416.79
Other Receivables	1,020.30		611.84		517.13	
Less: Provision for Doubtful Receivables	(119.82)	900.48	(119.82)	492.02	(119.82)	397.31
Total		4,021.89		10,345.59		3,982.93

3.7 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
Raw and Packing Materials						
Raw Materials	4,037.56		3,187.76		2,988.43	
Packing Materials	3,021.37	7,058.93	2,581.17	5,768.93	2,272.53	5,260.96
Work-in-Progress		400.67		249.89		181.99
Finished Goods		8,090.72		6,612.25		5,530.49
Stock- in-Trade		2,170.15		2,232.48		1,519.18
Stores and Spares		194.99		189.95		172.85
Total		17,915.46		15,053.50		12,665.47

3.8 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current			
Investment carried at fair value through Profit or loss			
Investment in Mutual Fund (Unquoted)			
Axis Liquid Fund - Direct - Growth	-	-	1,501.10
Nil (31.03.16- Nil Units, 01.04.2015- 96,778.689 units)			
Axis Banking Debt Fund-Direct Plan -Growth	-	-	1,012.27
Nil (31.03.16- Nil Units, 01.04.2015- 78,847.489 Units)			
Axis Treasury Advantage Fund - Direct - Growth	500.00	-	-
27084.094 (31.03.16- Nil Units, 01.04.2015- Nil Units)			
Baroda Pioneer Liquid Fund- Plan B Growth	-	-	500.32
Nil (31.03.16- Nil Units, 01.04.2015- 31,167.266 Units)			
Birla Sun Life Income Fund- Growth - Direct Plan	-	-	2,009.36
Nil (31.03.16- Nil Units, 01.04.2015- 31,44,194.324 Units)			

Notes Forming Part of the Accounts

3.8 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
BOI AXA Treasury Advantage Fund - Direct Plan - Growth	-	-	501.86
Nil (31.03.16- Nil Units, 01.04.2015- 30,324.962 Units)			
Birla Sun Life Floating Rate Fund - Short Term - Growth - Direct Plan	-	-	4,003.94
Nil (31.03.16 - Nil Units, 01.04.2015 - 21,48,923.371 Units)			
Birla Sun Life Treasury Optimizer Plan- Growth - Direct Plan	2,030.49	-	-
9,65,321.577 (31.03.16- Nil Units, 01.04.2015- Nil Units)			
Edelweiss Arbitrage Fund - Direct Plan - Dividend Option - Payout	-	-	202.49
Nil (31.03.16- Nil Units, 01.04.2015- 19,55,244.454 Units)			
Edelweiss Liquid Fund - Direct Plan - Growth Option	-	-	500.12
Nil (31.03.16- Nil Units, 01.04.2015- 36,626.272 Units)			
Edelweiss Absolute Return Fund - Direct Plan - Dividend Option - Payout	-	191.90	-
Nil (31.03.16- 13,73,658.244, 01.04.2015- Nil Units)			
HDFC Liquid Fund - Direct Plan - Growth Option	-	-	2,501.54
Nil (31.03.16- Nil Units, 01.04.2015- 90,59,336.604 Units)			
HDFC Banking & PSU Debt Fund - Direct Growth Option	-	-	501.11
Nil (31.03.16- Nil Units, 01.04.2015- 45,40,748.679 Units)			
ICICI Prudential Liquid - Direct Plan - Growth	-	-	1,000.72
Nil (31.03.16- Nil Units, 01.04.2015- 4,83,210.606 Units)			
ICICI Prudential Banking PSU Debt Fund - Direct Plan - Growth	-	-	1,512.07
Nil (31.03.16- Nil Units, 01.04.2015- 96,96,123.490 Units)			
ICICI Prudential Gilt Fund - Investment Plan - PF Option - Direct Plan	-	-	1,495.45
Nil (31.03.16- Nil Units, 01.04.2015- 53,96,654.074 Units)			
Indiabulls Liquid Fund - Direct Growth - Direct Plan	-	-	500.15
Nil (31.03.16- Nil Units, 01.04.2015- 36,737.194 Units)			
IDFC Money Manager Fund-Treasury Plan - Growth - (Direct Plan)	-	-	505.86
Nil (31.03.16- Nil Units, 01.04.2015- 22,79,877.799 Units)			
JM Short Term Fund (Direct) - Growth Plan	-	-	1,505.99
Nil (31.03.16- Nil Units, 01.04.2015- 75,46,030.788 Units)			
JM High Liquidity Fund (Direct) - Growth Option	-	-	1,000.94
Nil (31.03.16- Nil Units, 01.04.2015- 26,18,246.560 Units)			
JM Income Fund (Direct) - Growth Option	-	-	1,500.82
Nil (31.03.16- Nil Units, 01.04.2015- 35,54,426.564 Units)			
JM Floater Short Term Fund (Direct) - Growth	-	-	1,009.61
Nil (31.03.16- Nil Units, 01.04.2015- 46,56,946.068 Units)			
Kotak Treasury Advantage Fund - Direct Plan - Growth	-	-	505.76
Nil (31.03.16- Nil Units, 01.04.2015- 22,59,458.092 Units)			
L&T Liquid Fund - Direct Plan - Growth	-	-	500.29
Nil (31.03.16- Nil Units, 01.04.2015- 26,075.097 Units)			

Notes Forming Part of the Accounts

3.8 INVESTMENTS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
L&T Cash Fund - Direct Plan - Growth	-	-	605.50
Nil (31.03.16- Nil Units, 01.04.2015- 53,432.794 Units)			
L&T Ultra Short Term Fund - Direct Plan - Growth	-	-	5,509.64
Nil (31.03.16- Nil Units, 01.04.2015- 2,41,57,878.323 Units)			
Mirae Asset Cash Management Fund - Direct Plan - Growth	-	-	110.80
Nil (31.03.16- Nil Units, 01.04.2015- 74,66.858 Units)			
Pramerica Ultra Short Term Bond Fund - Direct Plan - Growth Option	-	-	1,008.00
Nil (31.03.16- Nil Units, 01.04.2015- 67,204.816 Units)			
Principal Cash Management Fund - Direct - Growth	-	-	1,000.97
Nil (31.03.16- Nil Units, 01.04.2015- 73,534.505 Units)			
Reliance Income Fund - Direct - Growth Option	-	-	3,804.71
Nil (31.03.16- Nil Units, 01.04.2015- 81,95,013.081 Units)			
Reliance Short Term Fund - Direct - Growth	-	-	3,024.93
Nil (31.03.16- Nil Units, 01.04.2015- 1,13,92,635.800 Units)			
Reliance Liquid Fund - Cash Plan - Direct - Growth	-	1,001.41	1,677.03
Nil (31.03.16- 40,948.253 Units, 01.04.2015- 74,394.971 Units)			
Reliance Liquid Fund - Treasury Plan - Direct - Growth	-	-	2,001.33
Nil (31.03.16- Nil Units, 01.04.2015- 58,668.254 Units)			
Reliance Money Manager Fund - Direct - Growth	-	-	2,858.11
Nil (31.03.16- Nil Units, 01.04.2015- 1,48,043.691 Units)			
Religare Invesco Liquid Fund - Direct Plan - Growth	-	-	1,000.60
Nil (31.03.16- Nil Units, 01.04.2015- 51,979.190 Units)			
Reliance Floating Rate Fund Short Term Plan - Direct - Growth	-	-	418.22
Nil (31.03.16- Nil Units, 01.04.2015- 18,77,687.440 Units)			
SBI Magnum Insta Cash Fund Liquid Floater - Direct - Growth	-	-	655.33
Nil (31.03.16- Nil Units, 01.04.2015- 27,383.101 Units)			
Sundaram Income Plus - Direct - Growth	801.65	-	-
Nil (31.03.16- Nil Units, 01.04.2015- 40,982.226 Units)			
Taurus Short Term Income Fund- Direct Plan - Growth	-	-	1,007.30
Nil (31.03.16- Nil Units, 01.04.2015- 40,982.226 Units)			
Tata Money Market Fund - Direct Plan - Growth	-	-	201.40
Nil (31.03.16- Nil Units, 01.04.2015- 9,133.074 Units)			
UTI-Money Market Fund - Institutional Plan - Direct Plan - Growth	-	-	500.87
Nil (31.03.16- Nil Units, 01.04.2015- 48,16,604.620 Units)			
Total	3,332.14	1,193.31	49,656.51
Aggregate Amount of Unquoted Investments & Market Value thereof	3,332.14	1,193.31	49,656.51

Notes Forming Part of the Accounts

3.9 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, considered Good			
Trade Receivables	9,701.27	13,087.63	10,177.88
Total	9,701.27	13,087.63	10,177.88

3.10 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
Cash and Cash Equivalents						
Balances with Banks	564.25		7,203.45		1,908.96	
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	1,861.43		2,129.68		33,034.63	
Cheque-in-hand	388.13		675.92		-	
Cash on hand	26.18	2,839.99	42.31	10,051.36	31.80	34,975.39
Other Bank Balances						
Unpaid Dividend Account	119.32		110.77		98.01	
Balances with banks against letter of guarantee	-		40.01		43.91	
Deposit with Original maturity of more than 3 months but less than 12 months	2,046.15	2,165.47	641.16	791.94	293.35	435.27
Total		5,005.46		10,843.30		35,410.66

3.11 LOANS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial assets carried at amortised cost			
Unsecured, considered good			
Advances to Employees	360.93	320.03	206.99
Advances to Related Parties (Refer note no 3.53)	33.23	42.09	-
Total	394.16	362.12	206.99

Notes Forming Part of the Accounts

3.12 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, Considered Good			
Financial assets carried at amortised cost			
Interest Receivable on Deposits	33.24	22.45	117.27
Financial assets carried at fair value through Profit or loss			
Foreign Currency Forward & Option Contracts	90.68	57.84	-
Total	123.92	80.29	117.27

3.13 CURRENT TAX ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advance Income Tax (Net of Provision)	93.80	1,500.70	-
Total	93.80	1,500.70	-

3.14 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advances other than Capital Advances	5,317.02	5,705.07	4228.55
Balances with Excise and Sales Tax Department	1,748.42	1,507.14	1404.93
MAT Credit Entitlement	1,400.00	-	-
Claims & Recoverables	387.21	682.35	378.37
Prepaid Expenses	374.12	512.45	294.95
Total	9,226.77	8,407.01	6,306.80

3.15 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Authorised			
25,00,00,000 Equity Shares of Re 1/- each	2,500.00	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	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	2,269.68
Total Issued, Subscribed and Fully paid up Share Capital	2,269.68	2,269.68	2,269.68

*Of the above, 7,56,55,873 equity shares fully paid up have been issued other than cash by way of bonus shares in last 5 years.

Notes Forming Part of the Accounts

3.15 EQUITY SHARE CAPITAL (Contd.)

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Shares outstanding at the beginning of the year	22,69,67,619	2,269.68	22,69,67,619	2,269.68	22,69,67,619	2,269.68
Shares outstanding at the end of the year	22,69,67,619	2,269.68	22,69,67,619	2,269.68	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	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	33,749,387	14.87	33,326,237	14.68	33,310,237	14.68
Suntrack Commerce Private Limited	33,113,516	14.59	32,691,366	14.40	32,675,366	14.40
Bhanu Vyapaar Private Limited	27,764,381	12.23	27,604,261	12.16	27,133,761	11.95
Raviraj Viniyog Private Limited (Formerly Known as Emami Enclave Makers Private Limited)	13,877,007	6.11	13,458,553	5.93	13,211,053	5.82
Suraj Viniyog Private Limited	12,957,139	5.71	13,099,281	5.77	12,841,931	5.66
Prabhakar Viniyog Private Limited (Formerly Known as Emami High Rise Private Limited)	13,190,961	5.81	13,076,503	5.76	12,837,353	5.66

3.16 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
Retained Earnings						
Opening Balance	36,339.07		15,681.86			
Net Profit for the Period	34,041.80		36,352.39			
Transfer to Debenture Redemption Reserve	-		(7,500.00)			
Interim Dividend#	(3,971.93)		-			
Final Dividend#	(15,887.73)		(6,809.03)			
Corporate Dividend Tax#	(3,683.31)		(1,386.15)			
Adjustment on account of change in interest of NCI	(139.61)		-			
Closing Balance		46,698.29		36,339.07		15,681.86

Notes Forming Part of the Accounts

3.16 OTHER EQUITY (Contd.)

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
Other Reserves						
Other Comprehensive Income						
Opening Balance	1,529.95		2,008.16			
Equity Instruments through Other Comprehensive Income	6,181.99		(162.89)			
Remeasurements of the Net Defined Benefit Plans	74.54		(448.89)			
Income Tax Effect	(2,028.01)		133.57			
Closing Balance		5,758.47		1,529.95		2,008.16
Foreign Currency Translation Reserve						
Opening Balance	237.02					
Addition during the year	(279.05)		237.02			
Closing Balance		(42.03)		237.02		-
Capital Reserves		79.64		79.64		79.64
Securities Premium Reserve		33,205.16		33,205.16		33,205.16
General Reserve		80,000.00		80,000.00		80,000.00
Debenture Redemption Reserves						
Opening Balance	7,500.00		-			
Transferred from Surplus in Statement of Profit & Loss	-		7,500.00			
Closing Balance		7,500.00		7,500.00		-
Total		173,199.53		158,890.84		130,974.82

Refer note no : 3.47

3.17 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial liabilities carried at amortised cost			
Secured			
Term Loan			
From Bank	-	-	170.85
Loan was secured by 1st charge over stocks, book debts and plant & machineries (present & future) of Emami Bangladesh Ltd. and corporate guarantee from holding company. It carried interest @ LIBOR plus 5%.			
Unsecured			
8.45% Non Convertible Debentures			
Redeemable at par as per below schedule :			
- ₹ 75 cr on 22nd November'17			
- ₹ 75 cr on 22nd August'17			
- ₹ 150 cr on 22nd May'17			
(Refer Note No: 3.24 - Current Maturities of Long Term Borrowings)			
Total	-	30,000.00	170.85

Notes Forming Part of the Accounts

3.18 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial liabilities carried at amortised cost			
Trade Deposits	519.37	591.65	581.13
Security Deposits	648.56	648.56	648.56
Total	1,167.93	1,240.21	1,229.69

3.19 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for Employee Benefits			
Gratuity	2,388.22	1,898.58	1439.50
Total	2,388.22	1,898.58	1439.50

3.20 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred Tax Liabilities			
Tax impact due to difference between tax depreciation and book depreciation	2,925.78	30.69	3584.08
Investment carried at fair value through Other Comprehensive Income	3,138.05	996.47	1,034.04
Deferred Tax Assets			
Tax Impact of expenses charged off in financial statement but allowance under tax law deferred	1,847.61	123.54	2405.91
Total	4,216.22	903.62	2,212.21

3.21 OTHER NON - CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred Income	125.61	140.87	-
Total	125.61	140.87	-

3.22 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial liabilities carried at amortised cost			
Secured			
From Banks			
Cash Credit	5,142.91	-	837.85
Packing Credit	1,172.59	3,000.00	-
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.			

Notes Forming Part of the Accounts

3.22 BORROWINGS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
Term Loan						
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.	-	6,315.50	1,143.93	4,143.93	919.86	1,757.71
Unsecured						
From Banks						
Commercial Paper		10,000.00		27,500.00		-
Packing Credit		980.00		5,500.00		-
ICICI Pact Project		-		-		0.14
Others		-		-		11.88
Total		17,295.50		37,143.93		1,769.73

3.23 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial liabilities carried at amorised cost			
Micro, Small & Medium Enterprises (Refer Note 3.39)	110.07	281.47	151.42
Others	18,360.27	24,590.44	19,549.07
Total	18,470.34	24,871.91	19,700.49

3.24 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial liabilities carried at amorised cost			
Current Maturities of Long-Term Borrowings	30,000.00	-	1,647.85
Interest Accrued but not due on Borrowings	270.44	283.86	27.61
Interest Accrued and due on Trade Deposits	15.90	34.05	78.72
Creditors for Capital Goods	1,102.82	314.89	198.45
Unpaid Dividends	119.32	110.77	98.01
Employee Benefits	2,293.86	3,037.31	2,192.10
Financial assets carried at fair value through Profit or loss			
Foreign Currency Forward & Option Contracts	-	-	249.36
Total	33,802.34	3,780.88	4,492.10

3.25 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advance from Customers	561.06	895.53	695.16
Duties & Taxes	1,732.27	1,780.61	1,282.78
Total	2,293.33	2,676.14	1,977.94

Notes Forming Part of the Accounts

3.26 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for Employee Benefits			
Provident Fund	55.51	43.42	25.14
Gratuity	291.57	349.93	-
Leave Encashment	1,240.59	1,109.22	1,040.07
Others			
Provision for Indirect Taxes	4,308.56	3,492.83	2,170.15
Total	5,896.23	4,995.40	3,235.36

3.27 CURRENT TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for Direct Taxes (Net of Advance Tax)	-	-	942.77
Total	-	-	942.77

3.28 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2016-2017	2015-2016
Sale of Products	252,973.51	239,142.32
Sale of Services	-	162.57
Other Operating Revenues	287.70	450.38
Total	253,261.21	239,755.27

3.29 OTHER INCOME

₹ in Lacs

Particulars	2016-2017		2015-2016	
Interest Received on financial assets carried as amortised cost				
Loans & Deposits	222.12		1,081.44	
Others	0.09	222.21	3.42	1,084.86
Dividend Income from equity investment carried at fair value through OCI		47.68		47.68
Income received on investment carried at fair value through Profit or loss				
Dividend from investment in mutual funds		7,164.95		7,006.59
Profit/ (loss) on Sale of mutual funds		(4,691.37)		(6,465.66)
Profit/ (loss) on Derivative Instruments		(1,093.49)		914.88
Reversal/(Diminution) in value of Current Investment		-		(9.17)
Profit on Sale of Property, Plant & Equipment		160.42		98.03
Rent and Maintenance Charges Received		425.85		469.78
Sundry Balances Written Back		33.57		66.36
Miscellaneous Receipts		272.58		370.63
Net Foreign Exchange Gain		565.34		861.36
Total		3,107.74		4,445.34

Notes Forming Part of the Accounts

3.30 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lacs

Particulars	2016-2017		2015-2016	
(I) Opening Stock				
Work-in-progress	249.89		181.99	
Finished Goods	6,612.25		5,530.50	
Stock in trade	2,232.48	9,094.62	1,519.17	7,231.66
(II) Closing Stock				
Work-in-progress	400.67		249.89	
Finished Goods	8,090.72		6,612.25	
Stock in trade	2,170.15	10,661.54	2,232.48	9,094.62
(I) - (II)		(1,566.92)		(1862.96)

3.31 EMPLOYEE BENEFIT EXPENSES

₹ in Lacs

Particulars	2016-17	2015-16
Salaries and Wages	20,931.35	18,999.80
Contribution to Provident and Other Funds	1,838.76	1,240.05
Welfare Expenses	584.60	540.15
Total	23,354.71	20,780.00

3.32 FINANCE COSTS

₹ in Lacs

Particulars	2016-17	2015-16
Interest Expense	5,801.13	5,403.01
Total	5,801.13	5,403.01

3.33 OTHER EXPENSES

₹ in Lacs

Particulars	2016-2017		2015-2016	
Consumption of Stores and Spare parts		354.88		306.79
Power and Fuel		1,518.71		1,218.11
Rent		831.13		708.55
Repairs & Maintenance :				
Building	324.26		162.99	
Machinery	879.55		756.42	
Others	1,668.44	2,872.25	1,212.38	2,131.79
Insurance		353.76		309.91
Rates and Taxes		460.28		229.05
Freight & Forwarding		6,053.16		6,052.41
Directors' Fees and Commission		571.88		553.30
Advertisement & Sales Promotion		44,280.17		43,047.11
Commission		1,220.76		1,090.26
Loss on Sale/Disposal of Property, Plant & Equipments		21.75		90.78
Sundry Balance Written off		13.34		0.10

Notes Forming Part of the Accounts

3.33 OTHER EXPENSES (Contd.)

₹ in Lacs

Particulars	2016-2017		2015-2016	
Legal and Professional Fees		2,003.04		3,115.72
Travelling and Conveyance		2,650.16		2,433.89
Expenditure on CSR Activities (Refer Note : 3.50)		755.35		998.76
Miscellaneous Expenses		2,719.39		2,827.61
Total		66,680.01		65,114.14

3.34 SEGMENT INFORMATION

As the Group's business activity falls within a single primary business segment, viz. "Personal and Healthcare", the disclosure requirements of IND AS 108 "Operating Segments", are not applicable.

The Group primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under :

₹ in Lacs

Particulars	Revenue from Operations	
	2016-2017	2015-2016
India	223623.26	205627.03
Overseas	29637.95	34128.24
Total	253261.21	239755.27

3.35

The following table shows the carrying amount of segment Non current assets* by geographical area to which these assets are attributable:

₹ in Lacs

Particulars	Carrying amount of Non Current Assets*		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
India	201,239.70	210,477.31	48,666.13
Overseas	3,904.32	3,573.69	3,075.38
Total	205,144.02	214,051.00	51,741.51

* Non Current assets excluding Financial assets and Deferred Tax assets.

3.36 DEFINED BENEFIT PLANS :

Defined Benefit Plans : As per actuarial valuations as on 31st March, 2017 and recognised in the financial statements in respect of Employees benefit schemes.

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
A Expenses Recognised in the income Statement				
1 Current Service Cost	471.80	229.43	477.84	243.85
2 Past Service Cost	-	-	-	-
3 Loss/(Gain) on settlement	-	-	-	-
4 Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	165.82	85.13	104.60	79.94

Notes Forming Part of the Accounts

3.36 DEFINED BENEFIT PLANS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
5 Re-measurement (or Actuarial)(gain)/loss arising from :	-	-	-	-
- Change in demographic assumptions	-	-	-	-
- Change in financial assumptions	-	(69.52)	-	(187.43)
- Experience variance (i.e.Actual experience vs assumptions)	-	(133.62)	-	(78.24)
- Others	-	-	-	-
6 Return on plan assets,excluding amount recognised in net interest expense	-	(0.61)	-	(0.68)
7 Re-measurement (or Actuarial)(gain)/loss arising because of change in effect of asset ceiling	-	-	-	-
8 Total Expenses recognised in the Statement of Profit & Loss	637.62	110.81	582.44	57.44
B Assets and Liability				
1 Present value of Obligation	4,141.74	1,319.81	3,591.88	1,198.90
2 Fair Value of Plan Assets	1,938.69	134.00	1,491.36	120.48
3 Funded Status [Surplus/(deficit)]	(2,203.05)	(1,185.81)	(2,100.52)	(1,078.42)
4 Effects of Asset Ceiling, if any	-	-	-	-
5 Net asset/(liability) recognised in balance sheet	(2,203.05)	(1,185.81)	(2,100.52)	(1,078.42)
C Change in Present Value of Obligation				
1 Present value of Obligation as at beginning of period	3,591.88	1,198.90	2,673.31	1,132.22
2 Current Service Cost	471.79	229.40	477.84	243.85
3 Interest Expense or Cost	283.56	94.64	192.90	88.50
Re-measurement (or Actuarial)(gain)/loss arising from :	-	-	-	-
- Change in demographic assumptions	-	-	-	-
- Change in financial assumptions	(152.09)	(69.52)	(375.11)	(187.43)
- Experience variance (i.e.Actual experience vs assumptions)	77.99	(133.62)	834.05	(78.24)
- Others	-	-	-	-
4 Past Service Cost	-	-	-	-
5 Effect of change in foreign exchange rates	-	-	-	-
6 Benefits Paid	(131.40)	-	(211.11)	-
7 Acquisition Adjustment	-	-	-	-
8 Effect of business combinations or disposals	-	-	-	-
9 Present value of Obligation as at the end of period	4,141.73	1,319.80	3,591.88	1,198.90
D Change in Fair Value of Plan Assets				
1 Fair Value of Plan Assets at beginning of period	1,491.36	120.47	1,335.17	109.52
2 Investment Income	117.73	9.51	104.37	8.56
3 Employer's Contribution	460.56	3.40	252.88	1.71
4 Employee's Contribution	-	-	-	-
5 Benefits paid	(131.40)	-	(211.11)	-
6 Return on plan assets,excluding amount recognised in net interest expense	0.44	0.61	10.05	0.68

Notes Forming Part of the Accounts

3.36 DEFINED BENEFIT PLANS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
7 Acquisition Adjustment	-	-	-	-
8 Fair Value of Plan Assets at end of period	1,938.69	133.99	1,491.36	120.47
E Other Comprehensive Income				
1 Actuarial (gains)/losses	-	-	-	-
- Change in demographic assumptions	-	-	-	-
- Change in financial assumptions	(152.09)	-	(375.11)	-
- Experience variance (i.e.Actual experience vs assumptions)	77.99	-	834.05	-
- Others	-	-	-	-
2 Return on plan assets,excluding amount recognised in net interest expense	(0.44)	-	(10.05)	-
3 Re-measurement (or Actuarial)(gain)/loss arising because of change in effect of asset ceiling	-	-	-	-
4 Components of defined benefit costs recognised in other comprehensive income	(74.54)	-	448.89	-
F Financial Assumptions				
1 Discount Rate (%)	7.30%	7.30%	7.90%	7.90%
2 Salary Growth Rate (per annum)	10.00%		11.00%	
G Demographic Assumptions				
1 Mortality Rate (% of IALM 06-08)	100%	100%	100%	100%
2 Withdrawal Rate (per annum)	1.00%	1.00%	1.00%	1.00%

Sensitivity Analysis :-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Defined Benefit Obligation (Base)	4,141.73	3,591.89	1,319.81	1,198.87

₹ in Lacs

Particulars	Gratuity			
	As at 31.03.2017		As at 31.03.2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	4,573.00	3,775.47	3,956.61	3,282.45
(% change compared to base due to sensitivity)	10.40%	-8.80%	10.20%	-8.60%
Salary Growth Rate (- / + 1%)	3,780.75	4,557.42	3,299.52	3,927.80
(% change compared to base due to sensitivity)	-8.70%	10.00%	-8.10%	9.40%
Attrition Rate (- / + 50%)	4,180.94	4,104.80	3,631.22	3,554.90

Notes Forming Part of the Accounts

Sensitivity Analysis (Contd.)

₹ in Lacs

Particulars	Gratuity			
	As at 31.03.2017		As at 31.03.2016	
	Decrease	Increase	Decrease	Increase
(% change compared to base due to sensitivity)	0.90%	-0.90%	1.10%	-1.00%
Mortality Rate (- / + 10%)	4,144.06	4,139.42	3,594.31	3,589.47
(% change compared to base due to sensitivity)	0.10%	-0.10%	0.10%	-0.10%

₹ in Lacs

Particulars	Leave Encashment			
	As at 31.03.2017		As at 31.03.2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,519.42	1,155.26	1,379.47	1,050.00
(% change compared to base due to sensitivity)	15.10%	-12.50%	15.10%	-12.40%
Salary Growth Rate (- / + 1%)	1,157.60	1,512.11	1,056.87	1,366.58
(% change compared to base due to sensitivity)	-12.30%	14.60%	-11.80%	14.00%
Attrition Rate (- / + 50%)	1,339.51	1,301.49	1,219.88	1,179.37
(% change compared to base due to sensitivity)	1.50%	-1.40%	1.80%	-1.60%
Mortality Rate (- / + 10%)	1,320.99	1,318.63	1,200.11	1,197.62
(% change compared to base due to sensitivity)	0.10%	-0.10%	0.10%	-0.10%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period.

Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

For Leave, the Scheme is partly managed on funded basis.

b) Expected Contribution during the next annual reporting period

₹ in Lacs

Particulars	Gratuity		Leave Encashment	
	2016-2017	2015-2016	2016-2017	2015-2016
The Group's best estimate of Contribution during the next year	2,711.54	2,549.73	1,185.81	1,078.39

c) Maturity Profile of Defined Benefit Obligation

₹ in Lacs

Particulars	Gratuity		Leave Encashment	
	2016-2017	2015-2016	2016-2017	2015-2016
Weighted average duration (based on discounted cashflows)	10 Years	10 Years	14 Years	15 Years

Notes Forming Part of the Accounts

c) Maturity Profile of Defined Benefit Obligation (Contd.)

₹ in Lacs

Expected cash flows over the next (valued on undiscounted basis):	Gratuity		Leave Encashment	
	2016-2017	2015-2016	2016-2017	2015-2016
1 Year	816.78	618.29	88.34	67.21
2 to 5 Years	853.06	705.67	164.93	137.02
6 to 10 Years	1,546.08	1,434.58	443.30	407.47
More than 10 Years	7,011.66	6,839.45	3,785.55	3,964.90

3.37 PROVIDENT FUND

₹ in Lacs

Particulars	Year Ending		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Accumulated Account Value of Employee's Fund	7,495.16	5,767.28	4,071.26
Interest Rate Guarantee Liability	141.85	104.49	65.10
Present value of benefit obligation at end of the period	7,637.01	5,871.77	4,136.36
Fair Value of Plan Assets	7,581.50	5,828.35	4,111.23
Net Asset / (Liability)	(55.51)	(43.43)	(25.14)
Actuarial Assumptions			
Discount Rate	7.10%	7.90%	7.80%
Expected Guarantee Interest Rate	8.65%	8.80%	8.75%

₹ in Lacs

Interest Rate Guarantee Liability	As at 31.03.2017	As at 31.03.2016
Interest Rate Guarantee Liability	141.85	104.49
Fund Reserve and Surpluses	86.34	61.07
Net Liability	55.51	43.42

Liability sensitivity analysis

Significant actuarial assumptions for the determination of the guarantee liability are interest rate guarantee and discount rate.

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016
Defined Benefit Obligation (Base)	7,637.01	5,871.77

₹ in Lacs

Particulars	As at 31.03.2017		As at 31.03.2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	7,644.07	7,619.49	5,881.85	5,862.94
(% change compared to base due to sensitivity)	0.1%	-0.2%	0.2%	-0.2%
Interest rate guarantee (-/+ 1%)	7,450.98	7,976.54	5,728.74	6,132.82
(% change compared to base due to sensitivity)	-2.4%	4.4%	-2.4%	4.4%

Notes Forming Part of the Accounts

3.38

The Group has made a provision of Rs. 894.82 Lacs (Previous Year - 1335.01 Lacs) towards Indirect Taxes resulting mainly from issues, which are under litigation/dispute requiring management judgement as shown below:

₹ in Lacs

Description	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Opening Balance	3,492.83	2,170.15	2,170.15
Provisions made during the year	894.82	1,335.01	-
Payment/reversals during the year	79.09	12.33	-
Closing Balance	4,308.56	3,492.83	2,170.15

3.39

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 Group.

3.40

Long Term Loans & Advances include Security Deposit of Rs. 5.75 Lacs (P.Y.-Rs. 5.85 Lacs) due from Directors of the Group against tenancies. (Maximum amount outstanding during the year - Rs. 5.85 Lacs (P.Y.-Rs. 7.04 Lacs).

3.41 Contingent Liabilities & Commitments

I) Contingent Liabilities

₹ in Lacs

Description	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Claims against the Group not acknowledged as debt (Net of Advances):			
i) Excise Duty demands	33.82	5.49	139.69
ii) Sales Tax demands under appeal	520.85	693.26	703.31
iii) Entry Tax	9.28	10.27	133.51
iv) Income Tax	70.68	-	-
v) Others	64.55	62.13	42.37

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 Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations and financial condition.

₹ in Lacs

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(b) Guarantees and counter guarantees given	6,666.72	5,452.14	6,367.60

II) Commitments:

₹ in Lacs

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Estimated amount of commitments [net of advances of Rs. 2552.71 lacs (P.Y.- Rs. 9125.94 lacs)] on capital account not provided for	3,608.93	7,728.19	4,435.80

Notes Forming Part of the Accounts

3.42 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lacs

Particulars	As at 31.03.2017	As at 31.03.2016
Income derived from investment properties	444.78	468.79
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	102.18	107.30
Less : Direct operating expenses (including repairs and maintenance) that did not generate income from investment property	-	-
Profit arising from investment properties before depreciation and indirect expenses	342.60	361.49
Less: Depreciation	99.74	99.35
Profit arising from investment properties before indirect expenses	242.86	262.14

3.43 DISCLOSURE ON SPECIFIED BANK NOTES (SBN'S)

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below :

₹ in Lacs

Particulars	SBN's *	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	45.28	13.49	58.77
(+) Permitted receipts	-	81.06	81.06
(-) Permitted payments	-	65.92	65.92
(-) Amount deposited in Banks	45.28	-	45.28
Closing cash in hand as on December 30, 2016	-	28.63	28.63

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

3.44 CARRYING VALUE AND FAIR VALUE OF FINANCIAL INSTRUMENTS IS AS FOLLOWS :

₹ in Lacs

Particulars	Total Carrying Value			Total Fair Value		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets :						
Investments in liquid mutual funds	3,332.14	1,193.31	49,656.51	3,332.14	1,193.31	49,656.51
Investments in equity instruments	9,436.45	3,546.61	3,709.50	9,436.45	3,546.61	3,709.50
Loans	878.86	1,050.35	677.72	878.86	1,050.35	677.72
Trade Receivables	9,701.27	13,087.63	10,177.88	9,701.27	13,087.63	10,177.88
Cash and Cash Equivalents	5,005.46	10,843.30	35,410.66	5,005.46	10,843.30	35,410.66
Other Financial Assets	123.92	80.29	117.27	123.92	80.29	117.27
TOTAL	28,478.10	29,801.49	99,749.54	28,478.10	29,801.49	99,749.54

Notes Forming Part of the Accounts

3.44 CARRYING VALUE AND FAIR VALUE OF FINANCIAL INSTRUMENTS IS AS FOLLOWS (Contd.)

₹ in Lacs

Particulars	Total Carrying Value			Total Fair Value		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Liabilities :						
Borrowings	17,295.50	67,143.93	1,940.58	17,295.50	67,143.93	1,940.58
Trade Payables	18,470.34	24,871.91	19,700.49	18,470.34	24,871.91	19,700.49
Other Financial Liabilities	34,970.27	5,021.09	5,721.79	34,970.27	5,021.09	5,721.79
TOTAL	70,736.11	97,036.93	27,362.86	70,736.11	97,036.93	27,362.86

3.45 FAIR VALUE HIERACHY

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

₹ in Lacs

Particulars	As of 31 st March, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	3,332.14	3,332.14	-	-
Investments in equity instruments	9,436.45	9,436.45	-	-
Derivative financial instruments - foreign currency forward and option contracts	90.68	-	90.68	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts	-	-	-	-

₹ in Lacs

Particulars	As of 31st March, 2016	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	1,193.31	1,193.31	-	-
Investments in equity instruments	3,546.61	3,546.61	-	-
Derivative financial instruments - foreign currency forward and option contracts	57.84	-	57.84	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts	-	-	-	-

Notes Forming Part of the Accounts

3.45 FAIR VALUE HIERACHY (Contd.)

₹ in Lacs

Particulars	As of 1st April, 2015	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	49,656.51	49,656.51	-	-
Investments in equity instruments	3,709.50	3,709.50	-	-
Derivative financial instruments - foreign currency forward and option contracts	-	-	-	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts	249.36	-	249.36	-

3.46 Income Taxes

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below :

₹ in Lacs

Particulars	31st March, 2017	31st March, 2016
Profit before Income Taxes	42,362.37	42,276.61
Enacted Tax Rate in India	34.61%	34.61%
Computed expected tax expenses	14,660.77	14,631.09
Tax Incentives for 80IC/IE units	(6,644.40)	(5,565.75)
Adjustment in differential tax rate for Foreign Subsidiaries	215.84	(732.41)
Other Adjustments	129.53	(2,362.17)
Income Tax Expense	8,361.74	5,970.76

3.47 DISTRIBUTION OF DIVIDEND

₹ in Lacs

Particulars	31st March, 2017	31st March, 2016
Dividend on equity shares declared and paid :		
Final dividend for the year ended on 31 March 2016 : Rs. 7/- per share (31 March 2015 : Rs. 3/- per share)	15,887.73	6,809.03
Dividend Distribution Tax (DDT) on final dividend	3,234.36	1,386.15
Interim dividend for the year ended on 31 March 2017 :- Rs. 1.75 per share (31 March 2016 :- Rs. Nil per share)	3,971.93	0.00
DDT on Interim dividend	448.95	0.00
	23,542.97	8,195.18
Proposed dividends on Equity Shares		
Final dividend for the year ended on 31 March 2017 :- Rs. 5.25 per share (31 March 2016 :- Rs. 7/- share)	11,915.80	15887.73
DDT on Proposed dividend	2,425.78	3234.36
	14,341.58	19122.09

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31 March 2017.

Notes Forming Part of the Accounts

3.48 LEASES - THE LEASE RENTALS CHARGED DURING THE PERIOD IS AS UNDER:

₹ in Lacs

Particulars	As at	
	31st March, 2017	31st March, 2016
Lease Rentals recognised during the period	604.63	486.62

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

₹ in Lacs

Future minimum lease payable	As at		
	31.03.2017	31.03.2016	01.04.2015
Not later than 1 year	688.57	489.08	464.72
Later than 1 year and not later than 5 years	2,256.52	2,945.09	2,825.66
Later than 5 years	-	-	608.51

The operating lease arrangements are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

3.49 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market risk

Foreign Currency risk

The Group operates both in domestic market and internationally and a major portion of the business is transacted in foreign currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas countries, and purchases from overseas suppliers in foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table analyzes foreign currency risk from financial instruments

₹ in Lacs

Particulars	As at	
	31.03.2017	31.03.2016
Exposer Currency (USD)		
Trade Receivable	8,793.82	12,157.99
Exposer Currency (BDT)		
Trade Receivable	389.89	746.26
	9,183.71	12,904.25

For the year ended March 31, 2017 and March 31, 2016, every percentage appreciation in the exchange rate between the INR and Foreign Currency, has affected the Group's Profit before tax by approximately Rs. 67.31 Lacs.

Derivative financial instruments

Notes Forming Part of the Accounts

3.49 FINANCIAL RISK MANAGEMENT (Contd.)

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

₹ in Lacs

Particulars	As at	
	31.03.2017	31.03.2016
Less than 1 year		
Forward Contract (Currency - USD)	1,167.09	5,770.96
Option Contract (Currency - USD)	-	2,308.38
	1,167.09	8,079.34
More than 1 year		
Forward Contract (Currency - USD)	-	-
Option Contract (Currency - USD)	-	-
	-	-
Total derivative financial instruments	1,167.09	8,079.34

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 9701.27 Lacs and Rs. 12876.65 Lacs as of March 31, 2017 and March 31, 2016, respectively. Trade receivables includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, certificates of deposit which are funds deposited at a bank for a specified time period.

Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2017, the Group had a working capital of Rs. 6993.14 Lacs (P.Y:- Rs. 2166.92 Lacs).

The table below provides details regarding the contractual maturities of significant financial liabilities.

Notes Forming Part of the Accounts

3.49 FINANCIAL RISK MANAGEMENT (Contd.)

₹ in Lacs

Particulars	As at	
	31.03.2017	31.03.2016
Less than 1 year		
Borrowings	17,295.50	37,143.93
Trade Payables	18,470.34	24,871.91
Other financial Liabilities	33,802.34	3,780.88
	69,568.18	65,796.72
More than 1 year		
Borrowings	-	30,000.00
Other financial Liabilities	1,167.93	1,240.21
	1,167.93	31,240.21
Total	70,736.11	97,036.93

3.50

The underspend in the CSR activities in financial year 2016-17 amounting Rs. 191.63 Lacs was mainly due to extraneous factors and also due to better planning and negotiations which resulted in savings despite carrying the activities as envisaged. Besides, some projects are multiyear projects and so expenditure can be done stages/ year wise which may result in lower expenditure in a particular year.

3.51

Commercial production of the Group's Newly setup plant in Pacharia, Dolapathar, Kamrup, Assam has commenced from 23rd February 2017.

3.52

On 12th June 2015, the Group acquired Hair & Scalp Care business under the "Kesh King" and allied Brands at Rs 168400 Lacs (Including duties & taxes). Intangible Assets viz. Brands/Trademarks including Goodwill has been valued based on valuation report of an expert. In accordance with the provisions of Ind AS 38- Intangible Assets, the management has estimated useful life of various intangible assets at 5 to 10 years, except Goodwill of Rs 1050 Lacs which has been charged to the statement of profit & loss. For the year ended 31st March 2017, amortisation of acquired Trade Marks/ Brands includes Rs 23996.68 Lacs (P.Y : Rs. 19517 Lacs) respectively provided on intangible assets of "Kesh king" business on pro-rata basis.

Notes Forming Part of the Accounts

3.52 (Contd.)

The fair values of the identifiable assets and liabilities of Kesh King as at the date of acquisition were: ₹ in Lacs

Particulars	Fair value recognised on acquisition
Assets	
Brand, Trademark and other Intangibles	1,66,540.11
Debtors	731.17
Inventory	214.56
Others	12.76
	1,67,498.60
Liabilities	
Creditors	148.60
	148.60
Total identifiable net assets at fair value	1,67,350.00
Goodwill arising on acquisition	1,050.00
Purchase consideration transferred	1,68,400.00

3.53 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	Shri N. H. Bhansali	CEO - Finance, Strategy & Business Development and CFO
9	Shri Arun Kumar Joshi	Company Secretary & VP- Legal
ii)	Other Directors	
1	Shri Aditya Vardhan Agarwal	Non Executive Director
2	Shri K. N. Memani	Independent Director
3	Shri Amit Kiran Deb	Independent Director
4	Shri Y. P. Trivedi	Independent Director
5	Shri S. B. Ganguly	Independent Director
6	Shri Sajjan Bhajanka	Independent Director
7	Shri P. K. Khaitan	Independent Director
8	Shri M. D. Mallya	Independent Director
9	Smt. Rama Bijapurkar	Independent Director

Notes Forming Part of the Accounts

3.53 Related Party Transactions : (Contd.)

A. Related Parties with whom transactions have taken place during the period (Contd.)

iii) Relatives of Key Management Personnel			
1	Smt. Usha Agarwal	15	Smt. Rachna Goenka
2	Smt. Saroj Goenka	16	Smt. Rashmi Goenka
3	Smt. Indu Goenka	17	Smt. Richa Agarwal
4	Smt. Rachna Bagaria	18	Ms. Shreya Goenka
5	Smt. Laxmi Devi Bajoria	19	Ms. Vidula Agarwal
6	Smt. Jyoti Agarwal	20	Shri Suresh Kr. Goenka
7	Smt. Pooja Goenka	21	Shri Raj Kr. Goenka
8	Ms. Smriti Agarwal	22	Shri Manish Goenka
9	Smt. Sobhna Agarwal	23	Shri Jayant Goenka
10	Ms. Vidisha Agarwal	24	Shri Sachin Goenka
11	Ms. Avishi Sureka	25	Shri Rohin Raj Sureka
12	Smt. Jyoti Goenka	26	Shri Vibhash Vardhan Agarwal
13	Smt. Mansi Agarwal	27	Shri Yogesh Goenka
14	Smt. Meena Goenka	28	Shri Saswat Goenka
iv) Entities where Key Management Personnel and their relatives have significant influence			
1	Suntrack Commerce Private Limited	19	Emami Rainbow Niketan Private Limited
2	Diwakar Viniyog Private Limited	20	Emami Vriddhi Commercial Private Limited
3	Bhanu Vyapaar Private Limited	21	Emami Estates Private Limited
4	Suraj Viniyog Private Limited	22	Emami Projects Private Limited
5	Emami Paper Mills Limited	23	Emami Capital Markets Limited
6	Emami Cement Limited	24	Emami Group Of Companies Private Limited
7	Emami Frank Ross Limited	25	Emami Home Private Limited
8	Pan Emami Cosmed Limited	26	Emami Institute Of Corporate Solutions Private Limited
9	Emami Realty Limited	27	Emami Power Limited
10	Emami Infrastructure Limited	28	Narcissus Bio-Crops Private Limited (Formerly known as Emami International Private Limited)
11	Emami Agrotech Limited	29	Emami (Meghalaya) Cement Limited
12	CRI Limited	30	Emami Natural Resouces Private Limited
13	Aviro Vyapar Private Limited	31	Emami Constructions Private Limited
14	AMRI Hospitals Limited	32	Emami Buildcon Private Limited
15	Zandu Realty Limited	33	TMT Viniyogan Limited
16	Prabhakar Viniyog Private Limited (Formerly known as Emami High Rise Private Limited)	34	Emami Foundation
17	Ravi Raj Viniyog Private Limited (Formerly known as Emami Enclave Makers Private Limited)	35	Aradhana Trust
18	Emami Nirman Private Limited	36	Kesar Deo Ratni Devi Goenka Trust

Notes Forming Part of the Accounts

3.53 Related Party Transactions : (Contd.)

B. Disclosure of Transactions between the Group and Related Parties.

₹ in Lacs

Particulars	Directors, Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Remuneration and Employee Benefits						
i) EXECUTIVE DIRECTORS						
- Short Term Employee benefits	1,052.04	911.95	-	-	1,052.04	911.95
- Post Employment benefits	47.33	38.96	-	-	47.33	38.96
- Commission	500.00	500.00	-	-	500.00	500.00
ii) OTHER DIRECTORS						
- Sitting Fees	28.35	25.25	-	-	28.35	25.25
- Commission	39.00	28.00	-	-	39.00	28.00
iii) CEO & COMPANY SECRETARY						
- Short Term Employee benefits	241.38	233.42	-	-	241.38	233.42
- Post Employment benefits	17.66	16.98	-	-	17.66	16.98
2. Sales						
- Sale of Goods	-	-	128.89	75.19	128.89	75.19
- Sale of Export Benefit Licence	-	-	110.24	73.22	110.24	73.22
3. Other Income						
- Sale of Property, Plant & Equipment	-	-	510.00	11.79	510.00	11.79
- Sale of Shares	-	-	304.82	-	304.82	-
- Rent, Maintenance & Other Charges Received	-	-	308.99	318.54	308.99	318.54
- Royalty Received	-	-	104.36	119.80	104.36	119.80
- Dividend Received	-	-	47.68	47.68	47.68	47.68
4. Purchase						
- Purchase of Gift and Promotional Items	-	-	27.13	15.22	27.13	15.22
- Purchase of Raw Materials	-	-	529.91	288.47	529.91	288.47
5. Other Expenses						
- Rent, Maintenance & Other Charges Paid	4.80	8.31	3.53	2.85	8.33	11.16
- Donation Paid	-	-	337.07	93.10	337.07	93.10
- Commission Paid	-	-	10.06	9.65	10.06	9.65
- Others	-	-	44.66	37.13	44.66	37.13
6. Dividend Paid	1,542.93	638.33	12,160.03	4,127.14	13,702.96	4,765.47
7. Security Deposit Received	-	-	3.00	14.73	3.00	14.73
8. Refund against Security Deposit Paid	0.20	2.40	-	-	0.20	2.40
9. Refund against Security Deposit Received	-	-	29.73	15.64	29.73	15.64
10. Reimbursement of Expenses	-	-	114.00	42.80	114.00	42.80

Notes Forming Part of the Accounts

3.53 Related Party Transactions : (Contd.)

C. The details of amount due to or due from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 as follows :

₹ in Lacs

Particulars	Related Party	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Investment	Entities where Key Management Personnel and their relatives have significant influence	368.48	660.31	660.31
Other Receivable	Entities where Key Management Personnel and their relatives have significant influence	-	2.29	-
Other Payable	Entities where Key Management Personnel and their relatives have significant influence	1.03	2.41	-
Security Deposit Paid	Key Management Personnel & Relatives	14.65	14.85	17.25
	Entities where Key Management Personnel and their relatives have significant influence	7.00	7.00	7.00
		21.65	21.85	24.25
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	18.21	44.94	29.73

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

3.54 ADDITIONAL INFORMATION

₹ in Lacs

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company :								
Emami Limited	97.55%	171305.17	96.86%	32933.24	100.00%	3949.47	97.19%	36882.71
Subsidiaries Company:								
Emami Bangladesh Limited	1.46%	2570.81	4.55%	1547.79	-	-	4.08%	1547.79
Emami International FZE	1.16%	2032.84	-0.58%	(195.64)	-	-	-0.52%	(195.64)
Emami Overseas FZE	-0.66%	(1,151.78)	-0.03%	(10.09)	-	-	-0.03%	(10.09)
Pharmaderm Co. SAE -Egypt	-0.04%	(71.75)	0.00%	(0.40)	-	-	0.00%	(0.40)
Fravin Pty.Ltd.	0.58%	1014.51	-0.67%	(228.11)	-	-	-0.60%	(228.11)
Greenlab Organics Ltd.	0.00%	-	-	-	-	-	-	-
Diamond Bio-tech Laboratories Pty. Ltd.	-0.03%	(54.05)	-0.06%	(21.61)	-	-	-0.06%	(21.61)
Abache Pty Ltd.	-0.02%	(35.27)	-0.07%	(24.55)	-	-	-0.06%	(24.55)
Total	100.00%	175610.48	100.00%	34000.63	100.00%	3949.47	100.00%	37950.10

Notes Forming Part of the Accounts

3.55 INFORMATION FOR EARNINGS PER SHARE AS PER IND AS 33

₹ in Lacs

Particulars	As at	
	31.03.2017	31.03.2016
Net Profit (Rs. in Lacs)	34,000.63	36,305.85
Cash Profit (Rs. in Lacs)	64,899.39	61,845.56
Weighted average number of shares	22,69,67,619	22,69,67,619
Earnings Per Share - Basic & Diluted (Rs.)	14.98	16.00
Earnings Per Share - Cash (Rs.)	28.59	27.25

3.56

Previous year's figures have been rearranged/regrouped wherever necessary.

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants
Firm's Registration No-306033E

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S.K.Agrawal
Partner
Membership No : 9067

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP-Legal

Kolkata
4th May, 2017

STATEMENT REGARDING SUBSIDIARY COMPANY

Pursuant first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accountants) Rules, 2014

₹ in Lacs

1	2	3	4	5	6	7	8
Sl. No.	Name of the Subsidiary Company	Emami Bangladesh Limited	Pharmaderm Company S.A.E	Fravin Pty Ltd	Diamond Bio-Tech Laboratories Pty Ltd	Greenlab Organics Limited	Abache Pty Ltd
Name of the Holding Company	Emami International FZE	Emami International FZE	Emami Overseas FZE	Emami International FZE	Fravin Pty Ltd	Fravin Pty Ltd	Diamond Bio-Tech Laboratories Pty Ltd
% of shareholding of Holding company	100%	100%	90.50%	85.00%	100%	100%	100%
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	BDT	AED	EGP	AUD	AUD	GBP	AUD
Share capital	INR 0.8086 per BDT	INR 17.68 per AED	INR 3.56 per EGP	INR 49.54 per AUD	INR 49.54 per AUD	INR 81.29 per GBP	INR 50.80 per AUD
Reserves & Surplus	2,782	18.98	168.46	1,875.64	0.0010	0.001655	50.16
Total assets	2,542.99	3,290.24	(240.21)	(861.14)	(54.05)	0.000746	(85.44)
Total Liabilities	7,418.43	10,937.11	185.32	1,400.95	65.71	0.002401	181.86
Investments	4,847.62	7,627.88	257.07	386.45	119.76	-	217.12
Turnover	-	1,719.90	-	0.0021	0.0005	-	-
Profit before taxation	10,709.74	14,971.08	163.68	139.89	-	-	39.36
Provision for taxation	2,470.36	(197.51)	(0.40)	(324.00)	(30.70)	-	(34.86)
Profit after taxation	922.57	-	-	(95.89)	(9.10)	-	(10.30)
Proposed Dividend	1,547.79	(197.51)	(0.40)	(228.11)	(21.61)	-	(24.55)
	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 - **NA**

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

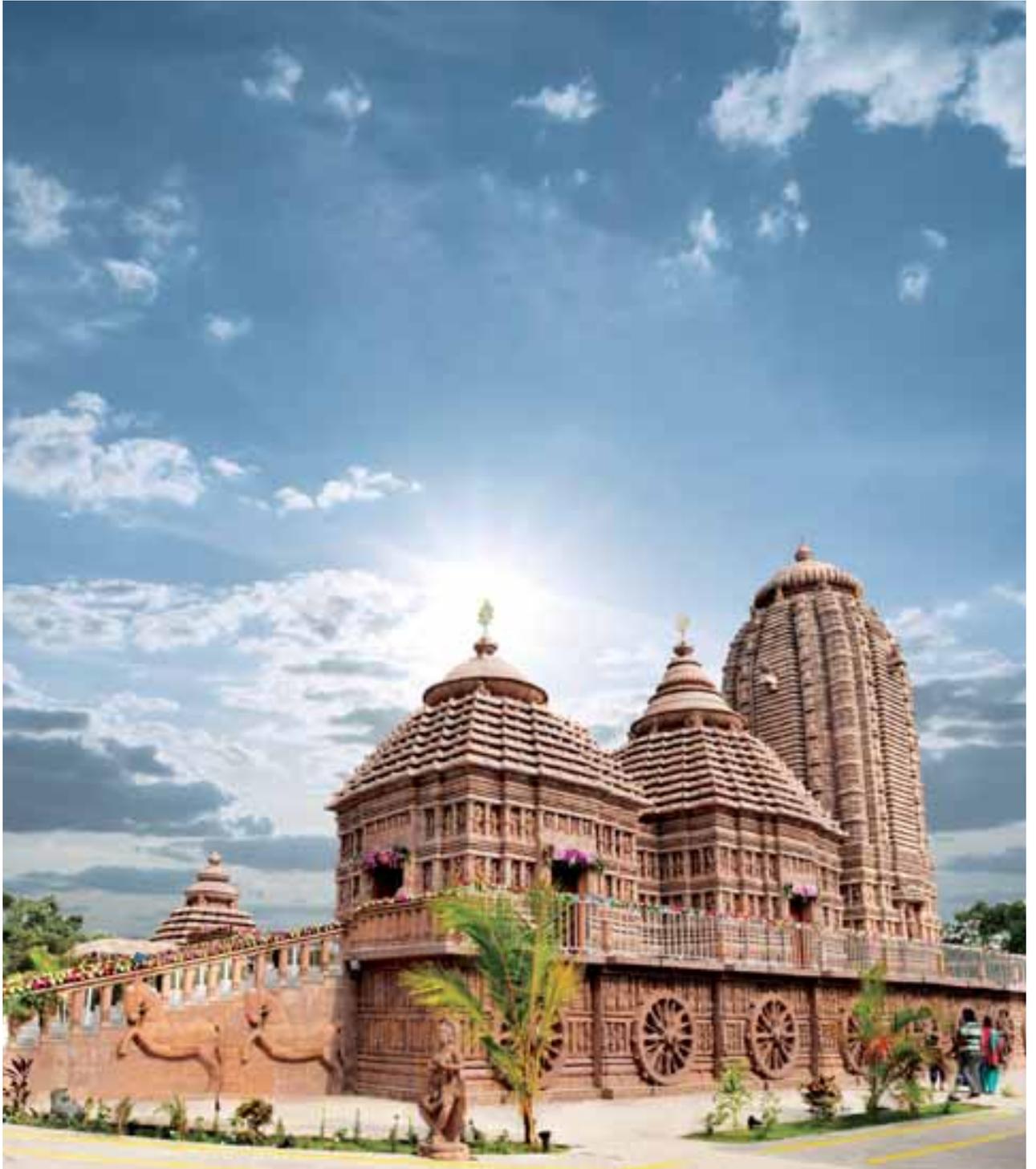
Kolkata
4th May, 2017

S K Goenka
Managing Director

N H Bhansali
Director

CEO - Finance, Strategy & Business Development and CFO

A K Joshi
Company Secretary & VP-Legal



Emami Group constructed a new Jagannath Temple at Balagopalpur, Balasore, Odisha. This temple, built in sandstone, a one-of-its-kind architectural marvel in Northern Odisha as well as in the country, is located on approximately 3 acres of land. It was designed by Padma Vibhushan Raghunath Mohapatra, an eminent sculptor. The temple, a mix of the Shri Jagannath Temple of Puri and Sun Temple of Konark, houses idols of Lord Jagannath and other deities. The *pran pratishtha* ceremony of the divine idol of Lord Jagannath was conducted in the divine presence of Shri Jagannath Sai Mohapatra Dwaitapati, the Head Priest of Puri's Jagannath Temple in November, 2015. The temple attracts around 4,000 devotees daily and more than 25,000 on festivals, receiving *anna prasad* from the temple authorities. During special occasions like Rath Yatra, the temple witnesses footfalls of around 100,000 devotees.



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gel on your palm



2 Apply on face in
a circular motion



3 Wipe off with a clean
handkerchief/tissue

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