emami

emami limited

August 08, 2016

To,
The Secretary
The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai: 400051

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai: 400001

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

Dear Sir,

Re: Submission of Approved and Adopted Annual Report of the Company under Regulation 34(1) of the SEBI (LODR) Regulations, 2015

Enclosed please find the Annual Report as per Regulation 34(1) of the SEBI (LODR) Regulations, 2015 approved and adopted at the 33rd Annual General Meeting of the Company held on 3rd August, 2016, for the financial year 2015-16.

This is for your information and record.

Thanking you,

Yours faithfully,

For Emami Limited,

Ashok Purohit
Assistant Company Secretary

Encl. As above

regd. office : 687 anandapur e. m. bypass kolkata 700107 india
phone: 91 33 6613 6264 tele fax: 91 33 6613 6600 e-mail: contact@emamigroup.com website: www.emamiltd.in
CIN: L63993WB1983PLC036030

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www.emamiltd.in | VOLUME: XXXIII

Making people healthy and beautiful, naturally

emami

2015-2016

emami limited

ANNUAL REPORT 2015-16

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 | 7 FACTORIES | 1 OVERSEAS UNIT | 4 REGIONAL OFFICES | 33 DEPOTS | 8 OVERSEAS SUBSIDIARIES.

BANKERS

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

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

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

Website: www.emamiltd.in | **CIN:** L63993WB1983PLC036030

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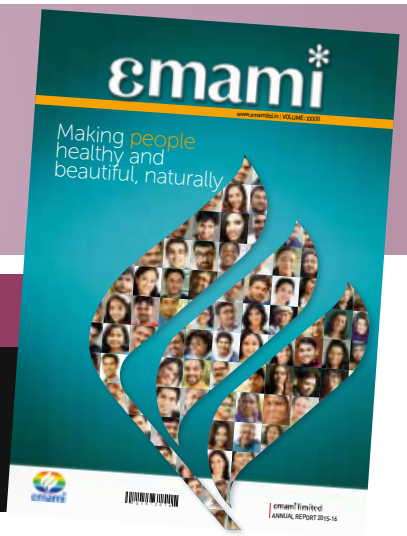
Making people healthy and beautiful, naturally



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

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.

To all our stakeholders,

Welcome to yet another edition of the Emami Annual Report!

When we started presenting our annual report in the form of a magazine, a number of people asked 'A magazine? Really?'

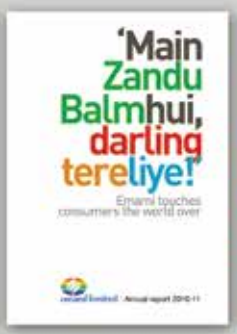
The advantages of an exhaustive reporting format soon began to emerge.

A number of shareholders at the AGM complimented the management for going against convention. They said they found the magazine engrossing. Some indicated the information reporting was comprehensive. Yet others indicated that they never realised the management depth of the Company until they read this differentiated treatment.

And that is precisely why we selected to extend the Annual Report beyond its conventional treatment – from a collection of numbers and strategic analyses towards a document that broadly captures the romance of the Company.

We hope you enjoy this edition!

2009-**10**



2010-**11**

2011 -**12**

2012 -**13**

2013 -**14**

Readers speak

The Next Orbit – the last year's Annual Report from the house of Emami, in one word, was awesome. It was not only very aesthetically designed with an international appeal, it was also a very good read because now I know that what strategies the Company followed to achieve multiple growth. Your Annual Report format similar to a magazine is really unique.

RAJESH GHORAWAT,
Shareholder

Most respectfully, I am pleased to give my feedback on the Annual Report (2014-15) of the Company. As a shareholder, my priority is to know everything about the Company and how it has been performing. I take the privilege to say that I am well satisfied with the quality of Annual Reports of the Company because the feature style of the report makes it interesting to read yet easy to comprehend. Moreover, in a constructive and easy manner, it showcases the highlights of fiscal, journey of the Company, the brand legacies and highlights of Emami's growth over the last decade. A well-defined financial result, offering a comprehensive overview that the shareholder needs to know to reinforce trust in the company. Using your platform I would give my best wishes to the Company.

MADHUSUDAN DEY,
Shareholder

I would like to take the privilege of giving my feedback on the Annual Report (2014-15) of Emami Limited. I have been associated with Emami since long-time and I feel like being an important member of the Emami family. Just like in a family, trust forms the base in keeping every member together, similarly Emami forms the base of this trust and loyalty with its shareholders through each year's Annual Report. Transparent, comprehensive and interesting are the three words I would like to use for the last year's Annual Report. I am pleased to say that each year my expectations with the Company rises and seeing the growth of the company through the report not only fulfils my desired expectation but also builds a stronger equity for the Company.

SANDIP KR. KEJRIWAL,
Shareholder

2014 -**15**

Last year's Annual Report was a treasure trove of information. It introduced Emami to us in a way that we didn't know before.

SHARDA SHAH,
Shareholder

I am India, *Only Numbers, Emami – Focus, Emami – The Next Orbit – Emami* Annual Report is setting an industry benchmark with every passing year. The ideation, the creativity, the quality and the variety of information is only getting better with each edition. As a shareholder, I feel privileged to have a copy of Emami Annual Report which is worth treasuring . I look forward to see what surprise elements the Emami Annual Report for the year 2015-16 is going to offer.

MAYANK BEHANI,
Shareholder

Emami Limited is perhaps one of the few companies in India or may be in the world who have shown the courage to take a serious document like a Company's Balance Sheet to the excellent levels of creativity. The magazine format is really unique which generates interest not only for shareholders but for any lay reader to go through the articles which are really well researched and informative. My best wishes are with the Company and I hope to see many more powerhouse of creativity in the Annual Reports of Emami Limited in the coming days.

TULSI RAM TIBREWAL,
Shareholder

Our key to success

There has been just one secret behind the transformation of Emami into a frontline Indian FMCG company. The ability to understand latent unexpressed needs of consumers and translate them into clutter-cutting products. The result is a company that was valued at around ₹21,200 crore in market capitalisation as on 31st March 2016, growing by nearly 40 times in value since its Public Offer in 2005.

Emami is present in the fourth largest national sector. The sector touches billions, across geographies. The sector is overcrowded by organised and unorganised players. These players manufacture a large number of products. A number of these products are me-too and even counterfeit.

The aim is not to merely survive this environment; the objective is to succeed in it. This success needs to be derived from the identification of niches relatively insulated from competition. These niches are created (and occupied) by understanding where the external environment is trending, what consumers are likely to need and working backwards to create relevant and affordable products. Our edge lies in spotting categories that are unique, devoid of competitors and with a unique proposition, enabling us to enjoy absolute category leadership.

In this environment it would be easy to offer deep discounts and freebies in the pursuit of short-term visibility and market share but the strategy would be largely unsustainable and even brand-destroying.

Since inception, Emami's success has been derived from its keen understanding of Indian middle-class aspirational consumers. This competence is often under-appreciated; since India is a vast country with varied geographical and climatic conditions where consumer profiles change every 100 km, what one needs, is a product portfolio addressing diverse consumer requirements.

And this is where we come to something we are deeply proud about: Emami is a truly Indian company that addresses middle-class aspirational consumer needs by creating truly Indian brands.

Emami's consumer understanding extends beyond product functionality. When our consumer study indicated that nearly 30% of women's fairness creams were actually used by men, we studied user buying patterns. Men were not comfortable buying the product directly across the counter. There was a hesitation in admitting openly that men also needed to look fair. We worked on these cues and the result was that we introduced a fairness product exclusively for men - Fair and Handsome – supported by a communication strategy that empowered closet users to step out and buy the product. We didn't just launch a product; we created a category for the first time in India.

Or take the case of Nityam tablets. The conventional consumption of an ayurvedic laxative is cumbersome. We worked around this problem to introduce a convenient tablet. This innovation is not just about a new product introduction; it encourages a new form of consumption, graduating the consumer experience.

That brings us to four words that have made all the difference at Emami. **Graduating the consumer experience.** We don't merely plug product gaps; we create stand-out products. We don't just make consumers feel good about purchase; we graduate their experience to a different level. We don't just focus on therapeutic safety; we weave a deep research-led ayurveda tradition into product safety. We don't just bank on ayurveda; we validate our products through competent safety studies.

Emami is among the few Indian FMCG players to extend deep into its rural market which accounts for more than 70% of the country's population. Here too, we progressively adapted our role: we graduated from marketing large SKUs to small affordable equivalents.

Emami's success is derived from its niche ayurveda and herbal-based positioning as well as its strong innovation and new category incubation. We have leveraged ayurveda with modern-day science to deliver best, yet affordable, and effective products, which have been manufactured using advanced scientific and laboratory practices. Most of our manufacturing units are ISO 9001: 2000 compliant and accredited with ISO 14001: 2004 and ISO 18001: 2007 certifications.

It would have been defeating for a truly Indian company addressing its vast middle-class consumer base to be urban-driven. The reality is that Emami is among the few Indian FMCG players to extend deep into a rural market which accounts for more than 70% of the country's population. Here

too, we progressively adapted our role: we graduated from marketing large SKUs to small affordable equivalents. Besides, we marketed products around attractive price points that encouraged enhanced value-addition without becoming expensive, creating a compelling volume-value play.

It would have been convenient for a truly Indian consumer products company to continue marketing within the heart of India on the grounds that this, given the extensive under-consumption, represented a world of an opportunity. Emami is a confident global Indian corporate; we customised our brands around the climatic and physical suitability of countries the world over. The result is that we extended our Indian multi-category leadership to international markets. And best of all, we did not merely market in some of these countries; we commissioned our first international manufacturing unit (Bangladesh) to address the needs of that geography.

It would have been time-consuming for an ambitious Emami to grow through the organic route. We selected to acquire businesses instead. In 2008, we acquired a multi-decade Zandu possessing a rich repository of ayurvedic knowledge and products. The acquisition was considered daring for its scale; we implemented the acquisition, repositioned acquired brands and the result is that the Zandu portfolio has trebled its domestic sales since acquisition. In 2015, we acquired the ayurvedic hair and scalp care business under the Kesh King brand (ayurvedic medicinal oil, aloe vera herbal shampoo and ayurvedic capsules) on the grounds that the ayurvedic hair and scalp-care category was extensively under-penetrated.

It is just not enough to create effective and affordable products of the best quality. They also need to be competently communicated to consumers. Emami's products are backed by robust communication understood by the masses. Our products have been consistently positioned around enhanced life quality. We complemented this pitch through the pioneering engagement of celebrity brand ambassadors.

Even as a strong consumer pull was created because of these initiatives, it was important to create a robust distribution system. We reached consumers everywhere; we made our products available in villages of population clusters of less than 10,000. The result is that we now have more than 2,900 distributors, a direct coverage of more than 6.4 lac retail outlets and indirect reach across more than 4 million retail outlets. Even in the remotest part of the country, you are likely to find a store – possibly the smallest shack – marketing Emami products across the counter.

Outlook

Emami's Power Brands are growing and penetrating further. The brand extensions and new launches are receiving encouraging response. The International business is expected to grow aggressively. An improving economic landscape leading to higher disposable incomes and normal monsoons are expected to revitalise the rural economy and FMCG prospects. Emami is poised to take benefit of these growing opportunities.

The bottomline is that we find Emami waiting to capitalise extensively. Our story is just beginning.

RS Agarwal | RS Goenka

Impact

The cumulative impact of our differentiated business model is evident in the numbers

16%
Five-year CAGR in Revenues

22%
Five-year CAGR in EBIDTA

20%
Five year CAGR in Cash Profit

More than
₹ 1,700 crore
Spent on advertising and promotion in the past five years

~ ₹ 850 crore
Cumulative dividend payout in the last five years

~3.5x
Increase in market capitalisation in the last five years

25+
New products and extensions introduced in the last five years

Highlights, FY 2015-16

A TURNOVER

Consolidated net sales at ₹ 2,624 crore grew by 18.3%

Domestic sales at ₹ 2,150 crore grew by 19.5%

International business at ₹ 365 crore grew by 15.0%

Institutional business at ₹ 109 crore grew by 8.6%

B PROFITS

EBIDTA at ₹ 684 crore grew by 26.6%

EBIDTA margin at 26.1% improved by 170 bps

Cash profit at ₹614 crore grew by 18.1%.

Cash profit margin at 23.4%

Cash EPS at ₹27.1 grew by 18.1%

ROCE: 29.4% (on cash profit)

ROE: 43.8% (on cash profit)

C COSTS

Cost of goods sold at 31.0% of sales decreased by 420 bps

Advertisement and sales promotions increased from ₹392 crore to ₹531 crore (increased by 260 bps from 17.7%.to 20.3% of sales)

Invested ₹148 crore in **new launches** against ₹88 crore in PY

Amortisation of intangibles at ₹210 crore

D STRATEGIC INITIATIVES

Acquired Kesh King business at a cost of ₹1,684 crore (including duties & taxes)

Engaged McKinsey to:

- Improve sales force effectiveness
- Reduce costs/improve margins
- Devise strategies for international business

Invested aggressively in IT initiatives

- Moved to cloud infrastructure
- Embarked on high impact projects: Migration to HANA, sales force automation, business analytics, among others

E WORKING CAPITAL

Average inventory holding stood at 21 days of turnover equivalent

Average collection period stood at18 days of turnover equivalent

Average payment period stood at 34 days of turnover equivalent

Average advance period stood at 14 days of turnover equivalent

Net working capital stood at 19 days of turnover equivalent

Net borrowings of ₹ 551.1 crore

F BRANDS

Navratna Oil increased its market share (volume) by 30 bps at 60.5% in FY16

Brand extension Cool Talcum Powder gained market share (volume) by 20 bps at 25.2% in FY16

Fair & Handsome enjoyed the leadership in men's fairness cream segment with a market share (by volume) of 64.6% in FY16

Balms (Zandu Balm and Mentho Plus) continued their market leadership with a market share (by volume) of 55.2%

BoroPlus Antiseptic Cream continued its market leadership with a market share (volume) of 76.9%

Kesh King increased its market share (volume) by 370 bps at 35.4% in FY16

The Zandu Ayurvedic healthcare range grew by 27% led by Zandu Pancharistha

Achieved leadership in the international markets

- Fair and Handsome is now the market leader in the UAE and number two in Bangladesh and Saudi Arabia
- Navratna enjoys undisputed leadership in Bangladesh, the UAE and Saudi Arabia
- BoroPlus Antiseptic Cream continues to be the market leader in the antiseptic and healing topical supplements category in Russia
- As per Nicholas Hall database (2014), Zandu Balm is the world's number one pain relief balm

G OPERATIONS

Direct retail reach at 6.4 lac outlets along with distributor strength of 2,900; indirect reach at 4 million+ outlets

Covered 94% of sales under secondary sales software

Setting up a third unit in North East under under a mega project scheme; the unit is expected to commence operations in FY17

- Invested ₹150 crore
- Planned total outlay of ₹300 cr

Enterprise Risk Management implemented

Internal Audit Department and Risk Management System accredited with ISO 9001:2008 and ISO 31000:2009 certification respectively

H CAPITAL MARKET

Market capitalisation of around ₹21,200 cr

Initial shareholder who invested ₹1000 for 100 shares which eventually became ₹4000 after rights issue, is presently the owner of Emami shares worth ₹7.8 crore – 19,572-fold appreciation in 36 years

Shareholders' money increased by nearly 40 times and 9 times on their investment in the public issue in March 2005 and QIP in July 2009, respectively

Around 35 brokerage houses covering Emami's stock including UBS, Credit Suisse, Nomura, Edelweiss and Macquarie; during the year, HSBC and ILFS also initiated coverage on Emami

10-year highlights

(₹ in lac)

	PARTICULARS	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
A	OPERATING RESULTS :										
	Income From Operations	2,62,379	2,21,725	1,82,077	1,69,910	1,45,351	1,24,707	1,02,170	74,893	58,593	51,825
	EBITDA	68,377	54,008	44,130	34,728	29,676	25,343	24,517	12,903	9,519	6,624
	PBT	41,711	59,245	45,713	36,868	29,893	26,912	20,493	10,587	10,240	7,476
	PAT (after minority interest)	35,906	48,561	40,247	31,474	25,884	22,872	16,972	9,186	9,020	6,619
	Cash Profit	61,410	51,992	43,764	33,671	27,764	24,271	18,515	10,021	9,752	7,086
	Dividend incl Tax	19,122	18,817	18,588	14,162	14,069	6,175	5,311	3,983	3,272	2,853
B	FINANCIAL POSITION :										
	Fixed Assets (Net Block)	2,03,791	47,759	40,777	43,965	48,034	49,094	56,729	64,946	9,229	8,137
	-Intangible Assets	1,50,021	3,278	779	6,703	16,691	26,851	37,009	47,158	194	235
	-Others	53,770	44,481	39,998	37,262	31,343	22,243	19,720	17,788	9,035	7,902
	Liquid Investments	1,192	49,465	28,922	15,634	7,356	-	5,500	3,267	8,233	6,500
	Other Assets	61,472	70,408	60,530	62,018	61,927	60,635	43,125	24,952	36,920	18,588
	Total Assets	2,66,455	1,67,632	1,30,229	1,21,617	1,17,317	1,09,729	1,05,354	93,165	54,382	33,225
	Share Capital										
	- Equity	2,270	2,270	2,270	1,513	1,513	1,513	1,513	1,313	1,243	1,243
	- Preference	-	-	-	-	-	-	-	-	8	-
	Reserves & Surplus	1,38,044	1,20,794	90,942	76,234	69,150	67,471	61,025	28,799	26,981	21,680
	Net Worth	1,40,314	1,23,064	93,212	77,747	70,663	68,984	62,538	30,112	28,224	22,923
	Minority Interest	412	456	1	5	12	7	-	-	48	-
	Loan Funds	67,144	4,697	4,502	12,010	16,114	22,937	25,906	44,822	12,580	3,836
	Deferred Tax (Net)	-	1,205	479	1,368	1,450	1,370	696	596	215	258
	Capital Employed	2,07,870	1,29,422	98,194	91,130	88,239	93,299	89,140	75,530	41,075	27,017
C	KEY RATIOS										
	ROE (%) (on Cash Profit)	43.77	42.25	46.95	43.31	39.29	35.18	29.61	33.28	34.55	30.91
	ROCE (%) (on cash Profit)	29.54	40.17	44.57	36.95	31.46	26.01	20.77	13.27	23.74	26.23
	Debt - Equity Ratio	0.48	0.04	0.05	0.15	0.23	0.33	0.41	1.49	0.45	0.17
	EBIDTA Margin (%)	26.06	24.36	24.24	20.44	20.42	20.32	24.00	17.23	16.25	12.78
	Cash Profit Margin (%)	23.41	23.45	24.04	19.82	19.10	19.46	18.12	13.38	16.64	13.67
	Interest Cover	12.66	105.07	82.03	52.86	19.51	16.64	4.48	3.30	13.83	45.98
D	EQUITY SHARE DATA *										
	Cash Earnings per Share (₹)	27.06	22.91	19.28	22.25	18.35	16.04	25.37	15.77	15.69	11.40
	Dividend per Share (₹)	8.45	8.29	8.19	9.36	9.30	4.08	3.51	3.13	2.63	2.30
	Book Value per Share (₹)	61.82	54.22	41.07	51.38	46.70	45.59	41.33	24.23	22.71	18.44

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

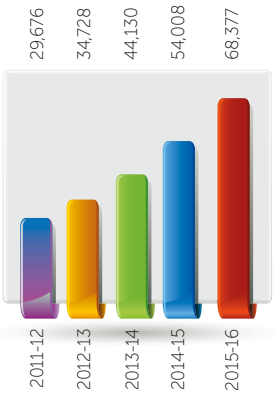
Emami's growth story

Revenue (₹ lac)

18.3%
growth over 2014-15

16.0%
5-year CAGR leading to 2015-16

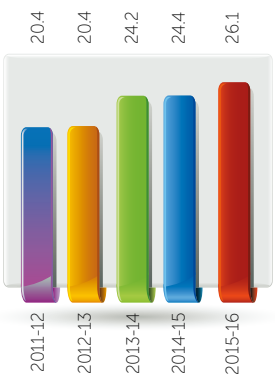
EBITDA (₹ lac)



26.4%
growth over 2014-15

22.0%
5-year CAGR leading to 2015-16

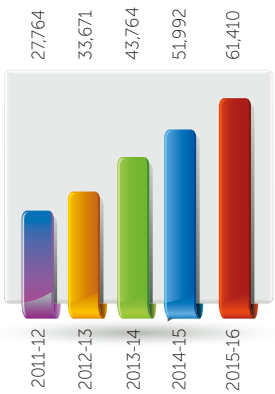
EBITDA margin (%)



170 basis points
growth over 2014-15

570 basis points growth in
5 years leading to 2015-16

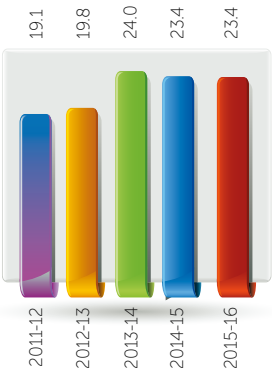
Cash profit (₹ lac)



18.1%
growth over 2014-15

20.4%
5-year CAGR leading to 2015-16

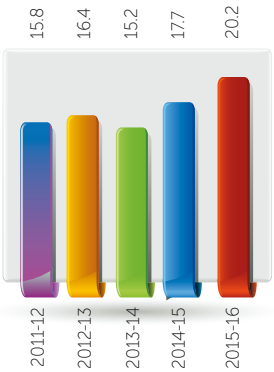
Cash profit margin (%)



at par
with 2014-15

430 basis points growth in
5 years leading to 2015-16

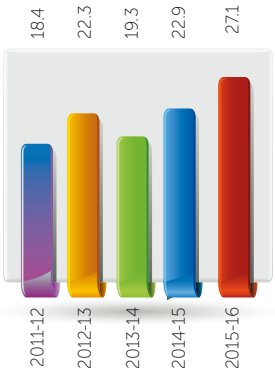
A&P (% of sales)



250 basis points
growth over 2014-15

440 basis points growth in
5 years leading to 2015-16

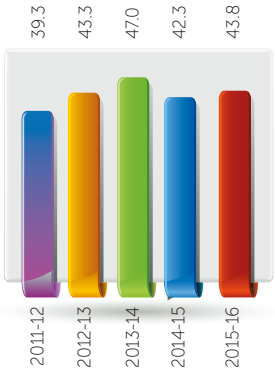
Cash EPS (₹)



18.1%
growth over 2014-15

11.0%
5-year CAGR leading to 2015-16

ROE % (on cash profit)



150 basis points
growth over 2014-15

450 basis points growth in
5 years leading to 2015-16

Making people healthy and beautiful, naturally

It would be simplistic to assume that Emami is just in the business of products. Emami is infact in the business of making people healthy and beautiful, naturally.

People as in consumers. People as in employees. People as in channel partners. People as in investors. People as in the world at large.

Emami services the interests of these diverse stakeholders, sustaining its relevance and success.

Consumers, consumers, consumers!

Emami is one of the fastest growing FMCG companies in the fastest growing and youngest emerging economy. Because it is a company with the right mindset, right products that complement in the right market at the right time.

India does not just represent the world's largest middle-class cluster; the number of Indian households with more than a US$5,000 annual incomes doubled in just 15 years. As more households graduated to the middle-class, consumers evolved from the consumption of basic food items to FMCG and convenience-enhancing products. In the liberalisation decade, consumption growth more than doubled from 4% (1990-2002) to 11% (2003-14). Non-food consumption increased from 53% in 1990 to 69% in 2014 *(Source: Euromonitor)* indicating an increase in discretionary spending.

There has been a qualitative increase concurrent with the numerical: consumers are more concerned about looking good and feeling good than ever before; consumers are undergoing sweeping lifestyle transformations. These consumers, unlike their preceding generations, are more willing to spend to enhance their lifestyles.

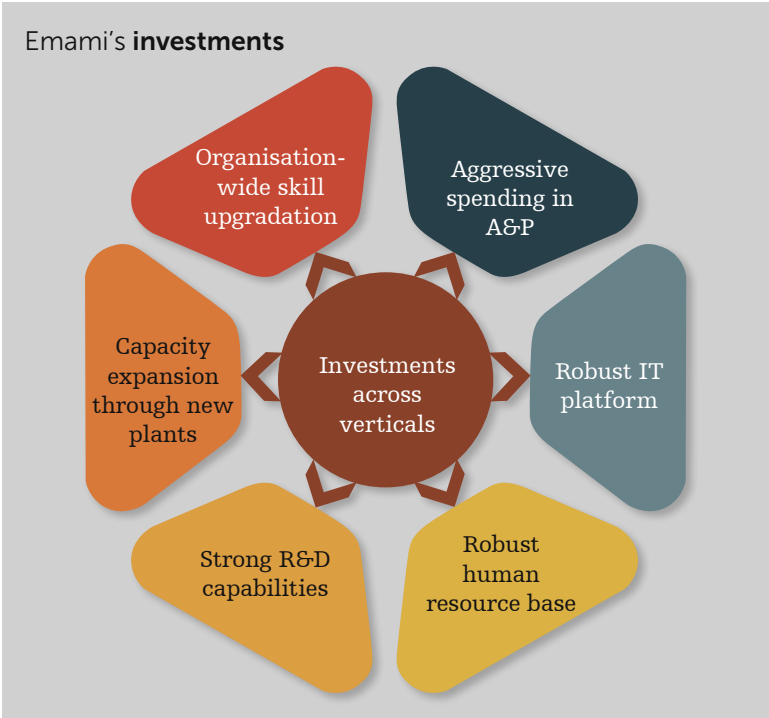
Emami's success has been derived from the fact that the Company has not just addressed the quantum opportunity; it has addressed the more challenging qualitative transformation instead. Being in the right market is one thing; capitalising on the right idea has made all the difference.

The middle-class catalyst

At Emami, it could have been easy to address the apex of the country's consumption pyramid, marked by enhanced brand respect and profitability. Emami selected to be contrarian; the Company addressed the attractive opportunity emerging out of the country's vast middle-class instead. There were a number of enduring reasons for this strategic decision.

One, India's middle class population would be 267 mn in 2016 *[Source: NCAER]*.

Two, this middle-class is growing;



the creation of a large body of consumers from the bottom of the pyramid is larger than the outflow of middle-class consumers into the affluent segment.

Three, the 'new' middle-class has been for long an extensively under-consumed population, where increase in incomes is translating into a significant transformation in the nature of products being consumed.

Four, this is a young middle-class, with a median age of 27 that is willing to experiment and transform lifestyles, the very basis of FMCG consumption.

Five, the combination of the largest middle-class on the one hand and unprecedented urbanisation on the other is driving people to live, look and feel better.

Six, there is a large middle-class consumption market across the world, incentivising the Company's extension to more than 60 countries with customised products.

Imbibing ayurveda

India's age old rich tradition of ayurveda is fast becoming a popular option of beauty and wellness globally. With more and more people opting for natural goodness in products, ayurvedic products have found shelf space in almost all households. The segment is largely untapped, thus offering huge growth potential. Emami's core strength has been its rich ayurvedic legacy. It has combined the traditional ayurveda with modern scientific techniques to make innovative products addressing various unmet needs of consumers.

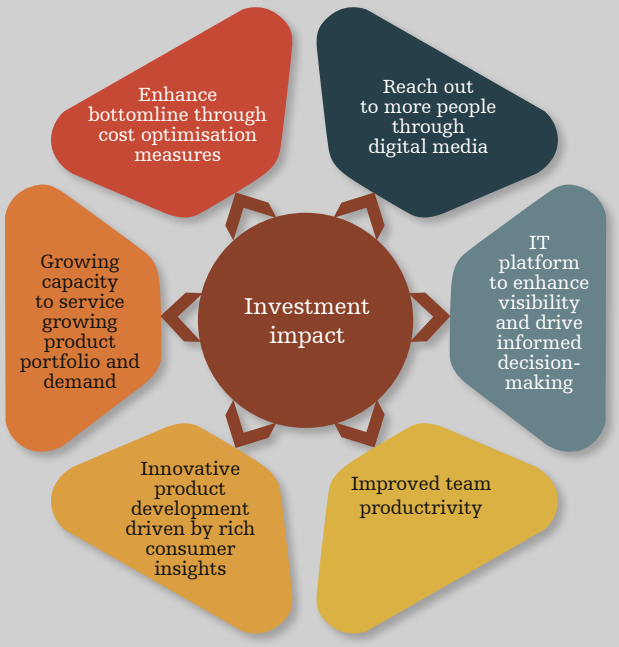
Responding to emerging opportunities

If there is one thing that Emami has done well with respect to the country's middle-class, it has been to watch.

That's right.

The Company has observed changes transpiring in the country: how middle-class consumers buy, what consumers wear, what problems consumers face, what consumers discuss when they meet. These instances provided Emami a window not merely into how people are thinking; it provided Emami with an insight into the consumption transformation of possibly the most under-consumed large nation in the world.

Emami's **projected upsides**



240

(US$/billion) size of India's FMCG industry by 2025

70

(%) Projected growth in India's urban household income by 2025

35

(%) Proportion of Indians living in urban areas by 2020 (32% in 2015)

95

(million) Number of youth expected to join India's workforce by 2025

Source: Business Standard

This is how Emami's observation translated into path-breaking products:

Emami recognised how increasingly it was not considered vain for men to appear presentable; the Company launched Fair and Handsome Men's fairness cream.

Hitesh Doshi always envied fair-skinned people. It would happen when he would gawk at those who were fair-skinned when his eyes suddenly fell on the giant billboard above him – Shah Rukh Khan advertising Emami's Fair and Handsome men's fairness cream. Without wasting a second, he bought it with the result that today, he has become a strong advocate for the product!

Emami recognised how increasing pollution translated into a growing incidence of skin care needs; the Company responded with Fair & Handsome Instant Fairness Facewash ensuring that the tough male skin gets thoroughly cleansed.

Emami recognised how the incidence of 'eat-on-the-move' and increased eating out were resulting in digestion issues; the Company responded with Pancharistha providing long-term relief from indigestion.

Emami recognised how, in a fast-paced world, an increasing number of individuals encountered hair-related challenges; the Company launched 7 oils-in-one, reconciling the goodness of seven oils and acquired the ayurvedic hair and scalp care business under the Kesh King brand.

'You're balding!' The words that sent **Arundhati Sen** into a tizzy. As she went from one salon to another, experimenting with therapies and products to correct hair loss, she chanced upon Emami's 7 oils-in-one product when she went to buy the morning groceries. After regular usage, the best compliment came from her office colleague when she said, 'Nice hairstyle!'

Emami recognised that an increasing number of consumers needed a therapeutic oil that would provide instant cooling and release stress; it introduced Navratna Cool Oil that virtually kick-started the growth of an entire category.

Work pressure finally got the better of **Mohsin Akhtar** when one day he collapsed on the bed after returning home. Late in the morning when he woke up, he was determined that he had to put a stop to his hectic lifestyle and manage everyday pressures better. So he went up to his father, his friend, philosopher and guide, who immediately recommended that Emami's Navratna Cool Oil be applied on the scalp every day. Today, Mohsin is back to his happy self.

Emami perceived the growing incidence of constipation, with studies indicating at least 14% of India's urban population suffering from chronic constipation and a fifth of these patients between 45 and 65 years *(Source: Business World)*; the Company responded with Nityam Churna and tablets.

After watching the recent film *Piku*, **Shalini Arora** knew that she had to act fast in the interest of her 80-year old father who silently suffered from constipation. Her father was not fond of having a powder which he felt a little messy to consume. She experimented with Nityam Churna and the result was that her father overcame his problem in no time. Apart from a powder form, Emami introduced its Nityam Churna in a tablet form which revolutionised the sector.

Emami understood the growing need of a solution which is not cosmetic but helps in addressing various skin issues starting from cuts to burns to cracked skin to cracked heels, among others. It introduced BoroPlus Antiseptic Cream – a boro-based ayurvedic solution addressing multiple skin problems. The all-round solution provided by the product helped it emerge as a market leader in its category.

Renu Denzongpa considers looking after a home the toughest job in the world, and she's probably right. This 40-something homemaker only had one complained about it though – her hands would become chapped and dry from various activities from washing clothes to cooking. Her husband provided just the solution, BoroPlus Antiseptic Cream, the ubiquitous cure-all for millions of Indians.

Headache, body ache and cold are common problems in India. Emami created the topical pain relief balm category, one of the most popular in the country. Emami's Zandu Balm is a multipurpose pain relief solution while its Mentho Plus range provides relief for various kinds of headaches. With these two range of products, the Company holds nearly 60% market share in the category.

Akash Manjrekar works for a large multinational company, handling multiple projects and multiple clients at the same time. The stress that comes with the job can be overwhelming at times, making Akash suffer frequent headaches that brings his productivity to a halt. The answer was surprisingly what his grandmother had been telling him for years. Zandu Balm! Now all he needs to remain headache-free is a light dose rubbed on his temple.

The summer in India is hot, dry in places and humid in some other place. The summer heat causes discomfort to people working or travelling outside. Emami was quick to identify the need gap and introduced Navratna Cool Talc, providing a cooling effect with the use of the powder, providing relief in the summers.

Reshmi Kher recently moved from her home in Shimla to the nation's capital. Adjusting to the rapid pace of New Delhi was not as much the problem as was the blistering sun during the summer. After suffering from a host of dry skin issues and sunburnt and prickly skin, she heard about Navratna Cool Talc from a friend. She never looked back and can now brave the heat without a care.

22

(million) Addition to India's affluent households by 2025

1.7

(x) Increase in India's average household incomes by 2025

150-200

(million) FMCG consumers expected to be digitally influenced by 2020

180

(US$ 180 billion) Size of modern trade by 2020m from US$60 billion in 2015

Source: Luxurydaily, Livemint, BCG

Customised approach

At Emami, it would have been reasonable to believe that a simple plugging of the evident unmet consumer need would have been enough.

The Company extended beyond.

The Company selected to be present in niche categories, relatively well-protected from competition.

The Company was the first to introduce laxatives in tablet form with the objective to enhance consumer compliance and convenience. Emami leveraged the low unit pack (LUP) route to reach new customers, pricing products affordably. This route helped the Company achieve higher product acceptance and wider consumer base.

Kaajal came in a *dibbi* so the Company wondered why it should not provide balm in a *dibbi* as well. It launched Mentho Plus in an easy-to-carry *dibbi*. The result: Mentho Plus *dibbi* sales now account for a majority of the brand's overall revenues. Similarly, BoroPlus and Navratna Oil LUPs account for more than 25% of the brand revenues, validating the success of the concept.

Effective communication

The Company aggressively promoted its brands through celebrity endorsements. Emami focused on aggressive marketing powered by celebrity endorsements like Amitabh Bachchan, Shah Rukh Khan, Hrithik Roshan, Kareena Kapoor Khan, Kangana Ranaut, Yami Gautam, Juhi Chawla, Shruti Haasan, Bipasha Basu, Sonakshi Sinha, Mahendra Singh Dhoni, Sourav Ganguly, M.C. Mary Kom, Saina Nehwal, Sushil Kumar, Sania Mirza, among others.

The Company invested extensively in brand-building: more than 20% of the Company's revenues in 2015-16.

The Company extended from physical offtake to digital media and e-commerce; it created a unique mobile application addressing consumer queries related to skin issues. The result is that Emami has created a distinctive trust-based consumer connect.

Touching stakeholders

Emami extends far beyond than only touching the lives of consumers.

The Company touches a larger ecosystem: vendors, distributors, dealers and retailers.

Domestic trade channels: Emami products are distributed through 2,900 dealers touching more than four million pan-Indian retail points. The Company's seven domestic manufacturing units are supported by five mother depots

emami's strategic evolution

ACQUISITION-DRIVEN

- Acquired the century old Zandu Pharma in 2008-09
- Segregated products under various heads
- Re-positioned and re-packaged products
- Created all-round communication and visibility strategies
- Zandu's domestic revenues grew 3x since acquisition

- Acquired the ayurvedic hair and scalp care business of Kesh King in 2015
- Enhanced the product formulation mix
- Created an all-round communication strategy
- Engaged young brand endorsers to increase youth appeal
- Grew its market share by 370 bps in the first year of acquisition

and 33 distribution warehouses.

Employees: Emami employs nearly 2900 individuals across countries. The Company's unique management hybrid comprises promoters who outline a strategic direction and professionals who drive day-to-day management. Emami is a multi-cultural employer; the Company comprised a growing number of international employees. Over the years, this multi-cultural representation has enhanced the Company's diversity and its sensitised understanding of terrain realities, strengthening its consumer proximity.

Shareholders: Shareholders represent an important index of the Company's success. Emami's transformation has been most visible is in its sustained wealth-creation for shareowners. The Company's market capitalisation of around ₹21,200 crore is among the highest in the country's FMCG space. Shareholders who invested ₹1,000 in 100 shares (₹4,000 after the rights issue) are presently owners of Emami shares worth around ₹7.8 crore – a 19,572-fold appreciation. Besides, shareholder wealth increased nearly 40-fold following the investment in a public issue in March 2005 and nine-fold following the July 2009 QIP. The Company paid nearly ₹850 crore in dividends in just the five years leading to 2015-16.

Social responsibility

Besides, Emami engages extensively with society, contributing to the creation of school infrastructure across locations (especially toilet facilities in girl's schools), women's empowerment, healthcare, livelihood initiatives and community marriages.

Confident optimism

Emami is not just a company addressing the personal care and health needs of individuals.

The Company believes that by making it possible for Indians to live healthier, it is engaged in catalyzing economic progress – wherever its products are sold.

The Company is optimistic that this role will only increase.

India is likely to add to its workforce than probably any other country over the coming years; this single country is expected to constitute 28% of the global workforce by 2030.

India is also younger than most countries; its population, with a median age of 27, means a younger population willing to alter consumption patterns.

Besides, urbanisation has triggered an occupational transition from low-paying agricultural jobs to higher-paying manufacturing and service engagements.

This indicates years of relevance and optimism for Emami.

This then is just the beginning…

EVOLVING MEDIA MIX

- More than 55 million people digitally influenced by FMCG
- Emami created a separate digital media team
- Launched digital media campaigns for its brands
- Developed dedicated websites for youth brands, generating recall

STRENGTHENING IT CAPABILITIES

- Enhanced process efficiency across the organisation
- Adopted SAP-based ERP across the organisation
- Automated key processes including HR and supply chain
- Brought distributors under the Emami dealer module platform

EXPANDING PRESENCE

- Emami selected to extend beyond India
- Created an international presence in more than 60 countries
- Customised product variants for international markets
- Set up its first international unit in Bangladesh
- Power Brands emerged leaders in Bangladesh, Russia and Saudi Arabia

Board of

R.S. Agarwal
Founder & Executive Chairman

R.S. Goenka
Founder & Wholetime Director

Rama Bijapurkar
(Eminent consumer & marketing strategist)
Independent Director

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

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

Mohan Goenka
Wholetime Director

Aditya V. Agarwal
Non-Executive Director

Harsha V. Agarwal
Wholetime Director

Directors

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

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

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

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

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

S.K. Goenka
Managing Director

Priti A Sureka
Wholetime Director

Prashant Goenka
Wholetime Director

"Emami performed better despite challenging conditions!"

A conversation with **S.K. Goenka,** Managing Director, Emami Limited

Q How would you evaluate the performance of the Company in 2015-16?

The year under review was filled with challenges for Indian FMCG companies: a sub-normal economic growth, unfavourable weather conditions, muted rural wage growth, geopolitical unrest in key economies and a volatile rupee. Even one of these factors would have been bad enough; we encountered all of these concurrently. Despite such an uncongenial environment, we maintained our market share and reported a topline and cash profit growth of 18.3% and 18.1%, respectively.

Q How did Emami report this performance amidst such challenges?

The sheer size of our product basket strengthened our share even in categories where the market had stagnated. Despite making sizeable upfront investments, scaling capacities, expanding teams and aggressively promoting launches (all of which were expensed from the P&L account), Emami reported a 170 bps increase in EBIDTA margins, finishing the year at an all time high of 26.1%.

Q How did Emami rein in costs?

We benefited from a decline in the prices of crude oil and a number of agro products. The costs of menthol, vegetable oils and packing materials used extensively in our products remained relatively affordable, helping us add basis points to our margins. Finally, instead of allowing market conditions to dictate our profitability, we proactively initiated Project Udaan with McKinsey to enhance process efficiency and margins.

Q What changes transpired as a result?

There were a number of them actually. Let me go over them one by one:

Sales: This aspect focused on using proprietary analytical tools to bolster the general and modern trade segments. In the general trade segment, measures like range selling, coverage optimisation, retailer loyalty and capability building programmes ensured last-mile reach and enhanced sales force excellence. The programme involved training over 1,500 salesmen across India in best-in-class selling processes. In the modern trade segment, best-in-class practices were incorporated and the whole setup was revamped. End-to-end engagement was reinvigourated across all national retail chains. Operational levers were put in place to ensure better fill-rates and joint account plans were created along with modern trade accounts.

Packaging: As far as this aspect was concerned, a cutting edge design-to-value process was

operationalised and both the product and packaging attributes were redesigned. Features that were valued by the consumers were added and unnecessary frills were done away with. A cross-functional team with members from various departments was deployed to carry out these changes.

Procurement: On the procurement front, a few top international vendors were inducted after conducting thorough checks pertaining to quality and consistency. This not only helped us procure certain materials at competitive rates, but also encouraged Indian vendors to reevaluate their terms of trade.

Q Shareholders were apprehensive that the increase in borrowings following the Kesh King acquisition would erode margins.

Prior to the acquisition, Emami had net cash in excess of ₹800 crore on its books. The acquisition was therefore a premeditated one with only about half of the ₹1,684-crore (including duties and taxes) acquisition being financed through borrowings. Besides, we leveraged the power of our Balance Sheet to limit interest costs to less than 2% of the total revenues. Being a cash-rich company, Emami expects to generate adequate free cash and repay this entire debt in two years. In view of this, one must assure shareholders that the revenue generation potential of the Company will continue to remain unaffected and that the acquisition will only strengthen our earnings quantum and qualitative excellence.

Q How has the acquisition panned out thus far?

It has worked well. There were some teething issues in terms of integrating operations with our in-house protocols. By the end of the year, we had ironed out the logistical issues and stabilised offtake. We also introduced Kesh King in a smaller SKU to widen the market and increase our share. However, the full benefits of this acquisition will start manifesting from FY2016-17.

Q What were the major challenges that Emami encountered during the fiscal gone by?

I have already listed a number of challenges pertaining to a subdued economy, geopolitical turmoil and currency devaluation that affected most sectoral players. Since a majority of our products are seasonal, erratic weather also affected our sales. In view of this, we balanced our portfolio through the introduction of non-season (perennial) products. Over the next few years, we expect to launch more weather-agnostic products to de-risk ourselves

Looking ahead, there are a host of exciting offerings in the Emami pipeline that are expected to drive revenues, margins and profits across the foreseeable future.

from meteorological vagaries. Besides, we are fortunate that a large number of our products are niche and relatively insulated from these unforeseen aberrations.

Q What were some highlights of the year under review?

We unveiled a number of products that proved successful. In the consumer care range, we launched a cocoa-based moisturising lotion and a winter cream for men, which were readily accepted in the marketplace. We supported these launches with eye-catching promotional campaigns featuring prominent brand ambassadors.

In the healthcare vertical, we launched products like Nityam tablets, a first-of-its-kind laxative in tablet form and a bottled honey variant, which was unique in the sense that it contained no added sugar. These products, being completely different from most existing offerings, allowed us to carve a niche for ourselves and address discerning consumers.

There are a host of exciting offerings in the Emami pipeline that are expected to drive revenues, margins and profits across the foreseeable future.

Q What threats do the competition pose?

We have always made it a point to occupy spaces marked by relatively low competition with substantial upsides. What this means is that more often than not, we are virtually creating product categories, as opposed to entering existing ones and jostling for market share with established players. Besides, when our sectoral peers promote ayurvedic products, they raise the level of water for the entire category by enhancing consumer awareness. Being one of the most prominent players in this category, we stand to gain from macroeconomic developments like these. So to answer your question: competition has never really been a threat for us.

Q How is Emami investing in premiumisation?

Emami has always attempted to provide quality-driven, value-for-money products to the masses. Consider our cool oil: it is not a low-priced product; it is a mass product commanding a reasonable premium but delivering supplementary benefits. Our understanding is that today's consumers are willing to pay that premium in exchange for product efficacy, translating into value-addition for the consumer and greater offtake for us.

Q What makes you optimistic of Emami's prospects?

A: The Central Government's allocation of a sizeable corpus towards rural development is expected to drive disposable incomes and enhance product sales. Why do we think this is a groundbreaking development? Because our rural business contributed nearly half our revenues in FY2015-16. The contemporary rural consumer is aspirational, conscious about looking good and living healthy. Hence, we believe that rural India is going to make a weightier contribution to our numbers in times to come. And if the monsoons turn out better than expected, then these numbers could skyrocket. We also believe that the international markets will start improving and our healthcare vertical will prove to be a key growth driver.

Q What is your big message to the shareholders?

Our ability to engage with consumers will continue incentivising product development, bolster revenues and strengthen profits. We will continue to be a margins-accretive business that creates new categories and thereafter accounts for a lion's share of the same. This, precisely has been the lynchpin of our ability to create value for our entire stakeholder family, over the years of our existence.

Young leadership

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

consumer care

"Caring for consumers means getting the basics right. This entails shrinking the lead time from product conceptualisation to launch, preventing short-term priorities from superseding long-term goals, making adequate funds available to drive innovation and ensuring that teams function cohesively."
– **Mohan Goenka,** *Director*

● THE SUCCESS FORMULA

Emami has established a reputation by relentlessly launching path-breaking products. It optimised investments by creating a hedge against over-spending. It engaged with industry experts to ascertain the impact of innovation. It introduced mainstream products like deodorants, fairness creams, face washes and hair oils. It targeted the youth by engaging youthful celebrities like Hrithik Roshan, Kangana Ranaut, Parineeti Chopra, Shruti Hassan, Huma Qureshi and Sania Mirza, among others, endorse its brands.

LEVERAGING BRAND EXTENSIONS

The overarching philosophy at Emami is to address the latent needs of consumers. It introduced relevant extensions of existing brands. Through careful use of market research, Emami's product managers answer questions as: How much cannibalisation can be expected if a specific line extension is launched? Will the Company see greater sales? How many customers will be lost if an SKU is dropped? It is through an in-depth assessment of all these factors that decisions pertaining to brand extensions are arrived at.

For instance, Boroplus, the largest brand in the antiseptic cream vertical, was successfully extended to lotions and powders. Navratna Cool oil has spun off a talcum powder version and emerged as one of the most successful products of Emami in the recent past. Fair and Handsome lent its name to an instant fairness face wash and reaped the benefits of the goodwill generated by the original product. Despite late entry, the brand emerged as the third largest in the category. The Company also launched a first-of-its-kind winter specific men's fairness cream in 2015-16, which received an encouraging response in the marketplace.

RETAINING TOP-OF-THE-MIND AWARENESS

Indian companies spend about one of every three rupees earned on advertising in the year of launch of a specific product. Nielsen Research indicates that advertising is the second-most important factor with respect to year-one sales, ranking only behind distribution. Trade and consumer promotional campaigns account for another 30% of the launch spending. In view of this, Emami ensures top-of-the-mind awareness by spending as per situational demands. **Here's proof:** Emami increased its A&P spends (as a percentage of sales) from 15.2% in 2013-14 to more than 20% in 2015-16, making it one of the biggest spenders in terms of advertising in the industry.

"The result of our 'getting-the-basics-right' approach is evident. From a humble beginning, Emami grew its consumer care range by 18% CAGR in the decade ending 2015-16."
– **Harsha V. Agarwal,** *Director*

ACQUIRING PRODUCTS STRATEGICALLY

Adequately investing in the end-to-end innovation process and the necessary resources to bring a product to the market can be the difference between success and failure. This means making a great product is only half the job done. It is also imperative to keep one's ears close to the ground for up-and-coming products or products that were shelved due to the lack of a budget. Emami has over the years built for itself a reputation for acquiring brands and turning them around by harnessing speed, entrepreneurship and innovation to feed channels, brands and resources.

Following the success of Zandu and other acquisitions, Emami acquired the ayurvedic hair and scalp care business under the Kesh King brand. This acquisition brought Kesh King's portfolio in its entirety – a medicinal oil, an aloe vera-based herbal shampoo and conditioner and ayurvedic capsules – into the highly-fragmented ayurvedic hair and scalp care segment. Kesh King, with its ayurvedic ingredients, synced seamlessly with Emami's brand identity. Being a margin-accretive product, the acquisition is expected to not just pay back in a couple of years but also enhance long-term revenue visibility.

PRICING PRODUCTS PRUDENTLY

FMCG companies often wrongfully seek to achieve their promotional objectives through discounting, a short-term cash flow solution. Although discounting generates revenues, no sooner the promotion is over than the attractiveness of the product declines. How much should be charged for a new product? Charge too much and it won't sell- a problem that can be fixed relatively easily by reducing the price. Charging too little is far more dangerous: not only it means forgoing significant revenues but it also fixes the product's market-value proposition at a low level.

Precisely why Emami does not solely rely on discounts to catalyse offtake; instead, it uses something that psychologically impacts consumers – the combination of a value-additive approach and a tactful pricing strategy. To establish the price ceiling, Emami leverages its clear understanding of the product's USPs, savings that can be made on material procurement and procedural benefits through thorough market research and so on. The Company believes that the pricing of a product hinges on the value-addition offered by the product. As a matter of fact, consumers are more than willing to pay extra to jump on the 'brand wagon'.

"Emami acquires brands only where it perceives the possibility of complementary growth." – **N.H. Bhansali,** *CEO – Finance, Strategy & Business Development and CFO*

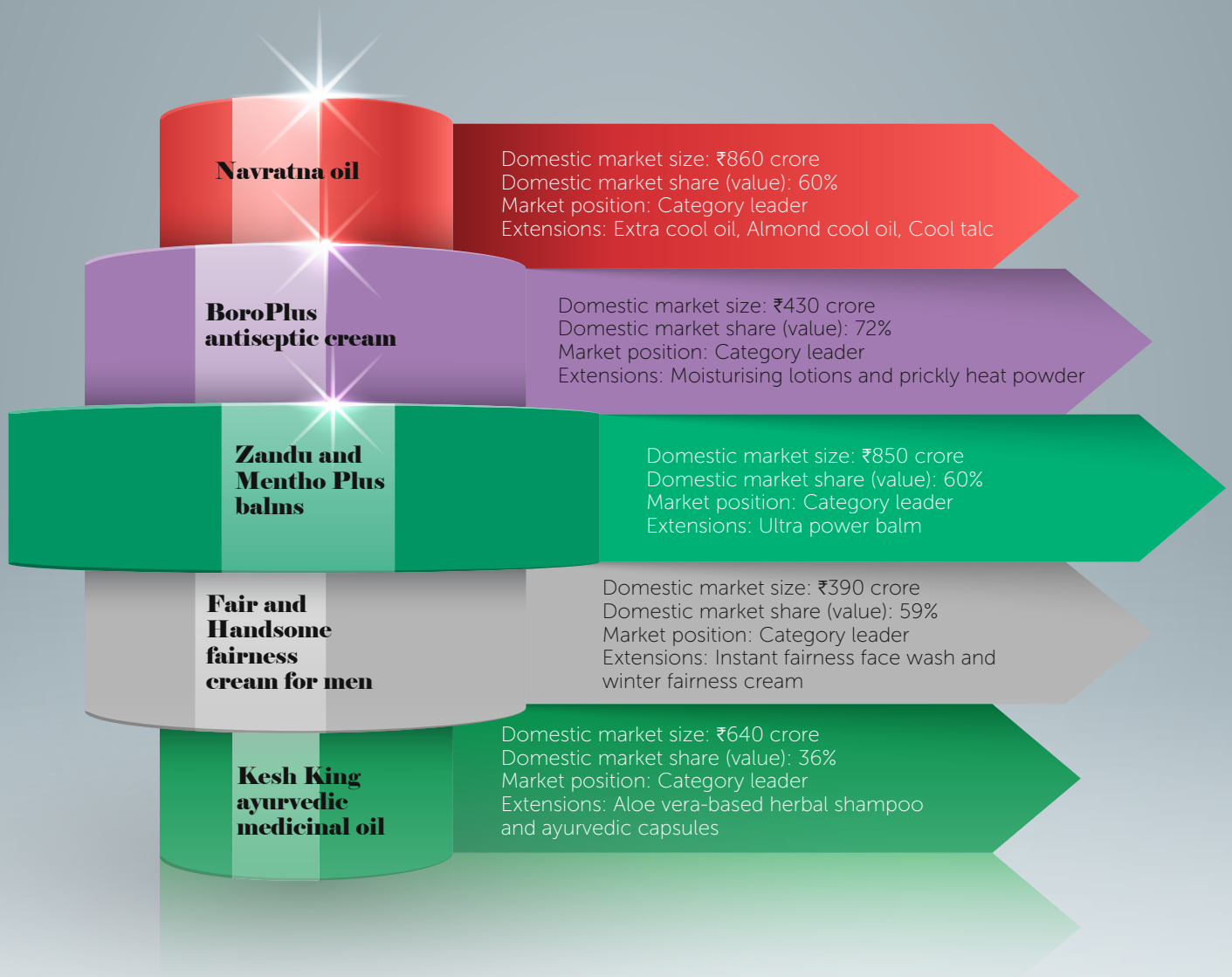
Students of economics describe this phenomenon as the Veblen Effect which suggests that when prices of certain goods rise, their demand increases. The explanation behind this was that such goods possessed 'elite value' owing to which certain people would pay more as the price rose.

ENHANCING LOGISTICAL EFFICIENCY

And finally, there's the art of getting products to shelves whenever and wherever consumers need them. Recently, Emami integrated its IT platform till the distributor level to map demand-and-supply better and service trade channels efficiently. The Company engaged McKinsey to enhance its sales force effectiveness. During the past year, the Company extended its presence to 13,300 villages with populations less than 50,000. At the consumer level, Emami introduced sachet-based productisation to drive rural offtake. The Company backed these initiatives with relevant radio campaigns. It utilised modern trade channels and placed products in prominent new-age retail formats in a number of Tier-II and III cities.

In the upcoming fiscal, the Company intends to provide hand-held devices to its entire sales team to enhance a real-time understanding of market realities and increase its presence by 2 lac rural and urban outlets across the next two years, deepening its presence and driving revenues.

emami's core brands



Emami focuses on getting the basics right

Emami engages in relevant brand extensions

Emami advertises and promotes extensively

Emami acquires brands prudently

Emami prices products attractively

Emami ensures that its products reach the last mile

Navratna. The kind of success story that brand managers only dream of.

First the credentials: Navratna is the largest player in India's cool oil category. Accounts for a market share of 60.5% by volume. Its market share is nearly double its nearest competitor. It sells a whopping 200 crore units a year – more than 60 units every second.

The amazing thing is that despite a number of challenges, Navratna has kept its cool (excuse the pun).

"This by itself is the big story at Navratna," says Harsha V. Agarwal, Director. "Generally, you have a brand that leads its category for a few years but yields thereafter to new entrants who possess fresh positioning, innovative packaging and aggressive marketing. "The brand was launched in 1989 and since its inception has retained sectoral leadership. This success story continued during FY16 when Navratna grew its market share to a staggering 60.5% and 59.6% in terms of volume and value, respectively. These numbers tell you that there is something truly distinctive about this success story."

For instance, consider the challenges the brand faced during FY16. Summers are when people buy Navratna, the harsher the summer, the better for it. Last year, an early monsoon laid to rest hopes of a long summer. Rural offtake was affected due to reduced spending on key social schemes and multiple crop failures affecting rural incomes. The writing was on the wall: Navratna bottles would gather dust on shelves across the country.

Promptly, the Navratna team devised a counter-strategy: retain top-of-the-mind awareness using innovative means. Like conducting an on-the-spot massage campaign at the Kumbh Mela and the Vitthal Festival where millions of devotees embarked on a yatra to the Trimbakeshwar town and the Vitthal Temple in Maharasthra. Like offering free foot massages and *champi* to devotees. Like distributing free samples.

"These out-of-the-box strategies worked wonders," says Harsha V. Agarwal. "Wherever we conducted these recall-enhancing initiatives, we encountered an increase in offtake. A number of people who were provided a free sample, usually turned around to ask "Where can one buy this?" or "Can I get one more?"

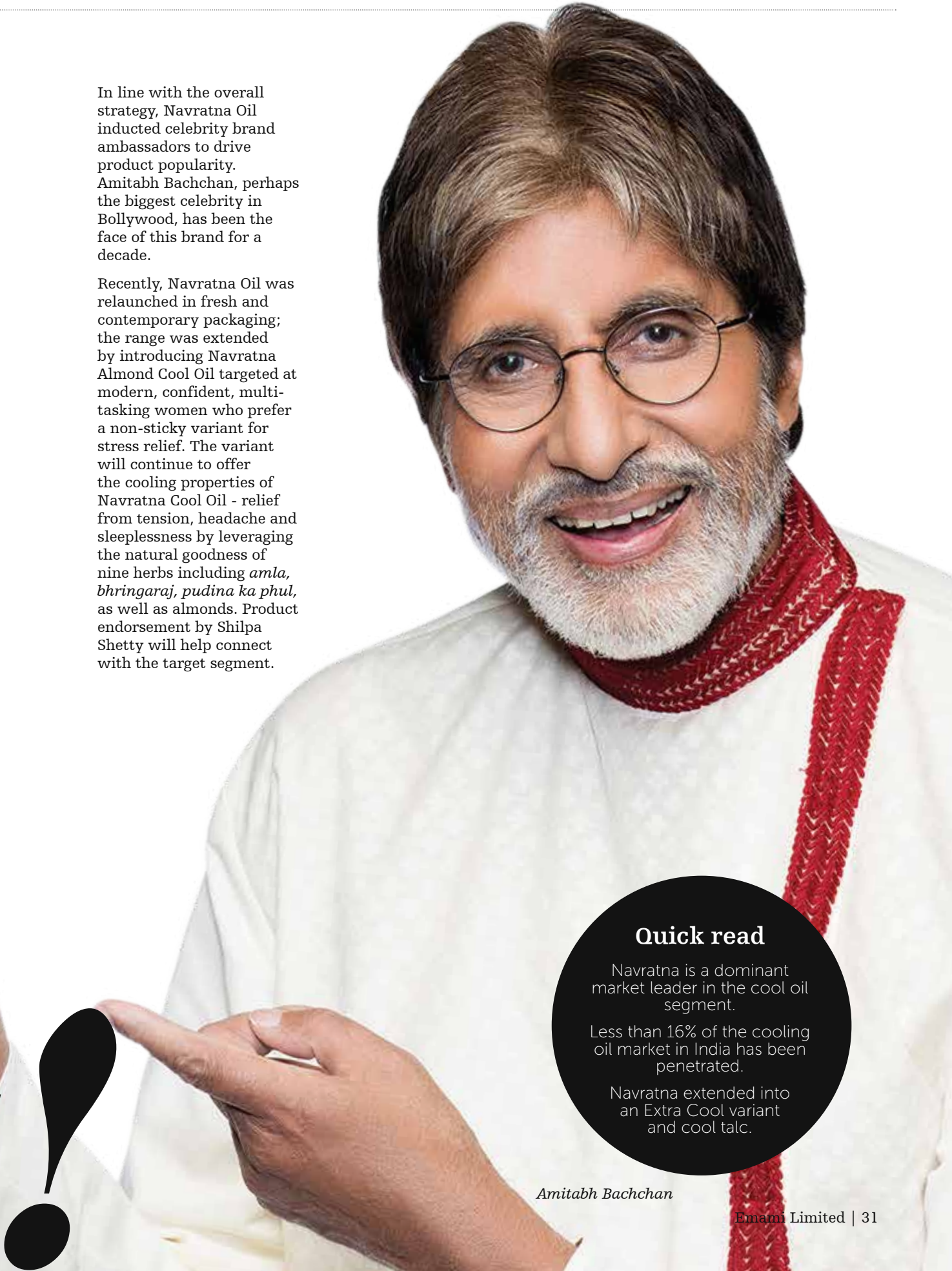
Navratna is positioned as a natural remedy against stress, fatigue and sleeplessness. "Even though we have grown attractively in the last number of years, we have only scratched the surface," says Harsha V. Agarwal. "My estimate is that less than 16% of the market has been penetrated as the bulk of our opportunity lies outside the Indo-Gangetic region where we still need to seed the market."

This means only one thing. If Navratna is to carve out a larger share, it needs to reposition its identity – from mere cooling oil to efficacious stress reliever. To plug this need, the Company introduced a stronger version (Navratna Extra Thanda Oil) for consumers seeking a more intense cooling experience.

no stress

In line with the overall strategy, Navratna Oil inducted celebrity brand ambassadors to drive product popularity. Amitabh Bachchan, perhaps the biggest celebrity in Bollywood, has been the face of this brand for a decade.

Recently, Navratna Oil was relaunched in fresh and contemporary packaging; the range was extended by introducing Navratna Almond Cool Oil targeted at modern, confident, multi-tasking women who prefer a non-sticky variant for stress relief. The variant will continue to offer the cooling properties of Navratna Cool Oil - relief from tension, headache and sleeplessness by leveraging the natural goodness of nine herbs including *amla, bhringaraj, pudina ka phul,* as well as almonds. Product endorsement by Shilpa Shetty will help connect with the target segment.



Quick read

Navratna is a dominant market leader in the cool oil segment.

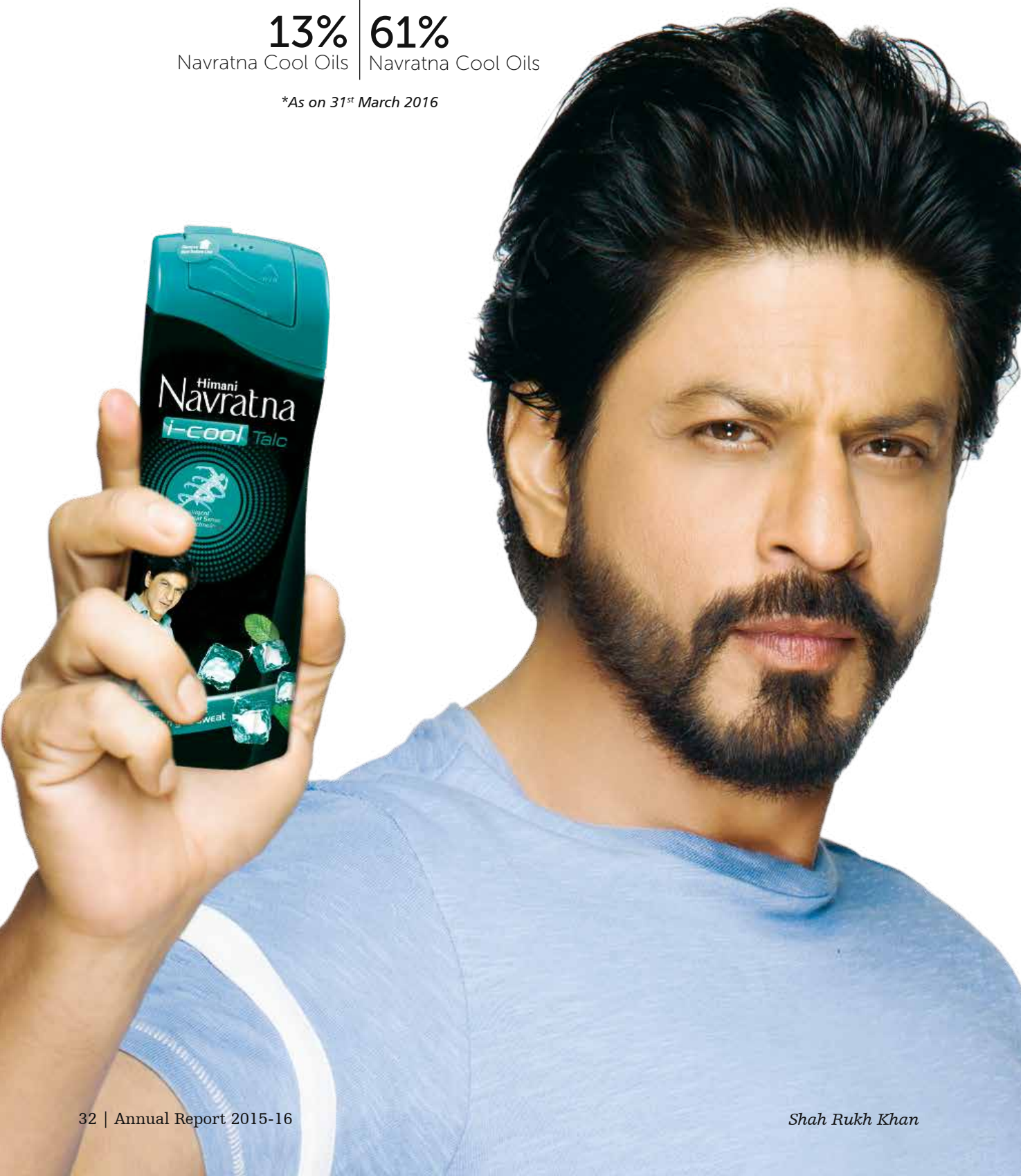
Less than 16% of the cooling oil market in India has been penetrated.

Navratna extended into an Extra Cool variant and cool talc.

Amitabh Bachchan

5-YEAR CAGR	MARKET SHARE BY VOLUME
19% Navratna Cool Talc	25% Navratna Cool Talc
13% Navratna Cool Oils	61% Navratna Cool Oils

**As on 31st March 2016*



Shah Rukh Khan

Navratna cooling talc is positioned specifically as a value-added talcum powder to effectively address summertime discomfort. Endorsed by superstar Shah Rukh Khan, the brand's tagline – '*Duniya ka sabse chota AC*' became an instant hit with the masses. In FY2015-16, Emami launched a new 'Orangey Blast' variant endorsed by Shruti Haasan.

Navratna also launched **Navratna i-cool talc.** Powered by the 'Intelligent Sweat Sense' technology. Created with the goodness of *pudina,* thyme, lavender, evening primrose, vetiver, chamomile and rose.

The product offers cooling not only during application; it releases an instant cooling burst for the second time when sweating begins.

The initial response has been encouraging. The Company hopes to ride the momentum through differentiation in the cool talc market.

Navratna's unique 'khoya paaya' initiative

Every year, more than 100 million devotees assemble at the Kumbh Mela grounds in search of spiritual peace. While religious spirits run high at the Kumbh Mela, devotees also face the predicament of getting lost or losing a dear one. Navratna sought to offer devotees unique benefit of lost-and-found service assistance. During the Nashik Kumbh Mela in 2015, Navratna through its **'Khoya Paaya Centre'** successfully reunited around 800 lost people individuals with their friends and families.

AWARD!

Team Navratna received the **Gold Trophy** at the *ACEF Awards* and the **Silver Trophy** at the *Flame Awards Asia –2016* for this unique campaign in Nashik.

health is wealth

How Emami repositioned its healthcare range to create a money-spinner.

Emami's healthcare range got a fresh lease of life when the Company acquired Zandu in 2008-09. It provided the Company access to the rich ayurvedic legacy of Zandu and helped it to branch into ethical, OTC and generics categories. Emami repositioned the Zandu portfolio to introduce products that enhanced recall, revenues and market share.

Research, research, research

Emami reinforced the business by investing in research and development. It inducted seasoned personnel from the industry to lead its research initiatives. It reached out to allopathic doctors, ayurvedic practitioners and chemists to assess the needs of consumers. This level of research for marketing ayurvedic products was and still remains unprecedented.

Emami zeroed in on lifestyle diseases that are chronic in nature. Prolonged use of conventional medicines had side-effects. Emami focused on drugs that complemented allopathic medicines and provided long-term relief without side-effects. As a means to this end, it conducted clinical studies and publicised its findings digitally. All Emami products are developed proprietarily using high quality scientific tools. The products are herbal; the capsule shells are vegetarian. The Company also carried out herbal-drug interaction studies to determine how Emami products behave in conjunction with other drugs, in what was a first-of-its-kind initiative for an Indian ayurvedic company. Emami also conducted toxicity studies for each of its new products.

First-rate quality

Emami set up a bio-resources department responsible for sourcing quality ayurvedic raw materials. It created an agronomy protocol for the cultivation of several herbs, ensuring qualitative consistency. Emami's R&D centre was approved as a drug testing lab for ayurvedic, siddha, unani and homeopathic products by the Ministry of AYUSH, Government of India. Moreover, Emami's R&D lab received NABL accreditation from the Department of Science and Technology, making it one of the few players in the sector to get this recognition.

Makeover

The Company initiated a rebranding project for the entire Zandu portfolio to unify the brands and restructure communication lines. The pilot project was executed in Andhra Pradesh and the Company expects to extend this pan-India.

Outlook

The next few years will witness several OTC products launched by Emami across categories. The Company also started the test marketing of herbal products addressing lifestyle diseases; it created a sales team similar to pharma companies which visits doctors across the country and explains the efficacy of its products backed by various product manuals.

ZANDU PANCHARISTHA
Herbal digestive tonic. Revenues grew by nearly 8x in 5 years leading to FY16.

ZANDU NITYAM CHURNA
Introduced in a user-friendly tablet form in May 2015. Combined revenues of Nityam Churna and tablets grew by nearly 5x in five years leading to FY16.

ZANDU VIGOREX
Vitality capsule for men. Reported a three-year CAGR growth of 69%.

"THE CHALLENGE IS TO MAKE ATTRACTIVE PACKAGING FOR TRADITIONAL PRODUCTS."

A CONVERSATION WITH
BABU DATTA,
MANAGING DIRECTOR,
EVOLVE CREATIVE LIMITED, UK

Q Tell us about your association with Emami.
I have been associated with Emami for the last 10 years as a consultant looking into branding and packaging. Creating a successful packaging for a product is a complex science. It makes the first impression on a potential consumer. If the packaging doesn't look attractive or provide the necessary information, he or she may not choose to buy.

Q. What has Emami done in this area?
Emami has been engaged in offering ayurvedic products; traditionally these products have come in unattractive packaging. We focused on creating a packaging that made them look sophisticated and in sync with the times.

Q. What do you keep in mind while designing the packages so as to avoid duplicity?
Knock-off products are a big problem across the entire South Asian region. In this age, making counterfeit packaging has become a cottage industry. We have to focus harder to create unique packaging. We came up with 3D motifs and holograms so that consumers could feel a product and differentiate between the original and the counterfeit easily. Besides, considerable investments were made in distinctive moulds to differentiate packaging.

Q. How has it been working with Emami?
Emami is the epitome of entrepreneurship – always looking to innovate. It has faced numerous challenges in the last few years and emerged winners. Besides, we have also sharpened our understanding of consumer mindset and positioned products accordingly. This helps the Company create an inimitable identity – traditional (in terms of ingredients) yet progressive (in terms of processes) revolutionising the personal care and healthcare segments.

What are the top four products that you take immense pride in having created packaging for?
Let me tell you about them one by one.

BoroPlus: BoroPlus is one of the flagship brands of Emami but for a long time it was languishing on the back shelves simply because the packaging wasn't eye-catching enough. We were instrumental in giving the product a much-required facelift. The existing packaging is contemporaneous and sharply highlights the USPs of the product. Such has been the success of this new avatar that the other line extensions of the product now imbibe a similar design aesthetic.

HE: With numerous brands in the market jostling for space and consumer attention, our brief was to come up with a packaging that resonated with the new alpha male We created a sophisticated yet elegant structural design and emphasised on improving the consumer experience.

Zandu: One of the major challenges for us was the repositioning of Zandu, Which had a plethora of ethical, OTC and HCD products when it was acquired. We needed to provide a complete makeover whilst retaining familiarity. We generated strong brand recall on the back of the packaging.

Navratna: Navratna needed a fresh and contemporary look. We were careful as it was an established brand and consumers were sensitive to a radical change. We redesigned the pack to depict the progress of the brand while holding onto its sense of ubiquity.

A CONVERSATION WITH
RAVI CHATURVEDI, FORMER PRESIDENT, PROCTOR & GAMBLE, NORTH EAST ASIA, AND CHAIRMAN, P&G, JAPAN

"STRONG INNOVATION PIPELINE TO MAKE EMAMI FUTURE-READY."

Q Please describe your association with Emami.

I advise Emami on strategies, helping the Company focus on its purpose and priorities, develop a strong, broad leadership and build robust replicable systems.

Let me explain this. Emami was born out of an entrepreneurial format. Since the beginning of its journey, the world of business has undergone a sea change and Emami has adeptly grown in this dynamic environment. From being an entrepreneurial start-up to a FMCG major today, Emami has successfully and seamlessly evolved into a structurally formatted professional Company led by an aggressive and dynamic promoter management team. Amidst a changing environment in a highly competitive marketplace, Emami is ensuring that the Company stays well ahead in the race by aligning the management's vision and mission with that of the workforce in the shop floor.

Why is this increasingly relevant?

Simple. At a time when the global slowdown, particularly China, has affected the growth of global corporates, the world is turning towards Indian opportunities. Our understanding is that this will inevitably lead to increased competition for talent. For a growth-hungry company like Emami, it would be imperative to attract and retain the best talent at a time when everyone else would also want to do the same.

There is another reason that makes such an initiative a priority. With competition increasing, there is a growing need to enhance productivity. This productivity increase is not likely to come out of thin air at the press of a button; Emami's rich entrepreneurship culture is also being aggressively seeded and fostered across all employees and all locations for that enhanced productivity.

How does Emami intend to address this challenge?

For Emami to achieve its vision, the Company is making itself future-ready by keeping a robust innovation plan in the pipeline. The FMCG industry is a highly dynamic space to be in. The consumer profile is undergoing change with every passing day. With the spread of new technology, communication devices and education, consumers are becoming more informed. Hence, a sustained practice of the highest form of innovation is the key to future growth.

I am happy to note that the senior management at a future-facing company like Emami is seized of this priority. My role is to add value to Emami's process of developing a roadmap to determine the extent of achievable growth within the existing pipeline and thereafter estimate what would be additionally needed to achieve the goals.

I believe that this proactive business-building will strengthen the execution engine, help achieve objectives with planned precision and enhance revenue visibility.

How bright is Emami's future?

The Indian consumer goods industry is poised for a shot in the arm following the proposed GST introduction and other industry-friendly initiatives like Smart Cities and Make in India. This will widen the pool of young working professionals with increased disposable incomes.

Emami is at the right place at the right time. The Company should be able to grow twice the rate of India's GDP growth on the back of prudent recruitment, skill enhancement, streamlined processes and continuous innovation.

10 THINGS YOU NEED TO KNOW ABOUT EMAMI'S GLOBAL BUSINESS

1 From a humble beginning, Emami grew its international business by 25% CAGR in the decade leading to 2015-16.

2 Emami's international business accounts for 14% of revenues derived from 60+ countries.

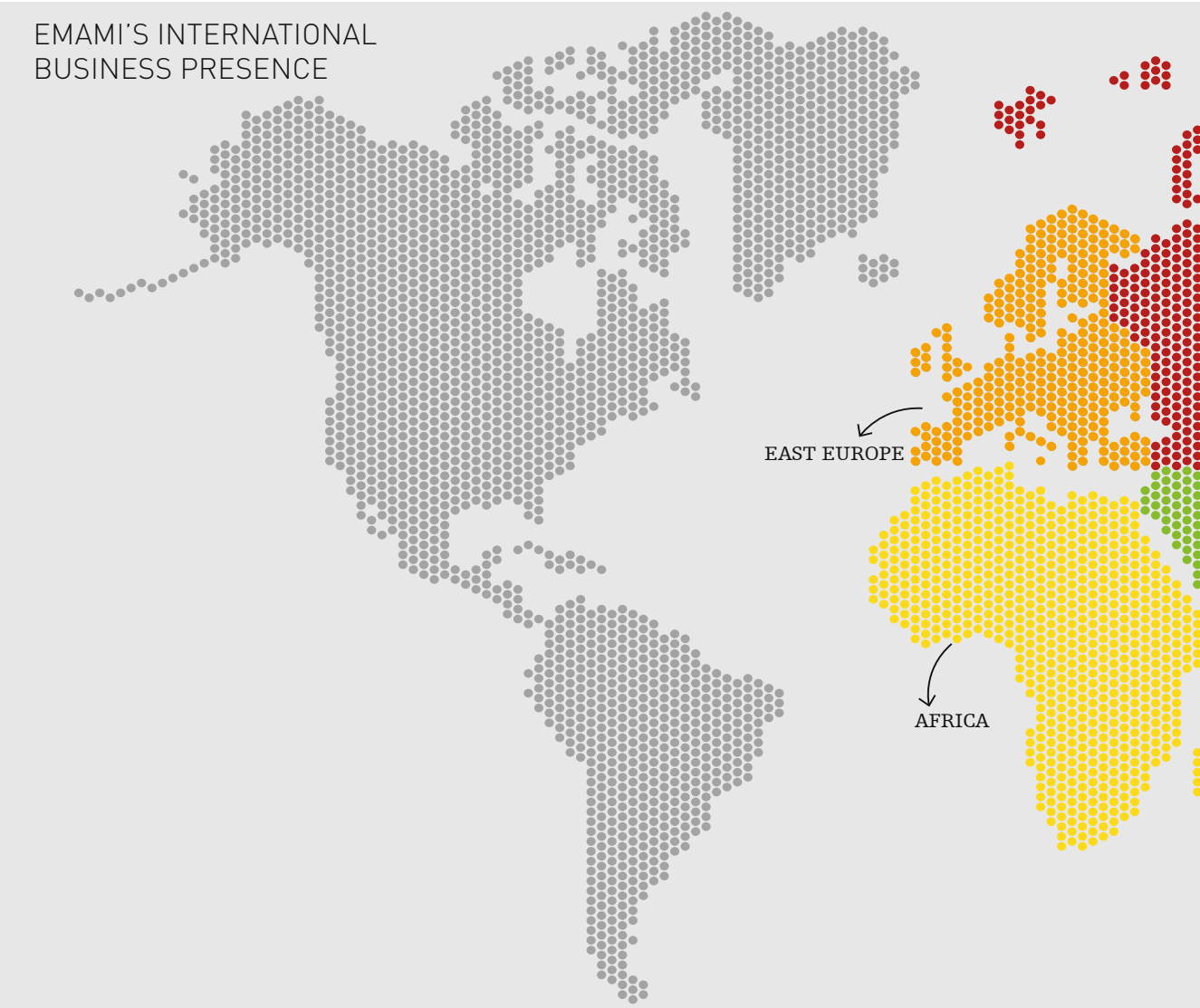
3 Emami's key global brands comprising Navratna, Fair and Handsome, BoroPlus and OTC (Zandu Balm, Mentho Plus and Fast Relief), contribute more than 85% of the total international business.

4 These key global brands enjoy leadership positions in their respective segments across global locations.

- Fair & Handsome is now the market leader in the UAE and number two in Saudi Arabia and Bangladesh in the men's face whitening and fairness cream category.
- Navratna continues to lead the cool oils category in the UAE, Saudi Arabia and Bangladesh.
- BoroPlus maintains its leadership in the antiseptic and healing topical supplements category in Russia.

5 As per Nicholas Hall Database (2014), Zandu Balm is the world's number one pain relief balm.

"We are working to increase the share of international business in our overall revenues. Even as global markets could remain challenging in 2016-17, Emami is hopeful of outperforming market growth. We are strengthening our infrastructure to take on larger global brands and expanding our marketing network in all international markets including CIS countries and Middle East." – **Prashant Goenka,** *Director*



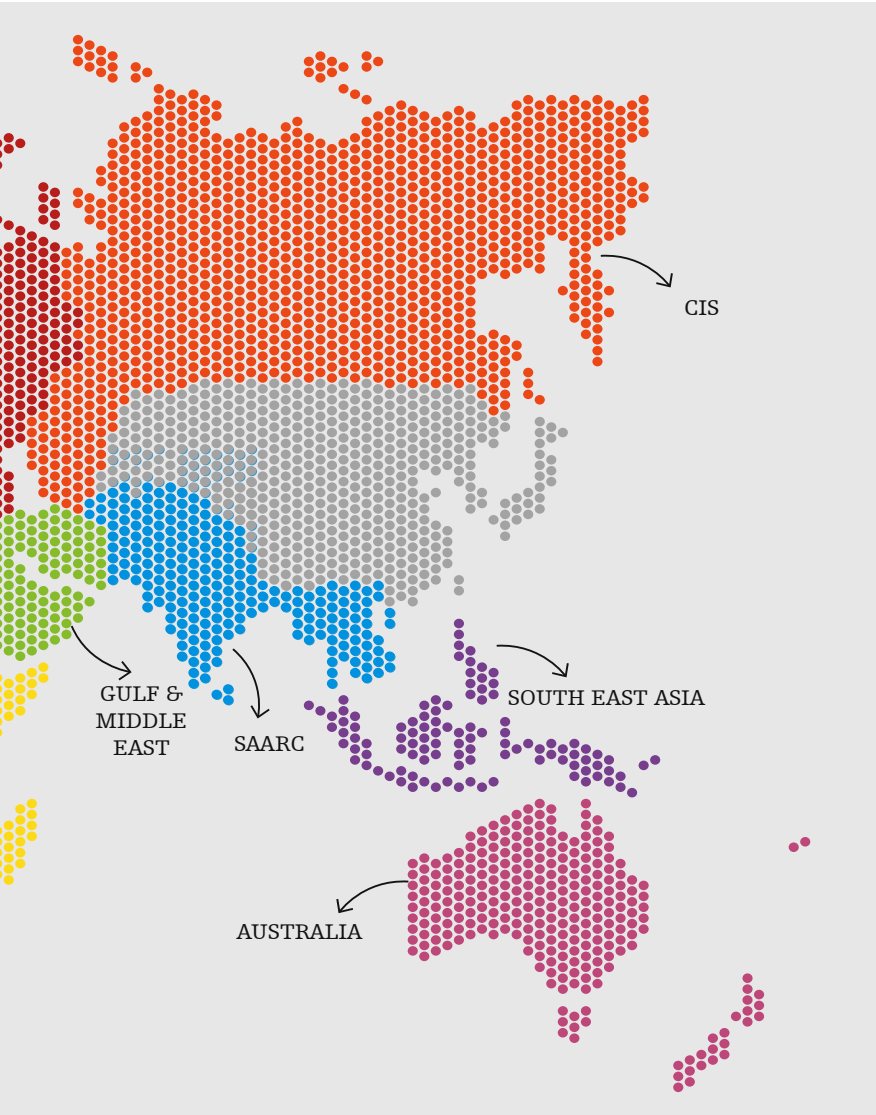
8 Emami is more than just another Indian exporter of personal and health care products; it is the flag bearer for the Indian FMCG industry with a viable manufacturing base abroad (in Bangladesh), which contributes 25% of international business, while addressing 80% of the local demand.

7 Emami customises products as per geographic preferences, market needs, competitive environments and local regulatory rules propelled by the belief that one size does not necessarily fit all.

8 Emami's international business is driven by clusters: MENAP (the Middle East, North Africa and Pakistan), SSEA (the SAARC nations and South East Asia), CISEE (the CIS and Eastern European nations) and RoW (rest of the world). These clusters are headed by professionals with thorough knowledge of the regions they operate in.

9 Emami's international business – ₹365 crore in quantum terms – grew by 15% in FY16 despite economic vulnerabilities, currency devaluation, declining oil prices, geopolitical tensions (the Middle East and Ukraine) and earthquake in Nepal.

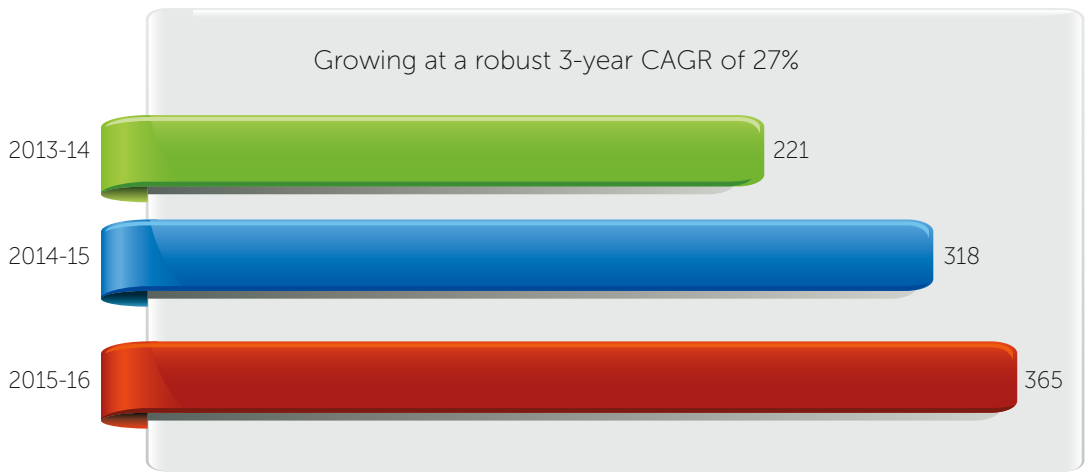
10 Emami outperformed in the MENAP (specifically Gulf countries) and SSEA (the SAARC nations and South East Asia) markets, growing by 38% and 26%, respectively.



HOW EMAMI PLANS TO CONSOLIDATE ITS GLOBAL BUSINESS OVER THE NEXT FIVE YEARS

- Strengthen presence in core geographies (Gulf countries, Bangladesh, Russia and CIS countries) through existing brands and strategic launches
- Extend existing brands into new or smaller geographies (North Africa, Sub-Saharan Africa and South East Asia)
- Accelerate innovation in terms of product mix – from the Indian innovation pipeline perspective and from the international market perspective
- Deploy talented personnel to handle critical responsibilities
- Moderate costs and advance IT-enabled support

INTERNATIONAL BUSINESS REVENUES (₹ CRORE)



Kingly step

How the Kesh King acquisition advanced Emami's growth strategy.

While Emami's organic growth is best among peers, its inorganic growth is also encouraging.

Through the organic route, the Company enhances the sale of existing products and innovations through prudent positioning.

Through the inorganic route, it acquires businesses and widens consumer choice.

Kesh King - acquisition overview

There has been a gradual churn in the hair care category. Cities have become increasingly polluted; general hair health has begun to decline and consumers have started to seek hair care solutions that extend beyond the functional to the therapeutic.

These recent developments warranted that Emami enrich its category mix with ayurvedic medicinal hair and scalp care offerings.

The result: Emami selected to seek attractive ayurvedic medicinal oil offerings before identifying Kesh King as a suitable target.

"Hair oil application is deeply ingrained in the Indian consumer psyche. We believe that a combination of the right inputs, right leveraging of the consumer insight, can lead to attractive head room for growth, especially in the ayurvedic medicinal oil category. Kesh King is synergic to Emami's vision. We have many exciting new initiatives in the pipeline, some of which have already kick-started the brand's growth. We are aggressively planning an execution phase and strengthening the portfolio further. We believe that Kesh King, which has already started contributing significantly to the Company's topline, will emerge as a key business driver in the years ahead." – **Priti A Sureka,** *Director*

Kesh King combines the goodness of 21 ayurvedic ingredients, addressing multiple hair and scalp problems including hair fall, dandruff, dry hair and hair breakage.

Sania Mirza

Kesh King – the brand

• Consumers across India swore by Kesh King, India's leading ayurvedic medicinal hair and scalp care brand, for some good reasons.

• The brand extended beyond the functional to the therapeutic.

• The brand addressed issues like premature greying, dandruff, hair fall, split hair, hair loss, insomnia and headaches.

• The brand provided an ayurvedic medicinal hair and scalp care solution in a world increasingly populated with chemical-based personal care products.

• The brand provided a complete ayurvedic medicinal hair and scalp care solution (aloe vera-based herbal shampoo and ayurvedic capsules) as opposed to brands that provided piece-meal remedies.

• The brand leveraged the extensive richness of India's ayurvedic heritage; Kesh King is made from the extracts of 21 medicinal herbs.

• The brand is a category leader, accounting for a 36% market share (by value).

The acquisition

The acquisition of the hair and scalp care business of Kesh King advanced Emami's growth strategy in a number of ways:

• Emami has been the torchbearer for ayurvedic health and personal care solutions; the addition of an ayurvedic medicinal hair and scalp care brand represented the perfect addition to Emami's portfolio.

• There was a large discrepancy between hair oil penetration in India (in excess of 80%) and that of ayurvedic medicinal oils (8%), which is likely to be progressively corrected. The reality is that even though hair oils are preferred for functional and nutritional reasons, there is a growing demand for benign (read ayurvedic) all-round products which provide therapeutic benefits. Kesh King combines the goodness of 21 ayurvedic ingredients, addressing multiple hair and scalp problems including hair fall, dandruff, dry hair and hair breakage.

• The acquisition of a category leader represented a superior choice than building a brand from scratch as the brand was already a leader in the ayurvedic medicinal hair and scalp care oil category.

> The visibility exercises in Eastern and Southern market is expected to drive growth.

• Besides, Emami needed to reposition products beyond the functional to the therapeutic in a cost-competitive manner – the answer being Kesh King.

The financing

The ₹1,684-crore acquisition (including duties and taxes), funded equally through cash and debt, was fiscally responsible. Here's why: the acquisition – the largest in Emami's existence – will not compromise Emami's ability to service shareholders; on the contrary, Emami is optimistic that the acquisition will progressively emerge value-accretive and that the inherent Kesh King fundamentals will translate into enhanced revenues and surpluses for Emami.

Post-acquisition developments

The Company supported the brand with TV as well as press campaigns. It engaged Shruti Haasan and Sania Mirza to endorse the brand with the current brand ambassador Juhi Chawla. The brand was promoted through below the line activations including fairs and festivals including Kumbh Mela and Sawaan Mela. The brand was previously available only in higher-sized SKUs and not conducive for increased trial use. As a corrective step, the Company launched a 60 ml SKU targeted at trial use. The Company also enriched the formulation by increasing the number of herbs from 16 to 21 to make it more effective. The key markets of North and West did well. The visibility exercises in Eastern and Southern market are expected to drive growth. The Company is focusing strongly on shampoo and capsules, creating a communication to drive growth. It had a tie-up with 2015 blockbuster hit *Bajirao Mastani* for promotion besides ads in multiplexes and general entertainment channels. The brand offers a complete range for ayurvedic medicinal hair and scalp care; Emami's growing focus will drive the growth of the entire range.

Shruti Haasan

Kesh King

Ayurvedic medicinal oil, aloe-vera based herbal shampoo and ayurvedic capsules.

35.4%
Market share (as on 31st March 2016).

1,684
Cost (in ₹ crore) of acquisition (including duties and taxes).

BOROPLUS. NOT COSMETIC

"THE AGGRESSIVE MARKETING AND POSITIONING OF BOROPLUS AS A MULTIPURPOSE SKIN SOLUTION HELPED THE BRAND MAINTAIN LEADERSHIP DESPITE 2015-16 BEING ONE OF THE WEAKEST WINTERS FOR THE ENTIRE WINTER CARE CATEGORY." – **PRITI A SUREKA,** DIRECTOR

Emami's BoroPlus. #1 in the antiseptic cream category in India. Capitalising on 32 years of trust. The first choice of millions across countries. A staggering 77% domestic volume market share. Made from herbal ingredients *(tulsi, chandan, haldi, neem and aloe vera).* More than an antiseptic cream – offering multiple therapeutic benefits.

Sustained success

In a world where preferences evolve every single day, there is actually a product that is 32 years old and growing. Say hello to BoroPlus. A brand that was launched in the year Azharuddin made his Test debut. Grew through the Tendulkar years and has retained its numero uno position in the Virat Kohli era.

So, what accounts for Boroplus's endurance in such a precarious marketplace?

ONE, Emami prudently invested in the brand at crucial junctures, making it possible for the brand to stay relevant.

TWO, Emami evolved BoroPlus from just a winter product to a comprehensive skin solution.

THREE, Emami infused superior ayurvedic ingredients in Boroplus offering multiple benefits.

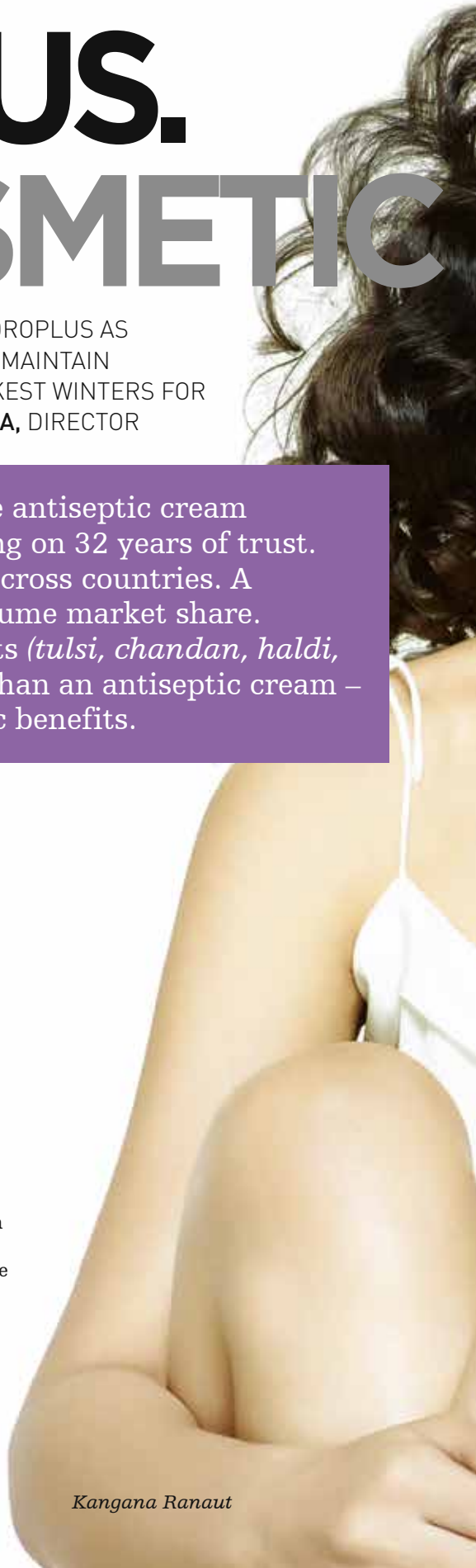
FOUR, Emami engaged celebrities like Amitabh Bachchan, Kareena Kapoor and Kangana Ranaut to enhance brand visibility.

FIVE, Emami repackaged the product in a modern moisturising format to drive offtake.

THE RESULT: even though 2015-16 was marked by one of the weakest winters that affected the entire winter care category, Boroplus maintained its leadership.

Extensions

Following the successful launch of two variants (*badam* milk cream as well as grape and olive oil), Emami launched BoroPlus Cocoa Soft Lotion infused with the goodness of chocolate. With seven-times more moisturising action than conventional options, the BoroPlus Cocoa



Kangana Ranaut

Soft Moisturising Lotion ensures a soft and smooth skin. In line with the product's indulgent, premium and aspirational positioning, Emami enlisted Parineeti Chopra as a brand ambassador. Then came prudent marketing. The brand was promoted across digital and customised campaigns were launched coinciding with major festivals.

Road ahead

Going ahead, Emami will strengthen its communication to moderate its dependence on climatic factors, considering that winters are erratic and brief. Besides, the Company intends to introduce more variants customised around emerging needs.

Did you know?

A new campaign featuring Amitabh Bachchan and Kangana Ranaut (directed by Raj Kumar Hirani) in 2015-16 highlighted unique multipurpose benefits of BoroPlus. The brand's 360º campaign went viral over the internet.

32
The number of years of the enduring BoroPlus success story

In today's information-cluttered environment, the question is not whether one advertises or not; the question is which media vehicle would serve as the most effective means of communication. Emami deployed a dedicated team to analyse consumer trends to achieve a balanced media mix and carry its message to millions of households across India.

Emami invested ₹ 531 crore in brand building and promotions in 2015-16, one of the largest spends in India's FMCG sector. This investment accounted for nearly 24% of the total costs incurred by the Company. However, the fact remained that incremental branding expenditure could only do so much. One needed to ensure that the brand spending was effective.

"What we were worried about was not whether we would have the adequate resources to promote the brand but whether we were promoting our products in the right spaces to get the desired revenue kick," says Harsha V. Agarwal, Director.

Not without reason. A growing number of urbanites are moving from print to reading online; a number of them log on to e-commerce sites for hours; just about everybody is hanging out on Facebook and other social networks.

So where must one promote one's brands? Where does one showcase new or acquired brands? How much resource does one allocate towards these new launches? And, pray, what is the target audience – the go-for-tried-and-tested 30 year-old or the try-anything-new 23 year-old?

"One of our priorities during

FY16 was to figure out what was the most effective means of reaching out to or widening the consumer base," says Harsha V. Agarwal. "This increased our A&P costs by 35% with new brands accounting for nearly 28% of our overall A&P spends."

The key lay in deciding the right language and channel of communication for specific products. "While Kesh King was promoted through newspapers – vernacular and national – BoroPlus, Fair and Handsome and Navratna were promoted through television commercials and HE deodorants via the digital medium," says Harsha V. Agarwal.

"Most people recall audiovisual experiences better than print ads. Most people recall the typical terms and phrases used in these ads longer, which serves as a recall trigger. The result is that we now allocate a major chunk of our media budget towards the audiovisual and even though online spending is growing, we need to enhance and exploit this medium more effectively," he adds.

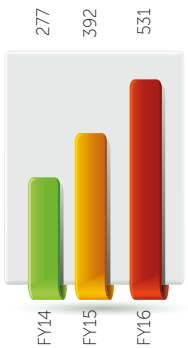
Emami's ability to understand consumer minds translated into the engagement of popular film celebrities based on the conviction that celebrities possess the power to market dreams that consumers aspire for. Emami was one of the pioneers of celebrity endorsement in India, engaging regional state actors and sportspersons as well. In the 1980s when Rajesh Khanna popped up on cinema screens across India as the Chief of Emami in the film *Agar Tum Na Hote*, it was an innovation in the field of 'in-film branding' for Indian marketing history books. When people were exploring the idea of celebrity endorsers Emami was already a few steps ahead. The Company has an

Emami invested ₹531 crore in brand building in 2015-16
Emami created a team to focus on readership analysis
Emami enhanced its focus on the audiovisual media

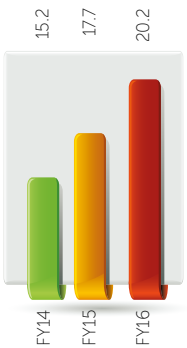
army of celebrities from different fields that have vouched for its products for decades. Navratna has engaged four prominent Indian film celebrities – Amitabh Bachchan, Shah Rukh Khan, Shruti Haasan and Shilpa Shetty. The Company also engaged Hrithik Roshan, popular for his youth appeal, to endorse Fair & Handsome Instant Fairness Face wash and the 'HE' range of deodorants. The Company also engaged Yami Gautam, Sania Mirza, Parineeti Chopra and Huma Qureshi to address the young audience.

Event sponsorships were exercised, like the Pro-Kabbadi League. The Company is the title sponsor of more than 10 national television programmes. Besides, with HD channels gaining prominence, Emami is betting big on the IPL to promote its brands.

Advertising expenses
(₹ crore)



Advertising expenses
(as % of revenues)



Did you know?

FMCG is likely to remain the leading advertising spender in 2016 for 28% share of ad revenues in 2016.

(Source: Pitch Madison)

We have been one of the pioneers when it comes to leveraging the power of celebrity appeal to bring in more customers. It has allowed us to reinforce positive recall for our brands while raising aspirational levels among our consumers. – **Aditya V. Agarwal**, *Director*

ENHANCING EMAMI'S PRESENCE ON THE DIGITAL MEDIA

Websites

• Emami developed a dedicated website to promote its HE Deodorant (www.hebeinteresting.com), inviting inspirational anecdotes in exchange for prizes.

• Its male grooming website (www.handsomelife.com) invited personal stories of defying the odds; winners were provided an opportunity to meet brand ambassador Hrithik Roshan, participate in a weeklong grooming programme and spend a day with FC Pune City.

• Further, its web portal (www.malegroomingacademy.com) provided insights on the latest fashion trends.

• Emami also launched dedicated websites for BoroPlus (www.boroplushealthyskin.com), Zandu (www.zanduayurveda.com) and Kesh King (www.keshking.com) promoting ayurvedic health and wellness and enhancing the brand reach.

The result: The websites reported a cumulative footfall of more than 35 lac visitors and the Facebook pages reached out to nearly 8 crore users across the world in FY16.

App

The Company launched a 'My Skin, My City' app on the android platform to provide dermatological advice. Its stop-motion video comprised pictures by users. The online campaign celebrated Women's' Day and Christmas through a selfie event.

"EMAMI'S ENTREPRENEURISM IS MARKED BY ITS ABILITY TO TAKE BOLD AND QUICK DECISIONS."

A CONVERSATION WITH **ANJAN CHATTERJEE**, FOUNDER, SITUATIONS ADVERTISING

Q How did your association with Emami happen?

Emami issued a brief that a men's fairness cream needed to be introduced and pitches were invited from agencies. It was identified that around 30% of the users of leading women's fairness cream users were actually male. The finding kind of woke people up. The challenge was to graduate these male users to male fairness creams. A number of names were selected. Finally the 'Fair and Handsome' name was chosen.

Q. How did you contribute to the brand's success?

Men were using women's fairness creams *'chhup-chhup ke'*, the basis of our campaign. We needed to bring users out of the closet so that a man could ask for the product openly than use his sister's 'Lovely' and feel embarrassed. That campaign was based on a real story. A friend in our hostel would use a women's fairness cream. He would wrap the tube in a towel; once the towel slipped, the tube was exposed; we teased him about it and he went red in the face. So our advertisement was directed at this embarrassment, which explains its effectiveness.

Q. What is the best thing about working with Emami?

Emami's entrepreneurism is marked by its ability to take bold and quick decisions. Founders, RS Agarwal and RS Goenka rightly believe that too much analysis can lead to paralysis. The result is that when an opportunity is identified, the Company just goes for it. For instance, not many FMCG companies would have dared take on an MNC giant in its own backyard i.e. fairness creams. What eventually transpired was that MNCs adapted products in line with Emami's success - without quite catching up with Emami. The bottomline is that Emami possesses robust market-holding capabilities, which means that its early gains are sustained or enhanced, not relinquished.

Emami has progressively balanced the entrepreneurial with the professional. In the modern environment, data and analysis represent its decision-making backbone even as the final call is left to informed intuition. And here I must mention that even as Emami works with the best global consultants, the Company is not run by what the consultants say. I only hope that Emami does not let go of this entrepreneurial DNA.

Q. How is Emami doing things differently?

When Emami is convinced about a category's potential, it will support it 100% with resources. Navratna is a case study; the category had gradually disintegrated and was marked by local Uttar Pradesh and Bihar-based players. Emami organised the segment, created a strategy, combined champion products with tactical ad campaigns. I mean few companies would dare to engage Amitabh Bachchan and Shah Rukh Khan for such products. **The result:** consumers identified with the products and Emami pulled off the impossible.

Q. What are some Emami qualities that you respect?

Most MNCs create a channel of multiple distributors, engage in test marketing and then launch the product. Emami is different in that it promotes a brand and lets consumers decide. In a classical way, the consumers prompt retailers, who in turn prompt wholesalers who in turn prompt distributors who in turn approach the Company.

LESS PAIN. MORE G

How Emami reinforced its leadership in the balms category

The brand: The first reaction of millions of Indians on getting a headache inevitably is: *'Zara Zandu dena!'*

- That's because Zandu is more than brand name; it is a generic name in India's pain management space with significant balm category presence.
- That's because Zandu comes with the reputation of more than 100 years of therapeutic relief from headaches, body aches and cold.
- That's because the Company resolved to stay ahead of the curve by kickstarting a project to rebrand the Zandu category, following acquisition.
- That's because this ayurvedic solution finds acceptance in more than 50 million Indian households.
- That's because Zandu occupies shelf space in more than 1.6 million retail outlets across India.
- That's because Zandu Balm and Emami Mentho Plus cumulatively account for nearly a 60% market share (by value) in India (Emami's Mentho Plus Balm is the largest-selling balm in Karnataka).
- That's because the Company responded to incipient needs by launching a stronger variant, Zandu Balm Ultra Power providing fast and long-lasting relief from headaches, backaches, knee pains, joint pains, neck and shoulder pains, sprains, muscle pains, inflammations and colds.

AIN.

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

Mentho Plus Balm, infused with the powerful combination of natural ingredients is a specialised reliever, effective against all kinds of headaches. It is the numero uno balm brand in Karnataka.

FAIR AND
HANDSOME

PERSONAL GROOMING PRODUCTS IN MEN'S BACKPACK?!

There was a time when the good young man on a weekend getaway would carry just four toiletries: toothbrush, toothpaste, shaving cartridge and soap. Across the last few years, there have been some interesting additions: shampoos, creams, face washes, hair gels, body wash and deodorants.

Emami had figured this out more than a decade ago.

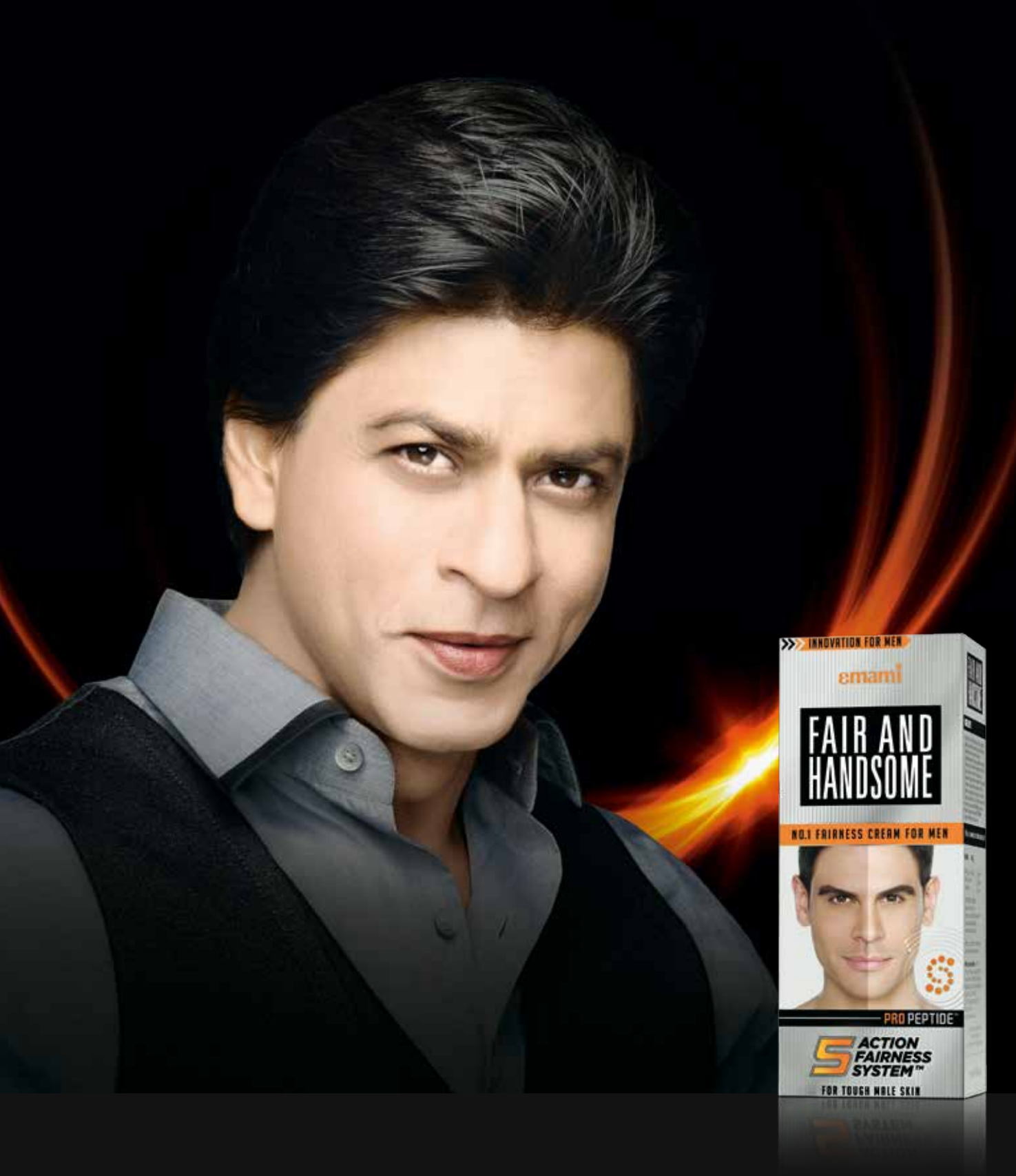
The Company discovered that 30% fairness cream users were men.

Emami responded based on a deep understanding of men's specific skin needs, Emami launched Fair and Handsome in 2005 with a formulation designed specifically to work on men's tough skin.

MIRROR MIRROR

ON THE WALL, WHO IS THE HANDSOMEST OF THEM ALL?

How Emami is helping men spend longer time grooming



"FAIR AND HANDSOME

as a brand from the very beginning enjoyed the equity of being a thought leader. The brand has consistently kept a pulse on changing consumer needs, and has retained the edge of a tough, masculine brand in the consumer's mind, by consistently reinventing itself to be relevant to the youth." – **Mohan Goenka,** Director

Even after a decade – an eternity in the competitive FMCG space – Fair and Handsome continues to be among the most trusted men's grooming brands.

Because looking good is no longer about vanity, but is becoming a necessity. Because men are no longer apologetic about wanting to look good.

This is not an urban phenomenon either; rural menfolk are also spending more time in front of their mirrors and adopting new products and habits.

Shah Rukh Khan, the brand ambassador since 2007, has enabled the grooming message to be taken far, deeper and wider, building aspiration and stature for Fair and Handsome.

The result: Emami remains the undisputed leader in the men's fairness cream category with a market share of 65% by volume.

Besides, the brand has remained fresh and relevant to consumers by consistently innovating on product formulation and packaging. The brand has also built powerful extensions to cater to consumer needs.

What started off as a standalone fairness cream is now a range of products with Fair and Handsome Instant Fairness Face Wash and Fair and Handsome Complete Winter Solution (winter skin care for men). Hrithik Roshan, an icon known for his well-groomed looks, joined Shah Rukh Khan as brand ambassador in 2015, expanding the league of handsome men associated with Fair and Handsome, through his first campaign on Face Wash.

There's more. In 2015, Fair and Handsome, with the intent of strengthening it's connect with the youth, launched #HandsomeLife, the first digital-only campaign of the brand and became the lead sponsor of FC Pune City for the 2015 Indian Super League Football season. #HandsomeLife built the idea of 'handsomeness' giving a platform for young men to share how they are following their passion to achieve their dreams: A consumer-interactive digital contest culminated with 10 winners getting a once-in-a-lifetime opportunity to meet Hrithik Roshan. Besides, five renowned personalities (including David Platt, England's former football captain) mentored the winners for a week. Winners went through career guidance sessions and got an opportunity to hang out with FC Pune City players.

The other product directed at the men's grooming segment is HE deodorant. Emami relaunched the brand and also forayed into the 'No Gas' deodorant category, which comprises around 26% of the Indian deodorant market. The Company came out with an 'Icy Cool' variant set to revolutionise the deodorant category by offering a cooling effect with long-lasting fragrance during the sweltering summer.

The big message: although the men's grooming space is still nascent in India, the future appears bright across categories, geographies and demographics.

Men have seen nothing yet (or make that women!).

"EVEN as the competitive deodorant space is marked by players offering almost similar products, the category enjoys attractive potential on account of low penetration (8%). Besides, the Indian consumer is always experimenting. This is best showcased by the differentiated 'Be Interesting' positioning of HE which addressed alpha males who like to stand out of the crowd. The launch of 'Icy Cool collection' and the HE Respect campaign are expected to carve out distinctive mind and market shares for the brand." **– Harsha V. Agarwal,** *Director*

CORPORATE SOCIAL RESPONSIBILITY BEYOND

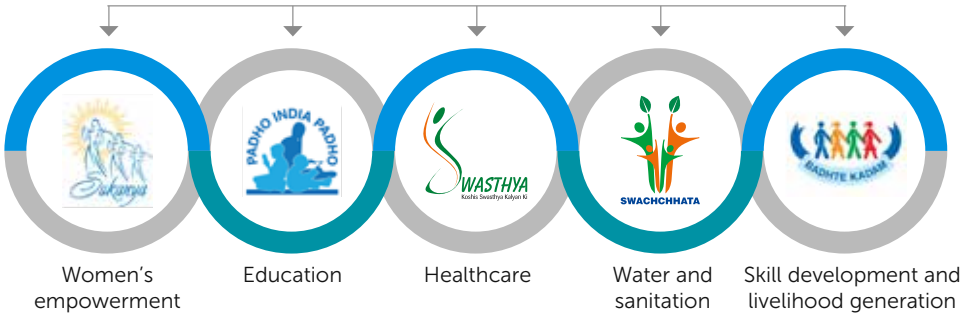
At Emami, the operative philosophy is that inclusive growth is not a destination but a journey. A journey made possible by the progressive engagement of all stakeholders in the developmental process.

The Company strives to achieve sustainable development across the realms of education, health and livelihood and undertakes the bulk of its CSR activities in the hinterlands of its factories and offices across the country (West Bengal, Assam and Rajasthan, among others).

Emami's CSR activities are also carried out under the aegis of the Emami Foundation, which formally commenced working in 2005. The Foundation undertakes activities directly or outsources them to respected NGOs.

BUSINESS

CSR ACTIVITIES OF EMAMI



The almighty has blessed Emami with a caring soul to look after the interests of the underprivileged. My blessings are always with them and I pray that they keep making a positive difference to the society at large. – **Srimad Jagadguru Shankaracharaya Sri Raghaveshwara Bharati Swamiji**

Srimad Jagadguru Shankaracharaya Sri Raghaveshwara Bharati Swamiji

R.K. Goenka, Head-CSR

EDUCATION

Programme name: Padho India Padho

Locations: West Bengal, Assam, Uttarakhand, Kerala and Karnataka, Jharkhand

Initiatives: To provide textbooks, award scholarships and stipends and to support infrastructure development in educational institutions

HEALTHCARE

Programme name: Swasthya

Locations: West Bengal, Delhi and NCR

Initiatives

√ To run charitable clinics for acupunture and non-invasive treatment for cardiac arterial blockage through ECP;

√ To run charitable dispensaries

√ To organise eye checkup camps followed by cataract surgeries

√ To organise cardiac health camps

√ To offer financial and medical assistance to impoverished patients

√ To support medical institutes for infrastructure development

SKILL DEVELOPMENT AND LIVELIHOOD GENERATIONS

Programme name: Badhte Kadam

Locations: West Bengal, Uttarakhand

Initiatives

√ To set up skill development centres offering NSDC certified courses on beautician skills, retail management, computer skills, spoken english, personality development, among others

√ To develop infrastructure of skill development institutes

WATER AND SANITATION

Programme name: Swachchhata

Locations: West Bengal, Uttarakhand

Initiatives: School sanitation programmes

√ To provide clean drinking water and construction of toilets

√ Community sanitation programmes

WOMEN'S EMPOWERMENT

Programme name: Sukanya

Locations: West Bengal

Initiatives: providing scholarships and stipends to girl students and awards to women achievers

OTHER SOCIAL INITIATIVES

Locations: West Bengal, Nepal, Uttarakhand, Maharastra, Gujarat and Assam

Initiatives: Community marriages, animal care, disaster management and relief to poor

"Our success depends on the progress of the society in which we operate. As a socially responsible corporate citizen, we feel obligated by our conscience and not by any statutory compulsions." – **Manish Goenka,** *Director, Emami Group*

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 built on approximately 3 acres of land. It is designed by Padma Vibhushan Raghunath Mohapatra, an eminent sculptor. The temple, a mix of Shri Jagannath Temple of Puri and Sun Temple of Konark, houses idols of Lord Jagannath and other deities. The *pran pratishta* 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 1,500 devotees daily and more than 20,000 on festivals, who recieve *anna prasad* from the temple authorities.

awards & accolades

R S Agarwal and R S Goenka being felicitated with the Lifetime Achievement Award at the *ET* Bengal Corporate Awards 2016.

Emami Limited recieving the *ET* Bengal Corporate Award in the category of Best Financial Performance above ₹1, 000 crore.

N H Bhansali, CEO – Finance, Strategy & Business Development and CFO, recieving the 'Overall Champion CFO' and the 'Best CFO Award for Consistent Liquidity Management' in the mid-cap segment at the YES Bank-*Businessworld* CFO Awards 2016.

Harsha V. Agarwal and Mohan Goenka receiving the EY Entrepreneur of the Year award (Retail and Consumer segment) 2015 on behalf of RS Agarwal and RS Goenka.

• R S Agarwal and R S Goenka were conferred the 'Ananya Samman' award by the leading Bengali news channel *24 Ghanta.*

• Emami Limited was featured in the first ever 'Super 50' listing of Indian Public Companies by *Forbes*.

• Emami was ranked 228th in the Dun & Bradstreet's 'India's Top 500 Companies- 2015'.

• Emami Limited was ranked 84th, *(up by 36 spots from the 120th position in 2014)* in BT 500 2015 - 'India's Most Valuable Companies' ranking.

• Emami's Power Brands featured in the Brand Equity 'Top-100 Most Trusted Brands 2015'.

- BoroPlus was ranked 84th in 'Top-100 Most Trusted Brands' and 19th among 'Top-45 in Personal Care' category.

- Zandu Balm was ranked 66th in 'Top-100 Most Trusted Brands' and 5th among 'Top-20 in OTC' category.

- Navratna was ranked third among the top-five in its category.

- Fair and Handsome was ranked 28th among 'Top-45 in Personal Care' category.

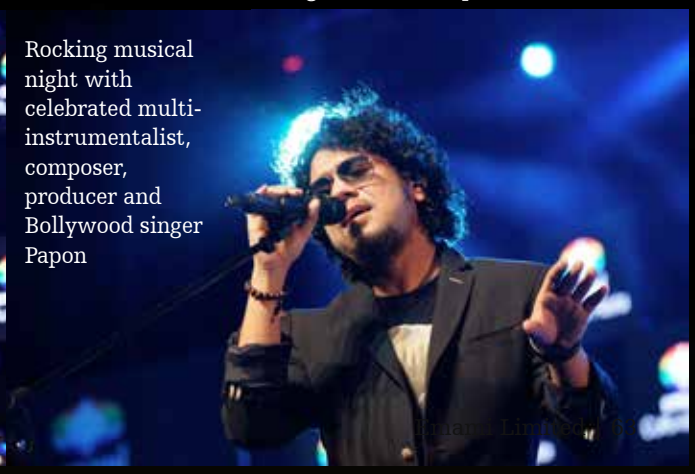
• Navratna was the proud recipient of ACEF AWARDS – Gold Trophy 2016 and Flame Awards Asia – Silver Trophy 2016 for its Kumbh Mela campaign in Nashik.

Emami continued to patronise arts and culture in Kolkata through a number of events featuring prominent artists of international repute.

Pulsating high octane performance by popular Bollywood playback artiste Sona Mohapatra

emami cultural fiesta

Mesmerising evening with a creative fusion dance performance by celebrated danseuse Tanusree Shankar along with her troupe



Rocking musical night with celebrated multi-instrumentalist, composer, producer and Bollywood singer Papon

FRESH!

Emami's new innovations
are creating a buzz
in the market

HE Deo 'No Gas' range and 'Icy Cool' collection: The 'No Gas' range of HE deodorants comprises a slew of interesting fragrances like Hypnotic and Passion under the body perfume collection as well as Arctic and Lagoon under the Icy Cool collection for round-the-year freshness. The wide range offers fine international fragrances from the families of Fougere, Cologne, Green and Marine for long-lasting freshness.

HE Respect: A product that is not a deodorant, but an entirely new state of mind championing the cause of respect to women in all walks of life – opposite of everything the category at large propagates.

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.

Navratna i-cool Talc: Powered by the 'Intelligent Sweat Sense' technology, this cool talc offers cooling not only during application but also releases an instant burst of cooling for the second time during actual sweating.

Fair & Handsome Complete Winter Solution: First winter fairness cream in India for men with the '8 Action Formula' to address harsh winters

Boroplus Cocoa Soft Moisturiser: Lotion offering 7x moisturisation over regular variants; fortified with the goodness of cocoa

Zandu Nityam tablets: Unique tablet-based laxative; enriched with seven powerful ingredients to ensure regular bowel movements

Zandu Honey: 100%-pure honey with zero-added sugar

Management discussion **and analysis report**

Senior Management Team

Left to right: Dhiraj Agarwal, C.K. Katiyar, Punita Kalra, Ajith Babu Narasimha, Raghav Agrawal and N.H. Bhansali

Indian economy

India's GDP is expected to grow by 7.6% in 2015-16 compared to 7.2% in 2014-15. This will make India the fastest growing economy ahead of China.
The devaluation of the yuan, continuing slide in commodity prices and dollar outflows from emerging markets had cast a doubt on whether India would be able to sustain its retrospective GDP growth average.

The 2016 Union Budget introduced decisive measures to catalyse the country's rural economy and business sentiment. Strong private consumption should continue to fuel robust growth, going forward. However, a delay in the implementation of reforms may limit progress. The Finance Ministry is optimistic of 8%+ GDP growth based on the anticipations of a robust monsoon in 2016.

Indian FMCG industry

The Indian FMCG sector grew at an annual average of 11% over the last decade. The overall FMCG market is expected to increase at a CAGR of 14.7% to touch US$ 110.4 billion between 2012 and 2020, with the rural FMCG segment anticipated to

FMCG trends in India

1. Products must offer value for money
2. Uptrading in some categories (skincare)
3. Demand for new categories (men's grooming)
4. Entry of new brands, brand/line extensions

increase at a CAGR of 17.7% to reach US$ 100 billion between 2012 and 2025. Growing awareness, easier access and changing lifestyles have been the key growth drivers of the consumer market. The Government of India's policies and regulatory frameworks, such as a relaxation of license rules and approval of 51%-FDI in multi-brand and 100% in single-brand retail, have proved to be major growth drivers *(Source: IBEF).*

Macroeconomic trends are expected to make India the fifth largest consumer market by 2030, providing a big opportunity for retail and consumer goods sectors, especially FMCG. *(Source: KPMG-FICCI)*

(Source: PwC)

Demand drivers

• **Growing population:** India's population (1.27 billion+) growing at an annual rate of around 1.25% is expected to drive demand growth sustainably.

• **Increasing incomes:** According to the CSO, the per capita income in real terms (at 2011-12 prices) during 2015-16 was likely to have been ₹ 77,431 compared to ₹ 72,889 for 2014-15.

• **Digital influence:** According to a BCG-CII report, more than 150 million consumers would be digitally-influenced by the FMCG sector in India by 2020. With decision-making processes increasingly being influenced by digital sources, these consumers would spend more than US$45 billion (roughly ₹ 2,98,323 crore) on FMCG products. *[Source: NDTV]*

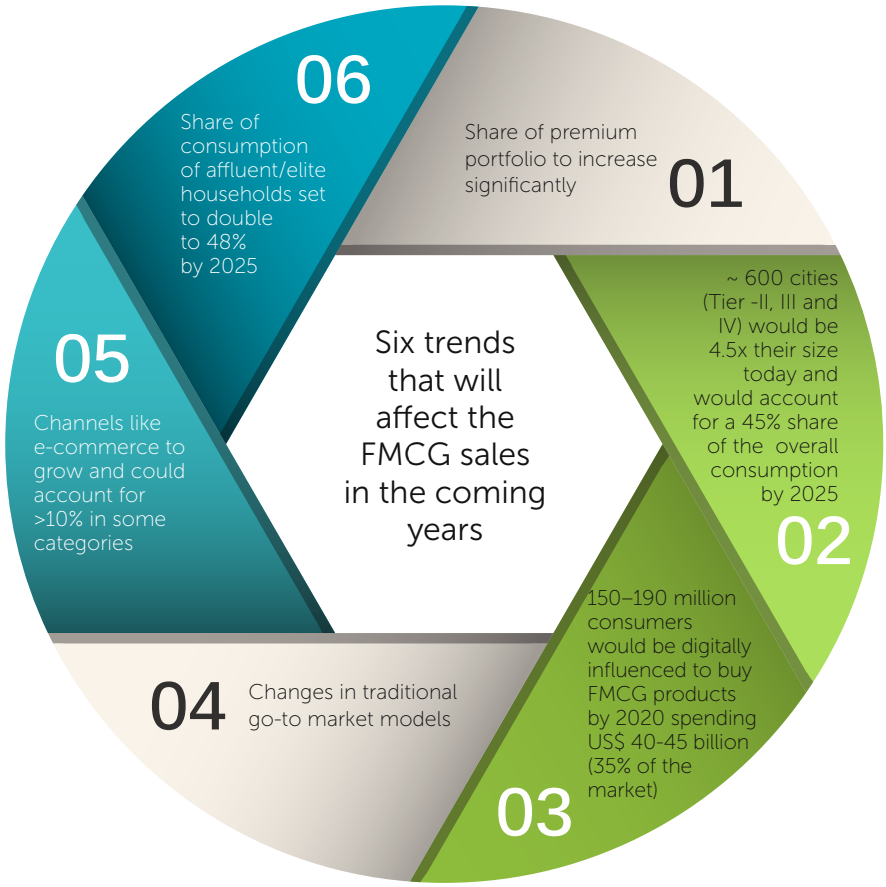
• **Rural focus:** With rural India accounting for around 50% of the country's workforce, the potential of the country's rural market appears robust.

• **Escalating urbanisation:** India has the second largest urban population with the fifth largest urban land coverage. The growing urban population represents a strong opportunity for FMCG companies.

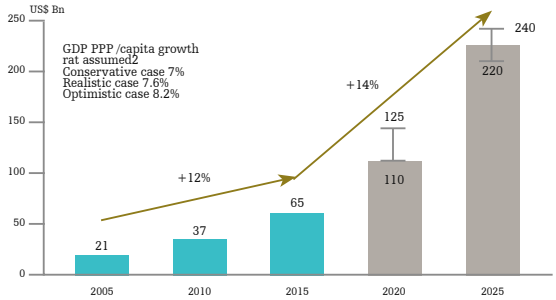
• **Government initiatives:** The recently introduced 'One Rank One Pension' scheme and the hikes announced by the Seventh Pay Commission are expected to boost consumption.

• **Burgeoning workforce:** The proportion of people in the workforce has risen considerably

Emami's corporate office, Kolkata

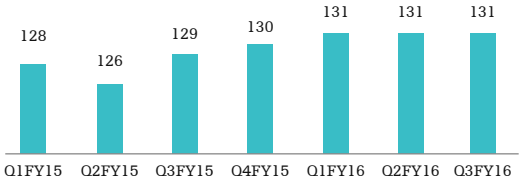


Growth expected to accelerate between 2015-2025



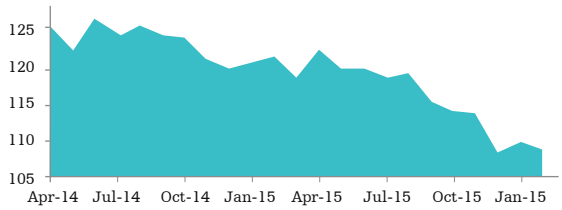
Note: Category growth rate projected based on income projections. Thesse relationship holds true for most cateories (e.g. skin care, edible oils etc.) Such categories account for around 70% of total FMCG market. For the remaining categories we have used historic growth as representative of future growth. GDP/PPP per capita projection scenarios sourced from Economist International Unit, World Bank and OECD. *[Source: BCG]*

Nielsen Consumer Confidence Index indicates revival in urban growth



[Source: AC Nielsen]

MNI India Consumer Sentiment Index indicates subdued consumer sentiments



[Source: Edelweiss]

and will continue to rise. By 2030, India will constitute 28% of the world's workforce with the workers-to-dependents ratio expected to be higher than 2.1 (up from 1.4 in 1990).

• **Youthful population:** India is a country with a median age of 27 years, which represents a younger, increasingly connected and digitally savvy population. This segment will drive the digital economy and will consume incremental quantities of new and innovative products.

• **Discretionary spending:** According to Euromonitor, non-food consumption in India has increased from 53% in 1990 to 69% in 2014, reflecting the country's growing affinity towards discretionary spending.

Impact of proposed GST on the FMCG sector

• Elimination of cascading tax is expected to lower input costs and improve profitability.

• Unorganised sector to shrink as differential tax rate, which currently incentivises small-scale manufacturers to report no sales, will be eliminated.

• Re-evaluation of procurement and distribution arrangements, removing state-specific taxes and simplifying supply chain. Tax refunds on goods purchased for resale will imply significant inventory reduction.

Consumer confidence

Consumer confidence in India, reported by Nielsen, remained unchanged at 131 since Q1FY16, the highest among the 61 countries part of the review. Consumer confidence in India averaged 121.38 from 2009 until 2015, reaching an all-time high of 131 in the third quarter of FY16. With consumer confidence remaining stable, FMCG companies can expect steady levels of consumption in urban centres.

However, Indians on the whole, continued to remain cautious following successive weak monsoons. This was reflected in the MNI India Consumer Sentiment Index which declined during the financial year under review.

Innovation

Innovation not only entails creating, launching and marketing new products, but also includes improving shopping experience and providing consumers with a range of tools to purchase products. As Indian consumers become more globalised in their aspirations, as they travel abroad more frequently and are exposed to global products, domestic demand will only increase. To meet this demand, FMCG companies need to focus on improving their R&D and innovation capabilities. At the same time, product lifecycles are shrinking and companies across categories are launching new products more often.

The growing significance of e-commerce

The smaller towns and cities of India are expected to play a more significant role in shaping future demand trends in the FMCG sector. The FMCG segment will contribute increasingly larger shares of sales for e-commerce companies. It is estimated that by 2020, by more than 150 million consumers would buy FMCG products via e-commerce portals.

The combined effect of demographic shifts and emergence of e-commerce and proliferation of internet connections will open up new vistas for the Indian FMCG sector. *(Source:Economic Times)*

Optimism

The long-term prospects of the Indian FMCG sector continued to remain optimistic. The receding impact of El Nino and a better monsoon over the next few years could strengthen the rural economy catalyse consumption.

India's income distribution is poised to see a significant change over the next decade. The increase in absolute incomes and changes in distribution are expected to be key drivers of growth. By 2025, 22 million additional households will be added to 'elite' and 'affluent' classes (i.e. households with income over ₹10 lac per annum).

'Strugglers' (i.e. households with income less than ₹1.5 lac per annum) currently account for 43% of the population. By 2025, they will comprise just 28% of the total population.

Subsequently, India's average household income is likely to increase by 1.7x by 2025. This increase in household income is expected to accelerate offtake for Indian FMCG companies.

B. DRIVERS OF BUSINESS

Material management

Emami has put in place a robust material management system to take care of requirements across units. Material costs account for nearly 31% of the Company's revenues. Key materials required by the Company during the year included menthol, vegetable oil, refined rice bran oil, microcrystalline wax, paraffin wax and various packaging materials. Emami collaborated with external and internal partners to innovatively reduce cost of materials and ensure their timely supply. Routine assessments of existing value chain dynamics helped Emami, strengthen its working capital management. During the year, crude prices remained benign, which enhanced the affordability of related materials.

Highlights, 2015-16

- Increased savings through reverse auction procurement.
- Developed supplier bases near manufacturing locations for packaging materials.
- Hedged foreign currency risks for the import of materials and moulds.

Looking ahead

The Company strategically books key input items in advance to capitalise on market opportunities arising out of commodity price volatilities. The Company is also in the process of strengthening the global sourcing of materials resulting in cost advantages and risk mitigation.

Logistics

A customer returning empty-handed is a sales opportunity lost. The logistics team at Emami attempts to gauge demand-supply patterns in advance. It works in unison with the marketing and production teams and accordingly draws out plans to make sure that Emami's products fill up shelves as quickly as they fly off. Further, Emami established a forum where demand and supply scenarios were discussed at the beginning of the month and reviewed each fortnight making it possible for concerned function to track demand and supply dynamics on a real-time basis leading to proactive planning.

Highlights, 2015-16

- Reduced freight cost as a

Employees at work at Emami's manufacturing unit

proportion of sales by 30 bps compared to FY2014-15.

• Tied up with an organisation to come up with a superior demand-supply forecast model.

• Ensured next-day stock replenishment, which helped the Company achieve a stock level of around 95% across depots against an industry standard of ~92%.

• Automated the primary transportation vendor selection process for the movement of products from factories and regional warehouses.

• Engaged a software and information technology services company, to provide an integrated platform for strategic vendor sourcing and optimising freight costs.

Looking ahead

The primary aim will be on reducing transit times by more than 50%. In order to make this happen, the Company has already joined hands with an agency to ensure that trucks carrying the Company's merchandise run for longer hours on a daily basis. Finally, the Company plans to operationalise a just-in-time delivery model in a full-fledged manner.

Operations

Emami has seven domestic units and one international manufacturing unit (Bangladesh) in addition to several outsourcing units. The locations of these units were selected keeping in mind proximity to sizeable consumption markets and governmental incentives (three of the seven domestic units of the Company enjoy fiscal benefits).

Highlights, 2015-16

• Invested ₹ 150 crore to build a new plant in Assam, which is expected to commence operations by FY17. Planned total outlay of ₹ 300 crore.

• Initiated TPM across plants and trained personnel at all levels.

• Augmented capacities across manufacturing units.

• Enhanced savings through various cost reduction measures.

• Enhanced infrastructure at Masat to make it WHO GMP-compliant. The same is being implemented across the Vapi and Dongari units.

• Re-engineered Vapi and Masat units to create one integrated unit specialising in the manufacture of tablets and other in liquid-based healthcare products.

• Created bi-layer tablet facilities at the Masat unit.

Looking ahead

The focus will be in operationalising the new plant, enhancing people competence, augmenting capacities and optimising production costs.

Sales and distribution

Emami's sales and distribution team intends to address emerging demand while minimising the impact of price surges. Emami's sales and distribution networks have made it possible for the Company to market around 120 products each second across the world.

Highlights, 2015-16

• Engaged McKinsey to improve sales force efficiency.

• Increased direct retail reach to more than 6.4 lac outlets.

• Enhanced indirect retail reach to 4.2 million outlets.

• Increased its direct coverage to

consumer care range

13,300 villages with a population less than 50,000.

• Improved ease-of-access across its entire retail base with the help of a state-of-the-art distributor management software.

• Implemented a continuous replenishment system to map stock levels accurately at the distributors' end to ensure timely replenishment.

Looking ahead

The Company will broaden its pan-India footprint. The Company aims to enhance its direct distribution network by 2 lac outlets over the years to come. The Company intends to equip sales personnel with advanced tools that guarantee seamless communication.

Quality management

Emami's Quality Management evolved from a mere centralised quality control to a companywide Quality Assurance function, thereby strengthening procedural compliance. In a bid to improve qualitative consistency and consumer satisfaction, Emami's corporate quality assurance cell undertakes checks across levels – product development, manufacturing, sourcing and distribution.

Highlights, 2015-16

• Transferred critical quality assurance examinations under different heads – compliance, manufacturing excellence, design excellence, design and delivery.

• Created a long-term roadmap for company-wide quality improvement by establishing a framework for enhancing capabilities and institutionalising them.

• Strengthened innovation management by interacting simultaneously with the research & innovation, technology transfer and packaging development teams

• Assessed risks pertaining to new packaging and formula to guarantee defect-free delivery.

• Deployed a customer complaint handling cell coupled with stringent plans for improvement.

Information technology

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

Highlights, 2015-16

FY16 proved to be a pivotal year for Emami, as far as transforming its IT capabilities were concerned. The Company undertook a number of decisive steps leading to enhanced competitiveness. These included:

• Migrated to cloud infrastructure, which provided scalability, responsiveness and resilience at optimal costs.

• Upgraded core operational SAP ERP as well as reporting and analytics solution to a high-performance HANA platform.

• Inducted more partner manufacturers into the core SAP ERP platform to cover about 70% (by value) of current contract manufacturing roster.

healthcare range

• Extended the existing distributor management solution to the healthcare range on a pilot basis in order to leverage the distribution network of the consumer care range.

• Instituted KPIs in the supply chain to measure and improve operational excellence. This has enhanced customer delight and allowed the management to focus on continuous improvement.

• Gained momentum in leveraging and institutionalising capabilities like SAP ERP and digital rights management, reporting and analytics.

• Deployed cutting-edge solution for sales force automation.

• Completed the selection of a talent life cycle management platform, bolstering the effectiveness of HR department.

• Made significant progress in establishing and operating a project and programme management office. This will help in accelerating commissioning and improving the effectiveness of strategic IT capabilities.

• Leveraged Gartner's comprehensive IT advisory services to accelerate decision-making and technology adoption.

• Commissioning strategic building blocks like business process management, governance risk and control and product life cycle management

Human resource management

Emami's HR team is one of its strongest assets as it continues to scale new heights. It's through their persistent efforts that some of the most talented personnel in the segment have been roped in to keep the Company's relentless rise unhindered.

Highlights, 2015-16

• Conducted 1,740 person-days of training programmes.

• Created a capability building programme where existing employees were screened and individual development plans were created to help them realise their full potential.

• Conducted an employee engagement survey and formulated recognition schemes like spot awards and annual awards.

• Engaged the renowned global agency Hewitt to enhance human resource utilisation and implement an HR governance platform at par with the best in the world.

• Simplified the performance management system.

• Enhanced the employee portal effectiveness and uploaded HR policies onto the web portal to enhance accessibility

• Organised various employee engagement programmes like quizzes, cricket matches, picnics on a regular basis.

Looking ahead

The aim of the HR team during the upcoming fiscal will be to accelerate automation to enhance overall efficiency.

International marketing division

Emami is among the few Indian FMCG companies to have extended its operations beyond India. The Company enjoys a formidable presence in Russia, Saudi Arabia, Nepal, Bangladesh and the Middle East. The Company offers products that

international business range

suit the dermatological profiles of these geographies. Emami also commissioned an international unit in Bangladesh in FY13, which currently accounts for 33% of its international business revenues.

Highlights, 2015-16

- Increased revenues by 15% over FY2014-15 owing to robust performance in two regions – SAARC and MENAP (specifically GCC countries).
- Launched a number of products in international geographies, which were enthusiastically embraced.
- Targeted the local populace in Saudi Arabia through a new sales pitch.
- Enhanced market shares of key brands across focus countries.
- Engaged McKinsey to help devise a five-year strategy for the vertical.

Looking ahead

The engagement with McKinsey is expected to enhance international revenue visibility. Consequently, the Company expects to grow global sales at a rapid pace over the coming years.

Research and innovation

A few years ago, fairness products for men were unimaginable. Today this segment is among the rapidly-growing personal care segments. In rural India, the consumption pattern is slowly transforming from being experimental or occasional, to being an indulgent one. As such Emami's research and innovation team works in tow with the branding team to anticipate consumer demand patterns and come up with new products that cater to unaddressed demands as well as revamp existing products to adapt to changing market trends.

Highlights, 2015-16

- Launched six new innovations successfully.
- Reviewed the existing line of Kesh King for product efficacy and conducted various studies to improve product benefits.
- Enhanced Kesh King's formulation by adding 21 ayurvedic herbs (instead of 16) for greater efficacy.
- Started conducting validation studies for a number of products to enhance customer satisfaction.

Dr. C.K. Katiyar, *CEO - Technical, Healthcare*

"As India's leading personal and healthcare Company, we leverage this unique combination of science, the proven expertise of ayurveda and our deep-rooted understanding of consumer needs in every endeavour we undertake. We believe our future will be exceptional based on our ability to deliver innovative growth across our businesses and add value to all stakeholders."

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

Emami's 32nd Annual General Meeting in 2015

• Extended product lines to ensure their relevance in a dynamic marketplace.

• Developed a Consumer Insight & Product Innovation Hub (EIDOS™), thereby empowering the team to design clinically-proven, safe and effective products.

• Conducted several proof-of-principle studies and expert evaluations to validate and substantiate functional and sensory efficaciousness of products.

• Established a one-of-a-kind perfume inspiration and evaluation zone in partnership with globally-renowned perfumers. This empowered the team to stay aware of global trends, conduct performance evaluations and replicate 'at home' conditions.

Looking ahead

The research and innovation team is expected to embark on full-fledged clinical studies covering the entire Emami portfolio.

Risk management

A corporate is exposed to various risks owing to various business transactions it undertakes. The risks are classified broadly into two parts – external and internal risks. External risks can be attributed to various macroeconomic risks faced by the Company like industry risk, consumer risk, currency fluctuation risks, crude volatility risk as well as climatic risks. The internal risks comprise operational risks, raw material uncertainty risk, cost risks, innovation risks, human capital risks and financial risks among others. The Company has a strong risk management model in place which identifies the key external and internal risks associated with the Company, assesses the probable impacts on the Company. Thereafter mitigation measures are evaluated and suitable changes are made keeping in mind evolving business scenarios.

The risk management process encompasses practices relating to identification, assessment, monitoring and mitigation of various risks that might threaten the realisation of key business objectives. Besides exploiting emerging business opportunities, the risk management process seeks to minimise adverse impacts of risks.

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 Company has also framed a comprehensive Enterprise Risk Management Policy not only to manage the risks but also to minimise its impact.

This policy is periodically reviewed by the Board of Directors, management on a quarterly basis along with the Audit Committee and the Risk Management Committee in consultation with reputed consultants. The policy is updated at regular intervals so as to ensure that emerging risks are properly dealt with.

Emami... A bullish proposition

"From a long-term perspective, we see Emami entering a high growth phase over the next 5-10 years as the company moves beyond its core strengths in niche segments and supplements it with high growth personal care and health care products"

-Credit Suisse,
30th November 2015

"Emami's success in the last decade has been impressive. As a home-grown producer of FMCG, it is now the owner of a number of formidable, leading personal care brands, which are dominant in their market segments. Emami stands out in that it has the highest margins in its peer group among our coverage, even though it focuses on the mass consumer market and 50% of its sales are from rural India, where most companies find revenue contributions to be margin dilutive. In our view, this is the result of Emami's carefully chosen market segments and its astute business strategy."

–HSBC, 31st August 2015

"Emami has a strong history of successfully turning around acquisitions and has consistently taken steps to create a differentiated product pipeline, rather than engaging in second or third launches within existing categories"

-UBS,
6th August 2015

"Despite the seasonality impact, Emami has been able to maintain consistent growth across all its focus brands. The company over the past six years has maintained 11-27% revenue CAGRs across its entire portfolio of power brands, i.e., Navratna, Boroplus, Fair & Handsome, Zandu and Mentho Plus. This constant growth has enabled the company to scale up its key brands."

-Nomura,
7th December 2015

"We are enthused by the acquisition of Kesh King brand which is a unique offering with high margin and has good consumer traction. We expect Emami to exploit the strong brand equity by launching brand extensions; Emami had successfully accomplished this with Zandu acquisition"

–Edelweiss, 5th May 2016

TEAM emami

Heads of Departments

Shyam Sutaria

Arup Ganguly

Udayan Ganguly

Mohan Panchabhai

K S Arunkumar

Madan Pandey

Monomita Agarwal

Rajesh Sharma

Sanjay Madan

Manoj Agarwal

Bashab Sarkar

Pankaj Dhanuka

A K Joshi

Sushil Kothari

Shagun Tulsyan

Vinod Sisodia

Pradeep Pandey

Dilip Poddar

Rajkumar Gupta

P N Balakrishnan

L N Prasad

Anupam Katheriya

Soumitra Dutta

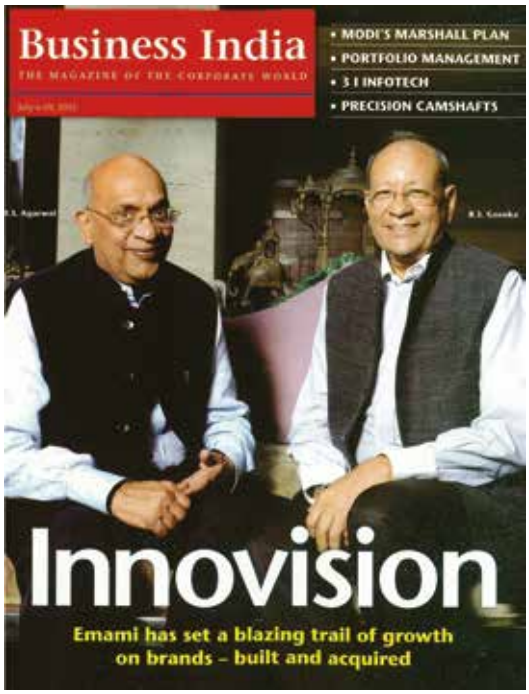
Chirag Sheth

Manabendra Chatterjee

Mahasweta Sen

Rahul Singh

Emami. Newsmaker.



Success through 'innovision'

"Emami has done well for itself," says Jagdeep Kapoor, founder CMD, Samsika Marketing Consultancy. "It is one of the few companies which respects brands, understand brands, and has the ability to make the brands work for consumers and pay for itself."

As a result, despite being the youngest, among the Indian FMCG companies, Emami has the highest operating margins at 30.2% , higher than Dabur and Marico, which are under 20% and Godrej Consumer, a little over 20%.

"Through the organic and inorganic growth, we have been able to take our brands to respectable levels and today we can humbly boast of being No.1 or No. 2 in most categories.

Source: Business India, 10.07.15

Business Standard

Emami takes a big leap

Brand experts believe that Emami, with its high advertisement spending can make Kesh King a household name. "A lot of thinking goes behind every ad campaign, so that customers can identify themselves with it; I believe with successful campaigns, the company can turn this into a multi-million brand," said Alyque Padamsee who has been advising Emami for the last 15 years. The latest acquisition will make Emami the biggest player in the ayurvedic hair oil category, estimated at about Rs 300 crore.

Source: Business Standard, 9.6.2015

Street gives thumbs up to Kesh King deal

Most analysts are positive on Emami's recent move to acquire the hair and scalp care business of Kesh King and allied brands for Rs. 1,651 crore. Inexpensive deal valuations, leading positions of the acquired products in the category, higher EBIDTA margin and growing demand for ayurvedic and herbal products are some reasons behind this optimism.

Source: Business Standard, 4.6.2015

The Economic Times

Emami founders put next gen at helm

"Fortunately for the group , there are no different voices in the family and they are similar in nature although they are from two different families," said Anand Rathi Securities, a financial services firm , who has known the Emami founders since the inception of the Group.

Source: Economic Times, 25.6. 15

Emami hires three consultants to hone business

The Company has appointed McKinsey & Company to devise strategies to improve distribution, especially in urban markets and modern trade, automate sale workforce with mobile devices, expand internationally and improve efficiency before EBIDTA.

Source: Economic Times, 18.3.15

Forbes INDIA

INDIA'S Super 50 COMPANIES

MOVER & SHAKER

FMCG major **Emami Ltd** has taken its products deep into the hinterland by roping in Bollywood stars as brand ambassadors, and has grown through domestic and foreign acquisitions. Consequently, it remains a market leader in niche products

By DEBOJYOTI GHOSH

IN BUSINESS, SIR, ONE HAS NO friends, only correspondents," wrote Alexander Dumas in *The Count of Monte Cristo*. Yet, it is this seemingly immutable law of business that Radhe Shyam Agarwal and Radhe Shyam Goenka, founders of Indian FMCG major Emami Limited, have defied. They have been childhood friends and then business partners for over 40 years. Initially opting for corporate careers, in the early 1970s, Agarwal joined the Aditya Birla Group and Goenka the KK Birla Group—cushy jobs they abandoned to embark on an entrepreneurial journey. The two have also faced the ups and downs of entrepreneurship together as business partners since 1974, when they set up Kesco Chemicals (a partnership firm which later morphed into Emami Ltd), an ayurvedic medicine and cosmetics manufacturing unit, in Kolkata.

It was a bold move for the '70s, when the Indian FMCG market was dominated by foreign products. Yet, the strong innovation ethos of the founders helped their first products—talcum powder, vanishing face cream and cold cream—gain a foothold in the market. "There was a huge demand for our vanishing cream across the country when we launched it. At that time, most of the Indian products in the market were packaged in tin containers, but we introduced plastic containers with labels printed on imported paper, making it look like a foreign product," recalls 70-year-old Agarwal.

Four decades later, this penchant for innovation and differentiation continues to be at the core of Emami's business. In fact, today it is not just about product differentiation, but disruption as well. "Disrupt or die," is the business mantra of Agarwal, executive chairman of the Rs 2,217-crore consumer goods company.

INVENTING A NEW WHEEL

In the early 2000s, Emami displayed its ability to disrupt the market when it created a new product category—men's fairness creams. Launched in 2004, Fair and Handsome gave

Mover and Shaker

"Disrupt or die," is the business mantra of Agarwal, executive chairman of the Rs. 2,217-crore consumer goods company.

Global majors such as Germany's Beiersdorf AG and L'Oreal have launched a slew of men's skin care products. But most of them had missed the bus when it came to men's fairness creams. "Even global giants like HUL could not envision a category like this. When HUL is in a particular market, it is usually the brand leader, but in the men's fairness product category, Emami is perched well on top," says veteran adman Alyque Padamsee, who has been advising Emami's advertising team for 15 years.

Source: Forbes, 14.7.15

Directors' Report

Dear Shareholders

Your Directors have immense pleasure in presenting their report on the business and operations of the Company and audited accounts for the financial year ended March 31, 2016.

1. Performance Highlights

The Indian FMCG sector witnessed yet another year of challenges – weaker monsoon, erratic weather conditions, lower industrial growth, lower disposable income particularly in the rural areas and an overall sluggish consumer sentiment. Global environment too was very weak and volatile. This gloomy outlook also reflected in the performance of the stock market which contracted ~ 9% during the last fiscal. The FMCG sector was, thus not an exception.

Your company however, continued to outpace its peers and strengthen its position in the segments of its presence, despite a challenging macro-economic environment. Your company continued to increase its market shares in the domestic and international markets. While all the power brands: BoroPlus, Navratna, Zandu, Mentho Plus, Fair & Handsome and Pancharishta have performed well, new launches like 7-Oils-in-One, Zandu Pure Honey and Fair & Handsome Instant Fairness Face Wash also received encouraging response from the market. Kesh King overcame its post-acquisition teething problems

and started performing as per expectation and increased the market share.

While the domestic business has grown by 19.5%, international business has also achieved remarkable growth of 15% despite high currency fluctuations and low consumer offtake in focussed markets like CIS & many African regions. The company took many initiatives to achieve the aggressive topline yet meaningful bottom-line growth. It acquired Kesh King business at an outlay of Rs. 1684 crores (includes duties and taxes). Increased marketing spends by 35% to Rs. 531 crores and introduced further variants/ new launches. Steps were taken to increase coverage in general trade and penetration in the modern trade. Many initiatives of improving efficiency and reducing costs were taken up under project "Udaan". McKinsey was roped in to spearhead the "Udaan" projects which also included formulation of long term strategy for international business. All the above initiatives have resulted in a spectacular growth of 18.3% in the topline at Rs. 2624 crores and 26.6% growth in EBIDTA at Rs. 684 crores.

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

Financial results

₹ in Lacs

Particulars	Standalone		Consolidated	
	2015-16	2014 – 15	2015 – 16	2014 – 15
Operating income	**2,39,151**	**2,03,064**	**2,62,379**	**2,21,725**
Profit before interest, depreciation and taxation	**68,773**	**61,336**	**72,618**	**63,190**
Interest	5,375	490	5,403	514
Depreciation and amortisation	25,223	3,148	25,504	3,431
Profit before taxation	38,175	57,698	41,711	59,245
Profit before taxation	**38,175**	**57,698**	**41,711**	**59,245**
Less: Provision for taxation				
- Current tax	6,642	9,813	7,124	9,983
- Deferred tax (net)	(1,239)	760	(1,280)	755
- Provision for taxation of earlier years	5	(38)	5	(38)
Profit after taxation	**32,767**	**47,163**	**35,862**	**48,545**
Share of Minority Interest	-	-	(44)	(16)
Profit after Minority Interest	**32,767**	**47,163**	**35,906**	**48,561**
Cash Profit	**57,990**	**50,311**	**61,409**	**51,992**
Balance brought forward	5,661	7,315	7,537	7,793
Profit available for appropriation	**38,428**	**54,478**	**43,443**	**56,354**
Appropriation				
Debenture Redemption Reserve	7500	-	7500	-
General reserve	-	30,000	-	30,000
Interim dividend	-	9,079	-	9,079
Proposed dividend	15,888	6,809	15,888	6,809
Corporate dividend tax	3,234	2,929	3,234	2,929
Balance carried forward	11,806	5,661	16,821	7,537
	38,428	**54,478**	**43,443**	**56,354**

2. Dividend

Your Directors are pleased to recommend a dividend of Rs. 7 per share (700 % on the Company's share capital) for FY 2015-16. The dividend is subject to approval of shareholders at the ensuing Annual General Meeting. The dividend, if approved, will be paid to members whose names appear in the Register of Members as on July 29, 2016. 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, 2016 amounted to Rs. 191.22 crore including the dividend distribution tax. The dividend payout ratio works out to 53 %.

3. Transfer to reserves

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

4. 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.

5. Share capital

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

6. Acquisitions

To achieve aggressive business growth, your Company is keen on acquiring brands or businesses which fit well with its strategy and have synergy with its business operations. Your Company, during the year, acquired the hair and scalp care business under the Kesh King brand along with allied brands of ayurvedic medicinal products. The acquisition enhanced the brand portfolio of the Company and was financed through internal accruals and short-term borrowings.

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, in collaboration with reputed audit firms, carries out internal audit at all manufacturing locations, offices and sales depots across all locations of the country. Their objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance with the Companies Act, 2013, SEBI (LODR) 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 thereafter is placed before the Audit Committee for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and keeps the Board of Directors informed of its major observations from time to time. Your Company's Internal Audit Department and Risk Management System have been accredited with ISO 9001:2008 and ISO 31000:2009 certifications, respectively.

8. Internal financial control

The Company has in place adequate financial controls commensurate with its size, scale and complexity of its operations. The Company has policies and procedures in place 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

As of March 31, 2016, 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, 66.67% 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.

Emami UK Limited was dissolved

during the year under the provisions of the Companies Act of United Kingdom since it was having insignificant business operations.

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

Brief financials and operations of subsidiary companies are given hereunder:

Emami Bangladesh Ltd.
Emami Bangladesh Ltd., a wholly-owned subsidiary of Emami Limited, was incorporated on November 25, 2004 under the Companies Act of Bangladesh. It is engaged in the manufacture, import and sale of cosmetics and ayurvedic medicines from its manufacturing unit in Dhaka.

During the financial year ended March 31, 2016, the Company clocked revenues worth Rs. 11,915 lac (previous year Rs. 8,238 lac) and profit after tax of Rs. 875 lac (previous year Rs. 298 lac).

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, 2016, the Company clocked revenues worth Rs. 20,682 lac (previous year Rs. 20,074 lac) and profit after tax of Rs. 2,358 lac (previous year Rs. 1,542 lac).

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, 2016, the company recorded Nil (previous year nil) revenues and a loss of Rs. 3 lac (previous year loss of Rs. 322 lac).

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 object of the Company is to manufacture pharmaceuticals, disinfectants, cosmetics, chemicals, among others. The management of the Company was taken over by Emami Overseas FZE in FY2010-11 and thus far the Company has not commenced operations due to volatile market conditions.

During the financial year ended March 31, 2016, the Company recorded zero revenues and a loss of Rs. 33 lac (previous year loss of Rs. 154 lac).

Fravin Pty. Ltd.
Fravin Pty. Ltd. is a 66.67% subsidiary of Emami International FZE based in Australia, 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, 2016, the Company clocked revenues worth Rs. 225 lac (previous year Rs. 32 lac) and a loss of Rs. 63 lac (previous year loss of Rs. 1 lac).

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

During the financial year ended March 31, 2016, the Company recorded Nil revenues (previous year nil) and a loss of Rs. 33 lac (previous year loss of Rs. 28 lac).

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

Abache Pty. Ltd.
Abache Pty. Ltd., a subsidiary of Diamond Bio-Tech Laboratories Pty. Ltd., is involved in operating beauty salons in Australia. Abache has several personal care

products in its portfolio. Abache was awarded the 1st place in the 'Green Formulations' category at the Sustainable Beauty Awards 2014 held in Paris.

During the financial year ended March 31, 2016, the Company locked revenues worth Rs. 199 lac (previous year Rs. 9 lac) and loss of Rs. 35 lac (previous year loss of Rs 21 lac).

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

During the year under review the Company issued rated, listed redeemable non- convertible debentures worth Rs. 300 crores. The proceeds of the issue were utilised for repaying short-term borrowings availed by the Company for the acquisition of the Kesh King business. For redemption of the debentures, the Company has created a Debenture Redemption Reserve of Rs. 75 crores.

12. Consolidated financial statements

The consolidated financial statements, prepared in accordance with Accounting Standard 21 – consolidated financial statements, form part of this Report. The net worth of the consolidated entity as on March 31, 2016, stood at Rs. 1,40,314 lac as against Rs. 1,23,064 lac at the end of the previous year.

13. Auditors and Auditors' Reports

Statutory audit

Your Company's Auditors, M/s. S. K. Agrawal & Co., Chartered Accountants were appointed as the Statutory Auditors at the 31st Annual General Meeting for a term of three years. Their appointment is to be ratified by the shareholders under Section 139 of the Companies Act, 2013 at the ensuing Annual General Meeting. The Statutory Auditor's Report does not contain any 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 Company has appointed M/s MKB & Associates, Practicing Company Secretaries, as its Secretarial Auditor to undertake the Secretarial Audit for FY 2015-16. The Secretarial Audit Report certified by the Secretarial Auditors, in the specified form MR-3 is annexed herewith and forms part of this report (Annexure I). The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Cost 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, 2015 to audit the cost accounting records, as may be applicable to the Company for the FY 2015-16 and their remuneration has been approved at the previous Annual General Meeting.

M/s. V.K. Jain & Co. have been re-appointed as cost auditor for the FY 2016-17, as required under the Companies Act, 2013, the remuneration payable to the cost auditor 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 Annual General Meeting.

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 Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith and forms part of this Report. (Annexure II)

15. Extract of annual returns

The details of the extract of the annual returns 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.emamiltd.in/holisticliving/pdf / Corporate Social Responsibility Policy of Emami Ltd. pdf

The Annual Report on CSR expenditures for the FY 2015-16 is annexed herewith and forms part

of this report. (Annexure IV)

17. Directors and key managerial personnel

Vaidya Suresh Chaturvedi resigned from the Board of the Company on August 5, 2015 due to ill-health. The Board placed on record its appreciation for the valuable contribution made by him during his tenure as an Independent Director on the Board of the Company. Smt. Rama Bijapurkar, an eminent marketing and consumer strategist was appointed as an Independent-cum-Additional Director for a term of 3 years with effect from September 1, 2015 by the Board. The Company has received a notice in compliance with the provisions of Section 160 of the Companies Act, 2013 proposing the regularization/appointment of Smt. Bijapurkar as an Independent Director of the Company in the forthcoming Annual General Meeting.

The Board of Directors at its meeting held on October 29, 2015 re-appointed Shri Mohan Goenka and Shri H. V. Agarwal as Whole-time Directors of the Company a period of five years with effect from, January 15, 2016 upon recommendation of Nomination and Remuneration Committee and subject to approval of Shareholders at the ensuing Annual General Meeting.

Further, the Board reappointed Shri S. K. Goenka, Managing Director of the Company for a period of five years with effect from June 1, 2016 as per the recommendation of the Nomination and Remuneration Committee and subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

Smt. Priti A. Sureka, Shri Prashant Goenka and Shri A. V. Agarwal would retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

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.

Consent of Shareholders has been sought in the ensuing Annual General Meeting for continuation of holding of office by Shri R. S. Agarwal, as Executive Chairman and Shri R. S. Goenka, as Whole Time Director after attaining the age of 70 years.

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

18. Business responsibility report

As required under Regulation 34 of SEBI (LODR) Regulations 2015, the Business Responsibility Report of the Company for the Financial Year ended March 31, 2016 is attached as part of the Annual Report.

19. Declaration by Independent Directors

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

Further, all Independent Directors have furnished declarations, certifying that they satisfy the criteria under Section 149(6) of the Companies Act, 2013 and Listing Regulations.

20. 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 above the various compliances required from him as a Director under the various provisions of the Companies Act 2013, SEBI (LODR) 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 booklets about the business and operations of the Company.

The Directors are also updated on the changes in relevant corporate laws relating to their roles and responsibilities as Directors. The details of the Board familiarisation programme for the Independent Directors can be accessed at:

http://www.emamiltd.in/ investor- info/pdf/ EmamiLtd FamiliarizationProgramme ForIndependentDirectors.pdf.

21. Annual evaluation

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations, 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
- Speaking one's mind and being objective
- Protection of stakeholder interests
- Contribution to strategic planning
- Carrying out responsibilities as per the Code of Conduct

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

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

22. Number of meetings of the Board

The Board of Directors held four meetings during the year on May 13, 2015, August5, 2015, October 29, 2015 and on January 28, 2016. The maximum time gap between any two meetings was less than 120 days as stipulated under SEBI's Listing Obligations and Disclosure 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.

23. Separate meeting of Independent Directors

A separate meeting of the Independent Directors was held on January 28, 2016. Shri Y. P. Trivedi was elected as the Lead Independent Director of the Company. Details of the separate meeting of the Independent Directors held and attendance of Independent Directors therein are provided in the Report on Corporate Governance forming part of this report.

24. Committees of the Board

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

a. Audit Committee
b. Nomination and Remuneration Committee
c. Share Transfer Committee
d. Stakeholders Relationship Committee
e. Finance Committee
f. Corporate Governance Committee
g. Corporate Social Responsibility Committee
h. Risk Management Committee

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

25. 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.emamiltd.in/investor-info/pdf/WhistleBlowerPolicyEmami.pdf.

26. 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.

27. Related party transactions

All related party transactions entered into by the Company during the financial year were at arm's length. During the year the Audit Committee had granted an omnibus approval for transactions which were repetitive in nature for one financial year and all such omnibus approvals were reviewed by the Audit Committee

on a quarterly basis. No material contracts or arrangements with related parties were entered into during the year under review. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for the necessary review and approval. Your Company's policy on related party transactions, as approved by the Board, can be accessed at: http://www.emamiltd.in/investorinfo/pdf/

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

28. 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.

29. Particulars of employees and managerial remuneration

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

30. Management discussion and analysis and Corporate Governance Report

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

31. 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: 2009 norms.

In accordance with Regulation 21 of SEBI (LODR) 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.

32. 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.

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

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

34. 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, 2016, 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, 2016 and of the profit of the Company for the year ended on that date.

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

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

V. The Directors have laid down effective internal financial controls to consistently monitor the affairs of the company.

VI. The Directors have devised

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

35. Awards and accolades

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

- The Company was ranked 324th in 2015 listing of BS 1000 up from the 348th position in 2014 on the basis of total revenues. Emami was also ranked 14th under consumer staples sector.
- Awarded ET Bengal Corporate Award in the category of 'Best Financial Performance above Rs.1, 000 crore'.
- The Company improved its rank to 109th in 2015 from the 112th in 2014 in the Business India Super 100 List 2015. In the Market- Cap sub category, Emami Limited improved its position to 72nd in 2015 from 80th in 2014.
- Fortune India ranked the Company at 412th, up by 50 positions from last year.
- The 2015 edition of ET 500 ranked the Company at 390th position in 2015, from the 2014's rank of 420th.
- The Company ranked at 84th position for 2015, up by 36 rankings from the 120th position in 2014 in 'BT 500 2015 - India's Most Valuable Companies'.
- The Company was featured in the first ever 'Super 50' listing of Indian public companies by Forbes based on its robustness and consistent performance.
- The Company was ranked 228th in Dun & Bradstreet's 'India's Top 500 Companies - 2015'.

Branding and marketing awards

- Navratna received the prestigious 'Flame Awards Asia – Silver Trophy 2016' in the category of 'Promotion & Activation (Sales Promotion)' for its Kumbh Mela campaign in Nasik, instituted by Rural Marketing Association of India in 2006.
- Emami's power brands that were featured in the 'Economic Times Brand Equity Top 100 Most Trusted Brands 2015' include:
  - BoroPlus ranked 84th among the 100 most trusted brands and 19th among the top-45 in the personal care category
  - Zandu Balm ranked 66th among the 100 most trusted brands and 5th among the top-20 in the OTC category
  - Himani Navratna ranked 3rd among top-5 in its category
  - Fair and Handsome ranked 28th among the top-45 in the personal care category

Individual recognitions

- Shri R.S. Agarwal and Shri R.S. Goenka were conferred with EY Entrepreneur of the Year 2015 Award in the retail and consumer segment.
- Shri R.S. Agarwal and Shri R.S. Goenka were ranked 32nd in the 'Upper Crust' section of the BS 'Billionaire Club'
- Shri R. S. Agarwal and Shri R. S. Goenka have been felicitated with the Lifetime Achievement Award by the Economic Times Bengal Corporate Awards 2016.
- Shri R. S. Agarwal and Shri R. S. Goenka were conferred with Ananya Samman award by the leading Bengali news channel 24 Ghanta
- Business Today magazine featured Shri R. S. Agarwal in their list of 'India's Best 100 CEOs'.
- Indian Marketing Awards of the exchange4media group felicitated Shri R.S. Agarwal with the Lifetime Achievement Award 2015.
- Forbes featured Shri R. S. Agarwal and Shri R. S. Goenka on the '100 richest Indians' list, ranking them 75th.

36. Acknowledgements

Your Directors would like to acknowledge and place on record their sincere appreciation of all stakeholders – shareholders, bankers, dealers, vendors and other business partners for the 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 5, 2016

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, 2016

[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 March 31, 2016 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, 2016, 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, 1992 and 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 & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities & 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, & 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. [Applicable from 1st July, 2015]

b) The Listing Agreements entered into by the Company with Bombay Stock Exchange, National Stock Exchange and the Calcutta Stock Exchange Limited and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. [Applicable from 1st December, 2015]

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

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

We further report that during the audit period the Company has passed following special resolutions which authorize the Board to exercise powers in relation thereto, but presently do not have any major bearing on the Company's affairs:

(i) Increase in borrowing limits under section 180(1)(c) of the Companies Act, 2013.

(ii) To issue Unsecured Redeemable Non-Convertible Debentures ('NCDs') on private placement basis during a period of one year from the date of passing of the resolution i.e. 5th August, 2015, to eligible person(s), not exceeding Rs.700 crores.

We further report that on the basis of the shareholders' approval, as aforesaid, the Committee duly authorised by the Board of the Directors of the Company has allotted 300 Unsecured Redeemable Non-Convertible Debentures ('NCDs') of Rs. 10,00,000/- each aggregating to Rs. 300,00,00,000/-.

For **MKB & Associates**
Company Secretaries

Manoj Kumar Banthia
Partner
ACS no. 11470
COP no. 7596

Date: May 4, 2016
Place: Kolkata

ANNEXURE-II

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

1. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

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

B. STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY

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

C CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

As the energy consumption to total turnover is very minimal, investment in Energy Conservation 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 the consumers perceive the Company's products as high value for their money.

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

C. IMPORTED TECHNOLOGY

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

D. RESEARCH & DEVELOPMENT

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

2. The result of such dedicated research work is the constant and innovative expansion in the range of products and achieving greater levels of quality by improved consumption of raw materials and reduction in wastage.

3. The Company's efforts are directed towards creating value-added products and packs for all consumer segments. It is focused on innovative packaging to achieve consumer appeal as well as providing convenience to consumers.

4. The Company's future plan includes putting greater emphasis on Ayurveda science to deliver innovative and effective products.

5. Expenditure in R&D:

	₹ *in Lacs*
Capital	351.79
Recurring	1868.53
Total	2220.32
R&D as a percentage of total turnover	1%

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 2015-16 was Rs. 10,063.61

lacs. In order to expand overseas business, the Company registered its various brands in a number of countries apart from obtaining registration of respective products from the statutory authorities in those countries. The Company has also undertaken extensive marketing and advertising campaigns overseas to increase its exports business.

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

	₹ *in Lacs*
Raw materials	2107.06
Capital goods	6116.94
Professional fees	412.58
Interest	51.80
Others	152.15
Total	**8840.53**

C. Foreign exchange earnings during the year

	₹ *in Lacs*
Export of goods on FOB basis	10063.61
Interest -	132.49
Total	**10196.10**

ANNEXURE-III

Extract of Annual Return

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS:

CIN:- L63993WB1983PLC036030

Registration Date: 11/03/1983

Name of the Company: Emami Limited

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

Address of the Registered office and contact details: 687 Anandapur, Kolkata – 700107. 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, 6 Mangoe Lane, Kolkata 700001, West Bengal, India.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Ayurvedic Medicinal Products	304.3	72.55%
2	Cosmetic & Toiletries	305.6	24.21%

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	66.67%	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)

Shareholding Pattern as on 31st March, 2016

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	23194826	-	23194826	10.22	22296826	-	22296826	9.82	-0.40
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	137549281	-	137549281	60.60	138726281	-	138726281	61.12	0.52
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	**160744107**	**-**	**160744107**	**70.82**	**161023107**	**-**	**161023107**	**70.95**	**0.12**
(2) Foreign									
a) NRIs - Individuals	4344748	-	4344748	1.92	4065748	-	4065748	1.80	-0.12
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	**4344748**	**-**	**4344748**	**1.92**	**4065748**	**-**	**4065748**	**1.80**	**-0.12**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**165088855**	**-**	**165088855**	**72.74**	**165088855**	**-**	**165088855**	**72.74**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2919149	-	2919149	1.29	2603339	-	2603339	1.15	-0.14
b) Banks/FI	43067	168	43235	0.02	120396	168	120564	0.05	0.03
c) Central Govt									

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	37843727	-	37843727	16.67	18017262	-	18017262	7.94	-8.74
h) Foreign Venture Capital Funds									
i) Others (specify)									
Foreign Portfolio Investors	-	-	-	-	18893660	-	18893660	8.32	8.32
Sub-total(B)(1):-	**40805943**	**168**	**40806111**	**17.98**	**39634657**	**168**	**39634825**	**17.46**	**-0.52**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	11713507	4116	11717623	5.16	12384865	4116	12388981	5.46	0.30
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7381664	958013	8339677	3.67	7724159	907615	8631774	3.80	0.13
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	303745	123312	427057	0.19	659598	-	659598	0.29	0.10
c) Others (Specify)									
Non Resident Indians	477526	420	477946	0.21	380570	420	380990	0.17	-0.04
Clearing Members	101138	-	101138	0.04	168250	-	168250	0.07	0.03
Trusts	9212	-	9212	-	5251	-	5251	-	-
NBFCs	-	-	-	-	4895	-	4895	-	-
Domestic Corporate Unclaimed Shares Account	-	-	-	-	-	4200	4200	-	-
Sub-total(B)(2):-	**19986792**	**1085861**	**21072653**	**9.28**	**21327588**	**916351**	**22243939**	**9.80**	**0.52**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**60792735**	**1086029**	**61878764**	**27.26**	**60962245**	**916519**	**61878764**	**27.26**	**-**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**225881590**	**1086029**	**226967619**	**100.00**	**226051100**	**916519**	**226967619**	**100.00**	**-**

Shareholding of Promoters and Promoter Group

Sl No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in share-holding
		No. of Shares	% of total Shares	% of Shares Pledged / encum-bered	No. of Shares	% of total Shares	% of Shares Pledged / encum-bered	
1	Priti Sureka	4950000	2.18	-	4950000	2.18	-	-
2	Harsha Vardhan Agarwal	1479633	0.65	-	585133	0.26	-	-0.39
3	Indu Goenka	1165110	0.51	-	294410	0.13	-	-0.38
4	Aditya Vardhan Agarwal	1012195	0.45	-	1319334	0.58	-	0.13
5	Usha Agarwal	911548	0.40	-	911548	0.40	-	-
6	Santosh Goenka	799910	0.35	-	193560	0.09	-	-0.26
7	Saroj Goenka	777620	0.34	-	269620	0.12	-	-0.22
8	Radheshyam Agarwal	769500	0.34	-	769500	0.34	-	-
9	Rohin Raj Sureka	750000	0.33	-	750000	0.33	-	-
10	Ashish Goenka	733000	0.32	-	95000	0.04	-	-0.28
11	Suresh Kumar Goenka	714430	0.31	-	-	0.00	-	-0.31
12	Meena Goenka	694310	0.31	-	461310	0.20	-	-0.11
13	Rajkumar Goenka	667750	0.29	-	794750	0.35	-	0.06
14	Jayant Goenka	603127	0.27	-	232127	0.10	-	-0.17
15	Radheshyam Goenka	569638	0.25	-	378638	0.17	-	-0.08
16	Saswat Goenka	565000	0.25	-	565000	0.25	-	-
17	Sachin Goenka	538000	0.24	-	538000	0.24	-	-
18	Vibhash Vardhan Agarwal	536439	0.24	-	536439	0.24	-	-
19	Jyoti Goenka	425700	0.19	-	157700	0.07	-	-0.12
20	Mansi Agarwal	330000	0.15	-	261000	0.11	-	-0.04
21	Jyoti Agarwal	315000	0.14	-	315000	0.14	-	-
22	Sobhna Agarwal	315000	0.14	-	315000	0.14	-	-
23	Avishi Sureka	300000	0.13	-	300000	0.13	-	-
24	Smriti Agarwal	282000	0.12	-	177000	0.08	-	-0.04
25	Prashant Goenka	268000	0.12	-	95000	0.04	-	-0.08
26	Richa Agarwal	261000	0.12	-	158861	0.07	-	-0.05
27	Nimisha Goenka	247000	0.11	-	247000	0.11	-	-
28	Mohan Goenka	240450	0.11	-	140450	0.06	-	-0.05
29	Vidisha Agarwal	240000	0.11	-	240000	0.11	-	-
30	Vidula Agarwal	240000	0.11	-	240000	0.11	-	-
31	Shreya Goenka	240000	0.11	-	240000	0.11	-	-
32	Puja Goenka	238199	0.10	-	114699	0.05	-	-0.05
33	Manish Goenka	207598	0.09	-	246098	0.11	-	0.02
34	Sushil Kumar Goenka	191250	0.08	-	191250	0.08	-	-
35	Rashmi Goenka	138700	0.06	-	208200	0.09	-	0.03
36	Rachna Bagaria	135000	0.06	-	135000	0.06	-	-
37	Yogesh Goenka	122700	0.05	-	122700	0.05	-	-
38	Laxmi Devi Bajoria	75000	0.03	-	75000	0.03	-	-
39	Madan Lal Agarwal	30000	0.01	-	30000	0.01	-	-
40	Pradeep Agarwal	20575	0.01	-	20575	0.01	-	-
41	Kusum Agarwal	19500	0.01	-	19500	0.01	-	-
42	Sangita Agarwal	13000	0.01	-	13000	0.01	-	-
43	Divya Agarwal	13000	0.01	-	13000	0.01	-	-
44	Shubham Agarwal	12230	0.01	-	12230	0.01	-	-
45	Abhishek Agarwal	12000	0.01	-	12000	0.01	-	-

Sl No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in share-holding
		No. of Shares	% of total Shares	% of Shares Pledged / encum-bered	No. of Shares	% of total Shares	% of Shares Pledged / encum-bered	
46	Dhiraj Agarwal	8375	-	-	8375	-	-	-
47	Sumangal Agarwal	4100	-	-	4100	-	-	-
48	Vishal Agarwal	4100	-	-	4100	-	-	-
49	Shruti Goenka	3000	-	-	298065	0.13	-	-
50	Rachana Goenka	3000	-	-	173850	0.08	-	-
51	Ritu Goenka	-	-	-	477465	0.21	-	-
52	Vihan Vardhan Agarwal	-	-	-	536000	0.24	-	0.24
53	Chikky Goenka	-	-	-	320850	0.14	-	0.14
54	Devarsh Goenka	-	-	-	303875	0.13	-	0.13
55	Manan Goenka	-	-	-	282500	0.13	-	0.13
56	Reha Goenka	-	-	-	120000	0.05	-	0.05
57	Darsh Goenka	-	-	-	282500	0.13	-	0.13
58	Reyansh Goenka	-	-	-	303875	0.13	-	0.13
59	Advay Goenka	-	-	-	502000	0.22	-	0.22
60	Nikunj Goenka	-	-	-	282500	0.13	-	0.13
61	Shanti Devi Agarwal	2139	-	-	-	-	-	-
62	Harsh Vardhan Agarwal-HUF	-	-	-	100000	0.05	-	0.05
63	Mohan Goenka- HUF	-	-	-	100000	0.05	-	0.05
64	Jayant Goenka- HUF	-	-	-	50000	0.02	-	0.02
65	Aditya Vardhan Agarwal-HUF	-	-	-	102139	0.05	-	0.05
66	Ashish Goenka- HUF	-	-	-	50000	0.02	-	0.02
67	Prashant Goenka- HUF	-	-	-	50000	0.02	-	0.02
68	Manish Goenka- HUF	-	-	-	100000	0.05	-	0.05
69	Sushil Kumar Goenka- HUF	-	-	-	100000	0.05	-	0.05
70	Amitabh Goenka- HUF	-	-	-	50000	0.02	-	0.02
71	Diwakar Viniyog Private Limited	33310237	14.68	33.03	33326237	14.68	38.97	-
72	Suntrack Commerce Private Limited	32675366	14.40	42.06	32691366	14.40	47.43	-
73	Bhanu Vyapaar Private Limited	27133761	11.95	30.20	27604261	12.16	41.74	0.21
74	Emami Enclave Makers Pvt Ltd	13211053	5.82	-	13458553	5.93	5.57	0.11
75	Suraj Viniyog Private Limited	12841931	5.66	17.64	13099281	5.77	21.31	0.11
76	Emami High Rise Pvt Ltd	12837353	5.66	-	13076503	5.76	5.74	0.10
77	Tmt Viniyogan Limited	4956580	2.18	24.61	4956580	2.18	27.94	-
78	Emami Paper Mills Ltd	466500	0.21	-	466500	0.21	-	-
79	Emami Frank Ross Limited	74500	0.03	-	5000	-	-	-0.03
80	Epl Securities Ltd	42000	0.02	-	42000	0.02	-	-
81	Amitabh Goenka	4344748	1.91	-	4015748	1.77	-	-0.14
	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	There is no change in promoters' shareholding during the period April 1, 2015 to March 31, 2016 except inter - se transfer			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

Shareholding of Top 10 Shareholders other than Directors and Promoters

Sl No.	Shareholders	Particulars	No. of Shares	% of total Shares	Cummulative Shareholding at the end of the year	
					No. of Shares	% of total Shares
1	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	At the beginning of the year	2107954	0.93	2107954	0.93
		As on 17/04/2015 - Transfer	-15674	-0.01	2092280	0.92
		As on 24/04/2015 - Transfer	-6443	-	2085837	0.92
		As on 10/07/2015 - Transfer	-50217	-0.02	2035620	0.90
		As on 17/07/2015 - Transfer	-56106	-0.02	1979514	0.87
		As on 07/08/2015 - Transfer	-46773	-0.02	1932741	0.85
		As on 14/08/2015 - Transfer	-68245	-0.03	1864496	0.82
		As on 21/08/2015 - Transfer	-104904	-0.05	1759592	0.78
		As on 28/08/2015 - Transfer	-109595	-0.05	1649997	0.73
		As on 04/09/2015 - Transfer	-71225	-0.03	1578772	0.70
		As on 26/02/2016 - Transfer	24433	0.01	1603205	0.71
		As on 04/03/2016 - Transfer	56762	0.03	1659967	0.73
		At the end of the year			1659967	0.73
2	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE ADVANTAGE FUND	At the beginning of the year	925680	0.41	925680	0.41
		As on 10/04/2015 - Transfer	-2400	-	923280	0.41
		As on 24/04/2015 - Transfer	20000	0.01	943280	0.42
		As on 08/05/2015 - Transfer	20000	0.01	963280	0.42
		As on 05/06/2015 - Transfer	-29201	-0.01	934079	0.41
		As on 26/06/2015 - Transfer	-40000	-0.02	894079	0.39
		As on 17/07/2015 - Transfer	34500	0.02	928579	0.41
		As on 31/07/2015 - Transfer	-86000	-0.04	842579	0.37
		As on 14/08/2015 - Transfer	-7500	-	835079	0.37
		As on 04/09/2015 - Transfer	1550	-	836629	0.37
		As on 11/09/2015 - Transfer	-54000	-0.02	782629	0.34
		As on 30/09/2015 - Transfer	67500	0.03	850129	0.37
		As on 09/10/2015 - Transfer	-2500	-	847629	0.37
		As on 23/10/2015 - Transfer	-3400	-	844229	0.37
		As on 04/12/2015 - Transfer	69500	0.03	913729	0.40
		As on 01/01/2016 - Transfer	33000	0.01	946729	0.42
		As on 08/01/2016 - Transfer	25000	0.01	971729	0.43
		As on 22/01/2016 - Transfer	21100	0.01	992829	0.44

Sl No.	Shareholders	Particulars	No. of Shares	% of total Shares	Cummulative Shareholding at the end of the year	
					No. of Shares	% of total Shares
		As on 05/02/2016 - Transfer	18000	0.01	1010829	0.45
		As on 12/02/2016 - Transfer	-50000	-0.02	960829	0.42
		As on 19/02/2016 - Transfer	-20700	-0.01	940129	0.41
		As on 26/02/2016 - Transfer	-4200	-	935929	0.41
		As on 04/03/2016 - Transfer	21000	0.01	956929	0.42
		At the end of the year			956929	0.42
3	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND#	At the beginning of the year	799104	0.35	799104	0.35
		As on 10/04/2015 - Transfer	-9104	-	790000	0.35
		As on 30/06/2015 - Transfer	-10000	-	780000	0.34
		As on 10/07/2015 - Transfer	-9000	-	771000	0.34
		As on .24/07/2015 - Transfer	-27000	-0.01	744000	0.33
		As on 31/07/2015 - Transfer	-51000	-0.02	693000	0.31
		As on 04/09/2015 - Transfer	-184000	-0.08	509000	0.22
		As on 11/09/2015 - Transfer	-259000	-0.11	250000	0.11
		As on 18/09/2015 - Transfer	-64100	-0.03	185900	0.08
		As on 30/09/2015 - Transfer	-65900	-0.03	120000	0.05
		As on 09/10/2015 - Transfer	-120000	-0.05	-	-
		At the end of the year			-	-
4	ABERDEEN GLOBAL INDIAN EQUITY LIMITED*	At the beginning of the year	-	-	-	-
		As on 15/01/2016 - Transfer	215202	0.09	215202	0.09
		As on 22/01/2016 - Transfer	15457	0.01	230659	0.10
		As on 29/01/2016 - Transfer	6222	-	236881	0.10
		As on 05/02/2016 - Transfer	2083	-	238964	0.11
		As on 26/02/2016 - Transfer	103457	0.05	342421	0.15
		As on 04/03/2016 - Transfer	767579	0.34	1110000	0.49
		At the end of the year			1110000	0.49
5	SMALLCAP WORLD FUND, INC	At the beginning of the year	8965000	3.95	8965000	3.95
		As on 12/06/2015 - Transfer	-275496	-0.12	8689504	3.83
		As on 19/06/2015 - Transfer	-37767	-0.02	8651737	3.81
		As on 26/06/2015 - Transfer	-206737	-0.09	8445000	3.72
		As on 11/09/2015 - Transfer	-166523	-0.07	8278477	3.65
		As on 18/09/2015 - Transfer	-224802	-0.10	8053675	3.55
		As on 30/09/2015 - Transfer	-388675	-0.17	7665000	3.38
		As on 04/03/2016 - Transfer	-1030472	-0.45	6634528	2.92
		As on 11/03/2016 - Transfer	-202975	-0.09	6431553	2.83
		As on 18/03/2016 - Transfer	-203442	-0.09	6228111	2.74
		As on 25/03/2016 - Transfer	-42474	-0.02	6185637	2.73
		At the end of the year			5805950	2.56
6	MATTHEWS ASIA GROWTH FUND	At the beginning of the year	1551001	0.68	1551001	0.68
		At the end of the year			1551001	0.68
7	MATTHEWS INDIA FUND	At the beginning of the year	3724801	1.64	3724801	1.64
		As on 01/05/2015 - Transfer	-78017	-0.03	3646784	1.61
		As on 08/05/2015 - Transfer	-61983	-0.03	3584801	1.58
		As on 15/05/2015 - Transfer	-70000	-0.03	3514801	1.55
		As on 21/08/2015 - Transfer	-50000	-0.02	3464801	1.53
		As on 11/12/2015 - Transfer	11039	-	3475840	1.53
		As on 18/12/2015 - Transfer	44737	0.02	3520577	1.55
		At the end of the year			3520577	1.55

Sl No.	Shareholders	Particulars	No. of Shares	% of total Shares	Cummulative Shareholding at the end of the year	
					No. of Shares	% of total Shares
8	J O HAMBRO CAPITAL MANAGEMENT UMBRELLA FUND PLC J O HAMBRO CAPITAL MANAGEMENT AS*	At the beginning of the year	497909	0.22	497909	0.22
		As on 10/04/2015 - Transfer	120942	0.05	618851	0.27
		As on 24/04/2015 - Transfer	9400	-	628251	0.28
		As on 01/05/2015 - Transfer	20800	0.01	649051	0.29
		As on 08/05/2015 - Transfer	117014	0.05	766065	0.34
		As on 29/05/2015 - Transfer	18294	0.01	784359	0.35
		As on 05/06/2015 - Transfer	22995	0.01	807354	0.36
		As on 12/06/2015 - Transfer	71753	0.03	879107	0.39
		As on 10/07/2015 - Transfer	-5400	-	873707	0.38
		As on 31/07/2015 - Transfer	4042	-	877749	0.39
		As on 14/08/2015 - Transfer	3387	-	881136	0.39
		As on 28/08/2015 - Transfer	63356	0.03	944492	0.42
		As on 04/09/2015 - Transfer	-140048	-0.06	804444	0.35
		As on 11/09/2015 - Transfer	-20991	-0.01	783453	0.35
		As on 18/09/2015 - Transfer	-9484	-	773969	0.34
		As on 30/09/2015 - Transfer	36259	0.02	810228	0.36
		As on 30/10/2015 - Transfer	16073	0.01	826301	0.36
		As on 06/11/2015 - Transfer	12273	0.01	838574	0.37
		As on 20/11/2015 - Transfer	53847	0.02	892421	0.39
		As on 27/11/2015 - Transfer	10412	-	902833	0.40
		As on 04/12/2015 - Transfer	22380	0.01	925213	0.41
		As on 11/12/2015 - Transfer	18681	0.01	943894	0.42
		As on 18/12/2015 - Transfer	7254	-	951148	0.42
		As on 31/12/2015 - Transfer	7818	-	958966	0.42
		As on 08/01/2016 - Transfer	7742	-	966708	0.43
		As on 15/01/2016 - Transfer	20025	0.01	986733	0.43
		As on 22/01/2016 - Transfer	123431	0.05	1110164	0.49
		As on 29/01/2016 - Transfer	7761	-	1117925	0.49
		As on 05/02/2016 - Transfer	7746	-	1125671	0.50
		As on 19/02/2016 - Transfer	22042	0.01	1147713	0.51
		As on 26/02/2016 - Transfer	11286	-	1158999	0.51
		As on 04/03/2016 - Transfer	25718	0.01	1184717	0.52
		As on 25/03/2016 - Transfer	7302	-	1192019	0.53
		At the end of the year			1202422	0.53
9	BMO EMERGING MARKETS FUND	At the beginning of the year	1116700	0.49	1116700	0.49
		As on 05/06/2015 - Transfer	-7293	-	1109407	0.49
		As on 20/11/2015 - Transfer	27494	0.01	1136901	0.50
		As on 27/11/2015 - Transfer	39073	0.02	1175974	0.52
		As on 25/12/2015 - Transfer	59618	0.03	1235592	0.54
		At the end of the year			1235592	0.54
10	ROCHDALE EMERGING MARKETS-MAURITIUS#	At the beginning of the year	681022	0.30	681022	0.30
		As on 16/10/2015 - Transfer	-47168	-0.02	633854	0.28
		As on 30/10/2015 - Transfer	-9109	-	624745	0.28
		As on 11/12/2015 - Transfer	-100880	-0.04	523865	0.23
		At the end of the year			523865	0.23

Sl No.	Shareholders	Particulars	No. of Shares	% of total Shares	Cummulative Shareholding at the end of the year	
					No. of Shares	% of total Shares
11	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUNDS, L.P.	At the beginning of the year	869511	0.38	869511	0.38
		As on 10/07/2015 - Transfer	-100412	-0.04	769099	0.34
		As on 17/07/2015 - Transfer	-11198	-0.01	757901	0.33
		As on 18/12/2015 - Transfer	66235	0.03	824136	0.36
		As on 08/01/2016 - Transfer	39759	0.02	863895	0.38
		At the end of the year			863895	0.38
12	AVEES TRADING AND FINANCE PRIVATE LIMITED	At the beginning of the year	6975066	3.07	6975066	3.07
		As on 01/05/2015 - Transfer	-14000	-0.01	6961066	3.07
		As on 31/07/2015 - Transfer	-10500	-	6950566	3.06
		As on 31/12/2015 - Transfer	267000	0.12	7217566	3.18
		As on 15/01/2016 - Transfer	489	-	7218055	3.18
		As on 29/01/2016 - Transfer	252000	0.11	7470055	3.29
		As on 05/02/2016 - Transfer	298979	0.13	7769034	3.42
		As on 12/02/2016 - Transfer	21	-	7769055	3.42
		As on 19/02/2016 - Transfer	175000	0.08	7944055	3.50
		As on 26/02/2016 - Transfer	95000	0.04	8039055	3.54
		At the end of the year			8089055	3.56

* Not in the list of Top 10 shareholders as on 01/04/2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2016.

Ceased to be in the list of Top 10 shareholders as on 31/03/2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2015.

Shareholding of Directors and KMPs

Sl No.	Directors	Particulars	No. of Shares	% of total Shares	Cummulative 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		
		Transfer/Bonus/Purchase/Sale	Nil	Nil		
		At the End of the year			7,69,500	0.34
2	Shri R.S. Goenka	At the beginning of the year	5,69,638	0.25		
		As on 18/03/2016 - Inter-se Transfer	-1,91,000	-0.08	3,78,638	
		At the End of the year			3,78,638	0.17
3	Shri S.K. Goenka	At the beginning of the year	1,91,250	0.08		
		Transfer/Bonus/Purchase/Sale	Nil	Nil		
		At the End of the year			1,91,250	0.08
4	Shri K.N. Memani	At the beginning of the year	NIL			
		Transfer/Bonus/Purchase/Sale	NIL			
		At the End of the year	NIL			
5	Shri Y.P. Trivedi	At the beginning of the year	NIL			
		Transfer/Bonus/Purchase/Sale	NIL			
		At the End of the year	NIL			
6	Shri P. K. Khaitan	At the beginning of the year	NIL			
		Transfer/Bonus/Purchase/Sale	NIL			
		At the End of the year	NIL			
7	Shri M. D. Mallya	At the beginning of the year	NIL			
		Transfer/Bonus/Purchase/Sale	NIL			
		At the End of the year	NIL			
8	Shri Amit Kiran Deb	At the beginning of the year	NIL			
		Transfer/Bonus/Purchase/Sale	NIL			
		At the End of the year	NIL			
9	Shri S.B. Ganguly	At the beginning of the year	NIL			
		Transfer/Bonus/Purchase/Sale	NIL			
		At the End of the year	NIL			
10	Shri Sajjan Bhajanka	At the beginning of the year	NIL			
		Transfer/Bonus/Purchase/Sale	NIL			
		At the End of the year	NIL			
11	Smt. Rama Bijapurkar	At the beginning of the year	NIL	NIL		
		Transfer/Bonus/Purchase/Sale	500	-	500	
		At the End of the year	-	-	500	-
12	Shri Mohan Goenka	At the beginning of the year	2,40,450	0.11		
		As on 18/03/2016 - Inter-se Transfer	-1,00,000	0.04	1,40,450	
		At the End of the year			1,40,450	0.06
13	Shri A. V. Agarwal	At the beginning of the year	10,12,195	0.45		
		As on 18/03/2016 - Inter-se Transfer	3,07,139	0.13	13,19,334	
		At the End of the year			13,19,334	0.58
14	Shri H. V. Agarwal	At the beginning of the year	14,79,633	0.65		
		As on 18/03/2016 - Inter-se Transfer	-8,94,500	-0.39	5,85,133	
		At the End of the year			5,85,133	0.26
15	Smt. Priti A Sureka	At the beginning of the year	49,50,000	2.18		
		Transfer/Bonus/Purchase/Sale	Nil	Nil		
		At the End of the year			49,50,000	2.18
16	Shri Prashant Goenka	At the beginning of the year	2,68,000	0.12		
		As on 18/03/2016 - Inter-se Transfer	-1,73,000	-0.08	95,000	
		At the End of the year			95,000	0.04

Sl No.	Key Managerial Personnel (KMP)	Particulars	No. of Shares	% of total Shares	Cumulative Shareholding during the year	
					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	-		
		Transfer/Bonus/Purchase/Sale			Nil	Nil
		At the End of the year			900	-

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	1564.77	837.99	0.14	-	2402.90
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	1.18	-	-	-	1.18
Total (i+ii+iii)	**1565.95**	**837.99**	**0.14**	**-**	**2404.08**
Change in Indebtedness during the financial year					
- Addition	100.17	3000.00	395367.66	-	398467.83
- Reduction	1666.12	837.99	362367.80	-	364871.90
Net Change	1565.95	2162.01	32999.86	-	36727.80
Indebtedness at the end 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	-	-	-	-	-
Total (i+ii+iii)	**-**	**3000.00**	**33000.00**	**-**	**36000.00**

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							
	Executive Directors	Shri R.S. Agarwal	Shri R.S. Goenka	Shri S.K. Goenka	Shri Mohan Goenka	Shri H. V. Agarwal	Smt. Priti A Sureka	Shri Prashant Goenka	Total
1	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	302.40	302.40	80.64	60.48	60.48	60.48	40.32	907.20
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.40	0.40	0.22	2.56	0.40	0.40	0.40	4.75
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961					-			-
2	Stock Option	-	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-	-
	Commission	250.00	250.00						500.00
4	- as % of profit	-	-	-	-	-	-	-	-
	- others, specify…	-	-	-	-	-	-	-	-
15	Others, please specify	-	-	-	-	-	-	-	-
	Total (A)	552.80	552.80	80.86	63.04	60.88	60.88	40.72	1,411.95
	Ceiling as per the Act	₹ 4,597.04 lacs being 10% of the net profits as per section 198 of the Companies Act, 2013							

B. Remuneration to other directors:

₹ *In Lacs*

Sl. No.	Particulars of Remuneration	Name of Directors Independent Directors									Non Executive Directors	Total
		Shri K.N. Memani	Shri Y.P. Trivedi	Shri P. K. Khaitan	Shri M. D. Mallya	Vaidya Suresh Chaturvedi*	Shri S. B. Ganguly	Shri Sajjan Bhajanka	Shri Amit Kiran Deb	Smt Rama Bijapurkar**	Shri A. V. Agarwal	
1	Fee for attending Board / Committee meetings	1.00	1.50	1.50	2.25	0.50	5.10	2.80	5.60	1.25	3.75	21.50
2	Commission	7.00	3.00	3.00	3.00	-	4.00	3.00	3.00	2.00	-	28.00
3	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	Total (1)	**8.00**	**4.50**	**4.50**	**5.25**	**0.50**	**9.10**	**5.80**	**8.60**	**3.25**	**3.75**	**53.25**

	Ceiling as per the Act	₹ 459.70 lacs being 1% of the net profits as per section 198 of the Companies Act, 2013
	Total Managerial Remuneration	**₹ 1,465.20**
	Overall Ceiling as per the Act	11% of the net profits as per section 198 of the Companies Act, 2013 **₹ 5,056.74**

* Ceased to be Director w.e.f. 05.08.2015
** Became a Director w.e.f. 01.09.2015

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	39.17	193.93	233.10
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	-	0.32
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify…	-	-	-
5	Others, please specify	-	-	-
6	**Total**	**39.49**	**193.93**	**233.42**

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

ANNEXURE-IV

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

Composition of CSR Committee:

- Shri S. K. Goenka, Chairman
- Shri Amit Kiran Deb, Independent Director
- Shri Mohan Goenka, Whole-time Director
- Shri H. V. Agarwal, Whole-time Director
- Smt. Priti A. Sureka, Whole-time Director

- Average Net Profit for the three previous Financial years: ₹47,253 lacs
- Prescribed CSR Expenditure: ₹945.06 lacs
- Total amount spent in the Financial Year 2015-16: ₹997.08 lacs
- Amount unspent: Nil

Emami CSR Expenditure 2015-2016

₹ In Lacs

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered #	Projects or Program	"Amount spent on Projects or programs (1) Local area or other (2) Specify the State and District where projects or program was undertaken "	Amount outlay (budget) Project or Program wise	"Amount spent on the projects or programs* 1) Direct expenditure on projects or programs 2) Overheads"	Cumulative Expenditure upto the reporting period.	Direct or through implementing agency
1	Promoting Health care, Water & Sanitation	(i)	Building Infrastructure for Hospitals / Clinics	Amtala, [24 Parganas [S], West Bengal, New Town, Rajarhat, West Bengal	87.00	41.80	41.80	Vivekananda Mission Ashram Trust, St. Judes India Child Care Centre
			Operating Preventive Clinics & Health Camps, Supporting Research & Seminars & Support to disadvantaged Individual dealing with serious health conditions	Ananddham, Nonadanga, Muktarambabu St. Aradhanadham, (Kolkata, West Bengal); Haripal, (Hooghly,West Bengal) ; Kolkata, West Bengal		33.69	33.69	Emami Foundation, All India Marwari Yuva Manch
			Drinking Water & sanitation Program at Haripal, Howrah, Purulia, Panthnagar and Vapi facilities	Haripal, (Hooghly,West Bengal); Deuli- Puncha, (Purulia, West Bengal); Andul, (Howrah, West Bengal); Panthnagar, Uttarakhand & Vapi, Valsad, Gujarat		7.28	7.28	Direct and Emami Foundation
			Animal Welfare program health	Alipur, (Kolkata, West Bengal)		4.00	4.00	Calcutta Zoological Garden
Total					87.00	86.78	86.78	

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered #	Projects or Program	"Amount spent on Projects or programs (1) Local area or other (2) Specify the State and District where projects or program was undertaken "	Amount outlay (budget) Project or Program wise	"Amount spent on the projects or programs* 1) Direct expenditure on projects or programs 2) Overheads"	Cumulative Expenditure upto the reporting period.	Direct or through implementing agency
2	Promoting Education & Enhancing Vocational Skills, Livelihood enhancement	(ii)	Support for Building Educational Infrastructure	Abhoypur & Amingaon, (Kamrup, Assam); VIP Nagar, Tiljala, Kolkata; Rajarhat, (Kolkata, West Bengal) ; Shovaram Basak Street, Kolkata; Badiadka in Kasaragod district, & Mujungavu in Kasaragod, District of Kerala; Uruvalu & Mangalore in Dakshin Kannada District; Murur in Uttar Kannada District; Mysore in Mysore District; Hosanagar in Shimoga district; Chadurahalli in Sagar Taluq, in the state of Karnataka; Howrah West Bengal; Dumma village, Deoghar, Jharkhand.	671.00	511.02	511.02	Direct, Emami Foundation, Shree Maheshwari Vidyalaya, Dharma Chakra Trust, St. Xaviers College, Kolkata, Samaritan Help Mission, Sheo Bai Bansal Charitable Trust.
			Sikshay sahay Text Book lending Program	Haripal, (Hooghly,West Bengal) ; BT. Rd, (Kolkata, West Bengal) ; Kolkata, (West Bengal); Abhoypur & Amingaon, (Kamrup, Assam)		7.62	7.62	Direct and Emami Foundation
			Support for Suplementary Education & Vocational Training	Dehradun, Uttarakhand; Ananddham, Muktarambabu St. Aradhanadham, (Kolkata, West Bengal); Haripal, (Hooghly,West Bengal) ;		14.24	14.24	Emami Foundation, Himalayan School Society
			Scholarship & Financial Assistance to Students	Nanthoor, (Dakshina Kannada district, Karnataka), Hosad, (Kumta Tehsil of Uttara Kannada, Karnataka); Birbhum, Murshidabad, West Midnapore, Malda, 24 Parganas North, 24 Parganas South, South Dinajpur, Jalpaiguri in West Bengal; Kolkata, West Bengal		137.58	137.58	Dharma Chakra Trust; Friends of Tribal Society; Help Us Help Them; Dyslexia Trust of Kolkata; Udayan Care, Kolkata; Emami Foundation
				Total	671.00	670.46	670.46	

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
3	Rural Development, Social Upliftment Program and Promotion of Art and Culture	(i), (iii), (v) and (x)	Farmers training, Seed Development, indigenous seed preservation through seed bank, E- Diagonistic, Skill development Training for village youth, Training on Microfinance.	Mayavaram in Nagapattinam district of Tamilnadu; Badiadka in Kasaragod District, & Mujungavu in Kasaragod District of Kerala; Uruvalu in Dakshin Kannada District; Muroor in Uttar Kannada District; Mysore in Mysore District; Hosanagar & Linganmakki in Shimoga district; Chadurahalli in Sagar Taluq, in the state of Karnataka of Uttara Kannada, Karnataka)	240.00	100.00	100.00	Gramothan India Foundation
			Promotion of Art & Culture	Gulmohar Park, New Delhi		50.00	50.00	Kalashram, New Delhi
			Food For the Poor Program and Disaster Relief	Abhaypur & Amingaon, (Kamrup, Assam) ; B T Rd, (Kolkata, West Bengal) ; Pantnagar, (Udham Singh Nagar district, Uttarakhand) ; Vapi, (Valsad, Gujarat) ; Dongari, (Raigad District, Maharashtra) ; Masat, (Dadra & Nagar Haveli); Chennai, (Tamil nadu); Kolkata, (West Bengal)		9.84	9.84	Direct; Puthigai Krishnamurty Trust, chennai, Hive India, kolkata
			Supported in Construction of Hostel for under priviledged Girl students	Diamond Harbour Rd, 24 Parganas [south], West Bengal		80.00	80.00	Dhanuka Dhunseri Foundation
Total					240.00	239.84	239.84	
Total CSR						997.08	997.08	
Prescibed Minimum CSR						945.06	945.06	

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

RESPONSIBILITY STATEMENT

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

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

sd/-
Shri Sushil Kr. Goenka
Chairman
CSR Committee

ANNEXURE-V

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

i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2015-16

Sr. No.	Name	Ratio
1	Shri R. S. Agarwal	215.50 : 1
2	Shri R. S. Goenka	215.50 : 1
3	Shri S. K. Goenka	31.52 : 1
4	Shri Mohan Goenka	24.39 : 1
5	Shri H. V. Agarwal	23.73 : 1
6	Smt. Priti A Sureka	23.73 : 1
7	Shri Prashant Goenka	15.87 : 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:

₹ In Lacs

Sr. No.	Name	Designation	2014-2015	2015-2016	% Increase
1	Shri R. S. Agarwal	Executive Chairman	519.30	552.80	6.45%
2	Shri R. S. Goenka	Whole Time Director	519.34	552.80	6.44%
3	Shri S. K. Goenka	Managing Director	80.91	80.86	-0.07%
4	Shri Mohan Goenka	Whole Time Director	62.61	63.04	-0.09%
5	Shri H. V. Agarwal	Whole Time Director	61.12	60.88	-0.40%
6	Smt. Priti A Sureka	Whole Time Director	44.31	60.88	37.39%
7	Shri Prashant Goenka	Whole Time Director	40.92	40.72	-0.50%
8	Shri N. H. Bhansali	CEO - Finance, Strategy & Business Development and CFO	152.74	193.93	26.97%
9	Shri A. K. Joshi	Company Secretary & VP - Legal	32.10	39.49	23.01%

iii) Percentage increase in the median remuneration of employees in the Financial Year 2015-16

₹ In Lacs

2014-2015	2015-2016	Increase %
2.17	2.57	18.39%

(iv) Number of permanent employees on the rolls of company as on March 31, 2016 : 2879

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

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

During the year under review, total remuneration to KMPs was Rs. 1644.89 Lacs which works out to 5.02% of the Net Profit of the Company of Rs. 32767.02 Lacs.

(vii) The Market Capitalisation of the Company on March 31, 2016 was Rs. 21,12,614.60 Lacs as compared to Rs.22,81,024.57 Lacs as on March 31, 2015; decrease of 0.93%. The price earning ratio of the Company was 64.45 as on March 31, 2016 and was 46.96 on March 31, 2015.

The closing share price of the Company on BSE on March 31, 2016 being Rs. 930.80 per equity share of face value of Re. 1/- each has grown 34.37 times since the last public issue made in the year 2005 (Price on March 23, 2005 being Rs.81.25 and the Adjusted price being Rs. 27.08 on account of bonus issue and split of shares).

(viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 20.65% whereas the increase in the managerial remuneration was 22.17%. The average increase every year is an outcome of the Company's performance as against its peer group companies and standard industry practices aligned with the Remuneration Policy of the Company.

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

Name	Designation	Remuneration of KMP (2015-2016)	Performance of the company (2015-2016) (Total amount in Lacs)	% of remuneration of KMP against performance of the company
Shri R.S. Agarwal	Executive Chairman	552.80	32767.02	1.69%
Shri R. S. Goenka	Whole Time Director	552.80	32767.02	1.69%
Shri S. K. Goenka	Managing Director	80.86	32767.02	0.25%
Shri Mohan Goenka	Whole Time Director	63.04	32767.02	0.19%
Shri H. V. Agarwal	Whole Time Director	60.88	32767.02	0.19%
Smt. Priti A Sureka	Whole Time Director	60.88	32767.02	0.19%
Shri Prashant Goenka	Whole Time Director	40.72	32767.02	0.12%
Shri N. H. Bhansali	CEO - Finance, Strategy & Business Development and CFO	193.93	32767.02	0.59%
Shri A. K. Joshi	Company Secretary & VP - Legal	39.49	32767.02	0.12%
Total		**1645.40**		**5.02%**

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

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

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

None

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

Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2016

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 sixty lakh 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 five lakh rupees per month

Name, Designation, Remuneration (in Rs.), Nature of Employment, Experience (in yrs.), 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, 55279600, Contractual, 46, FCA, FCS, M.Com, LLB, 03/05/94, 70, 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, 55279600, Contractual, 46, B.Com, M.Com, 08/11/12, 69, Emami Paper Mills Ltd., Executive Chairman, 0.25, Father of Shri Mohan Goenka & Brother of Shri S.K. Goenka; 3. Shri S.K. Goenka, Managing Director, 8085600, Contractual, 36, B.Com, 17/05/94, 59, Not applicable, Not applicable, 0.08, Brother of Shri R.S. Goenka; 4. Shri Mohan Goenka, Whole-Time Director, 6304600, Contractual, 11, B.Com, MBA, 15/01/05, 43, Not applicable, Not applicable, 0.11, Son of Shri R.S. Goenka; 5. Smt. Priti A Sureka, Whole-Time Director, 6087600, Contractual, 15, BA, 30/01/10, 43, JB Marketing & Finance Ltd., Executive, 2.18, Daughter of Shri R.S. Agarwal & sister of Shri H.V. Agarwal & Shri A.V. Agarwal; 6. Shri H.V. Agarwal, Whole-Time Director, 6087600, Contractual, 11, B.Com, 15/01/05, 39, No applicable, Not applicable, 0.65, Son of Shri R.S. Agarwal & Brother of Shri A.V. Agarwal & Smt. Priti A Sureka; 7. Shri Neeraj Chandra*, CEO-Consumer Care Division, 10399519, Employee, 34, PGDM, 15/01/14, 58, Britannia Industries Ltd., VP&COO; 8.Shri N.H. Bhansali, CEO-Finance, Strategy and Business Development & CFO, 19393214, Employee, 26, FCA, 01/11/01, 50, Reliance Industries Ltd., Business Analyst, 0.01; 9. Shri Ajith Babu Narasimha, CEO-HCD, 19156965, Employee, 30, B.Tech, PGDM, 01/08/14, 52, Colgate Palmolive (India) Ltd., VP-Marketing; 10. Smt. Punita Kalra, CEO-R&D & Innovation, 25783042, Employee, 18, Masters in Pharmaceutical Sciences, 01/04/10, 44, Hindustan Unilever Ltd., Product Technology Group Head Skin Care, Skin Regional Technology Centre; 11. Shri C.K. Katiyar, CEO-Technical (HC), 18727216, Employee, 33, PHD, 01/11/12, 62, Dabur India Ltd., Vice President & Head (R&D); 12. Shri Raghav Agrawal*, CEO-IMD, 18243056, Employee, 27, BE, PGDM, 20/07/15, 50, Hindustan Unilever Ltd., Personal Care Leader, Skin, Unilever Europe; 13. Shri K.S. Arun Kumar, President-IT, 15104282, Employee, 33, MBA, 07/10/13, 51, Hindustan Unilever Ltd., IT Director; 14. Shri Shridhar G. Panshikar*, President-Sales, 2376533, Employee, 27, M.SC-Statistics, MMS, 09/06/14, 52, Britannia Industries Ltd., National Sales director; 15. Shri Mohan Rajabhau Panchabhai, President Operations, 16589064, Employee, 30, BE, 09/06/14, 52 Hindustan Unilever Ltd., Head of Innovation, Technology & Planning; 16. Shri Madan Mohan Pandey*, President-Sales, 5209538, Employee, 17, BE, PGDM, 22/12/15, 44, Marico Ltd., Head Sales, Supply chain and Business development-South East Asia; 17. Shri Bashab Sarkar, Sr. Vice President-Media, 6908482, Employee, 33, MBA, 21/06/12, 60, Maxus India Pvt. Ltd., Managing Director; 18. Shri Vinodkumar Jayantilal Sisodia, Vice President-HCD, 8342128, Employee, 17, PGDBM (Marketing & Sales Management), 02/01/15, 41, Johnson

& Johnson Pvt. Ltd., General Sales Manager; 19. Shri Pradeep Kumar Pandey*, Vice President-packaging, 5063921, Employee, 19, PGD in Packaging Technology, Management in Material Science, 05/09/15, 45, Procter & Gamble, First Level Section Manager; 20. Shri Shantanu Das, Vice President-HR, 7853575, Employee, 20, PGDPM, 01/03/13, 44, Heinz India Pvt. Ltd., Head HR, India Business; 21. Shri T. Vijay Bhaskar Reddy, Head-Food Business, 7663503, Employee, 31, B.Tech, PGDBM (Marketing and Sales), 22/08/14, 54, Dabur India Ltd., Head of Research & Development, Innovation; 22. Shri Harish Adkar, Head-QA (Personal and Consumer Care), 7620767, Employee, 20, M.Sc, 05/06/13, 44, Warner Lambert India Ltd., QA-Manager; 23. Shri Kapil Bhardwaj*, AVP-Purchase, 2500063, Employee, 18, MBA, PGD In Packaging Technology, 09/11/15, 42, Bunge India Pvt. Ltd., GM-Procurement; 24. Shri L.N. Prasad, Sr. General Manager-Marketing , 6979233, Employee, 18, MBA, 01/10/07, 41, D.S. Group, Manager-marketing; 25. Shri Anupam Chandra Katheriya, Sr. General Manager-marketing, 7341020, Employee, 15, PGDM, B.E. (Mech), 21/06/12, 40, Nestle India Ltd., Key Account Manager-Sales; 26. Shri Jignesh Shah*, Sr. General Manager-marketing, 1944305, Employee, 22, BE, MBA, 30/12/13, 46, Jyoti Laboratories Ltd., GM-Marketing; 27. Shri Vilien Dengle*, General Manager-Marketing, 3643889, Employee, 18, BE, MMS, 12/10/15, 42, Abbott India Ltd., Associate Director-OTC

*Employees who were employed for part of the Financial 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

N/A

Corporate Governance Report

for the year ended March 31, 2016

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Emami firmly believes in adhering to established Corporate Governance practices in order to ensure the protection of the interests of investors in tandem with the healthy growth of the Company ever since its inception. 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 (LODR) 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 maximization of shareholders' value. Pursuant to this objective, the Company's management and employees have manufactured and marketed products which have created long-term sustainable value for consumers, shareholders, employees, business partners, 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. To meet this end, the Company formed a Board comprising reputed experts, and inducted persons of eminence as Independent Directors. These persons contribute to corporate strategising and provide an external evaluative perspective, 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, consumer behavior as well as legal and general management. Many of them have worked extensively in senior management positions in global corporations with a deep understanding of the Indian business environment. The Chairman, Managing Director and Whole time Directors are assisted by the CEOs/CFO/ senior managerial personnel in overseeing 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 Board

The Board of Directors consists of professionals drawn from diverse fields, resulting in a wide range of skills and experience brought to the Board. The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. As on 31st March 2016, the Board comprises of an Executive Chairman, a Managing Director, five Executive Directors and nine Non-Executive Directors including eight Independent Directors. The Company has 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 (LODR) Regulations, 2015 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		**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)	Shri Sajjan Bhajanka
6)	Shri H.V. Agarwal, Wholetime Director	6)	Shri S.B. Ganguly
7)	Smt Priti A Sureka, Wholetime Director	7)	Shri Amit Kiran Deb
8)	Shri Prashant Goenka, Wholetime Director	8)	Smt. Rama Bijapurkar

During the year, Shri Vaidya Suresh Chaturvedi resigned from the Board due to his ill health and the Board accepted his resignation on August 5, 2015. Smt. Rama Bijapurkar was appointed as an Independent cum Additional Director on September 1, 2015.

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.

C. Agenda Papers distributed in Advance

The Agenda and Notes on the 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. Role of Company Secretary in overall Governance Process

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

f. Compliance

The Company Secretary is responsible 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 (LODR) Regulations; besides preparing the agenda, the notes on the agenda and minutes of the meeting, among others. The Company Secretary establishes and regularly monitors the compliance mechanism in place to carry out effective and timely compliance of relevant laws, rules and regulations

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

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

The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations 2015.

g. Risk Management

The Company has a comprehensive ISO 31000:2009 certified Enterprise Risk Management system at work. The risk management system is periodically reviewed by the Risk Management Committee, Audit Committee, Corporate Governance

Committee and the Board of Directors of the Company.

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

h. Number of Board meetings and the Directors present therein

The Board of Directors held four meetings during the year on May 13, 2015, August 5, 2015, October 29, 2015 and January 28, 2016.

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 13, 2015	16	15
2	August 5, 2015	15	14
3	October 29, 2015	16	13
4	January 28, 2016	16	13

The maximum time gap between any two meetings was less than 120 days as prescribed under regulation 17(2) of SEBI (LODR) Regulations, 2015.

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, 2016

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 31.03.2016 *	Number of committee positions held**	Attendance at the last AGM
1	Shri R.S. Agarwal DIN 00152996	Promoter Executive Director (Chairman)	Father of Shri A.V. Agarwal, Shri H.V. Agarwal & Smt. Priti A Sureka	03.05.94	4	6	None	Yes
2	Shri R.S. Goenka DIN 00152880	Promoter Executive Director	Brother of Shri S.K. Goenka and father of Shri Mohan Goenka	08.11.12#	4	8	Chairman-2 Member-2	Yes
3	Shri S. K. Goenka DIN 00149916	Promoter Executive (Managing Director)	Brother of Shri R.S. Goenka	17.05.95	4	4	Chairman-1 Member-2	Yes
4	Shri K.N. Memani DIN 00020696	Non – Executive Independent Director	-	15.05.06	2	9	Chairman-6 Member-13	No
5	Shri Y.P. Trivedi DIN 00001879	Non – Executive Independent Director	-	30.01.10	2	7	Member-2	Yes
6	Shri P. K. Khaitan DIN 00004821	Non-Executive Independent Director	-	24.06.13	3	10	Chairman-4 Member-17	Yes
7	Shri M. D. Mallya DIN 01804955	Non-Executive Independent Director	-	20.01.14	4	10	None	Yes
8	Shri Sajjan Bhajanka DIN 00246043	Non – Executive Independent Director	-	08.05.12	3	19	Chairman-1 Member-13	Yes
9	Shri S.B. Ganguly DIN 01838353	Non – Executive Independent Director	-	30.01.10	4	8	Chairman-4 Member-14	Yes
10	Shri Amit Kiran Deb DIN 02107792	Non – Executive Independent Director	-	30.01.10	4	5	Chairman-1 Member-3	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 31.03.2016 *	Number of committee positions held**	Attendance at the last AGM
11	Smt. Rama Bijapurkar DIN 00001835	Independent-cum- Additional Director	-	01.09.15	2	9	Chairman-5 Member-8	-
12	Shri Mohan Goenka DIN 00150034	Promoter Executive Director	Son of Shri R. S. Goenka	15.01.05	4	4	Chairman-1 Member-4	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	3	8	Member-2	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	3	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	4	4	Member-4	Yes
16	Shri Prashant Goenka DIN 00703389	Promoter Executive Director	Nephew of Shri R.S. Goenka & Shri S.K.Goenka	20.01.14	4	5	None	Yes

* Includes directorship in private limited companies, Section 8 Companies and other organisations.
** Committees also include non-statutory committees.

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

j. Information Placed before Board of Directors

The Company has complied with Part A of Schedule II of SEBI (LODR) 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, etc.

- 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, etc.
- Financials and minutes of meetings of subsidiary companies
- Appointment, remuneration and resignation of Director(s) and Key Managerial Personnel
- General Notices of Interest to the Directors including declaration of Independent Directors at the time of appointment/annually
- Appointment of Internal Auditors, Cost Auditor and Secretarial Auditor
- Secretarial Audit report submitted by Secretarial Auditor
- Certificate of Statutory Compliance certifying compliance with all laws as applicable to the Company
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulation, 1996
- Dividend declaration
- Grant of loans and making investments of surplus funds
- Transactions with related parties
- Review of the Risk Management Policy
- Any other important or critical matters

The Board is presented with all 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. Training of Board members and Independent Directors

At Emami, all the members of the Board of Directors are well-experienced professionals who are well acquainted with business knowledge of the industry. The Board members are provided necessary documents, reports and other presentations about the Company.

The Company has initiated a familiarisation programme for the Independent Directors as required under regulation 25(7) of the SEBI (LODR) Regulations 2015.

The details of the Familiarisation programme can be accessed at: http://www.emamiltd.in/investor-info/ pdf/ EmamiLtd Familiarization Programme ForIndependentDirectors.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. During the year the Company had also organized factory visits for the Independent Directors as a part of the familiarisation programme.

Further, in respect of Executive Directors, the Company arranges for training in the field of risk management of the Company's business. Such training enables better decision-making and helps the Executive Directors in discharging their responsibilities. The relevant statutory changes/ updates are circulated to them from time to time so that it helps the Directors to make better and informed decisions. During the year, the Executive Directors were imparted training on the Companies Act 2013 and the SEBI (LODR) Regulations 2015.

m. Whistleblower Mechanism

The Company has a strong and effective Whistleblower Policy which aims to deter and detect, actual or suspected, misconduct. It has been established to ensure that genuine concerns of misconduct / unlawful conduct, which an individual believes may be taking place within the organisation, are raised at an early stage in a responsible and confidential

manner. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. Any employee may report such incident without fear to the Chairman of the Audit Committee or alternatively may report to Head-Internal Audit.

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

n. Criteria for selection of Directors

The selection process of Board members is dependent on several parameters. The Company recognizes and embraces the benefits of having a diverse Board and believes that it will enhance the quality of the decisions of the Board by utilizing their varied skills, qualifications, professional experience, gender, knowledge etc 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.

o. 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 (LODR) 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.

p. Board Diversity Policy

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

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

q. 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 Board members are assessed on their effective contribution and commitment to their role and responsibilities as Directors. The Board evaluation process is carried out by the Nomination and Remuneration Committee.

r. 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 (LODR) 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 (LODR) Regulations, 2015.

a. Audit Committee
b. Nomination and Remuneration Committee
c. Share Transfer Committee
d. Stakeholders Relationship Committee
e. Finance Committee
f. Corporate Governance Committee
g. Corporate Social Responsibility Committee
h. 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 (LODR) 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 (LODR) 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, CEO- Finance, Strategy & Business Development and CFO, Head of Finance attend the Audit Committee as special invitees.

As on March 31, 2016 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 long standing experience in corporate matters.

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

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

The Audit Committee held four meetings during the year on May 13, 2015, August 4, 2015, (along with an adjourned meeting on August 5, 2015), October 29, 2015 and January 28, 2016.

Shri S.B. Ganguly, Chairman of the Committee was duly present in Annual General Meeting held on August 5, 2015.

The gap between any two meetings did not exceed 120 days complying with the Companies Act, 2013 and provisions of SEBI (LODR) 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, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence, performance and effectiveness of the audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, 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, category of Directors and number of meetings attended

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri S.B. Ganguly, Chairman	Independent	4
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 of 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 13, 2015 and October 29, 2015

Shri A .K .Deb, Chairman of the Committee was duly present at the Annual General Meeting held on August 5, 2015. The Company complies with the regulation 19 of SEBI (LODR) 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, category of Directors and number of meetings attended

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	2

REMUNERATION POLICY

Executive Directors

The Nomination & 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 Rs. 50,000/- (Rupees fifty thousand only) for attending Board meeting, ₹ 40,000/- (Rupees forty thousand only) for attending Audit Committee meeting and ₹25,000 /- (Rupees twenty Five thousand only) for attending each of other Committee meeting including Separate Meeting of Independent Directors. The aggregate sitting fees paid to Non-Executive Directors for the FY 2015-16 amounted to ₹25.25 Lakhs (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 i.e. 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 commision u/s 197 of the Companies Act, 2013.

Performance Evaluation Criteria for Independent Directors

As per the provisions of SEBI (LODR) 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 2015-16

(₹ *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)	-	270.00	250.00	32.40	0.40	552.80
2	Shri R.S. Goenka (Whole Time Director)	-	270.00	250.00	32.40	0.40	552.80
3	Shri S.K. Goenka (Managing Director)	-	72.00	-	8.64	0.22	80.86
4	Shri K.N. Memani (Independent Director)	1.00	-	7.00	-	-	8.00
5	Shri Y.P. Trivedi (Independent Director)	1.50	-	3.00	-	-	4.50
6	Shri P. K. Khaitan (Independent director)	1.50	-	3.00	-	-	4.50
7	Shri M. D. Mallya (Independent Director)	2.25	-	3.00	-	-	5.25
8	Shri Sajjan Bhajanka (Independent Director)	2.80	-	3.00	-	-	5.80
9	Shri S.B. Ganguly (Independent Director)	5.10	-	4.00	-	-	9.10
10	Shri Amit Kiran Deb (Independent Director)	5.60	-	3.00	-	-	8.60
11	Smt. Rama Bijapurkar (Independent director) appointed on 01.09.2015	1.25	-	2.00	-	-	3.25
12	Vaidya Suresh Chaturvedi (Independent Director) resigned w.e.f. 05.08.2015	0.50	-	-	-	-	0.50
13	Shri Mohan Goenka (Wholetime Director)	-	54.00	-	6.48	2.56	63.04
14	Shri A. V. Agarwal (Non-Executive Director)	3.75	-	-	-	-	3.75
15	Shri H. V. Agarwal (Whole Time Director)	-	54.00	-	6.48	0.40	60.88
16	Smt. Priti A Sureka (Whole Time Director)	-	54.00	-	6.48	0.40	60.88
17	Shri Prashant Goenka (Whole Time Director)	-	36.00	-	4.32	0.40	40.72

Shares held by the Non –Executive Directors as on 31st March, 2016

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	500
9	Shri A.V. Agarwal	Promoter Non-Executive	13,19,334
	Total		**13,19,834**

3. Share Transfer Committee

The Share Transfer Committee was constituted on August 19, 2010.

The Share Transfer Committee comprises of 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 five (5) meetings during the year on September 19, 2015, October 16, 2015, December 28, 2015, February 22, 2016 and March 30, 2016.

The functions of the committee include:

- Approval of transfer / transmission of securities of the Company;
- Overseeing of the performance of the Registrar and Transfer Agents of the Company;
- Redressal of shareholders' complaints relating to transfer of shares, non-receipt of Annual Reports and non-receipt of declared dividend, among others;
- Disposal of old stationeries of dividend warrants, among others;
- Issue of duplicate share certificates;
- Recommending upgradation measures for the standard of service to investors;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition, category of Directors and number of meetings attended

Name of the Members	Category of Director	Number of Meetings attended
Shri Mohan Goenka, Chairman	Promoter Executive	5
Shri A. V. Agarwal	Promoter Non-Executive	5
Shri H. V. Agarwal	Promoter Executive	4
Smt. Priti A Sureka	Promoter Executive	5

4. Stakeholders' Relationship Committee

The Investors' Grievances Committee was constituted by the Board on August 19, 2010. The Board at its meeting held on May 5, 2014 changed the nomenclature of the committee as Stakeholders Relationship Committee in line with Companies Act, 2013.

The Stakeholders Relationship Committee comprises of 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 28, 2016 wherein the Committee reviewed the status of Unclaimed Shares, Unclaimed

Dividend of previous years and the system of providing Investors' services among others.

Composition, category of Directors and number of meetings attended

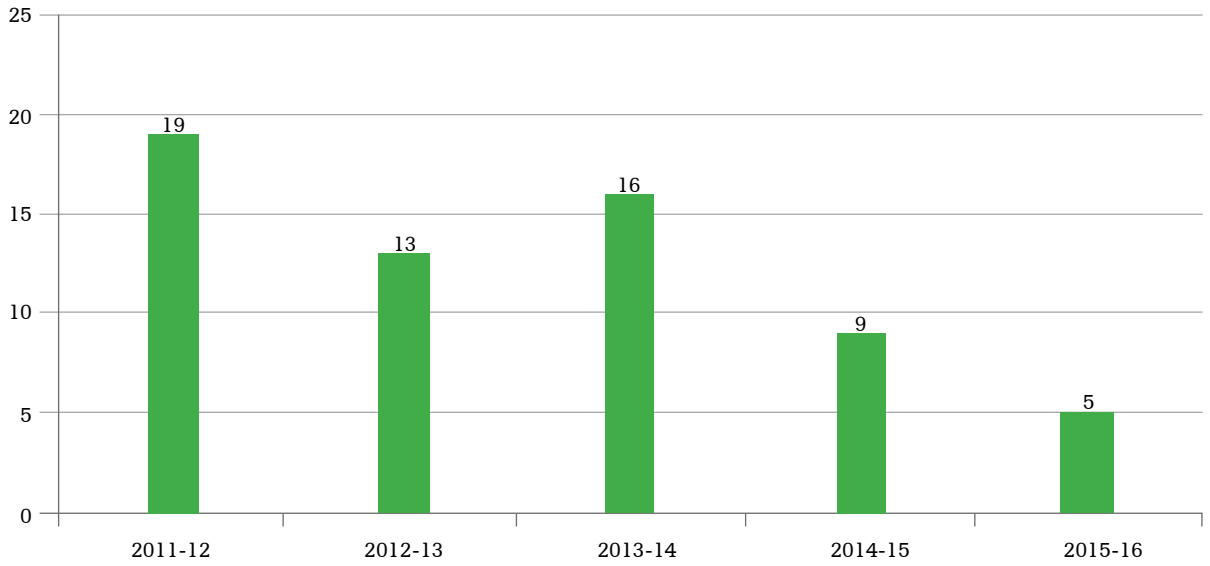
Name of the Members	Category of Director	Number of Meetings attended
Shri Sajjan Bhajanka, Chairman	Independent	-
Shri S. B. Ganguly	Independent	1
Shri Mohan Goenka	Promoter Executive	1
Shri H. V. Agarwal	Promoter Executive	1

The Company Secretary is the Compliance Officer as per the SEBI (LODR) Regulations, 2015.

During the year ended March 31, 2016, five 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 2015	Received during the year	Disposed during the year	Pending as on 31st March, 2016
1. Non-receipt of Dividend	NIL	-	-	NIL
2.Non-receipt of Share Certificate	NIL	-	-	NIL
3. Non-receipt of Annual Report	NIL	5	5	NIL
Total	**NIL**	**5**	**5**	**NIL**

Trend of Investors Complaints during last five years



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 (LODR) 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 of 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 six (6) meetings during the year on June 2, 2015, August 4, 2015, September 19, 2015, September 28, 2015, February 19, 2016 and

February 22, 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 Attorneys for empowering executives and/or authorised representatives for business operations of the Company;
- Opening, modification and closure of trading and demat accounts required for securities, derivatives, 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 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	6
Shri S.K. Goenka	Promoter Executive	6
Shri Mohan Goenka	Promoter Executive	6
Shri A. V. Agarwal	Promoter Non- Executive	4
Shri H.V. Agarwal	Promoter Executive	6
Smt. Priti A Sureka	Promoter Executive	5

6. Corporate Governance Committee

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

The Corporate Governance Committee comprises of 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 Listing Agreement.

The Committee held one (1) meeting during the year on January 28, 2016.

The following reports were reviewed by the Committee at the said meeting:

- Statutory compliance report;
- Compliance controls and audit methodology report and
- Auditing methodology of the Statutory Auditors.

Composition, category of Directors and number of meetings attended

Name of the Members	Category of Director	Number of Meetings attended
Shri S. B. Ganguly, Chairman	Independent	1
Shri R.S. Goenka	Promoter Executive	1
Shri Y. P. Trivedi	Independent	1
Shri Amit Kiran Deb	Independent	1

7. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on March 31, 2014.

The Corporate Social Responsibility Committee compromises 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 13, 2015, August 4, 2015, October 29, 2015 and January 28, 2016.

Composition, category of Directors and number of meetings attended

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

8. Risk Management Committee

In terms of regulation 21 of the SEBI (LODR) Regulations, 2015, the Board has constituted a "Risk Management Committee" on October 29, 2015.

The Risk Management Committee of the Board comprises of 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 one (1) meeting during the year on January 28, 2016.

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	1
Shri S. B. Ganguly	Independent	1
Shri S.K. Goenka	Promoter Executive	1
Shri Mohan Goenka	Promoter Executive	1
Shri H. V. Agarwal	Promoter Executive	1
Smt. Priti A Sureka	Promoter Executive	1

Separate Meeting of the Independent Directors

A separate meeting of Independent Directors was held on January 28, 2016. The meeting was attended by Shri Y. P. Trivedi, Shri M. D. Mallya, Shri S. B. Ganguly, Shri A. K. Deb and Smt. Rama Bijapurkar.

Shri Y. P. Trivedi, the Lead Independent Director along with the Independent Directors reviewed the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole. The Independent Directors further assessed the quality, quantity and the timeliness of flow of information between the Management and the Board.

The Directors also discussed about the Diversity of the Board and felt that the Board was adequately diverse as it comprised of Directors from various sectors.

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.emamiltd.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf

As on March 31, 2016 the Company had the following non-listed overseas subsidiary Companies:

1. Emami Bangladesh Ltd, a wholly owned subsidiary of Emami Limited
2. Emami International FZE, UAE a wholly owned subsidiary of Emami Limited
3. Emami Overseas FZE, UAE a wholly owned subsidiary of Emami International FZE
4. Pharma Derm S A E Co, Egypt, 90.59% subsidiary of Emami Overseas FZE
5. Fravin Pty. Ltd, Australia, 66.67% 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 (LODR) Regulations, 2015 with respect to the Subsidiary Companies.

DISCLOSURES

a. Related party transactions

The policy on material related party transactions, dealing with related parties and a statement on such policy has been uploaded on the Company's website www.emamiltd.in.

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 Accounting Standard 18 are disclosed in Note No. 3.51 to the audited accounts. A statement of these transactions was also placed before the Audit Committee and in the Board meetings from time to time.

The Policy for Transactions with Related Parties can be accessed at: http://www.emamiltd.in/investor-info/pdf/ PolicyforTransactionswithRelatedParties.pdf

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has been no instance of any non-compliance.

c. Accounting treatment in preparation of financial statements

The Company followed the guidelines as laid down in the Accounting Standards, prescribed by the Institute of Chartered Accountants of India, for the preparation of the financial statements.

d. Risk management

The Company has framed a comprehensive Enterprise Risk Management policy, not only to manage risks but also to minimize 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 & Records, Minutes of Meetings, Transmission of Shares & 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.

GENERAL SHAREHOLDERS INFORMATION

Resignation / Appointment of Director

Vaidya Suresh Chaturvedi, an Independent Director resigned from the Board of the Company on August 5, 2015 due to his ill health. The Board placed on record its appreciation for the valuable contribution made my him during his tenure as an Independent Director on the Board of the Company.

Smt. Rama Bijapurkar was appointed as an Independent-cum-Additional Director of the Company by the Board for a term of 3 years with effect from September 1, 2015 subject to approval of shareholders in the ensuing Annual General Meeting. The Company has received a notice u/s 160 of the Companies Act, 2013 proposing regularization/ appointment of Smt. Rama Bijapurkar as an Independent Director of the Company in the forthcoming Annual General Meeting.

Re-appointment of Directors:

The Board of Directors reappointed Shri Mohan Goenka and Shri H.V. Agarwal as Wholetime Directors on January 15, 2016 for a period of 5 years and also reappointed Shri S.K. Goenka as Managing Director on May 5, 2016 for a period of 5 years upon recommendation of the Nomination and Remuneration Committee and subject to approval of Shareholders in the ensuing Annual General Meeting. Smt Priti A Sureka, Shri Prashant Goenka and Shri A.V. Agarwal would retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. Consent of Shareholders has been sought in the ensuing Annual General Meeting for continuation of holding of office by Shri R. S. Agarwal, as Executive Chairman and Shri R. S. Goenka as Whole Time Director after the age of 70 years during the currency of their term of appointment.

GENERAL BODY MEETINGS

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

For the year ended	Location	Date	Time	Special resolutions transacted
March 31,2015	South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068	Wednesday, August 5,2015	11.30 am	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 crores (Rupees Seven hundred crores only). 2) Authorisation for Borrowing up to a sum of ₹1,500 crores (Rupees fifteen hundred crores) under section 180(1)(c) of the Companies Act 2013.
March 31,2014	South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068	Saturday, August 9, 2014	11.30 am	1) Alteration of Articles of Association in relation to use of electronic mode for voting by members, participation in meeting of the Board of Directors, service of documents and maintenance of registers and records. 2) Authorsation 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.
March 31, 2013	South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068	Wednesday, August 7, 2013	11.30 am	None

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 at the 32nd Annual General Meeting (AGM) by electronic means, provided by Central Depository Securities Limited (CDSL).

Green Initiatives drive by the Ministry of Corporate Affairs, Government of India:
The Company as a responsible corporate citizen welcomes and supports the Green Initiatives taken by the Ministry of Corporate Affairs, Government of India by its circular, enabling electronic delivery of documents to the shareholders. The Company has already implemented to send the communication to the shareholders by electronic mode at their e-mail addresses registered with the Depository / Registrar & 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 & Share Transfer Agent of the Company or to their Depository Participants so as to enable the Company to use the same for serving documents to them electronically.

Code for prevention of Insider-Trading practices:
As per the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company Secretary is the Compliance Officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board.

The Company has adopted a Code of Conduct for Prevention of Insider Trading as well as a Code of 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.

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. Presentation
Detailed presentations 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 a designated email-id exclusive for investor services – investors@emamigroup.com

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.

SHAREHOLDERS' INFORMATION

Annual General Meeting

Day, date and time	Wednesday, August 3, 2016 at 11:30 am
Venue	"Auditorium of South City International School" 375, Prince Anwar Shah Road, Kolkata- 700 068
Last date of receipt of proxy	Monday, August 1, 2016 till 11:30 am
Book closure dates	Thursday, July 28, 2016 to Wednesday, August 3, 2016 (both days inclusive)

FINANCIAL CALENDAR

Financial year: April 1, 2015 to March 31, 2016

The Board Meetings for approval of financial results for financial year 2015-16 were held on the following dates:

First quarter results	August 5, 2015
Second quarter results	October 29, 2015
Third quarter results	January 28, 2016
Fourth quarter and annual results	May 5, 2016

The tentative dates of the Board meetings for consideration of quarterly and annual financial results for the financial year 2016-17 are as follows:

First quarter results	On or before August 14, 2016
Second quarter results	On or before November 14, 2016
Third quarter results	On or before February 14, 2017
Fourth quarter and annual results	On or before May 30, 2017

Dividend payment date:

August 3, 2016 onwards (within thirty days of the declaration of the dividend).

MARKET INFORMATION

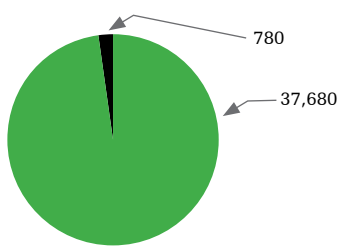
Listing on Stock Exchanges:

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

Sl. No.	Name and address of the exchange	Stock code
1	**The National Stock Exchange of India Ltd** Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai 400 051, India	EMAMILTD
2	**BSE Ltd** Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 023, India	531162
3	**The Calcutta Stock Exchange Ltd** 7, Lyons Range, Kolkata-700001, India	18136

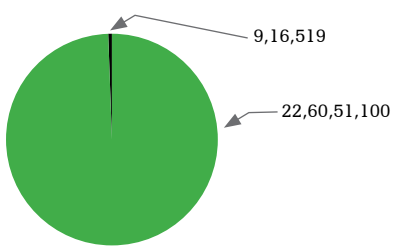
Number of Shareholders and shares held in physical and dematerialized form as on March 31, 2016:

Number of Shareholders



Total No. of folio - 38,460

Number of Shares



Total No. of Shares - 22,69,67,619

Demat Physical

Dematerialisation of shares and liquidity as on March 31, 2016

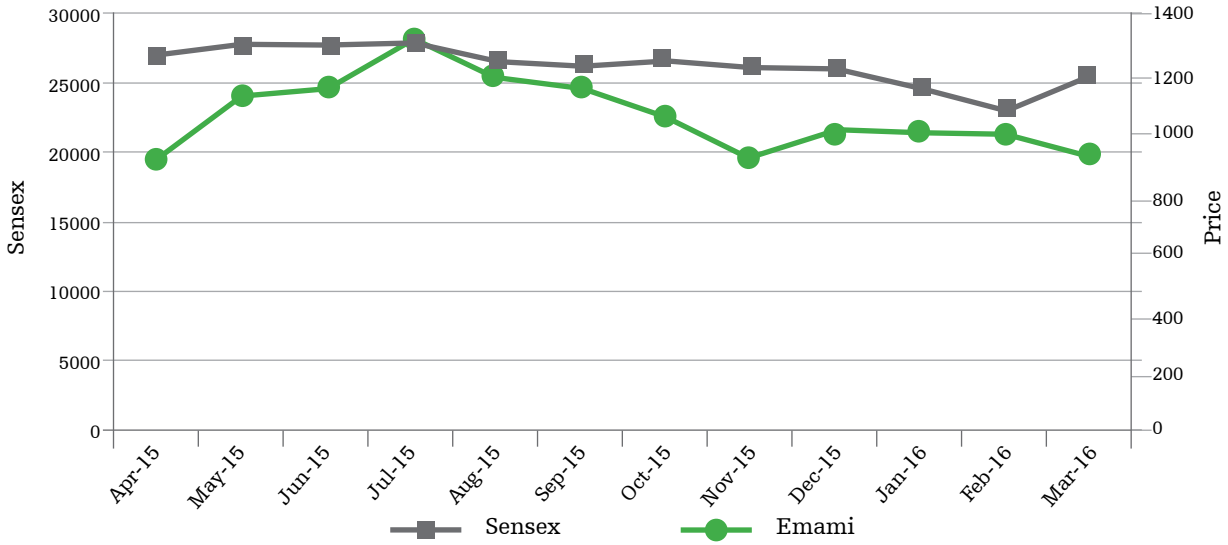
Nature of holding	Holders	Shares	Percentage
Physical	780	9,16,519	0.40
Demat	37,680	22,60,51,100	99.60
Total	38,460	22,69,67,619	100.00

Emami share price vis-à-vis BSE Sensex

April 2015-March 2016 (Face value of shares ₹ 1 each)

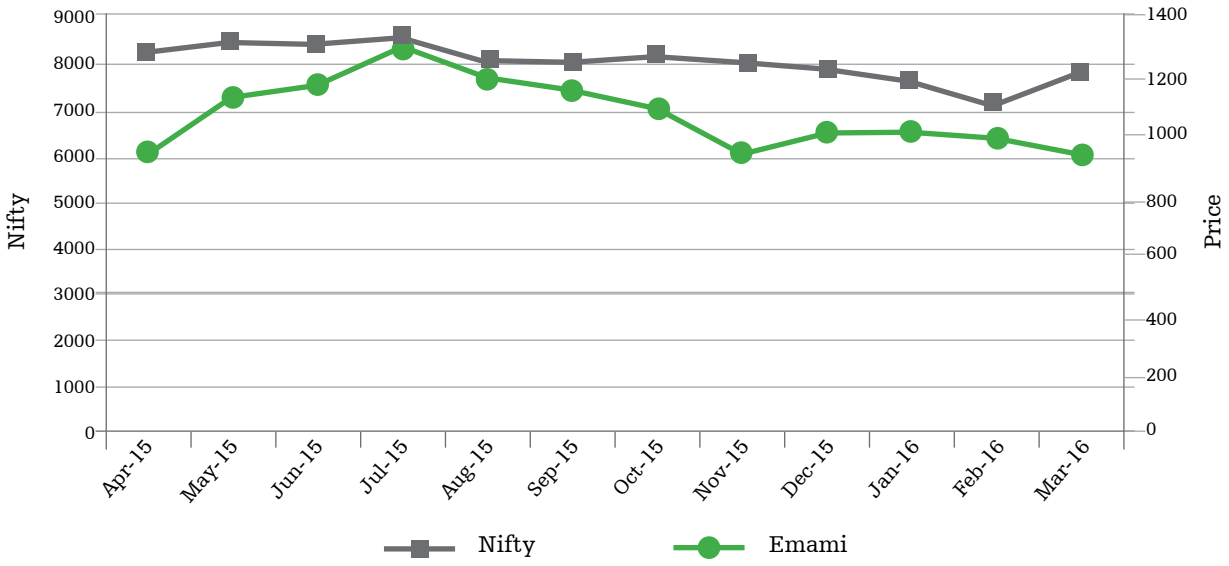
Month	BSE Sensex Close	Emami share price on BSE			Number of shares traded during the	Turnover (₹ in lacs) on BSE
		High	Low	Close		
Apr-15	27011.31	1122.15	916.45	926.60	172626	1751.81
May-15	27828.44	1146.00	875.05	1117.60	350336	3498.08
Jun-15	27780.83	1166.00	1000.00	1159.85	286526	3124.40
Jul-15	28114.56	1340.00	1107.25	1310.30	270050	3247.85
Aug-15	26283.09	1367.90	1145.20	1193.10	288375	3717.38
Sep-15	26154.83	1293.45	1051.15	1152.80	345987	3947.30
Oct-15	26656.83	1215.75	987.35	1070.50	244851	2707.98
Nov-15	26145.67	1083.95	903.70	929.20	235933	2316.23
Dec-15	26117.54	1035.90	924.00	998.15	251945	2475.93
Jan-16	24870.69	1032.80	945.00	1006.50	172287	1717.12
Feb-16	23002.00	1075.90	951.00	983.55	507580	5001.43
Mar-16	25341.86	1011.00	901.00	930.80	937171	9135.77

Graphical representation of share price of Emami Ltd at BSE vis-à-vis S&P BSE Sensex



Emami share price vis-a-vis National Stock Exchange April 2015 – March 2016
(Face value of shares ₹ 1/- each) –

Month	NSE Nifty Close	Emami share price on NSE			Number of shares traded during the month	Turnover (₹ in lacs) on NSE
		High	Low	Close		
Apr-15	8181.50	1121.60	914.00	930.45	2672704	26723.49
May-15	8433.65	1147.40	870.00	1120.35	3568197	35271.71
Jun-15	8368.50	1166.60	996.00	1159.75	4085015	44583.23
Jul-15	8532.85	1342.00	1108.40	1311.00	4362908	52463.99
Aug-15	7971.30	1365.00	1149.35	1192.00	3749731	48276.84
Sep-15	7948.90	1296.00	1040.00	1152.60	6457915	75332.88
Oct-15	8065.80	1220.00	975.50	1071.60	2799595	31026.29
Nov-15	7935.25	1085.75	901.00	928.15	3732567	36964.95
Dec-15	7946.35	1036.00	923.20	999.50	4666377	45852.68
Jan-16	7563.55	1032.60	944.00	1007.65	3001151	29822.61
Feb-16	6987.05	1091.00	950.00	983.90	2932679	29855.89
Mar-16	7738.40	1013.00	901.00	932.30	2824791	26910.92



Registrar and Share Transfer Agents:

M/s Maheshwari Datamatics Private Limited
6, Mangoe Lane, Kolkata – 700001

West Bengal, India Tel: 91-033-2248 2248, 2243 5809 / 5029

Fax No 91-033-2248 4787, Email: mdpl@cal.vsnl.net.in

Share transfer system
Applications for transfer of shares held in the physical form are received at the office of the Registrar and Share Transfer Agent of the Company (RTA). 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 (LODR) Regulations, 2015, a certificate on a half-yearly basis confirming

the compliance of share transfer formalities, quarterly certificate for timely dematerialisation of the shares as per SEBI (Depositories & Participants) Regulation, 1996 are sent to the Exchanges by the Registrar & Transfer Agent.

Besides, Reconciliation of Share Capital Audit Report by the Practicing Company Secretaries for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and total number of dematerlised shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the audit report is submitted to the Stock Exchanges.

Shareholding Pattern as on March 31, 2016

Category	Number of shares held	% of shareholding
A. Promoters' holding		
- Indian promoters		
Individuals	2,22,96,826	9.82
Corporates	13,87,26,281	61.12
- Foreign promoters (NRI)	40,65,748	1.80
Sub-total	**16,50,88,855**	**72.74**
B. Non-Promoters holding		
1. Institutional investors		
a. Mutual funds and UTI	26,03,339	1.15
b. Banks, financial institutions and insurance companies	1,20,564	0.05
c. Foreign institutional investors	3,69,10,922	16.26
Sub-total	**3,96,34,825**	**17.46**
2.Others		
a. Private corporate bodies	1,23,88,981	5.46
b. Indian Public	92,91,372	4.10
c. NRI / OCBs	3,80,990	0.17
d. NBFC	4,895	-
e. Trusts	5,251	-
f. Clearing Member	1,68,250	0.07
Sub-total	**2,22,43,939**	**9.80**
Grand total	**22,69,67,619**	**100.00**

Distribution of shareholding by size as on March 31, 2016

Shareholding of nominal Value (₹1/-)	Shareholders		Share amount	
	Number	% of total	In Rs.	% of total
Up to - 500	35475	92.2387	2723755	1.2001
501 - 1000	1264	3.2865	879697	0.3876
1001 – 2000	657	1.7083	894410	0.3941
2001 – 3000	243	0.6318	592232	0.2609
3001 – 4000	127	0.3302	445484	0.1963
4001 – 5000	96	0.2496	431760	0.1902
5001 – 10,000	181	0.4706	1275779	0.5621
10,001 and above	417	1.0842	219724502	96.8087
Grand Total	**38460**	**100.00**	**226967619**	**100.00**

Top ten Shareholders as on March 31, 2016

Sl. No.	Name	No of Shares held	% of Shareholding
1	Diwakar Viniyog Private Limited	33326237	14.6833
2	Suntrack Commerce Private Limited	32691366	14.4035
3	Bhanu Vyapaar Private Limited	27604261	12.1622
4	Emami Enclave Makers Private Limited	13458553	5.9297
5	Suraj Viniyog Private Limited	13099281	5.7714
6	Emami High Rise Private Limited	13076503	5.7614
7	Avees Trading and Finance Private Limited	8089055	3.564
8	Smallcap World Fund, Inc	5805950	2.5581
9	Tmt Viniyogan Limited	4956580	2.1838
10	Smt Priti Sureka	4950000	2.1809

Corporate Benefits to Investors during the year:

The Board of Directors at their meeting held on May 13, 2015 declared payment of Final Dividend @ 3/- per share which was paid to all the shareholders registered in the Register of Members maintained by the Company Depositories on the record date i.e., July 28, 2015 fixed for determining entitlement of Final dividend.

Unclaimed Dividends:

Unclaimed Dividend for the Financial Year 2007-08 was transferred into Investors Education & Protection Fund on September 23, 2015 in compliance with section 124 of the Companies Act, 2013. The particulars of unpaid dividend for the previous seven years are uploaded on the Company's website and filed with the Ministry of Corporate Affairs.

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, 2016 in Demat form.

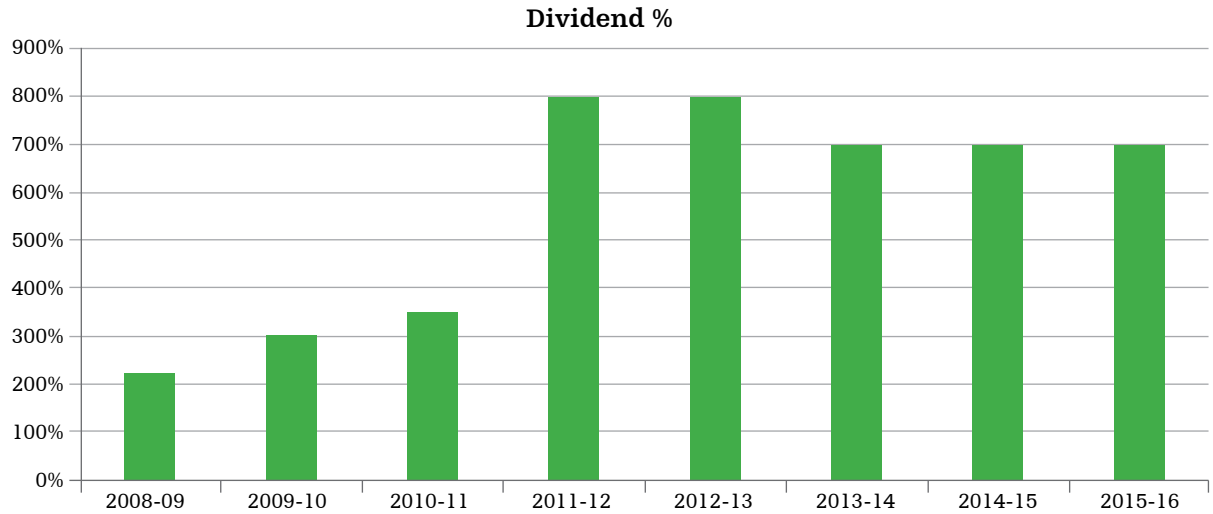
4200 equity shares of the Company in physical form which were undelivered and Dividend on which was also unclaimed since last seven years were transferred into Emami Limited Securities Suspense account on March 30, 2016. The voting rights of the shares standing in the suspense account shall remain frozen till the rightful owner of such shares claims the same.

Dividend History of the Company with EPS & payout Ratio:

Financial Year	Face Value per share	Dividend (%)	Dividend per share (₹)	Earnings per share (₹)	Payout Ratio* (%)
2008-09	2	225%	4.50	13.77	38%
2009-10	2	300%	6.00	22.67	28%
2010-11	1	350%	3.50	15.12	27%
2011-12	1	400% + 400% special dividend	8.00	17.11	55%
2012-13	1	800%	8.00	21.40	44%
2013-14	1	Interim 300% Final 400%	7.00	17.55	47%
2014-15	1	Interim 400% Final 300%	7.00	21.40	39%
2015-16	1	700%	7.00	15.82	53%

*Including dividend distribution tax.

Dividend History of the Company



Capital base increased in the Finanical 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

Assam
Amingaon Plant
EPIP Complex Amingaon, Guwahati - 781031
Abhoypur Plant
Abhoypur Plant P.O. College Nagar, Abhoypur, Guwahati, Assam - 781031

Maharashtra
Sanjan Village, Dongari, TalukaTalasari, Maharashtra - 401601

Gujarat
Plot No. 82, G I D C, Vapi, Gujarat - 396194

Uttarakhand
Plot No 40 & 41, Sector 5,IIE,Pantnagar, Udhamsingh Nagar, Uttarakhand - 263 152

Dadra & Nagar Haveli
Survey No 61/2, Plot No 1, Village Masat, Silvassa, Dadra & Nagar Haveli - 396230

Address for correspondence:

Emami Limited,
Emami Tower, 687, Anandapur, E M Bypass, Kolkata West Bengal – 700107.
Email id: investors@emamigroup.com
Tel: 033-6613-6264

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	Date of Publication	Newspaper	
		Vernacular	National
31.03.2015	May 14, 2015	Ei Samay	ET, Business Standard, Financial Express, Mint
30.06.2015	August 6, 2015	Ei Samay	ET, Business Standard, Financial Express, Mint
30.09.2015	October 30, 2015	Ei Samay	ET, Business Standard, Financial Express, Mint
31.12.2015	January 29, 2016	Ei Samay	ET, Business Standard, Business Line, Financial Express, Mint

CEO (Managing Director)/CFO certification

The CEO and CFO certification as required by SEBI (LODR) Regulations, 2015 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 (LODR) 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 as per SEBI (LODR) Regulations, 2015.

Non-mandatory requirements:

1. The Board (Maintenance of Chairman Office):

The Company has an Executive Chairman and as such does not require a Non-Executive Chairman's Office.

2. Shareholders' rights

The quarterly and half-yearly financial results are published in widely circulating national and local dailies and are displayed on the Company's website www.emamiltd.in.

3. Audit Qualification

There is no audit qualification given in the Auditors' Report.

4. Separate posts of Chairman, Managing Director and CEO

The Company has separate persons as Executive Chairman and Managing Director. Shri R.S. Agarwal is the Executive Chairman, whereas Shri Sushil Kr. Goenka is the Managing Director of the Company 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, 2016, 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. Any 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 2015-16.

Date: May 5, 2016 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 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

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 above-mentioned Listing Agreement / 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

S K Agrawal
Partner
Membership No.9067

Place: Kolkata
Dated: May 5, 2016

Business Responsibility Report

Emami Ltd.

About this report

SEBI (LODR) Regulations, 2015 prescribe that top 100 companies based on market capitalisation as per NSE / BSE as on March 31 of every financial year, are required to have "Business Responsibility Report" (BRR) as part of their Annual Report. The said regulations have been effective from December 1, 2015. Following is the First Business Responsibility Report of your Company as the Company is among top 100 listed entities as per the market capitalisation at NSE/ BSE as on March 31, 2016. The reporting framework is based on 'National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business' (NVGs) released by the Ministry of Corporate Affairs, Government of India which requires businesses to embrace 'Environmental, Social, Governance' perspective in a sustainable manner. The report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (LODR) Regulations, 2015, and provides the information required by SEBI.

About Emami Limited

Emami Limited is one of the leading and fastest growing personal and healthcare business 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 over 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 16% 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, Kareena Kapoor Khan, Kangana Ranaut, Yami Gautam, Juhi Chawla, Shruti Hassan, 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, who are driving initiatives across healthcare, education, rural infrastructure, women 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:	2015-16

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Emami is a Fast-Moving Consumer Goods (FMCG) company and operates in niche consumer and healthcare product categories like Cooling Oils, Balms, Antiseptic cream, Fairness creams for men and ayurvedic Scalp and Hair Medicinal Oils. Our product portfolio includes over 300 trusted products. The principle products of the Company with Industrial Activity code are :

Sl. N0.	Product	Industrial Activity Code (As per Central Excise Tariff Code)
1.	Navratna Oil	30049011
2.	Zandu and Mentho Plus Balm	30049011
3.	BoroPlus Antiseptic Cream	30049011
4.	Fair and Handsome Cream	33049910
5.	Kesh King Oil	30049011

8. List Key products/ services that the Company manufactures/ provides:

i. Navratna Oil
ii. Zandu and Mentho Plus Balm
iii. BoroPlus Antiseptic Cream
iv. Fair and Handsome Cream
v. Kesh King Ayurvedic Medicinal Oil

9. Total number of locations where business activity is undertaken by the Company:

i. Number of International Locations (Details of major 5) - Emami operates through 8 overseas subsidiaries and has presence in 60+ countries with a manufacturing unit in Bangladesh as well. Major geographies where Emami operates in are:
   a. South Asian Association for Regional Cooperation (SAARC)
   b. Middle East, North Africa and Pakistan (MENAP),
   c. South East Asia and Australia (SEAA)
   d. CIS and Eastern Europe (CISEE)
   e. Africa

ii. Number of National Locations: Emami carries out its operations through its Head Office in Kolkata, 4 regional offices, 7 manufacturing units, 5 mother depots 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 (Consolidated)

1.	Paid Up Capital (INR):	22.69 crore
2.	Total Turnover (INR):	2,623.80 crore
3	Total Profit after Taxes (INR)	359.10 crore
4	Total spending on CSR as a percentage of Profit After Tax	2.8%
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, the number of subsidiary companies as on March 31, 2016 is eight (8).

2. **Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies):**

   Emami has subsidiaries in foreign countries as under:
   i. Emami Bangladesh Ltd.
   ii. Emami International FZE
   iii. Emami Overseas FZE (Step down subsidiary of Emami International FZE)
   iv. Pharmaderm Company SAE (Step down subsidiary of Emami Overseas FZE)
   v. Fravin PTY Ltd (Step down subsidiary of Emami International FZE)
   vi. Diamond Bio-Tech Laboratories PTY Ltd. (Step down subsidiary of Fravin PTY Ltd.)
   vii. Greenlab Organics Ltd. (Step down subsidiary of Fravin PTY Ltd.)
   viii. Abache PTY Ltd. (Step down subsidiary of Fravin PTY Ltd.)

The subsidiaries of the Company follow the practices which is in line with the Company's Business Responsibility Policy.

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. The Company 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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes. The policies have been approved by the Board and signed by the Managing Director.								
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes, the Company's officials/ respective departments are authorised to oversee the implementation of the policy								
6.	Indicate the link for the policy to be viewed online?	http://www.emamiltd.in/investor-info/pdf/Business_Responsibility_Policy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to all the internal and external stakeholders								
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, any grievances or feedback to the policies can be sent to investors@emamigroup.com and contact@emamigroup.com								
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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO 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 has published its first Business Responsibility Report for FY16 which forms part of the Company's Annual Report for FY16. The same can 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 FY16	Complaints Resolved during FY16	Complaints Resolved (%)
Investors' Complaints	5	5	100%
Consumers' Complaints	727	727	100%
Total	**732**	**732**	**100%**

PRINCIPLE 2: Products Lifecycle Sustainability

Since its inception, Emami has been innovating and launching brands meeting multiple consumer needs, spanning across various income groups, from young to old and everyone in - between. The Company is passionate about creating best in class and affordable brands in health and personal care markets.

Emami has harnessed the potential of Ayurveda and modern science to improve lives. Emami relentlessly strives to introduce next generation, eco-friendly technologies and foster differentiation through the utilisation of people-centric technologies that win the hearts of consumers.

Emami has always strived to raise consumers' 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.

Case Study – Sustainable Development across value Chain through cultivation of mucuna pruriens for Zandu Zandopa

Emami Limited has always been known for developing path breaking products for the benefit of all its stakeholders. To manage the quality of products and to ensure the sustainable supply of selected raw materials, the Company has developed backward linkages with different community based organisations / farmers for supply of authentic and quality raw materials in different states. One such example is contract cultivation of mucuna by farmers of south Gujarat. This mucuna (kauncha) is an ingredient in Emami's health care offering- Zandu Zandopa, for Parkinson's disease.

Under this programme about 100 local farmers from 5 villages (namely Ambach, Bumlab, Pandor, Bankas and Parmalim) cultivate the medicinal plant Mucuna under contractual farming and supply the same to Company. The Company provides technical guidance, training on cultivation and post-harvest management to all participant farmers along with quality planting material for this purpose. This initiative not only enhanced the incomes of the farmers but also made them aware about conservation of medicinal plants. The present initiative shows the importance of a participatory approach to promote medicinal plant cultivation as a tool for biodiversity conservation and livelihood enhancement of rural communities.

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.

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.

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 FY16 the HR team conducted training programs covering nearly 1740 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).

1. Please indicate the total number of employees - 2,879 permanent employees
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis – 1,922
3. Please indicate the number of permanent women employees: 384
4. Please indicate the Number of permanent employees with disabilities. NIL
5. Do you have an employee association that is recognised by management? – 6 Employee associations are recognised by the management
6. What percentage of your permanent employees are members of this recognised employee association? NIL
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

Category	No. of complaints filed during the FY	No. of complaints pending at the end of FY
Child labour/forced labour/ involuntary labour	Nil	Nil
Sexual harassment	Nil	Nil
Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

Particulars	Executives	Factory Workers
Permanent Employees	56%	56%
Permanent Women Employees	68%	52%
Casual/ Temporary/ Contractual Employees	-	45%
Employees with disabilities	NA	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 an 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. If so, provide details thereof, in about 50 words or so.**

   The Company provides healthcare facilities to the underprivileged in and around its business premises. Emami conducts community development initiatives and disaster management initiatives across its factory locations. Emami also conducts drinking water and sanitation programme in schools, provides scholarships to deserving students, computer training programmes, beautician training programmes, stitching and tailoring programmes to the underprivileged across its business locations.

PRINCIPLE 5: Human Rights

Emami respects and promotes human rights for all individuals. The Company's commitment to human rights and fair treatment is set in its Policy on Human Rights. The policy provides to conduct the operations with honesty, integrity and openness with respect for human rights and interests of employees.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   The Company follows its policy on Human Rights which are applicable to all employees in the Company. For its subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its Business Partners to follow the policy. Emami discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits the use of forced or child 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? Y/N. If yes, please give hyperlink for webpage etc.**

   No. The Company is in the process to initiate the strategies and initiatives on the same.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Emami firmly believes in sustainable development which is reinforced by environmental management systems practiced across manufacturing units. Emami is consistently putting in efforts to improve the environment protection measures further.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   No

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

   Emami has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to manufacture its products. The power consumption of the Company is negligible compared to its revenues. The efforts of the Company are aimed to minimise energy consumption inspite of the rapid increase in operations of the Company.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   In FY16, 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 (Confederation of Indian Industry)
   b. FICCI (Federation of Indian Chamber of Commerce and Industry)
   c. ASSOCHAM (Associated Chambers of Commerce and Industry of India)
   d. MCC Chamber of Commerce and Industry
   e. Bharat Chamber of Commerce
   f. Indian Chamber of Commerce
   g. The Advertising Standards Council of India

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes. Emami has advocated through the above organisations on Economic Reforms.

PRINCIPLE 8: Inclusive Growth and Equitable Development

Emami has always believed to ensure protection of interests of all stakeholders of the Company in tandem with healthy growth of the Company. The Company has leveraged the ancient science of ayurveda to create brands to meet the health care needs of the consumers.

The Company has always contributed towards CSR activities even before it was mandated by the law. All the business places of the Company have initiated many programmes for the underprivileged. The Company provides healthcare facilities, conducts community development initiatives, disaster management initiatives, drinking water and sanitation programme in schools, provides scholarships to deserving students and imparts vocational development skills across all its business locations.

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   The Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. A brief outline of the policy for undertaking the CSR activities of the Company includes the following:

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

   These projects are in accordance with Schedule VII of the Companies Act, 2013 and rules made thereunder.

2. **Are the programmes/ projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

   The aforesaid projects have been carried out by the Company directly and/ or through implementing agencies. The details can be found in Annexure IV of the Directors Report.

3. **Have you done any impact assessment of your initiative?**

   Yes, the CSR committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programme 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 lac)
1.	Promoting Healthcare, Water and Sanitation	86.78
2.	Promoting Education and Enhancing Vocational Skills, Livelihood enhancement	670.46
3.	Rural Development, Social Upliftment Program and Promotion of Art and Culture	239.84
	TOTAL	**997.08**

   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 business 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, one consumer case is pending before the Delhi State Commission.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)**

   Yes, 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 proven clinical benefits, the active ingredients, directions for use, safety, caution etc. and varies from product to product.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   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 is pending as on 31st March 2016.

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 Auditors' Report

To
The Members of
Emami Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **EMAMI LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cashflows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cashflows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

II. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information

and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of 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 and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its Financial Position in its financial statements (Refer Note No. 3.30 & 3.33 to the financial statements).

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, **S. K. Agrawal & CO.**
Chartered Accountants
Firm's Registration No- 306033E

S. K. Agrawal
Partner
Membership No: 9067

Place: Kolkata
Dated: May 5, 2016

Annexure -A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of EMAMI LIMITED ("the Company") on the financial statements for the year ended on 31st March 2016. 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, 2016 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 (₹ 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	16.47	2005-06 & 2013-14	ADC & JC
		476.74	1996-97 to 2004-05, 2006-07 to 2011-12 & 2015-16	AC(A) & DC(A)
		234.89	1990-91, 2000-01 to 2005-06, 2010-11 to 2011-12 & 2015-16	Tribunal/Board of Revenue
		264.40	1999-2000, 2004-05 to 2006-07	High Court
		113.50	1989-90, 1993-94 to 1996-97	Supreme Court
The Central Excise Act, 1944	Excise Duty	129.50	2008-09 to 2009-10	CESTAT
		5.49	1993-94 to 1995-96, 2009-10	Commissioner/CESTAT
		200.67	2009-2013	CESTAT
		6.59	2011-12 to 2013-14	Commissioner(Appeals)
Income Tax Act, 1961	Income Tax	3.05	2010-11 to 2011-12	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 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 No- 306033E

S. K. Agrawal
Partner
Membership No: 9067

Place: Kolkata
Dated: May 5, 2016

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 on 31 March 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Auditors' Judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 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 2016, 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 No- 306033E

S. K. Agrawal
Partner
Membership No: 9067

Place: Kolkata
Dated: May 5, 2016

Balance Sheet

as at 31st March, 2016

₹ *in Lacs*

	Notes	As at 31.03.2016		As at 31.03.2015	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3.1	2,269.68		2,269.68	
Reserves and Surplus	3.2	1,32,819.94	1,35,089.62	1,18,945.96	1,21,215.64
Non-Current Liabilities					
Long-Term Borrowings	3.3	30,000.00		–	
Deferred Tax Liabilities (Net)	3.4	–		1,239.00	
Other Long Term Liabilities	3.5	1,467.80		1,630.16	
Long-Term Provisions	3.6	2,808.31	34,276.11	2,334.61	5,203.77
Current Liabilities					
Short-Term Borrowings	3.7	36,000.00		837.99	
Trade Payables	3.8	18,576.45		12,658.25	
Other Current Liabilities	3.9	5,744.32		5,666.30	
Short-Term Provisions	3.10	20,620.11	80,940.88	10,005.30	29,167.84
TOTAL			**2,50,306.61**		**1,55,587.25**
ASSETS					
Non-Current Assets					
Fixed Assets	3.11				
Tangible Assets		44,352.23		39,138.98	
Intangible Assets		1,49,840.09		3,255.84	
Capital Work-in-Progress		5,480.34		2,267.43	
Intangible Assets under Development		545.12		229.49	
Non-Current Investments	3.12	708.01		707.99	
Long-Term Loans and Advances	3.13	10,939.50		4,174.80	
Other Non-Current Assets	3.14	73.55	2,11,938.84	1.03	49,775.56
Current Assets					
Current Investments	3.15	1,191.90		49,465.36	
Inventories	3.16	14,314.39		11,845.29	
Trade Receivables	3.17	5,200.71		5,600.02	
Cash and Bank Balances	3.18	7,255.51		32,608.50	
Short-Term Loans and Advances	3.19	10,405.26	38,367.77	6,292.52	1,05,811.69
TOTAL			**2,50,306.61**		**1,55,587.25**
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

S. K. Agrawal
Partner

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

Kolkata
5th May, 2016

Statement of Profit and Loss

for the year ended 31st March, 2016

₹ *in Lacs*

	Notes	2015-16	2014-15
INCOME			
Revenue From Operations	3.20	239,151.42	203,064.14
Other Income	3.21	3,275.56	9,582.15
Total Revenue		**242,426.98**	**212,646.29**
EXPENSES			
Cost of Materials Consumed	3.39	60,621.72	58,953.09
Purchase of Stock-in Trade	3.40	18,419.86	14,166.20
(Increase)/decrease in Inventories of Finished Goods and Work-in Progress	3.22	(2,009.33)	1,301.92
Employee Benefit Expenses	3.23	17,243.57	14,410.09
Foreign Exchange (Gain)/ Loss		(435.22)	(732.79)
Other Expenses	3.25	79,813.58	63,212.31
Total Expenses Before Interest, Depreciation & Amortisation (A)		**173,654.18**	**151,310.82**
Profit Before Interest, Depreciation & Amortisation and Tax		**68,772.80**	**61,335.47**
Finance Costs (B)	3.24	5,374.74	489.53
Depreciation and Amortisation Expense :	3.11		
a. Amortisation of acquired Trade marks/ brands		21,007.52	343.65
b. Depreciation/ amortisation of other assets		4,215.85	2,804.62
(C)		**25,223.37**	**3,148.27**
Total Expenses (A+B+C)		**204,252.29**	**154,948.62**
Profit Before Tax		**38,174.69**	**57,697.67**
Tax Expense:			
Current Tax		6,642.00	9,813.00
Deferred Tax	3.37	(1,239.00)	760.00
(Excess)/Short Provision of Earlier Years		4.67	(38.46)
Profit for the Period		**32,767.02**	**47,163.13**
Cash Profit		**57,990.39**	**50,311.40**
Earnings Per Equity Share	3.52		
(1) Basic (Face value of Re 1 each)		14.44	20.78
(2) Diluted (Face value of Re 1 each)		14.44	20.78
(3) Cash (Face value of Re 1 each)		25.55	22.17
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

S. K. Agrawal
Partner

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

Kolkata
5th May, 2016

Cash Flow Statement

for the year ended 31st March, 2016

₹ *in Lacs*

	2015-16	2014-15
A CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	38,174.69	57,697.67
Add : ADJUSTMENTS FOR		
Depreciation & Amortisation Expenses :		
a. Amortisation of acquired Trade marks/ brands	21,007.52	343.65
b. Depreciation/ amortisation of other assets	4,215.85	2,804.62
Interest (Net)	4,396.28	(5,209.75)
Loss / (Profit) on sale of Fixed Assets	51.44	26.13
Loss / (Profit) on sale of Investments	5,668.09	8,581.61
Sundry Balances Written back	60.83	–
Diminution in Value of Investment	6.01	(762.16)
Foreign Exchange Fluctuations	(435.22)	(732.79)
Dividend Received	(7,054.27)	(10,123.36)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**66,091.22**	**52,625.62**
Add : DECREASE / (INCREASE) IN WORKING CAPITAL		
Trade & other Payables	7,102.99	2,356.42
Inventories	(2,469.08)	1,817.02
Trade & other Receivables	(9,020.60)	1,792.91
Provision for Indirect Taxes	93.55	0.05
Provision for Employee Benefits	836.40	605.55
	(3,456.74)	**6,571.95**
CASH GENERATED FROM OPERATIONS	**62,634.48**	**59,197.57**
Less : Direct Taxes Paid	9,208.51	9,535.18
NET CASH FLOW FROM OPERATING ACTIVITIES	**53,425.97**	**49,662.39**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	122.52	118.07
Interest Received	1,073.28	5,654.29
Dividend Received	7,054.27	10,123.36
Sale of Investments	2,51,708.57	1,52,743.82
	2,59,958.64	**1,68,639.54**
Less : Purchase of Fixed Assets	1,80,723.42	9,974.91
Purchase of Investments	2,09,109.22	1,81,105.69
NET CASH USED IN INVESTING ACTIVITIES	**(1,29,874.00)**	**(22,441.06)**

Cash Flow Statement

for the year ended 31st March, 2016

₹ *in Lacs*

	2015-16	2014-15
C. CASH FLOW FROM FINANCING ACTIVITIES		
Subsidy Received	127.36	–
Loan Taken/(Repaid)	33,517.47	(369.21)
Issue of Debentures	30,000.00	–
Interest Paid	(5,163.16)	(499.89)
Interim dividend paid	–	(9,078.71)
Dividend Paid	(6,796.27)	(9,039.88)
Corporate Dividend Tax	(1,386.15)	(3,085.85)
	50,299.25	**(22,073.54)**
NET CASH USED IN FINANCING ACTIVITIES	**50,299.25**	**(22,073.54)**
D. EFFECT OF FOREIGN EXCHANGE FLUCTUATION	**435.22**	**732.79**
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C+D)	**(25,713.56)**	**5,880.58**
*** CASH & CASH EQUIVALENTS-OPENING BALANCE**	**32,217.14**	**26,336.56**
*** CASH & CASH EQUIVALENTS-CLOSING BALANCE**	**6,503.58**	**32,217.14**
Refer Note No : 3.18		

As per our report of even date

For S. K. Agrawal & Co. *Chartered Accountants*	**R S Agarwal** *Chairman*	**R S Goenka** *Director*	**S B Ganguly** *Director*
S. K. Agrawal *Partner*	**S K Goenka** *Managing Director*	**N H Bhansali** *CEO -Finance, Strategy & Business Development and CFO*	**A K Joshi** *Company Secretary & VP-Legal*

Kolkata
5th May, 2016

Accounting Policy

1 COMPANY INFORMATION

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, She Comfort, Mentho Plus Balm and others. The Company is a public limited company domiciled in India and is primarily listed on the Calcutta Stock Exchange (CSE), Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

2 SIGNIFICANT ACCOUNTING POLICIES

(i) General:

These accounts have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles and the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules, 2014 and other provisions of the Act, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013

(ii) Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(iii) Tangible Assets:

a. Tangible assets are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of fixed assets 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.

b. All pre-operative and trial run expenditure (net of realisation, if any) are capitalised.

c. Projects under commissioning and other Capital Work in Progress are carried at cost, comprising direct cost, related incidental expenses and interest on borrowings made for the purpose of acquisition of fixed assets.

(iv) Intangible Assets:

Intangible Assets are recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

(v) Depreciation and Amortisation

Tangible Assets :

Depreciation on tangible assets is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013 except for:

i) Block, dies & moulds (other than high-end moulds) are depreciated @ 100% in the year of purchase itself on prorata basis.

ii) Lease hold land is amortised over the period of lease.

Accounting Policy

Intangible Assets :

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. The useful life of all the assets are reviewed by the management periodically and changes there in are taken cognizance of, by accelerating or decelerating the pace of amortisation.

a. Goodwill is amortised over a period of five years.

b. Trade Marks, Brands and other Intangible Assets are amortised over a period not exceeding ten years.

c. Software is depreciated over a period of six years.

(vi) Investments:

Investments that are readily realizable and are intended to be held for not more than one year at the point of acquisition are classified as "Current investments". All other investments are classified as "Non Current Investments".

Long Term Investments are stated at cost. Current Investments are stated at cost or fair value whichever is lower. Diminution in value of long term investments other than temporary in nature is charged to Statement of Profit & Loss.

(vii) Inventories:

The inventories are valued at cost or net realisable value whichever is lower except for work in progress and advertising material which are valued at cost. The Cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.

(viii) Research & Development:

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.

(ix) Employee Retirement 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.

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. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Accounting Policy

b. Provision for Leave encashment and Gratuity is made on the basis of actuarial valuation as at the year end as per the requirements of Accounting Standard –15 (Revised 2005) on "Employee Benefits".

c. The Company has defined benefit plan comprising of Gratuity fund with Life Insurance Corporation of India. In Vapi, Dongari and Masat units the Leave Fund is with Life Insurance Corporation of India.

d. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions are recognised immediately in the Statement of Profit and Loss as income or expense. The classification of the Company's net obligation into current and non- current is as per the actuarial valuation report.

(x) Voluntary Retirement Scheme:

Expenditure incurred on voluntary retirement scheme is charged to profit in the year in which it is incurred.

(xi) Provisions and Contingent Liabilities:

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.

(xii) Government Grants:

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. Government grant in the nature of promoters' contribution is credited to the capital reserve.

(xiii) 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. Sales includes Sales Tax and are net of Trade discounts and other rebates. Dividend income is recognised when the company's right to receive dividend is established. All other income are recognised on accrual basis.

(xiv) Foreign Currency Transactions:

a. 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 Statement of Profit & Loss. The exchange differences arising from long term foreign currency monetary items relating to the acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital asset. Other exchange differences arising from Long-Term Foreign Currency Monetary Items are Transferred to ""Foreign Currency Monetary Item Translation Difference Account"" to be amortised over the life of such monetary items but not beyond March 31, 2020. Other exchange differences are recognized as income or expenses in the Statement of Profit & Loss.

b. Monetary Assets & Liabilities in foreign currency that are outstanding at the year end are as translated at the year end exchange rates and the resultant gain/loss is accounted for in the Statement of Profit & Loss.

c. Forward Exchange Contract - The premium or discount arising at the inception of forward exchange contracts entered into to hedge an asset / liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rate change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expenses for the period.

d. In respect of foreign currency option contracts which are entered into to hedge highly probable forecasted transactions the cost of these contracts, if any, is expensed over the period of the contract. Any profit or loss arising on settlement or cancellation of currency options is recognised as income or expenses for the period in which settlement or cancellation takes place. The effect of this currency options contracts outstanding at the year end, in the form of unrealised gains is not recognised.

(xv) Segment Reporting:

Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Company has considered business segments as the primary segments for disclosure. The Company's business activity falls within a single primary business segment, viz. "Personal and Healthcare". The analysis of geographical segments are demarcated into Indian and overseas operations.

(xvi) Excise Duty:

Excise duty on manufactured goods is paid at the time of despatch of goods from the factories and is included in the cost of finished goods (manufactured) held at the year end.

(xvii) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

(xviii) Taxation:

Provision for tax is made for both current and deferred taxes. Provision for current tax is made at the current tax rates based on assessable income. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate. Timing differences that originate and reverse within the tax holiday period are not considered for deferred tax purposes.

(xix) Impairment of Assets:

The Company identifies impairable assets at the year end in accordance with the guiding principles of Accounting Standard 28, for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystalises, are charged to statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

Notes forming part of the Accounts

3.1 SHARE CAPITAL

₹ *in Lacs*

Particulars	As at 31.03.2016	As at 31.03.2015
Authorised		
25,00,00,000 Equity Shares of Re 1/- each	2,500.00	2,500.00
Issued		
22,69,67,619 Equity Shares of Re 1/- each fully paid up	2,269.68	2,269.68
Subscribed & Paid up*		
22,69,67,619 Equity Shares of Re. 1/- each fully paid up	2,269.68	2,269.68
Total issued, subscribed and fully paid up share capital	2,269.68	2,269.68

*Of the above, 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 oustanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Shares outstanding at the beginning of the year	22,69,67,619	2,269.68	22,69,67,619	2,269.68
Shares outstanding at the end of the year	**22,69,67,619**	**2,269.68**	**22,69,67,619**	**2,269.68**

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of 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 31.03.2016		As at 31.03.2015	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	3,33,26,237	14.68	3,33,10,237	14.68
Suntrack Commerce Private Limited	3,26,91,366	14.40	3,26,75,366	14.40
Bhanu Vyapaar Private Limited	2,76,04,261	12.16	2,71,33,761	11.95
Emami Enclave Makers Private Limited	1,34,58,553	5.93	1,32,11,053	5.82
Suraj Viniyog Private Limited	1,30,99,281	5.77	1,28,41,931	5.66
Emami High Rise Private Limited	1,30,76,503	5.76	1,28,37,353	5.66

Notes forming part of the Accounts

3.2 RESERVES & SURPLUS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
a. Capital Reserves				
Opening Balance	79.64		79.64	
Addition during the year	229.05		–	
Closing Balance		308.69		79.64
b. Securities Premium Reserve		33,205.16		33,205.16
c. General Reserve				
Opening Balance	80,000.00		50,000.00	
Transferred from Surplus in Statement of Profit & Loss	–		30,000.00	
Closing Balance		80,000.00		80,000.00
d. Debenture Redemption Reserves				
Opening Balance	–		–	
Transferred from Surplus in Statement of Profit & Loss	7,500.00		–	
Closing Balance		7,500.00		–
e. Surplus				
Opening Balance	5,661.16		7,314.84	
Net Profit for the Period	32,767.02		47,163.13	
Transfer to Debenture Redemption Reserve	(7,500.00)		–	
Interim Dividend [₹ Nil /- (PY ₹4/-) per share]	–		(9,078.70)	
Proposed Dividend [₹7/- (PY ₹3/-) per share]	(15,887.73)		(6,809.03)	
Corporate Dividend Tax	(3,234.36)		(2,929.08)	
Transfer to General reserve	–		(30,000.00)	
Closing Balance		11,806.09		5,661.16
Total		**1,32,819.94**		**1,18,945.96**

3.3 LONG-TERM BORROWINGS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
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		30,000.00		–
Total		**30,000.00**		–

Notes forming part of the Accounts

3.4 DEFERRED TAX LIABILITIES (NET)

₹ *in Lacs*

Particulars	As at 31.03.2016	As at 31.03.2015
Deferred Tax Liabilities		
Tax impact due to difference between tax depreciation and book depreciation	–	2,453.00
Deferred Tax Assets		
Tax Impact of expenses charged off in financial statement but allowance under tax law deferred "	–	1,214.00
(Refer Note No : 3.37)		
Total	–	**1,239.00**

3.5 OTHER LONG TERM LIABILITIES

₹ *in Lacs*

Particulars	As at 31.03.2016	As at 31.03.2015
Trade Payables	226.50	377.15
Creditors for Capital Goods	1.09	23.32
Trade Deposits	591.65	581.13
Security Deposits	648.56	648.56
Total	**1,467.80**	**1,630.16**

3.6 LONG-TERM PROVISIONS

₹ *in Lacs*

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits		
Provident Fund	43.42	25.14
Gratuity	1,748.38	1,338.14
Leave Encashment	1,016.51	971.33
Total	**2,808.31**	**2,334.61**

3.7 SHORT-TERM BORROWINGS

₹ *in Lacs*

Particulars	As at 31.03.2016	As at 31.03.2015
Secured		
From Banks		
Cash Credit	–	837.85
Packing Credit	3,000.00	–
(Secured by hypothecation of stocks, book debts on first charge basis ranking pari passu among Citi Bank, Canara Bank, ICICI Bank, HDFC Bank and Hongkong and Shanghai Banking Corporation)		
Unsecured		
From Banks		
Commercial Paper	27,500.00	–
Packing Credit	5,500.00	–
ICICI Pact Project	–	0.14
Total	**36,000.00**	**837.99**

Notes forming part of the Accounts

3.8 TRADE PAYABLES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Micro, Small & Medium Enterprises (Refer Note 3.31)		281.47		151.42
Others		18,294.98		12,506.83
Total		**18,576.45**		**12,658.25**

3.9 OTHER CURRENT LIABILITIES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Current Maturities of Long-Term Borrowings		–		1,564.78
Interest Accrued but not due on Borrowings		283.86		27.61
Interest Accrued and due on Trade Deposits		34.05		78.72
Unpaid Dividends		110.71		98.01
Advance from Customers		871.73		589.00
Creditors for Capital Goods		312.58		172.36
Other Payables				
Employee Benefits	2,366.28		1,866.59	
Duties & Taxes	1,765.11	4,131.39	1,269.23	3,135.82
Total		**5,744.32**		**5,666.30**

3.10 SHORT-TERM PROVISIONS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Provision for Employee Benefits				
Gratuity		349.93		–
Leave Encashment		64.11		51.33
Others				
Provision for Dividend	15,887.73		6,809.03	
Corporate Dividend Tax	3,234.36		1,386.15	
Provision for Direct Taxes (Net of Advance Tax)	–		768.37	
Provision for Indirect Taxes	1,083.98	20,206.07	990.42	9,953.97
Total		**20,620.11**		**10,005.30**

Notes forming part of the Accounts

3.11 FIXED ASSETS (Current Year)

₹ in Lacs

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	Balance as at 1.4.2015	Additions	Disposals/ Adjustments	Balance as at 31.3.2016	Balance as at 1.4.2015	For the year	Disposals/ Adjustments	Balance as at 31.3.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
Tangible Assets										
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	21,658.69	1,030.93	23.98	22,665.64	3,285.55	551.60	18.23	3,818.92	18,846.72	18,373.14
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
Tangible Assets	**55,691.37**	**9,335.68**	**439.25**	**64,587.80**	**16,552.39**	**3,948.47**	**265.29**	**20,235.57**	**44,352.23**	**39,138.98**
Intangible Assets										
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	1,66,540.10	-	1,69,325.38	440.81	19,969.48	-	20,410.29	1,48,915.09	2,344.47
Intangible Assets	**4,694.17**	**1,67,859.15**	**-**	**1,72,553.32**	**1,438.33**	**21,274.90**	**-**	**22,713.23**	**1,49,840.09**	**3,255.84**
Total	**60,385.54**	**1,77,194.83**	**439.25**	**2,37,141.12**	**17,990.72**	**25,223.37**	**265.29**	**42,948.80**	**1,94,192.32**	**42,394.82**
Capital Work- In-Progress	2,267.43	5,733.21	2,520.30	5,480.34	-	-	-	-	5,480.34	2,267.43
Intangible Assets under Development	229.49	315.63	-	545.12	-	-	-	-	545.12	229.49
Grand Total	**62,882.46**	**1,83,243.67**	**2,959.55**	**2,43,166.58**	**17,990.72**	**25,223.37**	**265.29**	**42,948.80**	**2,00,217.78**	**44,891.74**

* Refer Note No : 3.38

3.11 FIXED ASSETS (Previous Year)

₹ in Lacs

Particulars	Gross Block				Depreciation & Amortisation				Net Block	
	Balance as at 1.4.2014	Additions	Disposals/ Adjustments	Balance as at 31.3.2015	Balance as at 1.4.2014	For the year	Disposals/ Adjustments	Balance as at 31.3.2015	Balance as at 31.03.2015	Balance as at 31.03.2014
Tangible Assets										
Land										
Leasehold	309.96	-	-	309.96	30.27	3.63	-	33.90	276.06	279.69
Freehold	1,554.32	475.25	-	2,029.57	-	-	-	-	2,029.57	1,554.32
Building	20,708.93	951.89	2.13	21,658.69	3,230.39	55.63	0.47	3,285.55	18,373.14	17,478.54
Plant & Equipment	22,731.36	2,828.48	529.48	25,030.36	8,336.25	1,870.37	487.86	9,718.76	15,311.60	14,395.11
Furniture & Fixture	2,225.18	119.47	33.26	2,311.39	648.44	227.93	28.08	848.29	1,463.10	1,576.74
Office Equipment	2,954.44	602.31	123.03	3,433.72	2,138.63	294.68	118.08	2,315.23	1,118.49	815.81
Motor Vehicles	811.11	275.13	168.56	917.68	324.76	103.67	77.77	350.66	567.02	486.35
Tangible Assets	**51,295.30**	**5,252.53**	**856.46**	**55,691.37**	**14,708.74**	**2,555.91**	**712.26**	**16,552.39**	**39,138.98**	**36,586.56**
Intangible Assets										
Goodwill	47,899.11	-	47,899.11	-	47,899.11	-	47,899.11	-	-	-
Software	1,517.33	391.56	-	1,908.89	770.19	227.33	-	997.52	911.37	747.14
Brands/ Trade Marks	107.50	2,677.78	-	2,785.28	75.78	365.03	-	440.81	2,344.47	31.73
Intangible Assets	**49,523.94**	**3,069.34**	**47,899.11**	**4,694.17**	**48,745.08**	**592.36**	**47,899.11**	**1,438.33**	**3,255.84**	**778.87**
Total	**1,00,819.24**	**8,321.87**	**48,755.57**	**60,385.54**	**63,453.82**	**3,148.27**	**48,611.37**	**17,990.72**	**42,394.82**	**37,365.43**
Capital Work- In-Progress	827.03	2,193.68	753.28	2,267.43	-	-	-	-	2,267.43	827.03
Intangible Assets under Development	16.85	212.64	-	229.49	-	-	-	-	229.49	16.85
Grand Total	**1,01,663.12**	**10,728.19**	**49,508.85**	**62,882.46**	**63,453.82**	**3,148.27**	**48,611.37**	**17,990.72**	**44,891.74**	**38,209.31**

Notes forming part of the Accounts

3.12. NON-CURRENT INVESTMENTS

₹ *in Lacs*

Particulars	As at 31.03.2016	As at 31.03.2015
Long Term Investments (Valued at Cost)		
Trade Investments		
Investment in Equity instruments (Unquoted)		
In Subsidiaries		
Emami UK Limited		
Nil (PY- 38,704 Ordinary Shares of £ 1 each)	–	–
(Refer Note No 3.36)		
Emami Bangladesh Limited		
37,916 Ordinary Shares of Taka 100 each	27.81	27.81
Emami International FZE		
1 Share of UAE Dirham 1,50,000/- each	18.98	18.98
(i)	46.79	46.79
Other Trade Investments		
Investment In Equity Instruments		
(Quoted)		
Emami Paper Mills Limited		
79,46,000 Equity Shares of ₹2/- each	368.48	368.48
Creative Eye Limited*		
10,000 Equity Shares of ₹5/- each	6.41	6.41
(Unquoted)		
CRI Limited		
95,630 Equity Shares of ₹10/- each	27.17	27.17
AMRI Hospitals Limited		
8,00,000 Fully paid Equity Shares of ₹10/- each	264.66	264.66
Investment In Government & Trust Securities (Unquoted)		
6 Years' National Savings Certificate	0.58	0.58
(Lodged With Government Authority)		
(ii)	667.30	667.30
Less : *Provision for Diminution in value of Investment (iii)	6.08	6.10
Total (i) + (ii) - (iii)	**708.01**	**707.99**
Aggregate Book Value of Quoted Investments	368.81	368.79
Aggregate Book Value of Unquoted Investments	339.20	339.20
Aggregate Market Value of Quoted Investments	3,254.21	3,417.08

Notes forming part of the Accounts

3.13 LONG-TERM LOANS AND ADVANCES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Unsecured				
Considered Good				
Capital Advances		9,134.54		2,857.44
Security Deposits		337.02		256.55
Advances to Related Parties (Refer Note No 3.51)		201.27		110.98
Advances to Employees		55.98		32.88
Balances with Excise and Sales Tax Department		389.51		416.79
Advances against Trade Payables		329.15		102.85
Others		492.03		397.31
Considered Doubtful				
Considered Doubtful	119.82		119.82	
Less: Provision for Doubtful Advances	(119.82)	–	(119.82)	–
Total		**10,939.50**		**4,174.80**

3.14 OTHER NON-CURRENT ASSETS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured)				
Trade Receivables				
Considered Good		73.55		1.03
Considered Doubtful		2.95		2.95
Less: Provision for Doubtful Debts		(2.95)		(2.95)
Total		**73.55**		**1.03**

3.15 CURRENT INVESTMENTS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Non Trade Investments (Valued at lower of Cost or Fair Value)				
Investment in Mutual Fund (Unquoted)				
Axis Liquid Fund - Direct - Growth		–		1500.00
Nil (PY-96,778.689) Units				
Axis Banking Debt Fund-Direct Plan -Growth		–		1000.00
Nil (PY-78,847.489) Units				
Baroda Pioneer Liquid Fund- Plan B Growth		–		500.00
Nil (PY-31,167.266) Units				
Birla Sun Life Income Fund- Growth - Direct Plan		–		2000.00
Nil (PY-31,44,194.324) Units				
BOI AXA Treasury Advantage Fund - Direct Plan - Growth		–		500.00
Nil (PY-30,324.962) Units				
Birla Sun Life Floating Rate Fund - Short Term - Growth - Direct Plan		–		4000.00
Nil (PY-21,48,923.371) Unit				

Notes forming part of the Accounts

3.15 CURRENT INVESTMENTS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Edelweiss Arbitrage Fund - Direct Plan - Dividend Option - Payout		–		200.00
Nil (PY-19,55,244.454) Units				
Edelweiss Liquid Fund - Direct Plan - Growth Option		–		500.00
Nil (PY-36,626.272) Units				
Edelweiss Absolute Return Fund - Direct Plan - Dividend Option - Payout*		202.48		–
13,73,658.244 (PY-Nil) Units				
HDFC Liquid Fund - Direct Plan - Growth Option		–		2500.00
Nil (PY-90,59,336.604) Units				
HDFC Banking & PSU Debt Fund - Direct Growth Option		–		500.00
Nil (PY-45,40,748.679) Units				
ICICI Prudential Liquid - Direct Plan - Growth		–		1000.00
Nil (PY-4,83,210.606) Units				
ICICI Prudential Banking PSU Debt Fund - Direct Plan - Growth		–		1500.00
Nil (PY-96,96,123. 490) Units				
ICICI Prudential Gilt Fund - Investment Plan - PF Option - Direct Plan*		–		1500.00
Nil (PY-53,96,654.074) Units				
Indiabulls Liquid Fund - Direct Growth - Direct Plan		–		500.00
Nil (PY-36,737.194) Units				
IDFC Money Manager Fund-Treasury Plan - Growth - (Direct Plan)		–		500.00
Nil (PY-22,79,877.799) Units				
JM Short Term Fund (Direct) - Growth Plan		–		1500.00
Nil (PY-75,46,030.788) Units				
JM High Liquidity Fund (Direct) - Growth Option		–		1000.00
Nil (PY-26,18,246.560) Units				
JM Income Fund (Direct) - Growth Option		–		1500.00
Nil (PY-35,54,426.564) Units				
JM Floater Short Term Fund (Direct) - Growth		–		1000.00
Nil (PY-46,56,946.068) Units				
Kotak Treasury Advantage Fund - Direct Plan - Growth		–		500.00
Nil (PY-22,59,458.092) Units				
L&T Liquid Fund - Direct Plan - Growth		–		500.00
Nil (PY-26,075.097) Units				

Notes forming part of the Accounts

3.15 CURRENT INVESTMENTS

₹ *in Lacs*

Particulars	As at 31.03.2016	As at 31.03.2015
L&T Cash Fund - Direct Plan - Growth	–	600.00
Nil (PY-53,432.794) Units		
L&T Ultra Short Term Fund - Direct Plan - Growth	–	5500.00
Nil (PY-2,41,57,878.323) Units		
Mirae Asset Cash Management Fund - Direct Plan - Growth	–	109.87
Nil (PY-74,66.858) Units		
Pramerica Ultra Short Term Bond Fund - Direct Plan - Growth Option	–	1000.00
Nil (PY-67,204.816) Units		
Principal Cash Management Fund - Direct - Growth	–	1000.00
Nil (PY: 73,534.505) Units		
Reliance Income Fund - Direct - Growth Option	–	3800.00
Nil (PY: 81,95,013.081) Units		
Reliance Short Term Fund - Direct - Growth	–	3000.00
Nil (PY-1,13,92,635.800) Units		
Reliance Liquid Fund - Cash Plan - Direct - Growth	1,000.00	1660.04
40,948.253 (PY-74,394.971) Units		
Reliance Liquid Fund - Treasury Plan - Direct - Growth	–	2000.00
Nil (PY-58,668.254) Units		
Reliance Money Manager Fund - Direct - Growth	–	2850.00
Nil (PY-1,48,043.691) Units		
Religare Invesco Liquid Fund - Direct Plan - Growth	–	1000.00
Nil (PY-51,979.190) Units		
Reliance Floating Rate Fund Fund Short Term Plan - Direct - Growth	–	400.00
Nil (PY-18,77,687.440) Units		
SBI Magnum Insta Cash Fund Liquid Floater - Direct - Growth	–	650.00
Nil (PY-27,383.101) Units		
Taurus Short Term Income Fund- Direct Plan - Growth	–	1000.00
Nil (PY-40,982.226) Units		
Tata Money Market Fund - Direct Plan - Growth	–	200.00
Nil (PY-9,133.074) Units		
UTI-Money Market Fund - Institutional Plan - Direct Plan - Growth	–	500.00
Nil (PY-48,16,604.620) Units		
(i)	**1,202.48**	**49,469.91**
Less : *Provision for Diminution in value of Investment (ii)	**10.58**	**4.55**
Total (i) - (ii)	**1,191.90**	**49,465.36**
Net Asset Value of Unquoted Investments	**1,193.31**	**49,650.70**

Notes forming part of the Accounts

3.16 INVENTORIES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Raw and Packing Materials				
Raw Materials	2,917.36		2,755.41	
Packing Materials	2,406.71	5,324.07	2,125.99	4,881.40
Work-in-Progress		249.89		181.99
Finished Goods		6,318.00		5,089.88
Stock- in-Trade		2,232.48		1,519.17
Stores and Spares		133.29		118.05
Advertising Materials		56.66		54.80
Total		**14,314.39**		**11,845.29**

3.17 TRADE RECEIVABLES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured, Considered Good unless stated otherwise)				
Due over six months		28.71		6.92
Other Receivables		5,172.00		5,593.10
Total		**5,200.71**		**5,600.02**

3.18 CASH AND BANK BALANCES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Cash and Cash Equivalents				
Balances with Banks	6,465.04		588.36	
Fixed Deposits with Banks (Original maturity less than 3 months)	–		31,598.00	
Cash on hand	38.54	6,503.58	30.78	32,217.14
Other Bank Balances				
Unpaid Dividend Account	110.77		98.01	
Deposit with Original maturity of more than 3 months but less than 12 months	641.16	751.93	293.35	391.36
Total		**7,255.51**		**32,608.50**

3.19 SHORT-TERM LOANS AND ADVANCES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured, Considered Good)				
Balances with Excise and Sales Tax Department		1,467.04		1,281.53
Advances against Trade Payables		5,705.07		4,009.53
Advances to Employees		272.04		196.14
Advances to Related Parties (Refer Note No 3.51)		42.09		20.41
Interest Receivable on Deposits		22.45		117.27
Advance Income Tax (Net of Provision)		1,793.47		–
Prepaid Expenses		434.84		289.27
Other Receivables		668.26		378.37
Total		**10,405.26**		**6,292.52**

Notes forming part of the Accounts

3.20 REVENUE FROM OPERATIONS

₹ *in Lacs*

Particulars	2015-16		2014-15	
Sale of Products	2,42,621.40		2,06,607.40	
Other Operating Revenues	450.38		409.81	
Less: Excise Duty	3,920.36	2,39,151.42	3,953.07	2,03,064.14
Total		**2,39,151.42**		**2,03,064.14**

3.21 OTHER INCOME

₹ *in Lacs*

Particulars	2015-16		2014-15	
Interest Income				
Loans & Deposits	975.04		5,697.70	
Others	3.42	978.46	1.58	5,699.28
Dividend from Long Term Non Trade Investment		47.68		47.68
Dividend from Short Term Non Trade Investment		7,006.59		10,075.69
Profit/ (loss) on Sale of Current Non- Trade Investments		(6,279.06)		(6,770.68)
Profit/ (loss) on Derivative Instrument		610.97		(1,810.93)
Reversal/(Diminution) in value of Short Term Non trade Investment		(6.03)		762.63
Reversal/(Diminution) in value of Long Term Non trade Investment		0.02		(0.48)
Profit/(loss) on Sale of Fixed Assets		39.34		22.64
Rent and Maintenance Charges Received		433.06		382.27
Sundry Balances Written Back		60.83		88.25
Miscellaneous Receipts		383.70		1,085.80
Total		**3,275.56**		**9,582.15**

3.22 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ *in Lacs*

Particulars	2015-16		2014-15	
(I) Opening Stock				
Work-in-progress	181.99		193.28	
Finished Goods	5,089.88		5,963.51	
Stock in trade	1,519.17	6,791.04	1,936.17	8,092.96
(II) Closing Stock				
Work-in-progress	249.89		181.99	
Finished Goods	6,318.00		5,089.88	
Stock in trade	2,232.48	8,800.37	1,519.17	6,791.04
(I) - (II)		**(2,009.33)**		**1,301.92**

Notes forming part of the Accounts

3.23 EMPLOYEE BENEFIT EXPENSES

₹ *in Lacs*

Particulars	2015-16		2014-15	
Salaries and Wages		14,818.34		12,627.47
Contribution to Provident and other funds		1,953.98		1,387.01
Welfare expenses		471.25		395.61
Total		**17,243.57**		**14,410.09**

3.24 FINANCE COSTS

₹ *in Lacs*

Particulars	2015-16		2014-15	
Interest expenses		5,374.74		489.53
Total		**5,374.74**		**489.53**

3.25 OTHER EXPENSES

₹ *in Lacs*

Particulars	2015-16		2014-15	
Consumption of stores and spare parts		274.87		247.90
Power and fuel		1,155.99		1,202.29
Rent		486.62		513.56
Repairs				
Building	162.65		135.67	
Machinery	743.82		661.13	
Others	1,163.39	2,069.86	923.49	1,720.29
Insurance		245.15		225.38
Rates and taxes, excluding taxes on income		98.22		94.37
Freight & Forwarding		6,112.12		5,731.03
Directors' Fees and Commission		553.30		544.05
Advertisement & Sales Promotion		44,925.32		32,773.11
Commission		1,090.22		956.17
Taxes on Sales		14,683.81		12,668.20
Loss on Sale/Disposal of Fixed Assets		90.78		48.78
Bad Debts	–		17.81	
Less : Provision for doubtful debts	–	–	(17.81)	–
Legal and Professional Fees		2,524.55		1,921.32
Travelling and Conveyance		2,075.06		1,833.44
Miscellaneous Expenses (Note : 3.34 & 3.35)		3,427.71		2,732.42
Total		**79,813.58**		**63,212.31**

Notes forming part of the Accounts

3.23

a. BUSINESS SEGMENT

As the Company's business activity falls within a single primary business segment,viz."Personal and Healthcare", the disclosure requirements of Accounting Standard-17 "Segment Reporting", are not applicable.

b. GEOGRAPHICAL SEGMENT

The company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under :

Revenue from Operation

₹ *in Lacs*

Particulars	2015-16	2014-15
India	2,25,865.45	1,89,966.62
Overseas	13,285.97	13,097.52
Total	**2,39,151.42**	**2,03,064.14**

The carrying amount of segment assets and additions to segment fixed assets by geographical area to which the assets are attributable:

₹ *in Lacs*

	Carrying amount of Segment Assets		Additions to Fixed Assets including CWIP	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
India	2,47,634.12	1,52,414.97	1,80,723.34	9,974.91
Overseas	2,672.49	3,172.28	–	–
Total	**2,50,306.61**	**1,55,587.25**	**1,80,723.34**	**9,974.91**

3.27 DEFINED BENEFIT PLANS :

As per actuarial valuations as on 31st March, 2016 and recognised in the financial statements in respect of Employees benefit schemes.

₹ *in Lacs*

	As at 31.03.2016		As at 31.03.2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
A. Components of Employer Expenses				
1. Current Service Cost	477.84	243.85	232.37	170.25
2. Interest Cost	208.96	88.50	179.61	74.11
3. Expected Return on Plan assets	(120.42)	(9.88)	(112.02)	(9.00)
4. Past Service Cost	–	–	–	–
5. Actuarial Losses / (Gains)	442.88	(265.67)	257.84	46.34
6. Actuarial Losses / (Gains) on Plan Assets	6.01	0.63	0.25	(0.02)
7. **Total Expenses recognised in the Statement of Profit & Loss**	**1,015.27**	**57.43**	**558.05**	**281.68**
B. Net asset/(liability) recognised in balance sheet as at 31st March 2016				
1. Present value of Defined Benefit Obligation (DBO)	3,591.89	1,198.86	2,673.31	1,132.18
2. Fair value of Plan Assets	1,491.35	120.48	1,335.17	109.52
3. Funded Status [Surplus/(deficit)]	(2,100.54)	(1,078.38)	(1,338.14)	(1,022.66)
4. **Net asset/(liability) recognised in balance sheet**	**(2,100.54)**	**(1,078.38)**	**(1,338.14)**	**(1,022.66)**

Notes forming part of the Accounts

3.26 DEFINED BENEFIT PLANS : *(contd...)*

₹ *in Lacs*

	As at 31.03.2016		As at 31.03.2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
C. Change in Defined Benefit Obligation during the year ended 31st March 2016				
1. Present value of DBO at beginning of period	2,673.32	1,132.18	2,222.67	902.38
2. Current Service Cost	477.84	243.85	232.37	170.25
3. Interest Cost	208.96	88.50	179.61	74.11
4. Plan amendments cost/(credit)	–	–	–	–
5. Actuarial Losses / (Gains)	442.88	(265.67)	257.84	46.34
6. Benefits Paid	(211.11)	–	(219.17)	(60.90)
7. Liabilities extinguished on settlements	–	–	–	–
8. **Present value of DBO at the end of period**	**3,591.89**	**1,198.86**	**2,673.32**	**1,132.18**
D. Change in Fair Value of Assets				
1. Plan Assets at beginning of period	1,335.17	109.52	1,265.94	99.42
2. Expected Return on Plan Assets	120.42	9.88	112.02	9.00
3. Actuarial Gains /(Loss)	(6.01)	(0.63)	(0.25)	0.02
4. Actual company contributions	252.88	1.71	176.63	1.08
5. Benefits paid	(211.11)	–	(219.17)	–
6. Assets distributed on settlements	–	–	–	–
7. **Plan assets at the end of period**	**1,491.35**	**120.48**	**1,335.17**	**109.52**
E. **Actuarial Assumptions**				
1. Discount Rate (%)	7.90	7.90	7.80	7.80
2. Annual Salary Escalation Rate (%)	11.00		12.00	
3. Expected Return on Plan Assets (%)	8.00	8.00	9.00	9.00

Experience History

₹ *in Lacs*

	Year Ending				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
GRATUITY					
Defined Benefit Obligation at end of the period	(3,591.89)	(2,673.31)	(2,222.66)	(1,529.31)	(1,172.46)
Plan Assets at end of the period	1,491.35	1,335.17	1,265.94	1,157.85	995.19
Funded Status	(2,100.54)	(1,338.14)	(956.72)	(371.46)	(177.27)
Experience Gain /(Loss) adjustment on plan liabilities	817.99	(320.58)	(446.79)	(179.85)	(46.09)
Experience Gain /(Loss) adjustment on plan assets	(6.01)	(0.25)	(5.06)	(0.04)	12.45

Notes forming part of the Accounts

3.27 DEFINED BENEFIT PLANS : *(contd...)*

Experience History *(contd...)*

₹ *in Lacs*

	Year Ending				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
LEAVE ENCASHMENT					
Defined Benefit Obligation at end of the period	(1,198.86)	(1,132.18)	(902.38)	(549.54)	(322.56)
Plan Assets at end of the period	120.48	109.52	99.42	93.13	85.25
Funded Status	(1,078.38)	(1,022.66)	(802.96)	(456.41)	(237.31)
Experience Gain /(Loss) adjustment on plan liabilities	78.24	281.89	(118.88)	(60.44)	59.34
Experience Gain /(Loss) adjustment on plan assets	(0.63)	0.02	(2.38)	(0.14)	1.37

3.28 PROVIDENT FUND

₹ *in Lacs*

Particulars	Year Ending				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of benefit obligation at end of the period	5,871.77	4,136.36	3,090.85	2,465.55	1,908.76
Plan Assets at end of the period	5,828.35	4,111.23	3,070.09	2,434.53	1,888.98
Funded Status	(43.42)	(25.13)	(20.76)	(31.02)	(19.78)
Actuarial Assumptions					
Discount Rate	7.90%	7.80%	9.00%	7.91%	8.60%
Expected Guarantee Interest Rate	8.80%	8.75%	8.75%	8.50%	8.25%

3.29 DERIVATIVE INSTRUMENTS: :

The Company uses Forward Exchange Contracts and Options to hedge its risk associated with fluctuations in foreign currency and interest rates relating to foreign currency liabilities and some forecasted transactions related to foreign currency trade. The use of forward contracts and options is governed by Company's overall strategy. The company does not use forward contract and options for speculative purposes.

₹ *in Lacs*

	As at 31.03.2016		As at 31.03.2015	
	Amt. in Original Currency	Amt. in INR	Amt. in Original Currency	Amt. in INR
i) The following are the outstanding forward contracts				
For hedging currency risks :-				
Forward Covers				
Receivables				
- Current	USD 39.58	2,625.69	USD 49.94	3,125.49
- Future	USD 47.42	3,145.27	USD 110.96	6,945.37
Payables				
- Future	EUR 0.83	62.18	EUR 17.80	1,201.82
Options				
Receivables				
- Future	USD 34.80	2,308.38	–	–
ii) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :-				
Loan	–	–	USD 25.00	1564.77

Notes forming part of the Accounts

3.30 The Company has made a provision of ₹105.89 Lacs (P.Y.- ₹145.02 Lacs) towards Indirect Taxes resulting mainly from issues, which are under litigation/dispute as shown below :

₹ in Lacs

Description	31.03.2016	31.03.2015
Opening Balance	990.42	884.26
Provisions made during the year	105.89	145.02
Payment/reversals during the year	12.33	38.86
Closing Balance	**1,083.98**	**990.42**

3.31 There were no dues outstanding for more than 45 days to any Micro, Small and Medium Enterprises Creditor. The above information regarding Micro, Small and Medium Enterprise has been determined to the extent such communication has been received from the respective parties by the company.

3.32 Long Term Loans & Advances include Security Deposit of ₹5.85 Lacs (P.Y.- ₹7.04 Lacs) due from Directors of the Company against tenancies. (Maximum amount outstanding during the year - ₹7.04 Lacs (P.Y.- ₹10.15 Lacs).

3.33 CONTINGENT LIABILITIES & COMMITMENTS :

I) Contingent Liabilities

₹ in Lacs

	31.03.2016	31.03.2015
(a) Claims against the Company not acknowledged as debt (Net of Advances) :		
i) Excise Duty demands	5.49	139.69
ii) Sales Tax demands under appeal	693.26	703.31
iii) Entry Tax	10.27	133.51
iv) Others	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

	31.03.2016	31.03.2015
(b) Guarantees and counter guarantees given	5,452.14	6,367.60

II) Commitments:

₹ in Lacs

	31.03.2016	31.03.2015
Estimated amount of commitments [net of advances of ₹9125.94 lacs (P.Y.- ₹2857.43 lacs)] on capital account not provided for	7,493.80	4308.88

Notes forming part of the Accounts

3.34 PAYMENT TO AUDITORS

₹ in Lacs

Description	2015-16	2014-15
As Auditors :		
Audit Fees	40.06	39.33
Tax Audit Fees	4.08	3.93
Limited Review	1.71	1.69
In Other Capacity :		
Other Services (Certification fees)	6.11	2.98
	51.96	**47.93**
Payment to Cost Auditors		
Audit Fees	1.55	1.52

3.35 As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activities are Healthcare, Water and Sanitation Programs, Promoting Education, Enhancing Vocational Skills & Livelihood enhancement Projects and Rural Development, Social Upliftment Programs and Promotion of Art and Culture. During the year, ₹997.08 Lacs (P.Y. ₹759.22 Lacs) has been contributed towards CSR activities.

3.36 On 15th September 2015, Emami UK Limited, a wholly owned subsidiary of the company which was having insignificant business operations has been dissolved.

3.37 The company enjoys substantial tax benefits as some of the manufacturing units are entitled to tax holiday under the Income Tax Act 1961. Further, with the acquisition of Kesh King business and a new manufacturing unit being set up in tax holiday zone, deferred tax liability in respect of timing differences is expected to get reversed during the tax holiday period. Hence, in terms of Accounting Standard 22 – Accounting for Taxes on Income, deferred tax liability has not been recognized and accordingly opening deferred tax liability of ₹1239 Lacs has been reversed during the current financial year.

3.38 On 12th June 2015, the Company acquired Hair & Scalp Care business under the "Kesh King" and allied Brands at ₹1684 Crores (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 Accounting Standards 26 – Intangible Assets, the management has estimated useful life of various intangibles assets at 5 to 10 years, except Goodwill of ₹1050 Lacs which has been charged to the statement of profit & loss. For the year ended 31st March 2016, amortisation of acquired Trade Marks/ Brands includes ₹195.17 crores respectively provided on intangible assets of "Kesh king" business on pro-rata basis.

Notes forming part of the Accounts

3.39 MATERIALS CONSUMED

₹ *in Lacs*

	2015-16	2014-15
Indigenous (98.53%) (P.Y.98.99%)		
Oils & Essential Oils	9337.04	11277.34
Chemicals & Fats	13515.10	16877.15
Herbs	8139.52	1524.03
Tubes & Containers	14374.94	14232.89
Other Packing Materials	13351.42	12011.67
Others	1010.60	2437.34
(A)	**59728.62**	**58360.42**
Imported (1.47%) (P.Y. 1.01%)		
Oils	32.15	13.84
Chemicals & Fats	860.95	578.83
(B)	**893.10**	**592.67**
(A) + (B)	**60621.72**	**58953.09**

3.40 PURCHASE OF STOCK IN TRADE

₹ *in Lacs*

	2015-16	2014-15
Cosmetics & Toiletries	12209.52	9069.22
Ayurvedic Medicines	5,919.76	4993.46
Others	290.58	103.52
	18419.86	**14166.20**

3.41 SALE OF PRODUCTS

₹ *in Lacs*

	2015-16	2014-15
Cosmetics & Toiletries	58731.75	53593.62
Ayurvedic Medicines	176018.72	147088.02
Other Ayurvedic - Tablets & Pills	6945.34	5,489.38
Others	925.59	436.38
	242621.40	**206607.40**

3.42 OPENING STOCK OF FINISHED GOODS

₹ *in Lacs*

	As on 31.03.2016	As on 31.03.2015
Cosmetics & Toiletries	1299.00	1181.55
Ayurvedic Medicines	3417.01	4353.18
Other Ayurvedic - Tablets & Pills	372.98	427.47
Others	0.89	1.31
	5089.88	**5963.51**

3.43 OPENING STOCK IN TRADE

₹ *in Lacs*

	As on 31.03.2016	As on 31.03.2015
Cosmetics & Toiletries	1119.39	1459.55
Ayurvedic Medicines	399.78	476.57
Others	–	0.05
	1519.17	**1936.17**

3.44 CLOSING STOCK OF FINISHED GOODS

₹ *in Lacs*

	As on 31.03.2016	As on 31.03.2015
Cosmetics & Toiletries	1430.69	1299.00
Ayurvedic Medicines	4372.31	3417.01
Other Ayurvedic - Tablets & Pills	514.76	372.98
Others	0.24	0.89
	6318.00	**5089.88**

3.45 CLOSING STOCK IN TRADE

₹ *in Lacs*

	As on 31.03.2016	As on 31.03.2015
Cosmetics & Toiletries	1588.27	1119.39
Ayurvedic Medicines	582.73	399.78
Other Ayurvedic - Tablets & Pills	12.00	–
Others	49.48	–
	2232.48	**1519.17**

3.46 WORK IN PROGRESS

₹ *in Lacs*

	2015-16	2014-15
Cosmetics & Toiletries	31.57	27.01
Ayurvedic Medicines	218.32	154.98
	249.89	**181.99**

3.47 CONSUMPTION OF STORES & SPARES

₹ *in Lacs*

	2015-16	2014-15
Indigenous (100%)	274.87	247.90
	274.87	**247.90**

3.48 EXPENDITURE IN FOREIGN CURRENCY (ON PAYMENT BASIS)

₹ *in Lacs*

	2015-16	2014-15
Professional Fees	412.58	359.30
Interest	51.80	93.20
Others	152.15	142.05
	616.53	**594.55**

3.49 VALUE OF IMPORTS ON CIF BASIS

₹ *in Lacs*

	2015-16	2014-15
Raw Materials	2107.06	925.26
Capital Goods	6116.94	1192.41
	8224.00	**2117.67**

3.50 EARNINGS IN FOREIGN EXCHANGE FOR

₹ *in Lacs*

	31.03.2016	31.03.2015
Export of goods calculated on FOB basis	10063.61	10047.67
Royalty and Others	132.49	55.38
	10196.10	**10103.05**

Notes forming part of the Accounts

3.51 RELATED PARTY TRANSACTIONS :

A. Parties where Control exists :

₹ in Lacs

		31.03.2016	31.03.2015
SUBSIDIARIES		% of Holding	% of Holding
i)	Emami UK Limited (Dissolved w.e.f 15th September 2015)	–	100%
ii)	Emami Bangladesh Limited	100%	100%
iii)	Emami International FZE	100%	100%
iv)	Emami Overseas FZE - Subsidiary of Emami International FZE	100%	100%
v)	Pharma Derm SAE Co.- Subsidiary of Emami Overseas FZE	90.60%	90.60%
vi)	Fravin Pty.Ltd, -Subsidiary of Emami International FZE	66.67%	66.67%
vii)	Greenlab Organics Ltd. -Subsidiary of Fravin Pty Ltd.	66.67%	66.67%
viii)	Diamond Bio-tech Laboratories Pty.Ltd. - Subsidiary of Fravin Pty Ltd.	66.67%	66.67%
ix)	Abache Pty Ltd, - Subsidiary of Diamond Bio -tech Laboratories Pty. Ltd.	66.67%	66.67%

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 Suresh Chaturvedi (Resigned on 5th August 2015)	Independent Director
3	Shri K.N.Memani	Independent Director
4	Shri Amit kiran Deb	Independent Director
5	Shri Y.P.Trivedi	Independent Director
6	Shri S.B.Ganguly	Independent Director
7	Shri Sajjan Bhajanka	Independent Director
8	Shri P.K.Khaitan	Independent Director
9	Shri M.D.Mallya	Independent Director
10	Smt. Rama Bijapurkar (Appointed as Additional Director on 1st September, 2015)	Independent Director

Notes forming part of the Accounts

3.51 RELATED PARTY TRANSACTIONS : *(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	20	Emami Vriddhi Commercial Private Limited
2	Diwakar Viniyog Private Limited	21	Emami Estates Private Limited
3	Bhanu Vyapaar Private Limited	22	Emami Projects Private Limited
4	Suraj Viniyog Private Limited	23	Emami Capital Markets Limited
5	Emami Paper Mills Limited	24	Emami Group Of Companies Private Limited
6	Emami Cement Limited	25	Emami Home Private Limited
7	Emami Frank Ross Limited	26	Emami Institute Of Corporate Solutions Private Limited
8	Pan Emami Cosmed Limited	27	Emami Power Limited
9	Emami Realty Limited	28	Emami International Private Limited
10	Emami Infrastructure Limited	29	Emami Education And Research Foundation
11	Emami Agrotech Limited	30	Emami (Meghalaya) Cement Limited
12	CRI Limited	31	Emami Natural Resouces Private Limited
13	Aviro Vyapar Private Limited	32	Emami Constructions Private Limited
14	AMRI Hospitals Limited	33	Emami Buildcon Private Limited
15	Zandu Realty Limited	34	TMT Viniyogan Limited
16	Emami High Rise Private Limited	35	Emami Foundation
17	Emami Enclave Makers Private Limited	36	Aradhana Trust
18	Emami Nirman Private Limited	37	Kesar Deo Ratni Devi Goenka Trust
19	Emami Rainbow Niketan Private Limited		

Notes forming part of the Accounts

3.51 RELATED PARTY TRANSACTIONS : *(contd...)*

C. Disclosure of Transactions between the Company and Related Parties and the status of Outstanding Balance.

₹ in Lacs

Particulars	Subsidiaries		Directors,Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Remuneration								
I) EXECUTIVE DIRECTORS								
A) - Salary & Other benefits	–	–	911.95	828.99	–	–	**911.95**	**828.99**
B) - Commission	–	–	500.00	500.00	–	–	**500.00**	**500.00**
II) NON EXECUTIVE DIRECTORS								
A) - Sitting Fees	–	–	25.25	23.05	–	–	**25.25**	**23.05**
B) - Commission	–	–	28.00	21.00	–	–	**28.00**	**21.00**
III) CEO & COMPANY SECRETARY								
A) - Salary & Other benefits	–	–	233.42	184.84	–	–	**233.42**	**184.84**
2. Sales								
A) - Sale of Goods	10,300.22	10,056.64	–	–	138.12	–	**10,438.34**	**10,056.64**
B) - Sale of Fixed Assets	–	0.76	–	–	11.79	–	**11.79**	**0.76**
C) - Sale of Export Benefit Licence	–	–	–	–	73.22	–	**73.22**	**–**
3. Purchase								
A) - Purchase of Promotional Items	–	–	–	–	15.22	–	**15.22**	**–**
B) - Purchase of Raw Materials	–	–	–	–	288.47	–	**288.47**	**–**
4. Reimbursement of Expenses	15.67	46.05	–	–	42.80	18.21	**58.47**	**64.26**
5. Sales Promotion and Selling Expenses	–	–	–	–	35.29	–	**35.29**	**–**
6. Medical and Other Expenses	–	–	–	–	1.84	–	**1.84**	**–**
7. Rent, Maintenance & Other Charges Paid	–	–	8.31	6.65	2.85	4.25	**11.16**	**10.90**
8. Rent, Maintenance & Other Charges Received	–	–	–	–	318.54	116.71	**318.54**	**116.71**
9. Royalty Received	92.69	55.38	–	–	119.80	2.25	**212.49**	**57.63**
10. Dividend Received	–	–	–	–	47.68	47.68	**47.68**	**47.68**
11. Dividend Paid	–	–	638.33	1,685.27	4,127.14	10,216.01	**4,765.47**	**11,901.28**
12. Security Deposit Received	–	–	–	–	14.73	–	**14.73**	**–**
13. Security Deposit Paid	–	–	–	2.20	–	–	**–**	**2.20**
14. Refund against Security Deposit Paid	–	–	2.40	8.98	–	0.25	**2.40**	**9.23**
15. Refund against Security Deposit Received	–	–	–	–	15.64	–	**15.64**	**–**
16. Donation Paid	–	–	–	–	93.10	133.50	**93.10**	**133.50**
17. Commission Paid	–	–	–	–	9.65	–	**9.65**	**–**
18. Miscelleneous Received	39.80	–	–	–	–	–	**39.80**	**–**

Notes forming part of the Accounts

3.51 RELATED PARTY TRANSACTIONS : *(contd...)*

C. Disclosure of Transactions between the Company and Related Parties and the status of Outstanding Balance.

₹ in Lacs

Particulars	Subsidiaries		Directors,Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
19. Balance As on 31st March								
A) - Investment	46.79	46.79	–	–	660.31	368.48	**707.10**	**415.27**
B) - Trade Receivables	2,285.90	2,929.49	–	–	2.41	–	**2,288.31**	**2,929.49**
C) - Other Receivables	219.22	90.30	–	–	2.29	16.83	**221.51**	**107.13**
D) - Security Deposit Paid	–	–	14.85	17.25	7.00	7.00	**21.85**	**24.25**
E) - Security Deposit Received	–	–	–	–	44.94	29.73	**44.94**	**29.73**

3.52 INFORMATION FOR EARNINGS PER SHARE AS PER AS-20

₹ in Lacs

	31.03.2016	31.03.2015
Net Profit (₹ in Lacs)	32767.02	47163.13
Cash Profit (₹ in Lacs)	57990.39	50311.40
Weighted average number of shares	226967619	226967619
Earnings Per Share - Basic & Diluted (₹)	**14.44**	**20.78**
Earnings Per Share - Cash (₹)	**25.55**	**22.17**

3.53 Previous year's figures have been rearranged/regrouped wherever necessary.

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants

S. K. Agrawal
Partner

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

Kolkata
5th May, 2016

Independent Auditors' Report

To
The Members of
Emami Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Emami Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2016, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board is responsible for the preparation and presentation of these consolidated financial statements in terms of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies(Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and

their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/financial information of seven subsidiaries, whose financial statements/financial information reflect total assets of ₹190.11 crores as at 31st March 2016, total revenue of ₹330.06 crores and net cash flows amounting to ₹888.64 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

I. 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 financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the Directors is disqualified as on 31st March, 2016 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 be annexed to this report;

   g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note. 2.32 & 2.34 to the consolidated financial statements;

      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For, **S. K. Agrawal & CO.**
Chartered Accountants
Firm's Registration No- 306033E

S. K. Agrawal
Partner
Membership No: 9067

Place: Kolkata
Dated: May 5, 2016

Consolidated Balance Sheet

as at 31st March, 2016

₹ *in Lacs*

	Notes	As at 31.03.2016		As at 31.03.2015	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2.1	2,269.68		2,269.68	
Reserves and Surplus	2.2	1,38,043.94	1,40,313.62	1,20,794.08	1,23,063.76
Minority Interest			412.42		456.34
Non-Current Liabilities					
Long-Term Borrowings	2.3	30,000.00		170.85	
Deferred Tax Liabilities (Net)	2.4	–		1,204.75	
Other Long Term Liabilities	2.5	1,467.80		1,630.16	
Long-Term Provisions	2.6	2,987.10	34,454.90	2,453.38	5,459.14
Current Liabilities					
Short-Term Borrowings	2.7	37,143.93		1,769.73	
Trade Payables	2.8	24,645.41		19,323.34	
Other Current Liabilities	2.9	6,455.93		6,200.64	
Short-Term Provisions	2.10	23,028.96	91,274.23	11,359.44	38,653.15
TOTAL			**2,66,455.17**		**1,67,632.39**
ASSETS					
Non-Current Assets					
Fixed Assets	2.11				
Tangible Assets		47,061.43		41,603.95	
Intangible Assets		1,50,021.16		3,278.24	
Capital Work-in-Progress		6,163.85		2,647.37	
Intangible Assets under Development		545.12		229.49	
Goodwill on Consolidation		408.05		408.05	
Deferred Tax Asset (Net)	2.12	91.91		–	
Non-Current Investments	2.13	661.22		661.20	
Long-Term Loans and Advances	2.14	11,033.82		4,453.66	
Other Non-Current Assets	2.15	73.55	2,16,060.11	1.03	53,282.99
Current Assets					
Current Investments	2.16	1,191.90		49,465.36	
Inventories	2.17	15,053.50		12,665.47	
Trade Receivables	2.18	13,014.08		10,176.85	
Cash and Bank Balances	2.19	10,843.30		35,410.66	
Short-Term Loans and Advances	2.20	10,292.28	50,395.06	6,631.06	1,14,349.40
TOTAL			**2,66,455.17**		**1,67,632.39**
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

S. K. Agrawal
Partner

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

Kolkata
5th May, 2016

Statement of Consolidated Profit and Loss

for the year ended 31st March, 2016

₹ in Lacs

	Notes	2015-16	2014-15
INCOME			
Revenue From Operations	2.21	262,379.01	221,724.77
Other Income	2.22	3,380.45	9,640.97
Total Revenue		**265,759.46**	**231,365.74**
EXPENSES			
Cost of Materials Consumed		63,693.70	61,522.74
Purchase of Stock-in Trade		19,382.58	15,113.51
(Increase)/decrease in Inventories of Finished Goods and Work-in Progress	2.23	(1,862.96)	1,360.03
Employee Benefit Expenses	2.24	20,847.89	16,713.41
Foreign Exchange (Gain)/ Loss		(861.36)	459.43
Other Expenses	2.26	91,941.97	73,007.18
Total Expenses Before Interest, Depreciation & Amortisation (A)		**193,141.82**	**168,176.30**
Profit Before Interest, Depreciation & Amortisation and Tax		**72,617.64**	**63,189.44**
Finance Costs (B)	2.25	5,403.01	514.08
Depreciation and Amortisation Expense	2.11		
a. Amortisation of acquired Trade marks/ brands		21,007.52	343.65
b. Depreciation/ amortisation of other assets		4,496.02	3,087.34
(C)		**25,503.54**	**3,430.99**
Total Expenses (A+B+C)		**224,048.37**	**172,121.37**
Profit Before Tax		**41,711.09**	**59,244.37**
Tax Expense:			
Current Tax		7,124.53	9,983.25
Deferred Tax	2.37	(1,280.08)	755.03
(Excess)/Short Provision of Earlier Years		4.67	(38.46)
Profit After Taxation Before Minority Interest		**35,861.97**	**48,544.55**
Share of Minority Interest		(43.91)	(16.42)
Profit for the Period		**35,905.88**	**48,560.97**
Cash Profit		**61,409.42**	**51,991.96**
Earnings Per Equity Share	2.40		
(1) Basic (Face value of ₹1 each)		15.82	21.40
(2) Diluted (Face value of ₹1 each)		15.82	21.40
(3) Cash (Face value of ₹1 each)		27.06	22.91
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

S. K. Agrawal
Partner

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

Kolkata
5th May, 2016

Consolidated Cash Flow Statement

for the year ended 31st March, 2016

₹ *in Lacs*

	2015-16	2014-15
A CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	41,711.09	59,244.37
Add : ADJUSTMENTS FOR		
Depreciation & Amortisation Expenses :		
a. Amortisation of acquired Trade marks/ brands	21,007.52	343.65
b. Depreciation/ amortisation of other assets	4,496.02	3,087.34
Interest (Net)	4,319.35	(5,248.18)
Loss / (Profit) on sale of Fixed Assets	(7.25)	27.58
Loss / (Profit) on sale of Investments	5,668.09	8,581.62
Sundry Balances Written back	66.36	–
Diminution in Value of Investment	6.01	(762.16)
Foreign Exchange Fluctuations	(861.36)	459.43
Dividend Received	(7,054.27)	(10,123.37)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**69,351.56**	**55,610.28**
Add : DECREASE / (INCREASE) IN WORKING CAPITAL		
Trade & other Payables	6,745.11	6,794.06
Inventories	(2,388.03)	1,449.31
Trade & other Receivables	(12,000.24)	(2,731.40)
Provision for Indirect Taxes	1,322.68	1,179.77
Provision for Employee Benefits	896.41	659.70
	(5,424.07)	**7,351.44**
CASH GENERATED FROM OPERATIONS	**63,927.49**	**62,961.72**
Less : Direct Taxes Paid	9,572.67	9,557.05
NET CASH FLOW FROM OPERATING ACTIVITIES	**54,354.82**	**53,404.66**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Fixed Assets	182.72	129.23
Interest Received	1,178.48	5,717.27
Dividend Received	7,054.27	10,123.37
Sale of Investments	2,51,708.56	1,52,743.89
	2,60,124.03	**1,68,713.76**
Less : Purchase of Fixed Assets	1,81,711.52	10,978.17
Purchase of Investments	2,09,109.22	1,81,105.79
NET CASH USED IN INVESTING ACTIVITIES	**(1,30,696.71)**	**(23,370.20)**

Consolidated Cash Flow Statement

for the year ended 31st March, 2016

₹ *in Lacs*

	2015-16	2014-15
C. CASH FLOW FROM FINANCING ACTIVITIES		
Subsidy Received	127.37	–
Loan Taken/(Repaid)	33,566.01	189.96
Issue of Debentures	30,000.00	–
Interest Paid	(5,191.44)	(524.44)
Interim Dividend paid	–	(9,078.70)
Dividend Paid	(6,796.33)	(9,039.88)
Corporate Dividend Tax	(1,386.15)	(3,085.86)
	50,319.46	**(21,538.92)**
NET CASH USED IN FINANCING ACTIVITIES	**50,319.46**	**(21,538.92)**
D. EFFECT OF FOREIGN EXCHANGE FLUCTUATION	**1,098.39**	**(351.64)**
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C+D)	**(24,924.04)**	**8,143.91**
*** CASH & CASH EQUIVALENTS-OPENING BALANCE**	**34,975.39**	**26,802.99**
CASH & CASH EQUIVALENTS ON ACQUISITION OF SUBSIDIARY	**–**	**28.50**
*** CASH & CASH EQUIVALENTS-CLOSING BALANCE**	**10,051.36**	**34,975.39**
Refer Note No : 2.19		

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants

S. K. Agrawal
Partner

Kolkata
5th May, 2016

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

Significant Accounting Policy

1 SIGNIFICANT ACCOUNTING POLICIES

i) Principles of Consolidation

The Consolidated Financial Statements relate to EMAMI LIMITED ("the Company" or "Holding Company") and its Subsidiary Companies (refer note (xxi)) has been consolidated as per Accounting Standards on Accounting for Consolidated Financial Statements (AS 21), prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules. The Consolidated Financial Statements have been prepared on the following basis:

a) Consolidated financial statements have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group transactions/balances and resulting unrealised profits.

b) The difference between the cost of investment in the Subsidiaries over its proportionate share in the net assets value at the time of acquisition of stake in subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. For this purpose , the company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation is adjusted against Goodwill.

c) Minority interest in net profit/loss of the Subsidiaries for the year is identified and adjusted against income in order to arrive at the net income attributable to shareholder's of the company. Minority interest in net assets of the subsidiaries is identified and presented separately in Consolidated Financial Statements.

d) As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's financial statements.

e) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the company.

f) Foreign Exchange fluctuations on conversion of the accounts of foreign subsidiaries (refer note (xxi)) have been taken to "Foreign Currency Translation Reserve" (Arising on Consolidation).

ii) General:

These accounts have been prepared under historical cost convention in accordance with Generally Accepted Accounting Principles and the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of Companies (Accounts) Rules, 2014 and other provisions of the Act, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.

iii) Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

iv) Tangible Assets:

a. Tangible assets are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset

Significant Accounting Policy

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.

b. All pre-operative and trial run expenditure (net of realisation, if any) are capitalised.

c. Projects under commissioning and other Capital Work in Progress are carried at cost, comprising direct cost, related incidental expenses and interest on borrowings made for the purpose of acquisition of fixed assets.

v) Intangible Assets:

Intangible Assets are recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

vi) Depreciation and Amortisation

Tangible Assets :

Depreciation on tangible assets is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013 except for:

i) Block, dies & moulds (other than high-end moulds) are depreciated @ 100% in the year of purchase itself on prorata basis.

ii) Lease hold land is amortised over the period of lease.

iii) In Pharmaderm Co. SAE -Egypt, depreciation is provided on reducing balance method@ 25% except for Building & Utilities which is depreciated @ 5%.

iv) In Fravin Pty.Ltd. and its Subsidiaries depreciation is calculated on straight line method over their useful lives.

v) In Emami Bangladesh Limited, depreciation is provided on reducing balance method @ 20% except for furniture & block and dies which is depreciated @10% and 30% respectively.

Intangible Assets :

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. The useful life of all the assets are reviewed by the management periodically and changes there in are taken cognizance of, by accelerating or decelerating the pace of amortisation.

a. Goodwill is amortised over a period of five years.

b. Trade Marks, Brands and other Intangible Assets are amortised over a period not exceeding ten years.

c. In Fravin Pty.Ltd. and its Subsidiaries Patents, Trademarks and other intangible assets are amortised over their useful life.

d. Software is depreciated over a period of six years.

vii) Investments:

Investments that are readily realizable and are intended to be held for not more than one year at the point of acquisition are classified as "Current investments". All other investments are classified as "Non Current Investments".

Long Term Investments are stated at cost. Current Investments are stated at cost or fair value whichever is lower. Diminution in value of long term investments other than temporary in nature is charged to Statement of Profit & Loss.

viii) Inventories:

The inventories are valued at cost or net realisable value whichever is lower except for work in progress

and advertising material which are valued at cost. The Cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity.

In Emami International FZE and its Subsidiaries cost is determined under FIFO method.

ix) Research & Development:

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.

x) Employee Retirement 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.

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. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

b. Provision for Leave encashment and Gratuity is made on the basis of actuarial valuation as at the year end as per the requirements of Accounting Standard –15 (Revised 2005) on "Employee Benefits".

c. The Company has defined benefit plan comprising of Gratuity fund with Life Insurance Corporation of India. In Vapi, Dongari and Masat units the Leave Fund is with Life Insurance Corporation of India.

d. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions are recognised immediately in the Statement of Profit and Loss as income or expense. The classification of the Company's net obligation into current and non- current is as per the actuarial valuation report.

xi) Voluntary Retirement Scheme:

Expenditure incurred on voluntary retirement scheme is charged to profit in the year in which it is incurred.

xii) Provisions and Contingent Liabilities:

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.

Significant Accounting Policy

xiii) Government Grants:

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. Government grant in the nature of promoters' contribution is credited to the capital reserve.

xiv) 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. Sales includes Sales Tax and are net of Trade discounts and other rebates. Dividend income is recognised when the company's right to receive dividend is established. All other income are recognised on accrual basis.

xv) Foreign Currency Transactions:

a. 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 Statement of Profit & Loss. The exchange differences arising from long term foreign currency monetary items relating to the acquisition of a depreciable asset are added to or deducted from the cost of the depreciable capital asset. Other exchange differences arising from Long-Term Foreign Currency Monetary Items are Transferred to ""Foreign Currency Monetary Item Translation Difference Account"" to be amortised over the life of such monetary items but not beyond March 31, 2020. Other exchange differences are recognized as income or expenses in the Statement of Profit & Loss.

b. 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.

c. Forward Exchange Contract - The premium or discount arising at the inception of forward exchange contracts entered into to hedge an asset / liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rate change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expenses for the period.

d. In respect of foreign currency option contracts which are entered into to hedge highly probable forecasted transactions the cost of these contracts, if any, is expensed over the period of the contract. Any profit or loss arising on settlement or cancellation of currency options is recognised as income or expenses for the period in which settlement or cancellation takes place. The effect of this currency options contracts outstanding at the year end, in the form of unrealised gains is not recognised.

xvi) Segment Reporting:

Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Company has considered business segments as the primary segments for disclosure. The Company's business activity falls within a single primary business segment, viz. "Personal and Healthcare". The analysis of geographical segments are demarcated into Indian and overseas operations

Significant Accounting Policy

xvii) Excise Duty:

Excise duty on manufactured goods is paid at the time of despatch of goods from the factories and is included in the cost of finished goods (manufactured) held at the year end.

xviii) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

xix) Taxation:

"Provision for tax is made for both current and deferred taxes. Provision for current tax is made at the current tax rates based on assessable income. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate. Timing differences that originate and reverse within the tax holiday period are not considered for deferred tax purposes.

xx) Impairment of Assets:

The Company identifies impairable assets at the year end in accordance with the guiding principles of Accounting Standard 28, for the purpose of arriving at impairment loss thereon being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystalises, are charged to statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

xxi) List of Subsidiaries included in the Consolidated financial statements are as under:-

Names of Subsidiary Companies	Country of Incorporation	Extent of Holding
Emami UK Limited (Disolved on 15th September, 2015)	United Kingdom	100%
Emami Bangladesh Limited	Bangladesh	100%
Emami International FZE	UAE	100%
Emami Overseas FZE -(Subsidiary of Emami- International FZE)	UAE	100%
Pharmaderm Co. SAE -Egypt (Subsidiary of Emami Overseas FZE)	Egypt	90.60%
Fravin Pty.Ltd. (Subsidiary of Emami International FZE)	Australia	66.67%
Greenlab Organics Ltd. (Subsidiary of Fravin Pty Ltd.)	United Kingdom	66.67%
Diamond Bio-tech Laboratories Pty. Ltd. (Subsidiary of Fravin Pty Ltd.)	Australia	66.67%
Abache Pty Ltd. (Subsidiary of Diamond Bio Tech Laboratories Pty. Ltd.)	Australia	66.67%

Notes to the Consolidated Accounts

2.1 SHARE CAPITAL

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Authorised				
25,00,00,000 Equity Shares of Re 1/- each		2,500.00		2,500.00
Issued				
22,69,67,619 Equity Shares of Re 1/- each fully paid up		2,269.68		2,269.68
Subscribed & Paid up*				
22,69,67,619 Equity Shares of Re. 1/- each fully paid up		2,269.68		2,269.68
Total issued, subscribed and fully paid up share capital		**2,269.68**		**2,269.68**

*Of the above, 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 oustanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Shares outstanding at the beginning of the year	22,69,67,619	2,269.68	22,69,67,619	2,269.68
Shares outstanding at the end of the year	**22,69,67,619**	**2,269.68**	**22,69,67,619**	**2,269.68**

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of 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 31.03.2016		As at 31.03.2015	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Diwakar Viniyog Private Limited	3,33,26,237	14.68	3,33,10,237	14.68
Suntrack Commerce Private Limited	3,26,91,366	14.40	3,26,75,366	14.40
Bhanu Vyapaar Private Limited	2,76,04,261	12.16	2,71,33,761	11.95
Emami Enclave Makers Private Limited	1,34,58,553	5.93	1,32,11,053	5.82
Suraj Viniyog Private Limited	1,30,99,281	5.77	1,28,41,931	5.66
Emami High Rise Private Limited	1,30,76,503	5.76	1,28,37,353	5.66

Notes to the Consolidated Accounts

2.2 RESERVES & SURPLUS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
a. Capital Reserves				
Opening Balance	79.64		79.64	
Addition during the year	229.05		–	
Closing Balance		308.69		79.64
b. Securities Premium Reserve		33,205.16		33,205.16
c. General Reserve				
Opening Balance	80,000.00		50,000.00	
Transferred from Surplus in Statement of Profit & Loss	–		30,000.00	
Closing Balance		80,000.00		80,000.00
d. Foreign Currency Translation Reserve				
Opening Balance	(27.43)		(135.21)	
Addition during the year	237.02		107.78	
Closing Balance		209.59		(27.43)
e. Debenture Redemption Reserves				
Opening Balance	–		–	
Transferred from Surplus in Statement of Profit & Loss	7,500.00		–	
Closing Balance		7,500.00		–
f. Surplus				
Opening Balance	7,536.71		7,792.55	
Net Profit for the Period	35,905.88		48,560.97	
Transfer to Debenture Redemption Reserve	(7,500.00)		–	
Interim Dividend [₹ Nil /- (PY ₹4/-) per share]	–		(9,078.70)	
Proposed Dividend [₹7/- (PY ₹3/-) per share]	(15,887.73)		(6,809.03)	
Corporate Dividend Tax	(3,234.36)		(2,929.08)	
Transfer to General reserve	–		(30,000.00)	
Closing Balance		16,820.50		7,536.71
Total		**1,38,043.94**		**1,20,794.08**

2.3 LONG-TERM BORROWINGS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
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		30,000.00		–
Total		**30,000.00**		**170.85**

Notes to the Consolidated Accounts

2.4 DEFERRED TAX LIABILITIES (NET)

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Deferred Tax Liabilities				
Tax impact due to difference between tax depreciation and book depreciation		–		2,453.00
Deferred Tax Assets				
Tax impact of expenses charged off in financial statement but allowance under tax law deferred		–		1,248.25
(Refer Note No : 2.37)				
Total		**–**		**1,204.75**

2.5 OTHER LONG TERM LIABILITIES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Trade Payables		226.50		377.15
Creditors for Capital Goods		1.09		23.32
Trade Deposits		591.65		581.13
Security Deposits		648.56		648.56
Total		**1,467.80**		**1,630.16**

2.6 LONG-TERM PROVISIONS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Provision for Employee Benefits				
Provident Fund		43.42		25.14
Gratuity		1,898.58		1,439.50
Leave Encashment		1,045.10		988.74
Total		**2,987.10**		**2,453.38**

2.7 SHORT-TERM BORROWINGS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Secured				
From Banks				
Cash Credit	–		837.85	
Packing Credit	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.				
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.	1,143.93	4,143.93	919.86	1,757.71
Unsecured				
From Banks				
Commercial Paper		27,500.00		–
Packing Credit		5,500.00		–
ICICI Pact Project		–		0.14
Others		–		11.88
Total		**37,143.93**		**1,769.73**

Notes to the Consolidated Accounts

2.8 TRADE PAYABLES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Micro, Small & Medium Enterprises		281.47		151.42
Others		24,363.94		19,171.92
Total		**24,645.41**		**19,323.34**

2.9 OTHER CURRENT LIABILITIES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Current Maturities of Long-Term Borrowings	–		1,647.85	
Interest Accrued but not due on Borrowings	283.86		27.61	
Interest Accrued and Due on Trade Deposits	34.04		78.72	
Unpaid Dividends	110.71		98.01	
Advance from Customers	895.53		695.16	
Creditors for Capital Goods	313.87	1,638.01	175.13	2,722.48
Other Payables				
Employee Benefits	3,037.31		2,195.38	
Duties & Taxes	1,780.61	4,817.92	1,282.78	3,478.16
Total		**6,455.93**		**6,200.64**

2.10 SHORT-TERM PROVISIONS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Provision for Employee Benefits				
Gratuity		349.93		–
Leave Encashment		64.11		51.34
Others				
Provision for Dividend	15,887.73		6,809.03	
Corporate Dividend Tax	3,234.36		1,386.15	
Provision for Direct Taxes (Net of Advance Tax)	–		942.77	
Provision for Indirect Taxes	3,492.83	22,614.92	2,170.15	11,308.10
Total		**23,028.96**		**11,359.44**

2.11 FIXED ASSETS (Current Year)

₹ in Lacs

Particulars	Gross Block					Depreciation & Amortisation					Net Block	
	Balance as at 1.4.2015	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2016	Balance as at 1.4.2015	For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
Tangible Assets												
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	23,322.44	1,079.80	23.98	82.62	24,460.88	3,565.69	650.64	18.23	14.30	4,212.40	20,248.48	19,756.75
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
Tangible Assets	**58,898.14**	**9,755.65**	**440.76**	**140.07**	**68,353.10**	**17,294.19**	**4,227.66**	**265.29**	**35.11**	**21,291.67**	**47,061.43**	**41,603.95**
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*	2,894.45	1,66,695.01	-	3.85	1,69,593.31	524.65	19,969.99	-	(0.89)	20,493.75	1,49,099.56	2,369.80
Intangible Assets	**4,803.34**	**1,68,014.06**	**-**	**3.85**	**1,72,821.25**	**1,525.10**	**21,275.88**	**-**	**(0.89)**	**22,800.09**	**1,50,021.16**	**3,278.24**
Total	**63,701.48**	**1,77,769.71**	**440.76**	**143.92**	**2,41,174.35**	**18,819.29**	**25,503.54**	**265.29**	**34.22**	**44,091.76**	**1,97,082.59**	**44,882.19**
Capital Work- In-Progress	2,647.37	6,387.60	2,873.68	2.56	6,163.85	-	-	-	-	-	6,163.85	2,647.37
Intangible Assets under Development	229.49	315.63	-	-	545.12	-	-	-	-	-	545.12	229.49
Grand Total	**66,578.34**	**1,84,472.94**	**3,314.44**	**146.48**	**2,47,883.32**	**18,819.29**	**25,503.54**	**265.29**	**34.22**	**44,091.76**	**2,03,791.56**	**47,759.05**

* Refer Note No : 2.38

2.11 FIXED ASSETS (Previous Year)

₹ in Lacs

Particulars	Gross Block					Depreciation & Amortisation					Net Block	
	Balance as at 1.4.2014	Additions	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2015	Balance as at 1.4.2014	For the year	Disposals/ Adjustments	Exchange Fluctuation on Consolidation	Balance as at 31.3.2015	Balance as at 31.03.2015	Balance as at 31.03.2014
Tangible Assets												
Land												
Leasehold	309.96	-	-		309.96	30.27	3.63	-		33.90	276.06	279.69
Freehold	1,659.39	475.25	-	(5.12)	2,129.52	-	-	-		-	2,129.52	1,659.39
Building	22,306.41	979.20	2.13	38.96	23,322.44	3,400.13	164.06	0.47	1.97	3,565.69	19,756.75	18,906.28
Plant & Equipment	23,571.06	2,901.83	529.48	8.25	25,951.66	8,500.95	1,962.74	487.86	0.04	9,975.87	15,975.79	14,780.59
Furniture & Fixture	2,444.83	156.03	19.24	4.80	2,586.42	734.93	279.49	28.92	1.72	987.22	1,599.20	1,706.10
Office Equipment	3,106.17	614.52	139.79	2.82	3,583.72	2,152.45	314.21	118.08	0.95	2,349.53	1,234.19	953.72
Motor Vehicles	884.51	322.61	194.68	1.98	1,014.42	362.93	111.58	93.18	0.65	381.98	632.44	521.58
Tangible Assets	**54,282.33**	**5,449.44**	**885.32**	**51.69**	**58,898.14**	**15,181.66**	**2,835.71**	**728.51**	**5.33**	**17,294.19**	**41,603.95**	**38,807.35**
Intangible Assets												
Goodwill	47,899.11	-	47,899.11	-	-	47,899.11	–	47,899.11	-	-	-	-
Software	1,517.33	391.56	-	-	1,908.89	770.20	230.25	-	-	1,000.45	908.44	747.14
Trade Marks, Brands and other Intangible assets	216.63	2,677.77	-	0.05	2,894.45	159.62	365.03	-	-	524.65	2,369.80	31.73
Intangible Assets	**49,633.07**	**3,069.33**	**47,899.11**	**0.05**	**4,803.34**	**48,828.93**	**595.28**	**47,899.11**	**-**	**1,525.10**	**3,278.24**	**778.87**
Total	**1,03,915.40**	**8,518.77**	**48,784.43**	**51.74**	**63,701.48**	**64,010.59**	**3,430.99**	**48,627.62**	**5.33**	**18,819.29**	**44,882.19**	**39,586.22**
Capital Work- In-Progress	1,173.66	2,212.77	753.28	14.22	2,647.37	-	-	-	-	-	2,647.37	1,173.66
Intangible Assets under Development	16.85	212.64	-	-	229.49	-	-	-	-	-	229.49	16.85
Grand Total	**1,05,105.91**	**10,944.18**	**49,537.71**	**65.96**	**66,578.34**	**64,010.59**	**3,430.99**	**48,627.62**	**5.33**	**18,819.29**	**47,759.05**	**40,776.73**

Note:

(i) *Balance as on 01.04.2014 includes balances of subsidiary companies acquired during the year.

Notes to the Consolidated Accounts

2.12 DEFERRED TAX ASSET

₹ *in Lacs*

Particulars	As at 31.03.2016	As at 31.03.2015
Deferred Tax Assets		
Tax impact of expenses charged off in financial statement but allowance under tax law deferred	122.60	–
Deferred Tax Liabilities		
Tax impact due to difference between tax depreciation and book depreciation	30.69	–
Total	**91.91**	–

2.13 NON-CURRENT INVESTMENTS

₹ *in Lacs*

Particulars	As at 31.03.2016	As at 31.03.2015
Long Term Investments (Valued at Cost)		
Trade Investments		
Investment In Equity Instruments		
(Quoted)		
Emami Paper Mills Limited		
79,46,000 Equity Shares of ₹2/- each	368.48	368.48
Creative Eye Limited*		
10,000 Equity Shares of ₹5/- each	6.41	6.41
(Unquoted)		
CRI Limited		
95,630 Equity Shares of ₹10/- each	27.17	27.17
AMRI Hospitals Limited		
8,00,000 Fully paid Equity Shares of ₹10/- each	264.66	264.66
Investment In Government & Trust Securities (Unquoted)		
6 Years' National Savings Certificate	0.58	0.58
(Lodged With Government Authority)		
(i)	**667.30**	**667.30**
Less : *Provision for Diminution in value of Investment (ii)	6.08	6.10
Total (i) - (ii)	**661.22**	**661.20**
Aggregate Book Value of Quoted Investments	368.81	368.79
Aggregate Book Value of Unquoted Investments	292.41	292.41
Aggregate Market Value of Quoted Investments	3,254.21	3,417.08

Notes to the Consolidated Accounts

2.14 LONG-TERM LOANS AND ADVANCES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured, Considered Good)				
Capital Advances		9,134.91		3,065.99
Security Deposits		430.98		326.87
Advances to Related Parties (Refer Note No 2.39)		201.27		110.98
Advances to Employees		55.98		32.88
Balances with Excise and Sales Tax Department		389.51		416.79
Advances against Trade Payables		329.15		102.85
Others		492.02		397.30
Considered Doubtful				
Considered Doubtful	119.82		119.82	
Less: Provision for Doubtful Advances	(119.82)	–	(119.82)	–
Total		**11,033.82**		**4,453.66**

2.15 OTHER NON-CURRENT ASSETS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured)				
Trade Receivables				
Considered Good		73.55		1.03
Considered Doubtful		2.95		2.95
Less: Provision for Doubtful Debts		(2.95)		(2.95)
Total		**73.55**		**1.03**

2.16 CURRENT INVESTMENTS

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Non Trade Investments (Valued at lower of Cost or Fair Value)				
Investment in Mutual Fund (Unquoted)				
Axis Liquid Fund - Direct - Growth		–		1500.00
Nil (PY-96,778.689) Units				
Axis Banking Debt Fund-Direct Plan -Growth		–		1000.00
Nil (PY-78,847.489) Units				
Baroda Pioneer Liquid Fund- Plan B Growth		–		500.00
Nil (PY-31,167.266) Units				
Birla Sun Life Income Fund- Growth - Direct Plan		–		2000.00
Nil (PY-31,44,194.324) Units				
BOI AXA Treasury Advantage Fund - Direct Plan - Growth		–		500.00
Nil (PY-30,324.962) Units				
Birla Sun Life Floating Rate Fund - Short Term - Growth - Direct Plan		–		4000.00
Nil (PY-21,48,923.371) Unit				

Notes to the Consolidated Accounts

2.16 CURRENT INVESTMENTS *(contd...)*

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Edelweiss Arbitrage Fund - Direct Plan - Dividend Option - Payout		–		200.00
Nil (PY-19,55,244.454) Units				
Edelweiss Liquid Fund - Direct Plan - Growth Option		–		500.00
Nil (PY-36,626.272) Units				
Edelweiss Absolute Return Fund - Direct Plan - Dividend Option - Payout*		202.48		–
13,73,658.244 (PY-Nil) Units				
HDFC Liquid Fund - Direct Plan - Growth Option		–		2500.00
Nil (PY-90,59,336.604) Units				
HDFC Banking & PSU Debt Fund - Direct Growth Option		–		500.00
Nil (PY-45,40,748.679) Units				
ICICI Prudential Liquid - Direct Plan - Growth		–		1000.00
Nil (PY-4,83,210.606) Units				
ICICI Prudential Banking PSU Debt Fund - Direct Plan - Growth		–		1500.00
Nil (PY-96,96,123. 490) Units				
ICICI Prudential Gilt Fund - Investment Plan - PF Option - Direct Plan*		–		1500.00
Nil (PY-53,96,654.074) Units				
Indiabulls Liquid Fund - Direct Growth - Direct Plan		–		500.00
Nil (PY-36,737.194) Units				
IDFC Money Manager Fund-Treasury Plan - Growth - (Direct Plan)		–		500.00
Nil (PY-22,79,877.799) Units				
JM Short Term Fund (Direct) - Growth Plan		–		1500.00
Nil (PY-75,46,030.788) Units				
JM High Liquidity Fund (Direct) - Growth Option		–		1000.00
Nil (PY-26,18,246.560) Units				
JM Income Fund (Direct) - Growth Option		–		1500.00
Nil (PY-35,54,426.564) Units				
JM Floater Short Term Fund (Direct) - Growth		–		1000.00
Nil (PY-46,56,946.068) Units				
Kotak Treasury Advantage Fund - Direct Plan - Growth		–		500.00
Nil (PY-22,59,458.092) Units				
L&T Liquid Fund - Direct Plan - Growth		–		500.00
Nil (PY-26,075.097) Units				

Notes forming part of the Accounts

2.16 CURRENT INVESTMENTS *(contd...)*

₹ *in Lacs*

Particulars	As at 31.03.2016	As at 31.03.2015
L&T Cash Fund - Direct Plan - Growth	–	600.00
Nil (PY-53,432.794) Units		
L&T Ultra Short Term Fund - Direct Plan - Growth	–	5500.00
Nil (PY-2,41,57,878.323) Units		
Mirae Asset Cash Management Fund - Direct Plan - Growth	–	109.87
Nil (PY-74,66.858) Units		
Pramerica Ultra Short Term Bond Fund - Direct Plan - Growth Option	–	1000.00
Nil (PY-67,204.816) Units		
Principal Cash Management Fund - Direct - Growth	–	1000.00
Nil (PY: 73,534.505) Units		
Reliance Income Fund - Direct - Growth Option	–	3800.00
Nil (PY: 81,95,013.081) Units		
Reliance Short Term Fund - Direct - Growth	–	3000.00
Nil (PY-1,13,92,635.800) Units		
Reliance Liquid Fund - Cash Plan - Direct - Growth	1,000.00	1660.04
40,948.253 (PY-74,394.971) Units		
Reliance Liquid Fund - Treasury Plan - Direct - Growth	–	2000.00
Nil (PY-58,668.254) Units		
Reliance Money Manager Fund - Direct - Growth	–	2850.00
Nil (PY-1,48,043.691) Units		
Religare Invesco Liquid Fund - Direct Plan - Growth	–	1000.00
Nil (PY-51,979.190) Units		
Reliance Floating Rate Fund Fund Short Term Plan - Direct - Growth	–	400.00
Nil (PY-18,77,687.440) Units		
SBI Magnum Insta Cash Fund Liquid Floater - Direct - Growth	–	650.00
Nil (PY-27,383.101) Units		
Taurus Short Term Income Fund- Direct Plan - Growth	–	1000.00
Nil (PY-40,982.226) Units		
Tata Money Market Fund - Direct Plan - Growth	–	200.00
Nil (PY-9,133.074) Units		
UTI-Money Market Fund - Institutional Plan - Direct Plan - Growth	–	500.00
Nil (PY-48,16,604.620) Units		
(i)	**1,202.48**	**49,469.91**
Less : *Provision for Diminution in value of Investment (ii)	**10.58**	**4.55**
Total (i) - (ii)	**1,191.90**	**49,465.36**
Net Asset Value of Unquoted Investments	**1,193.31**	**49,650.70**

Notes to the Consolidated Accounts

2.17 INVENTORIES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Raw and Packing Materials				
Raw Materials	3,187.76		2,988.43	
Packing Materials	2,581.17	5,768.93	2,272.53	5,260.96
Work-in-Progress		249.89		181.99
Finished Goods		6,612.25		5,530.49
Stock- in-Trade		2,232.48		1,519.17
Stores and Spares		133.29		118.05
Advertising Materials		56.66		54.81
Total		**15,053.50**		**12,665.47**

2.18 TRADE RECEIVABLES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured, Considered Good unless stated otherwise)				
Due over six months	426.48		1,484.78	
Other Receivables	12,587.60	13,014.08	8,692.07	10,176.85
Total		**13,014.08**		**10,176.85**

2.19 CASH AND BANK BALANCES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
Cash and Cash Equivalents				
Balances with Banks	7,203.45		1,908.96	
Fixed Deposits with Banks (Original maturity less than 3 months)	2,129.68		33,034.63	
Cheque-in-hand	675.92		–	
Cash on hand	42.31	10,051.36	31.80	34,975.39
Other Bank Balances				
Unpaid Dividend Account	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	641.16	791.94	293.35	435.27
Total		**10,843.30**		**35,410.66**

2.20 SHORT-TERM LOANS AND ADVANCES

₹ *in Lacs*

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured, Considered Good)				
Balances with Excise and Sales Tax Department		1,507.14		1,404.93
Advances against Trade Payables		5,705.07		4,208.14
Advances to Employees		320.03		206.99
Advances to Related Parties (Refer Note No 2.39)		42.09		20.41
Interest Receivable on Deposits		22.45		117.27
Advance Income Tax (Net of Provision)		1,500.70		–
Prepaid expenses		512.45		294.95
Other Receivables		682.35		378.37
Total		**10,292.28**		**6,631.06**

Notes to the Consolidated Accounts

2.21 REVENUE FROM OPERATIONS

₹ *in Lacs*

Particulars	2015-16		2014-15	
Sale of Products		2,65,686.42		2,25,268.03
Sale of Services		162.57		–
Other Operating Revenues		450.38		409.81
Less: Excise Duty		3,920.36		3,953.07
Total		**2,62,379.01**		**2,21,724.77**

2.22 OTHER INCOME

₹ *in Lacs*

Particulars	2015-16		2014-15	
Interest Income				
Loans & Deposits	1,080.24		5,760.68	
Others	3.42	1,083.66	1.58	5,762.26
Dividend from Long Term Non Trade Investment		47.68		47.68
Dividend from Short Term Non Trade Investment		7,006.59		10,075.69
Profit/ (loss) on Sale of Current Non- Trade Investments		(6,279.06)		(6,770.68)
Profit/ (loss) on Derivative Instrument		610.97		(1,810.93)
Reversal/(Diminution) in value of Short Term Non trade Investment		(6.03)		762.63
Reversal/(Diminution) in value of Long Term Non trade Investment		0.02		(0.48)
Profit/(loss) on Sale of Fixed Assets		98.03		22.64
Rent and Maintenance Charges Received		469.78		425.14
Sundry Balances Written Back		66.36		88.25
Miscellaneous Receipts		282.45		1,038.77
Total		**3,380.45**		**9,640.97**

2.23 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ *in Lacs*

Particulars	2015-16		2014-15	
(I) Opening Stock				
Work-in-progress	181.99		193.28	
Finished Goods	5530.50		6462.24	
Stock in trade	1519.17	7231.66	1936.17	8591.69
(II) Closing Stock				
Work-in-progress	249.89		181.99	
Finished Goods	6612.25		5530.50	
Stock in trade	2232.48	9094.62	1519.17	7231.66
(I) - (II)		**(1,862.96)**		**1360.03**

Notes to the Consolidated Accounts

2.24 EMPLOYEE BENEFIT EXPENSES

₹ *in Lacs*

Particulars	2015-16		2014-15	
Salaries and Wages		18,365.90		14,915.97
Contribution to Provident and other funds		1,953.98		1,387.01
Welfare expenses		528.01		410.43
Total		**20,847.89**		**16,713.41**

2.25 FINANCE COSTS

₹ *in Lacs*

Particulars	2015-16		2014-15	
Interest expenses		5,403.01		514.08
Total		**5,403.01**		**514.08**

2.26 OTHER EXPENSES

₹ *in Lacs*

Particulars	2015-16		2014-15	
Consumption of stores and spare parts		306.79		247.90
Power and fuel		1218.11		1247.81
Rent		707.35		680.07
Repairs :				
Building	162.99		136.57	
Machinery	756.42		669.55	
Others	1212.38	2131.79	963.27	1769.39
Insurance		309.91		261.86
Rates and taxes, excluding taxes on income		210.76		239.17
Freight & Forwarding		6112.12		5733.77
Directors' Fees and Commission		553.30		544.05
Advertisement & Sales Promotion		53073.40		39194.11
Commission		1090.26		956.17
Taxes on Sales		16763.62		14117.68
Loss on Sale/Disposal of Fixed Assets		90.78		50.22
Bad Debts	–		17.81	
Less : Provision for doubtful debts	–	–	(17.81)	–
Sundry Balance Written Back		0.10		–
Legal and Professional Fees		3115.72		2764.33
Travelling and Conveyance		2433.89		2084.18
Miscellaneous Expenses (Note : 2.35)		3824.07		3116.47
Total		**91,941.97**		**73,007.18**

Notes to the Consolidated Accounts

2.27

a. BUSINESS SEGMENT

As the Company's business activity falls within a single primary business segment,viz."Personal and Healthcare", the disclosure requirements of Accounting Standard-17 "Segment Reporting", are not applicable.

b. GEOGRAPHICAL SEGMENT

The company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and overseas operations as under :

Revenue from Operation

₹ *in Lacs*

Particulars	2015-16	2014-15
India	225,865.45	189,966.62
Overseas	36,513.56	31,758.15
Total	**262,379.01**	**221,724.77**

2.28 The following table shows the carrying amount of segment assets and additions to segment fixed assets by geographical area to which the assets are attributable:

₹ *in Lacs*

	Carrying amount of Segment Assets		Additions to Fixed Assets including CWIP	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
India	2,47,634.15	1,52,414.99	1,80,723.37	9,974.89
Overseas	18,821.02	15,217.40	875.89	216.01
Total	**2,66,455.17**	**1,67,632.39**	**1,81,599.26**	**10,190.90**

2.29 DEFINED BENEFIT PLANS :

As per actuarial valuations as on 31st March, 2016 and recognised in the financial statements in respect of Employees benefit schemes.

₹ *in Lacs*

	As at 31.03.2016		As at 31.03.2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
A. Components of Employer Expenses				
1. Current Service Cost	477.84	243.85	232.37	170.25
2. Interest Cost	208.96	88.50	179.61	74.11
3. Expected Return on Plan assets	(120.42)	(9.88)	(112.02)	(9.00)
4. Past Service Cost	–	–	–	–
5. Actuarial Losses / (Gains)	442.88	(265.67)	257.84	46.34
6. Actuarial Losses / (Gains) on Plan Assets	6.01	0.63	0.25	(0.02)
7. **Total Expenses recognised in the Statement of Profit & Loss**	**1,015.27**	**57.43**	**558.05**	**281.68**
B. Net asset/(liability) recognised in balance sheet as at 31st March 2016				
1. Present value of Defined Benefit Obligation (DBO)	3,591.89	1,198.86	2,673.31	1,132.18
2. Fair value of Plan Assets	1,491.35	120.48	1,335.17	109.52
3. Funded Status [Surplus/(deficit)]	(2,100.54)	(1,078.38)	(1,338.14)	(1,022.66)
4. **Net asset/(liability) recognised in balance sheet**	**(2,100.54)**	**(1,078.38)**	**(1,338.14)**	**(1,022.66)**

Notes to the Consolidated Accounts

2.29 DEFINED BENEFIT PLANS : *(contd...)*

₹ *in Lacs*

	As at 31.03.2016		As at 31.03.2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Partly Funded	Funded	Partly Funded
C. Change in Defined Benefit Obligation during the year ended 31st March 2016				
1. Present value of DBO at beginning of period	2,673.32	1,132.18	2,222.67	902.38
2. Current Service Cost	477.84	243.85	232.37	170.25
3. Interest Cost	208.96	88.50	179.61	74.11
4. Plan amendments cost/(credit)	–	–	–	–
5. Actuarial Losses / (Gains)	442.88	(265.67)	257.84	46.34
6. Benefits Paid	(211.11)	–	(219.17)	(60.90)
7. Liabilities extinguished on settlements	–	–	–	–
8. **Present value of DBO at the end of period**	**3,591.89**	**1,198.86**	**2,673.32**	**1,132.18**
D. Change in Fair Value of Assets				
1. Plan Assets at beginning of period	1,335.17	109.52	1,265.94	99.42
2. Expected Return on Plan Assets	120.42	9.88	112.02	9.00
3. Actuarial Gains /(Loss)	(6.01)	(0.63)	(0.25)	0.02
4. Actual company contributions	252.88	1.71	176.63	1.08
5. Benefits paid	(211.11)	–	(219.17)	–
6. Assets distributed on settlements	–	–	–	–
7. **Plan assets at the end of period**	**1,491.35**	**120.48**	**1,335.17**	**109.52**
E. **Actuarial Assumptions**				
1. Discount Rate (%)	7.90	7.90	7.80	7.80
2. Annual Salary Escalation Rate (%)	11.00		12.00	
3. Expected Return on Plan Assets (%)	8.00	8.00	9.00	9.00

Experience History

₹ *in Lacs*

	Year Ending				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
GRATUITY					
Defined Benefit Obligation at end of the period	(3,591.89)	(2,673.31)	(2,222.66)	(1,529.31)	(1,172.46)
Plan Assets at end of the period	1,491.35	1,335.17	1,265.94	1,157.85	995.19
Funded Status	(2,100.54)	(1,338.14)	(956.72)	(371.46)	(177.27)
Experience Gain /(Loss) adjustment on plan liabilities	817.99	(320.58)	(446.79)	(179.85)	(46.09)
Experience Gain /(Loss) adjustment on plan assets	(6.01)	(0.25)	(5.06)	(0.04)	12.45

Notes to the Consolidated Accounts

2.29 DEFINED BENEFIT PLANS : *(contd...)*

Experience History *(contd...)*

₹ *in Lacs*

	Year Ending				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
LEAVE ENCASHMENT					
Defined Benefit Obligation at end of the period	(1,198.86)	(1,132.18)	(902.38)	(549.54)	(322.56)
Plan Assets at end of the period	120.48	109.52	99.42	93.13	85.25
Funded Status	(1,078.38)	(1,022.66)	(802.96)	(456.41)	(237.31)
Experience Gain /(Loss) adjustment on plan liabilities	78.24	281.89	(118.88)	(60.44)	59.34
Experience Gain /(Loss) adjustment on plan assets	(0.63)	0.02	(2.38)	(0.14)	1.37

2.30 PROVIDENT FUND

₹ *in Lacs*

Particulars	Year Ending				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of benefit obligation at end of the period	5,871.77	4,136.36	3,090.85	2,465.55	1,908.76
Plan Assets at end of the period	5,828.35	4,111.23	3,070.09	2,434.53	1,888.98
Funded Status	(43.42)	(25.13)	(20.76)	(31.02)	(19.78)
Actuarial Assumptions					
Discount Rate	7.90%	7.80%	9.00%	7.91%	8.60%
Expected Guarantee Interest Rate	8.80%	8.75%	8.75%	8.50%	8.25%

2.31 DERIVATIVE INSTRUMENTS: :

The Company uses Forward Exchange Contracts and Options to hedge its risk associated with fluctuations in foreign currency and interest rates relating to foreign currency liabilities and some forecasted transactions related to foreign currency trade. The use of forward contracts and options is governed by company overall strategy. The company does not use forward contract and options for speculative purposes.

₹ *in Lacs*

	As at 31.03.2016		As at 31.03.2015	
	Amt. in Original Currency	Amt. in INR	Amt. in Original Currency	Amt. in INR
i) The following are the outstanding forward contracts				
For hedging currency risks :-				
Forward Covers				
Receivables				
- Current	USD 39.58	2,625.69	USD 49.94	3,125.49
- Future	USD 47.42	3,145.27	USD 110.96	6,945.37
Payables				
- Future	EUR 0.83	62.18	EUR 17.80	1,201.82
Options				
Receivables				
- Future	USD 34.80	2,308.38	–	–
ii) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :-				
Loan	–	–	USD 25.00	1564.77

Notes to the Consolidated Accounts

2.32 The Company has made a provision of ₹105.89 Lacs (Previous Year - ₹145.02 Lacs) towards Indirect Taxes resulting mainly from issues, which are under litigation/dispute requiring management judgement as shown below :

₹ in Lacs

Description	31.03.2016	31.03.2015
Opening Balance	990.42	884.26
Provisions made during the year	105.89	145.02
Payment/reversals during the year	12.33	38.86
Closing Balance	**1,083.98**	**990.42**

2.33 Long Term Loans & Advances include Security Deposit of ₹5.85 Lacs (P.Y.-₹7.04 Lacs) due from Directors of the Company against tenancies. (Maximum amount outstanding during the year - ₹7.04 Lacs (P.Y.-₹10.15 Lacs).

2.34 CONTINGENT LIABILITIES & COMMITMENTS :

I) Contingent Liabilities

₹ in Lacs

	31.03.2016	31.03.2015
(a) Claims against the Company not acknowledged as debt (Net of Advances) :		
i) Excise Duty demands	5.49	139.69
ii) Sales Tax demands under appeal	693.26	703.31
iii) Entry Tax	10.27	133.51
iv) Others	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

	31.03.2016	31.03.2015
(b) Guarantees and counter guarantees given	5,452.14	6,367.60

II) Commitments:

₹ in Lacs

	31.03.2016	31.03.2015
Estimated amount of commitments [net of advances of ₹9125.94 lacs (P.Y.- ₹2492.11 lacs)] on capital account not provided for	7,728.19	4,435.80

2.35 As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activities are Healthcare, Water and Sanitation Programs, Promoting Education, Enhancing Vocational Skills & Livelihood enhancement Projects and Rural Development, Social Upliftment Programs and Promotion of Art and Culture. During the year, ₹997.08 Lacs (P.Y. ₹759.22 Lacs) has been contributed towards CSR activities.

2.36 On 15th September 2015, Emami UK Limited, a wholly owned subsidiary of the company which was having insignificant business operations has been dissolved.

Notes to the Consolidated Accounts

2.37 The Company enjoys substantial tax benefits as some of the manufacturing units are entitled to tax holiday under the Income Tax Act 1961. Further, with the acquisition of Kesh King business and a new manufacturing unit being set up in tax holiday zone, deferred tax liability in respect of timing differences is expected to get reversed during the tax holiday period. Hence, in terms of Accounting Standard 22 – Accounting for Taxes on Income, deferred tax liability has not been recognized and accordingly opening deferred tax liability of ₹1239 Lacs has been reversed during the current financial year.

2.38 On 12th June 2015, the Company acquired Hair & Scalp Care business under the "Kesh King" and allied Brands at ₹1684 crores (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 Accounting Standards 26 – Intangible Assets, the management has estimated useful life of various intangibles assets at 5 to 10 years, except Goodwill of ₹1050 Lacs which has been charged to the statement of profit & loss. For the year ended 31st March 2016, amortisation of acquired Trade Marks/ Brands includes ₹195.17 crores respectively provided on intangible assets of "Kesh king" business on pro-rata basis.

2.39 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 Suresh Chaturvedi (Resigned on 5th August 2015)	Independent Director
3	Shri K.N.Memani	Independent Director
4	Shri Amit kiran Deb	Independent Director
5	Shri Y.P.Trivedi	Independent Director
6	Shri S.B.Ganguly	Independent Director
7	Shri Sajjan Bhajanka	Independent Director
8	Shri P.K.Khaitan	Independent Director
9	Shri M.D.Mallya	Independent Director
10	Smt. Rama Bijapurkar (Appointed as Additional Director on 1st September, 2015)	Independent Director

Notes to the Consolidated Accounts

2.39 RELATED PARTY TRANSACTIONS : *(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	20	Emami Vriddhi Commercial Private Limited
2	Diwakar Viniyog Private Limited	21	Emami Estates Private Limited
3	Bhanu Vyapaar Private Limited	22	Emami Projects Private Limited
4	Suraj Viniyog Private Limited	23	Emami Capital Markets Limited
5	Emami Paper Mills Limited	24	Emami Group Of Companies Private Limited
6	Emami Cement Limited	25	Emami Home Private Limited
7	Emami Frank Ross Limited	26	Emami Institute Of Corporate Solutions Private Limited
8	Pan Emami Cosmed Limited		
9	Emami Realty Limited	27	Emami Power Limited
10	Emami Infrastructure Limited	28	Emami International Private Limited
11	Emami Agrotech Limited	29	Emami Education And Research Foundation
12	CRI Limited	30	Emami (Meghalaya) Cement Limited
13	Aviro Vyapar Private Limited	31	Emami Natural Resouces Private Limited
14	AMRI Hospitals Limited	32	Emami Constructions Private Limited
15	Zandu Realty Limited	33	Emami Buildcon Private Limited
16	Emami High Rise Private Limited	34	TMT Viniyogan Limited
17	Emami Enclave Makers Private Limited	35	Emami Foundation
18	Emami Nirman Private Limited	36	Aradhana Trust
19	Emami Rainbow Niketan Private Limited	37	Kesar Deo Ratni Devi Goenka Trust

Notes to the Consolidated Accounts

2.39 RELATED PARTY TRANSACTIONS : *(contd...)*

C. Disclosure of Transactions between the Company and Related Parties and the status of Outstanding Balance.

₹ in Lacs

Particulars	Directors, Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Remuneration						
I) EXECUTIVE DIRECTORS						
A) - Salary & Other benefits	911.95	828.99	–	–	**911.95**	**828.99**
B) - Commission	500.00	500.00	–	–	**500.00**	**500.00**
II) NON EXECUTIVE DIRECTORS						
A) - Sitting Fees	25.25	23.05	–	–	**25.25**	**23.05**
B) - Commission	28.00	21.00	–	–	**28.00**	**21.00**
III) CEO & COMPANY SECRETARY						
A) - Salary & Other benefits	233.42	184.84	–	–	**233.42**	**184.84**
2. Sales						
A) - Sale of Goods	–	–	138.12	–	**138.12**	–
B) - Sale of Fixed Assets	–	–	11.79	–	**11.79**	–
C) - Sale of Export Benefit Licence	–	–	73.22	–	**73.22**	–
3. Purchase						
A) - Purchase of Promotional Items	–	–	15.22	–	**15.22**	–
B) - Purchase of Raw Materials	–	–	288.47	–	**288.47**	–
4. Reimbursement of Expenses	–	–	42.80	18.21	**42.80**	**18.21**
5. Sales Promotion and Selling Expenses	–	–	35.29	–	**35.29**	–
6. Medical and Other Expenses	–	–	1.84	–	**1.84**	–
7. Rent, Maintenance & Other Charges Paid	8.31	6.65	2.85	4.25	**11.16**	**10.90**
8. Rent, Maintenance & Other Charges Received	–	–	318.54	116.71	**318.54**	**116.71**
9. Royalty Received	–	–	119.80	2.25	**119.80**	**2.25**
10. Dividend Received	–	–	47.68	47.68	**47.68**	**47.68**
11. Dividend Paid	638.33	1,685.27	4,127.14	10,216.01	**4,765.47**	**11,901.28**
12. Security Deposit Received	–	–	14.73	–	**14.73**	–
13. Security Deposit Paid	–	2.20	–	–	–	**2.20**
14. Refund against Security Deposit Paid	2.40	8.98	–	0.25	**2.40**	**9.23**
15. Refund against Security Deposit Received	–	–	15.64	–	**15.64**	–
16. Donation Paid	–	–	93.10	133.50	**93.10**	**133.50**
17. Commission Paid	–	–	9.65	–	**9.65**	–

Notes to the Consolidated Accounts

2.39 RELATED PARTY TRANSACTIONS : *(contd...)*

C. Disclosure of Transactions between the Company and Related Parties and the status of Outstanding Balance.

₹ in Lacs

Particulars	Directors,Key Management Personnel & Relatives		Entities where Key Management Personnel and their relatives have significant influence		Total	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
18. Balance As on 31st March						
A) - Investment	–	–	660.31	368.48	**660.31**	**368.48**
B) - Trade Receivables	–	–	2.41	–	**2.41**	**–**
C) - Other Receivables	–	–	2.29	16.83	**2.29**	**16.83**
D) - Security Deposit Paid	14.85	17.25	7.00	7.00	**21.85**	**24.25**
E) - Security Deposit Received	–	–	44.94	29.73	**44.94**	**29.73**

2.40 INFORMATION FOR EARNINGS PER SHARE AS PER AS-20

₹ in Lacs

	31.03.2016	31.03.2015
Net Profit (₹ in Lacs)	35905.88	48560.97
Cash Profit (₹ in Lacs)	61409.42	51991.96
Weighted average number of shares	226967619	226967619
Earnings Per Share - Basic & Diluted (₹)	**15.82**	**21.40**
Earnings Per Share - Cash (₹)	**27.06**	**22.91**

2.41 Previous year's figures have been rearranged/regrouped wherever necessary.

As per our report of even date

For S. K. Agrawal & Co.
Chartered Accountants

S. K. Agrawal
Partner

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary & VP-Legal

Kolkata
5th May, 2016

FORM AOC-1
STATEMENT REGARDING SUBSIDIARY COMPANIES

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

₹ In lacs

Sl. No.	Name of the Subsidiary Company	1	2	3	4	5	6	7	8	9
		Emami Bangladesh Limited	Emami UK Limited	Emami International FZE	Emami Overseas FZE	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 Limited	Emami Limited	Emami Limited	Emami International FZE	Emami Overseas FZE	Emami International FZE	Fravin Pty Ltd	Fravin Pty Ltd	Diamond Bio-Tech Laboratories Pty Ltd
1	% of shareholding of Holding company	100%	100%	100%	100%	90.50%	66.67%	100%	100%	100%
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	BDT INR 0.8449 per BDT	GBP INR 102.408 per GBP	AED INR 18.09 per AED	AED INR 18.09 per AED	EGP INR 7.49 per EGP	AUD INR 50.80 per AUD	AUD INR 50.80 per AUD	GBP INR 95.16 per GBP	AUD INR 50.80 per AUD
4	Share capital	27.82	-	18.98	3.08	168.46	1,875.64	0.0010	0.001655	50.16
5	Reserves & Surplus	1,126.34	-	3,527.49	(1,169.77)	(327.93)	(606.36)	(33.67)	(0.000703)	(62.42)
6	Total assets	6,163.35	-	13,420.40	614.50	255.49	1,315.06	64.81	0.000952	205.35
7	Total Liabilities	5,009.19	-	9,873.93	1,781.19	414.96	45.78	98.48	-	217.61
8	Investments	-	-	1,353.60	-	-	0.0021	0.0005	-	-
9	Turnover	11,914.69	-	20,681.72	-	-	223.12	-	-	198.69
10	Profit before taxation	1,378.65	4.12	2,357.69	(3.45)	(32.50)	(94.63)	(47.05)	-	(52.33)
11	Provision for taxation	503.71	-	-	-	-	31.84	14.59	-	15.83
12	Profit after taxation	874.94	4.12	2,357.69	(3.45)	(32.50)	(62.79)	(32.47)	-	(36.50)
13	Proposed Dividend	672.74	Nil	994.90	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1) Names of subsidiaries which are yet to commence operations - Greenlab Organics Limited

2) Names of subsidiaries which have been liquidated or sold during the year - Emami UK Limited (ceased to exist on 15.09.2015). Hence the above figures are for the period 01.04.2015 to 15.09.2015 and reporting currency of INR 102.408 per GBP is as on 15.09.2015

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

Kolkata
5th May, 2016

S K Goenka
Managing Director

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

A K Joshi
Company Secretary & VP-Legal

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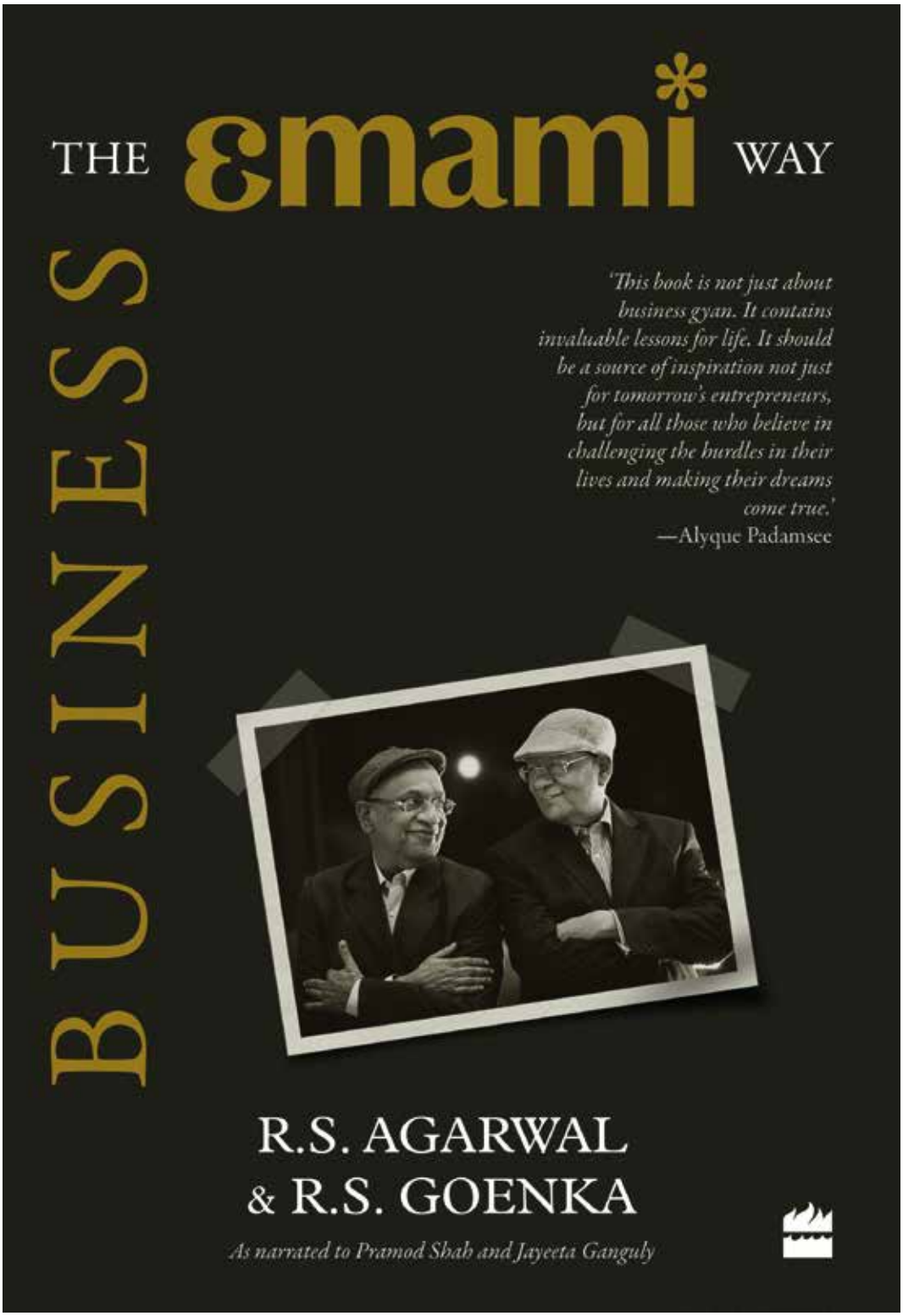
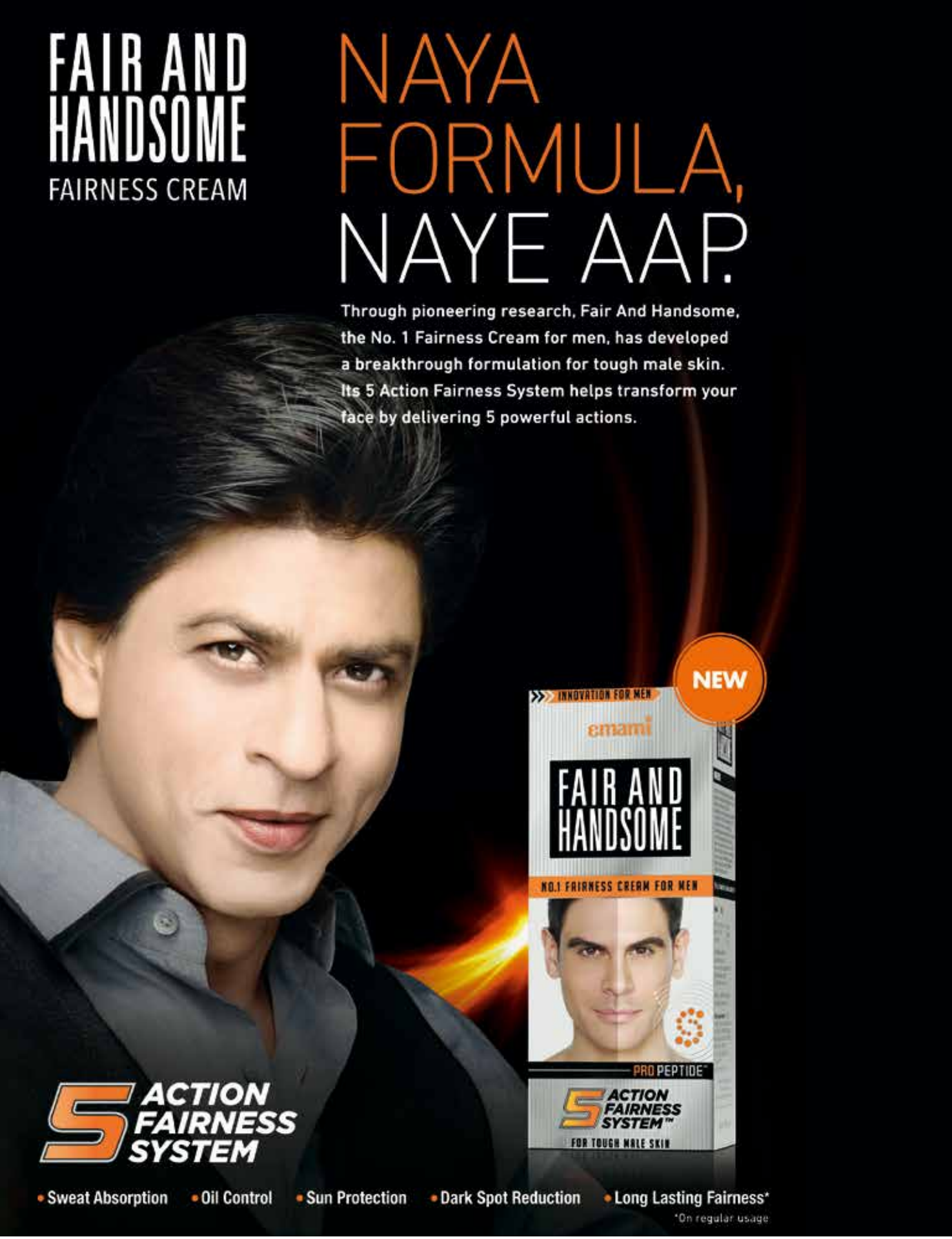
Emami wisdom



Business – The Emami Way, authored by Mr R S Agarwal & Mr R S Goenka and published by Harper Collins Publishers India Ltd has recently hit the stands. The book is a rich repository of entrepreneurial experience, business strategy and vision of the two founders, collected over for more than 50 years of their joint enterprising career.



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