



emami* limited

Date: 3rd September, 2021

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

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 531162

Dear Sirs,

Sub: Integrated Annual Report of the Company for the Financial Year 2020-21

We are hereby submitting the copy of Integrated Annual Report of the Company for the Financial Year 2020-21 along with the Notice of the Thirty Eighth Annual General Meeting of the Company to be held on Wednesday, 29th September, 2021. The same is also available on the website of the company www.emamilttd.in.

This is for your information and record.

Thanking You,
Yours Sincerely,
For Emami Limited

A. K. Joshi
Company Secretary & VP- Legal
(Encl. : As above)

Agility

HOW EMAMI INTEGRATED ABILITY AND AGILITY
TO OUTPERFORM IN A CHALLENGING YEAR

PAGE 06

FOUNDERS' STATEMENT

THE GREATER THE
CHALLENGE, THE
MORE SPIRITED IS
OUR RESPONSE

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COVER STORY

AGILITY: THE
ESSENCE OF EMAMI'S
TRANSFORMATION IN
2020-21

PAGE 24

TRANSFORMATIONAL STORY

HOW EMAMI
REINVENTED ITS
DISTRIBUTION
FOOTPRINT



emami*

www.emamilttd.in

Corporate Information

Chairman

R.S. Agarwal

Managing Director

Sushil K. Goenka

CEO - Finance, Strategy & Business Development and CFO

N.H. Bhansali

Company Secretary & VP-Legal

A.K. Joshi

Auditors

S.R. Batliboi & Co. LLP

Chartered Accountants

Directors

R.S. Goenka

K.N. Memani

Y.P. Trivedi

Rama Bijapurkar*

P.K. Khaitan

C.K. Dhanuka

S.B. Ganguly

Amit Kiran Deb

Debabrata Sarkar

Mohan Goenka

Aditya V. Agarwal

Harsha V. Agarwal

Priti A Sureka

Prashant Goenka

**Ceased to be a Director w.e.f closure of business hours on 2nd August 2021*

Our presence

60+ Countries | 8 Factories (including one overseas unit)

4 Regional Offices | 26 Depots.

Bankers

ICICI Bank Ltd. | HDFC Bank Ltd.

HSBC Ltd. | Citi Bank N.A.

DBS Bank Ltd.

Registrar & Transfer agent

Maheswari Datamatics Private Limited,

23, R.N. Mukherjee Road,

Kolkata 700 001, West Bengal, India

Tel: +91-33-2248 2248, Email: mdpldc@yahoo.com

Registered office

Emami Tower, 687, Anandapur,

EM Bypass, Kolkata 700 107, West Bengal, India

Tel : +91-33-6613 6264

Email: investors@emamigroup.com

Website: www.emamiltl.in

CIN: L63993WB1983PLC036030

Audit Committee

S.B. Ganguly, Chairman

R.S. Goenka

C.K. Dhanuka

Amit Kiran Deb

Debabrata Sarkar**

***Appointed as a member of Audit Committee from 2nd August 2021*

Nomination and Remuneration Committee

Amit Kiran Deb, Chairman

C.K. Dhanuka

S.B. Ganguly

Risk Management Committee

R.S. Goenka, Chairman

S.B. Ganguly

Sushil K. Goenka

Mohan Goenka

Harsha V. Agarwal

Priti A Sureka

Stakeholders' Relationship Committee

C.K. Dhanuka, Chairman

S.B. Ganguly

Mohan Goenka

Harsha V. Agarwal

Prashant Goenka

Corporate Social Responsibility Committee

Sushil K. Goenka, Chairman

Amit Kiran Deb

Mohan Goenka

Harsha V. Agarwal

Priti A Sureka

Prashant Goenka

Finance Committee

R.S. Goenka, Chairman

Sushil K. Goenka

Mohan Goenka

Aditya V. Agarwal

Harsha V. Agarwal

Priti A Sureka

Corporate Governance Committee

S.B. Ganguly, Chairman

R.S. Goenka

Y.P. Trivedi

Amit Kiran Deb

Share Transfer Committee

Mohan Goenka, Chairman

Aditya V. Agarwal

Harsha V. Agarwal

Priti A Sureka

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The greater the challenge, the more spirited is our response

RS Agarwal and RS Goenka

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

**ABOUT THE
INTEGRATED REPORT**

Introduction to the integrated report

The Integrated Report is a part of Emami Limited's (hereafter referred to as 'Emami') primary report to stakeholders. This report reviews Emami's business model, risks, opportunities, operational and governance performance for the financial year ended 31st March, 2021.

Report boundary and scope

The Annual Report covers information on business operations disclosed through the six Capitals enunciated by the International Integrated Reporting Council. In assessing the issues that materially impact value-creation, we have appraised beyond the financial reporting boundary to address the material interests of relevant stakeholders and address significant risks, opportunities and impacts associated with our activities over the short-term (less than 12 months), medium-term (one to three years) and long-term (beyond three years).

Reporting framework

The Annual Report followed the International <IR> Framework as developed by IIRC (www.integratedreporting.org) and should be read in conjunction with the financial statements, included herein and the notes thereto. The financial and statutory data presented has been in accordance with the requirements of

EDITOR'S NOTE

<p>Dear shareholders,</p> <p>The year 2020-21 was the worst of times and the best of years.</p> <p>The first quarter was unprecedented for its uncertainty and hopelessness. It was the kind of quarter that tested the best of us.</p> <p>We are pleased to communicate that in these trying times, the restless Emami spirit validated itself.</p> <p>Even as some business transformation initiatives had commenced well before the outbreak of the pandemic, something remarkable manifested at Emami during that critical first quarter of 2020-21.</p> <p>While Emami's pan-India offices remained unattended, the Company now had a over thousand Emami 'offices' at work across the country; every single Emami employee, plugged into her/his laptop from</p>	<p>home, represented a virtual Emami office.</p> <p>Each Emami-ite was now driven by the need to do better when the general consensus was 'Status quo will be good enough.'</p> <p>The result of this passionate ferment was that Emami didn't just hold on; it accelerated.</p> <p>Emami didn't just benchmark with the best of the past; it raised the bar.</p> <p>If there is a big message that needs to be communicated, it would just be three sentences.</p> <p>The first quarter of the last financial year represented an unprecedented challenge.</p> <p>A number of initiatives of the recent past resulted in success, enabling Emami to strengthen its agility.</p> <p>The Company is positioned to forge ahead with vigour.</p>
<p>the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws.</p>	<p>significant influence on our ability to create and sustain value over the short, medium and long-term tenures.</p>
<p>Materiality</p> <p>This report provides information on all those realities that could have a</p>	<p>Assurance</p> <p>The statutory auditors, M/s S.R. Batliboi & Co. LLP have provided assurance on the financial statements and the Independent Auditor's Report has duly been incorporated as part of the report</p>

Forward-looking statement

In this Annual Report, we disclosed the Company's objectives, expectations and forecasts to empower investors to 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 tried wherever possible to identify such statements by using words such as 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of prospective performance. Although we believe that we have been prudent in our assumptions, actual results could differ materially from those expressed in the statement. The achievement of results is subject to risks, uncertainties and inaccurate assumptions.

NOTE: ALL FINANCIAL FIGURES AND GROWTH DATA ARE BASED ON OUR CONSOLIDATED FINANCIALS, UNLESS OTHERWISE STATED.

Emami Limited.

One of the most exciting FMCG companies of India founded by two childhood friends Mr. RS Agarwal and Mr. RS Goenka.

Globally present across 60+ countries.

Power Brands: BoroPlus, Navratna, Zandu, Fair & Handsome and Kesh King, enjoying leadership positions

Products available off-the shelf across every part of the country; omni-channel presence making it possible to buy online and offline.

~140 Emami products are sold every second in India.

A debt-free (net) Company with nearly ₹450 crore available in liquid assets*, after paying a 800% dividend in 2020-21.

Market capitalisation of over ₹21,600 crore; 183% return to shareholders in 12 months.*

**As on 31st March, 2021*

Editorial Board

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

Our vision

Making people healthy and beautiful, naturally

Our mission



■ To contribute whole heartedly towards the environment and society, integrating all our stakeholders into the Emami family



■ To make Emami synonymous with natural beauty and health in the consumer's mind



■ To drive growth through quality and innovation in products and services.



■ To inculcate the culture of inclusion and mutual trust with a commitment to their future, thereby developing and strengthening an emotional bond between the Company and its employees



■ To uphold the principles of corporate governance



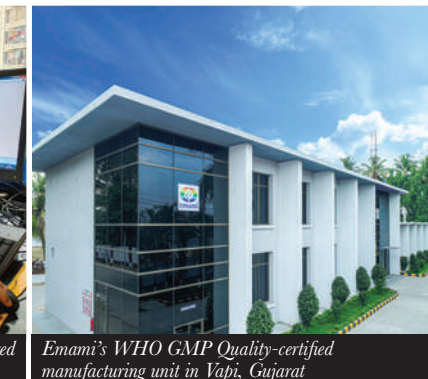
■ To empower and encourage decision making ability at all levels of the organisation



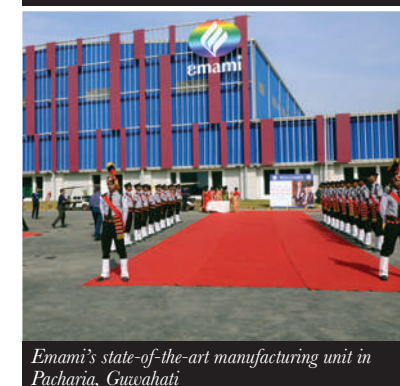
Emami Tower, Emami's Corporate Headquarter in Kolkata



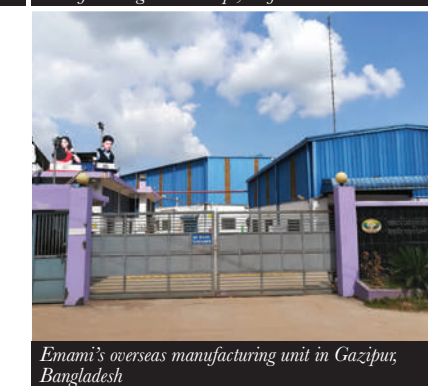
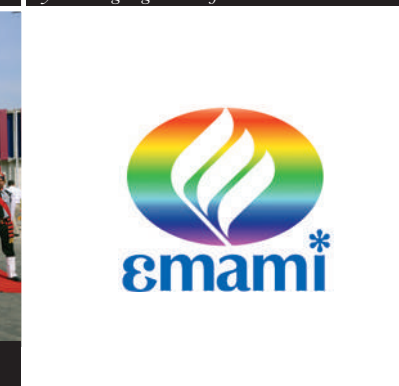
Innovation resides at the core of Emami, empowered by a cutting-edge R&D focus



Emami's WHO GMP Quality-certified manufacturing unit in Vapi, Gujarat



Emami's state-of-the-art manufacturing unit in Pacharia, Guwahati



Emami's overseas manufacturing unit in Gazipur, Bangladesh



Emami's manufacturing unit in Abhaypur, Guwahati



Emami's products are subjected to stringent quality control checks to enhance consumer safety



Emami's WHO GMP Quality certified manufacturing unit in Masat, Dadra & Nagar Haveli

Pedigree

- ▶ The Company was promoted and founded by childhood friends RS Agarwal and RS Goenka, who commenced commercial operations in 1974.
- ▶ The Company is headed by the founders and second-generation promoters, supported by a team of professionals.

Products

- ▶ The Company is engaged in the manufacture and distribution of personal care and healthcare products (with an ayurvedic leaning in most).
- ▶ The Company's prominent brands comprise Navratna, Zandu, BoroPlus, Kesh King, Fair and Handsome, Mentho Plus and 7 Oils in One, among others.

We would strive ...

- ▶ To be a part of every household in the country
- ▶ To be a major player in every product category we venture into
- ▶ To be one of the most respected marketers in the country
- ▶ To be recognised as a global brand

Presence

- ▶ Emami is headquartered in Kolkata, West Bengal.
- ▶ The Company has seven manufacturing facilities in India and one in Bangladesh.

- ▶ The Company has 26 product storage depots across India.
- ▶ The Company's products are sold in 60+ countries.

- ▶ The Company is listed on National Stock Exchange (scrip code: EMAMILTD) and Bombay Stock Exchange (scrip code: 531162).

Founders' statement

The greater the challenge, the more spirited is our response

Dear shareholders,

We are proud to present the performance of Emami Limited for 2020-21.

We are happy with an important reality that could possibly get over-shadowed by the attention being paid to the record numbers of our performance for the year. This reality was the resurgence of the distinctive Emami spirit.

This leap of faith was validated in 2020-21. The circumstances were challenging in an unprecedented way. A nationwide lockdown affected consumer sentiment, national morale and the intra-country movement of most products and services. The disruptions caused by the severity of the pandemic was difficult to address. There was an erosion in savings that affected people's willingness to spend. Seldom have we witnessed so many unprecedented challenges coming together in such a short period as we did during the first quarter of the last financial year.

In this challenging hour, Emami delved into its personality to leverage its distinctive spirit. This spirit was about demonstrating the courage to counter convention. The spirit was about whispering 'Yes' to oneself with assured self-confidence when the rest of the world was telling us 'No!' The spirit was about taking a leap of faith when the rest of the sector was hesitant. The spirit was about engaging deeper and helping humankind deal with an

unprecedented crisis. The spirit was about getting every single Emamian across levels and locations to collaborate with the objective of prevailing. The spirit was about leveraging the power of our research, product development, supply chain and distribution to put products on shelves across the country. The spirit was about doing everything 'now'.

The outcomes of this agile spirit extended into numerical and financial achievements during the year under review. Emami emerged a more purpose-driven and happier company; Emami emerged a more integrated company; Emami emerged a more employee-driven company where each individual made a difference.

Even as we were addressing the unprecedented reality of the pandemic on the one hand, Emami was engaged concurrently in restructuring its business on the other. This ability to manage the needs of the moment and the future translated into the ability to transform an unprecedented challenge into a decisive opportunity. The superior business outcomes flowed from this distinctive spirit. Emami's growth was formidable: revenues grew by 8% but EBIDTA strengthened by 28% and profit after tax grew by 50%.

On the one hand, these numbers represent the culmination of various investments we made during the

last couple of years, responding to the challenges that had arisen from the economic slowdown and demonetisation. On the other hand, these numbers represent the foundation of the next phase of our Company when growth is expected to be quicker, decisive and marked by a wider competitive moat.

If there is a singular message that we would like to leave for our shareholders, it would be this: the Emami body language will re-assert during the current year as well.

RS Agarwal and RS Goenka
Founders

One of the most heartening years in the four decades of Emami's existence

Reported record revenues and profits

Might appear to have been easy but the reverse is true

Leap of faith and courage

We fired on all cylinders; every segment of the Company contributed to our profits

We trusted our conviction against conventional challenges



RS Agarwal
(front) and
RS Goenka



What the Company promised its stakeholders...



BROADBASE
its presence



PRIORITISE
its presence in the Personal Hygiene space



REJUVENATE
revenues through new launches



STRENGTHEN
its Healthcare business space



ENHANCE revenues from the Modern Trade format



INCREASE revenues from e-commerce

... what was achieved in 2020-21



ENTERED
the Personal Hygiene segment in India and abroad



GENERATED
~4% of domestic revenues from new launches



INCREASED
Healthcare business revenues to 13% of the domestic turnover in 2020-21 from 10% in 2019-20



DOUBLED
its Modern Trade revenues from 4% in 2015-16 to 8% in 2020-21 in the domestic business



INCREASED
domestic e-commerce revenues to ~3% in 2020-21 compared to negligible revenues in 2015-16

...and what they mean



EMERGED
among few players in India to combine a niche and mainstream presence (value and volumes)



BROADBASED
the portfolio, reducing the seasonality impact on the Company's performance



ENHANCED
the relevance of the Company's brand in a fast-growing segment



EMPOWERED
the Company to capitalise on a growing distribution format



ENHANCED
convenience and access to the Company's products

Board of Directors



R S Agarwal
Founder & Executive
Chairman

A Chartered Accountant, Company Secretary, LLB and a Masters Degree holder in Commerce, Mr RS Agarwal, Founder of Emami Group, is considered as a present-day management guru with foresight. An administrator par excellence, he possesses a deep consumer insight and believes in the motto – 'Innovate to disrupt'.



R S Goenka
Founder &
Wholtime Director

A Master of Commerce and Bachelor of Law. A taxation expert, a master in strategic planning, corporate affairs and finance, Mr RS Goenka, Co-Founder of Emami Group is always open to new ways of doing things to build new capabilities. He recognises the need to go into detail and places a premium on loyalty and commitment.



K N Memani
Independent
Director

A Chartered Accountant and former Chairman and Country Managing Partner of Ernst and Young, India. He possesses expertise in business and corporate advisory, foreign taxation, financial consultancy and has advised several domestic and foreign companies on corporate affairs.



Y P Trivedi
Independent
Director

Eminent tax expert and advocate, Supreme Court. Mr. Y P Trivedi was also a former member of the Rajya Sabha of the Parliament. He is a member of the Managing Committee of the Merchants Chamber of Commerce and a member of various Government Committees like the Standing Committee on Finance and Consultative Committee for the Ministry of Commerce, among others.



Rama Bijapurkar
Independent
Director

A recognised thought leader on market strategy and India's consumer economy, Ms. Bijapurkar holds a degree of B.Sc. in Physics from Delhi University and a PGDM from IIM Ahmedabad. She is a keen commentator on social and cultural trends in a fast-changing India. She has an independent management consulting practice and works with a range of global and domestic companies across sectors.



P K Khaitan
Independent
Director

A Bachelor of Commerce, ALLB and Attorney-at-Law (Bells Chamber, Gold Medalist). He is an Advocate and the Senior Partner of Khaitan & Co, a leading Indian law firm and also member of the Bar Council of India, the Bar Council of West Bengal and the Indian Council of Arbitration.



C K Dhanuka
Independent
Director

A graduate in Commerce and well-known industrialist and promoter of Dhunseri Group of companies. He is the Managing Director of Dhunseri Tea & Industries Ltd and Executive Chairman of Dhunseri Ventures Limited.



S B Ganguly
Independent
Director

The former Chairman of Exide Industries Ltd. He serves as a Director of Paharpur Cooling Towers Ltd and Sucharitra Printers Pvt. Ltd., among others.



Amit Kiran Deb
Independent Director

Former Chief Secretary, Government of West Bengal and former Chairman of Gujarat Ambuja Housing Development Limited, a joint sector company. He is also the former Commissioner cum Secretary, Education and Social Welfare Department, Government of Tripura and Former Joint Secretary, Cabinet Secretariat and Department of Electronics, Government of India.



Debabrata Sarkar
Independent Director

A Master of Commerce and a holder of distinctive qualifications of FCA and CAIIB, he is the former Chairman & Managing Director of Union Bank of India. As a successful banker, he handled various significant positions.



S K Goenka
Managing Director

One of the pillars of Emami Ltd. Possessing a rich industry experience, he drives production, factory operations, distribution, procurement and packaging, among others. His leadership skills have led to excellence in quality management, which has been recognised by awards and accolades.



Mohan Goenka
Executive Director

A Management Graduate from Cardiff University, UK, Mohan Goenka co-leads the FMCG business with other Promoter Directors of Emami Ltd. He is a key member of Emami Group's core Advisory Team. A natural leader with strong people skills and team building capabilities, Mohan drives the business with his extensive knowledge and experience in brand building, sales & supply chain, marketing, finance and investor relations.



Aditya V Agarwal
Non-Executive Director

A key member of the Group's Core Advisory Committee, Aditya V Agarwal has been an intrinsic part of the Company's growth from its humble beginning to being one of the leading FMCG companies in the country today. He is respected for his vision, strategic mindset and diverse experience in managing businesses across verticals like FMCG, edible oil, bio-diesel, cement, healthcare and paper manufacturing. His people's skills are exemplary, which make him a respected leader.



Harsha V Agarwal
Executive Director

Harsha V Agarwal, known for his strong leadership qualities, strategic vision and in-depth knowledge of various businesses, co-leads the FMCG business with other Promoter Directors of Emami Ltd. Harsha, a key member of the Group's core Advisory Team, passionately steers the organisation with a futuristic outlook, while continuing to strengthen its core values. From strategic investments in new-age start-ups to acquiring some of the biggest names in the FMCG industry like Zandu, Kesh King and German brand, Creme 21 were spearheaded by Harsha successfully as part of the Company's growth plans.



Priti A Sureka
Executive Director

An alumnus of the Harvard Business School, Priti A Sureka is an inspiring woman business leader. A key member of Emami Group's core Advisory Team, Priti co-leads the FMCG business along with other Promoter Directors of Emami Ltd. With her deep understanding of the evolving needs of consumers resulting in dynamic changes to product lines across the globe, she passionately and successfully steers the Company from strength to strength.



Prashant Goenka
Executive Director

An MBA in International Marketing & Finance, from the University of Wales, Cardiff, UK, and also from IIM-Calcutta, Prashant Goenka, with his strategic vision, business acumen and in-depth knowledge of the overseas markets, has been able to establish footprints of Emami brands in 60+ countries over the last two decades. Being passionate and result oriented, Prashant spearheads a team of high performing professionals across geographies delivering sustained growth.

10-year financial highlights

₹ in lac

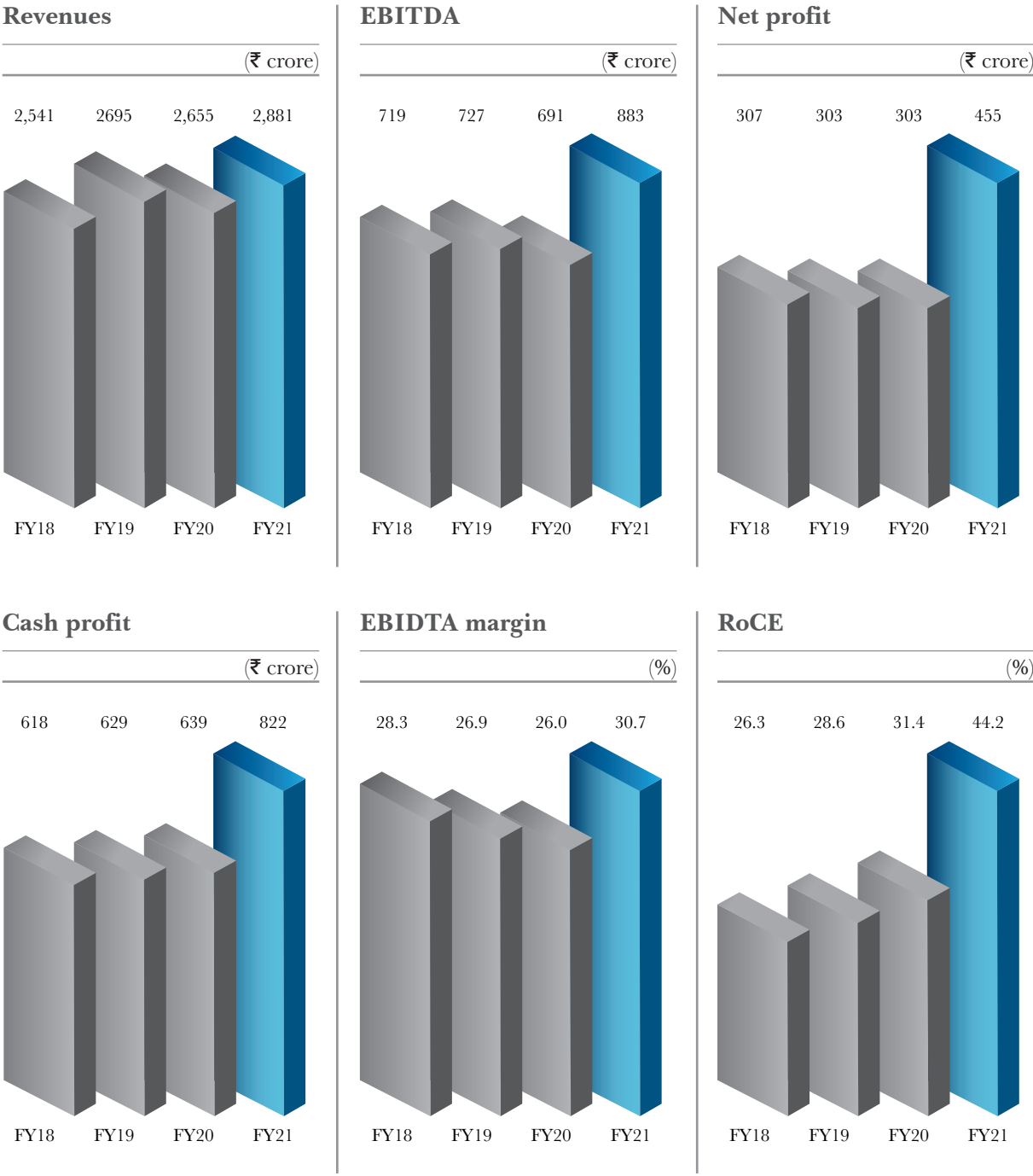
PARTICULARS**	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
A. OPERATING RESULTS										
Revenue from Operations	2,88,053	2,65,488	2,69,463	2,54,083	2,52,774	2,39,755	2,06,767	1,72,765	1,60,996	1,38,116
EBITDA	88,305	69,055	72,722	71,944	75,913	68,727	54,312	44,704	34,968	29,604
PBT	56,892	37,358	40,341	39,256	42,362	42,277	58,899	46,753	37,461	29,621
PAT (after minority interest and associate)	45,471	30,292	30,323	30,714	34,042	36,353	48,215	41,287	32,067	25,612
Cash Profit^	82,165	63,925	62,854	61,801	64,900	61,846	51,646	44,804	34,264	27,492
B. FINANCIAL POSITION										
Fixed Assets (Net Block)	1,13,827	1,46,722	1,71,232	1,82,845	2,01,122	2,03,705	47,759	40,777	43,965	48,034
Liquid Investments	8,891	6,833	786	12,806	3,332	1,193	49,657	28,922	15,634	7,356
Other Assets	1,29,251	1,14,293	1,10,219	84,423	55,862	64,324	73,455	60,530	62,018	61,927
Total Assets	2,51,969	2,67,848	2,82,237	2,80,074	2,60,316	2,69,222	1,70,871	1,30,229	1,21,617	1,17,317
Equity Share Capital	4,445	4,532	4,539	2,270	2,270	2,270	2,270	2,270	1,513	1,513
Reserves & Surplus	1,71,820	1,77,843	2,03,067	1,99,091	1,73,200	1,58,891	1,28,934	87,401	76,348	77,023
Net Worth	1,76,265	1,82,375	2,07,606	2,01,361	1,75,470	1,61,161	1,31,204	89,671	77,861	78,536
Minority Interest	(89)	(86)	(20)	57	141	410	456	1	5	12
Loan Funds	9,191	21,023	10,987	32,591	47,295	67,144	3,588	4,502	12,010	16,114
Deferred Tax (Net)	416	346	1,604	1,467	2,816	904	2,212	479	1,368	1,450
Capital Employed	1,85,784	2,03,658	2,20,177	2,35,477	2,25,722	2,29,618	1,37,460	94,653	91,244	96,112
C. KEY RATIOS										
ROE (%) (on Cash Profit)	46.61	35.05	30.28	30.69	36.99	38.38	39.36	49.96	44.01	35.01
ROCE (%) (on cash Profit)	44.22	31.39	28.55	26.25	28.75	26.93	37.57	47.33	37.55	28.60
Debt - Equity Ratio	0.05	0.12	0.05	0.16	0.27	0.42	0.03	0.05	0.15	0.21
EBIDTA Margin (%)	30.66	26.01	26.94	28.32	30.03	28.67	26.27	25.88	21.72	21.43
Cash Profit Margin (%)	28.52	24.08	23.34	24.32	25.63	25.80	24.98	25.93	21.28	19.91
Interest Cover	43.87	18.78	19.85	12.44	8.30	8.82	115.57	87.85	58.02	20.47
D. EQUITY SHARE DATA*										
Cash Earnings per Share (₹)	18.48	14.08	13.85	13.61	14.30	13.62	11.38	9.87	7.55	6.06
Dividend per Share (₹)	8.00	4.82	4.19	4.21	4.21	4.21	4.15	4.09	3.12	3.10
Book Value per Share (₹)	39.63	40.18	45.74	44.36	38.65	35.50	28.90	19.75	17.15	17.30

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

**All figures have been restated as per Ind AS

^Cash Profit = PAT+ Depreciation & Amortisation

How have we grown across the years





The statement by the Managing Director

“We expect growth at Emami to not just sustain, but accelerate across the foreseeable future”

SUSHIL GOENKA, MANAGING DIRECTOR
OF EMAMI LIMITED, EXPLAINS WHY

I am absolutely pleased with the way the Company performed, considering that when we entered the financial year there was a complete uncertainty on when the markets would re-open, to what extent they would re-open and how consumers would respond. When we ended the financial year under review, the country appeared to be looking out at a five-year economic growth possibility, which explains the extent of sea-change that transpired during the course of the year.

Q: Were you pleased with the way the Company performed in 2020-21?

A: I am pleased with the way the Company performed, considering that when we entered the financial year there was complete uncertainty on when the markets would re-open, to what extent they would re-open and how consumers would respond. When we ended the financial year under review, the country appeared to be looking out at a five-year economic growth possibility, which explains the extent of sea-change that transpired during the course of the year.

Q: What could be the reason for this sharp divergence between the first and last quarters?

A: There were a number of factors at play. While on the one hand there was definitely a decline in consumer incomes during the first lockdown quarter, there was, on the other hand, a financial saving in staying at home. I also believe that years of thrift and saving found an expression at a critical point in the country's existence: consumers voted with their spending rather than postponing for another day.

Q: Why did this transpire?

A: Rural India was not as extensively affected by the pandemic as urban India. Rural India benefited on the back of reasonable monsoons and high minimum support prices. Besides, rural India did not suffer lockdowns or

a decline in their income cycle. The result is that rural India continued to spend across staples and affordable products. Faced with inventory depletion when the companies reopened, it was a rush to play catch-up to produce more to replenish what had already been sold, kick-starting a virtuous cycle of increasing production and consumption.

Q: How did Emami respond in this growth environment?

A: I am pleased to communicate that Emami returned to attractive profitable growth; EBIDTA margin grew 460 bps, RoCE strengthened 1,280 bps and the Company finished the year under review with 6 times higher cash on its books despite rewarding shareholders with dividends amounting to ₹356 crore and a share buyback worth ₹221 crore.

Q: What are some of the initiatives that contributed handsomely to the Company's outperformance?

A: Before one explains the various initiatives that contributed to the outperformance, it would be relevant to communicate an over-arching message: Emami could have played defensively in a transforming marketplace; it responded by playing positively and aggressively – and that made all the difference. The Company had been engaged in addressing a range of challenges in the last few years that found collective expression

during the first half of the last financial year. These challenges were related to sales and distribution on the one hand and growth of brands on the other (Zandu Pancharishta, Kesh King, Fair and Handsome). As an analogy, I would state that at a time when batsmen would have been concerned about protecting their wicket on a turning track, Emami selected to bat its way out of the challenge on the front foot.

Let me provide a simple instance. Most companies in Emami's place would have deferred the launches of new products at a time of sectorial flux; Emami trusted its conviction and went ahead with more than 40 new launches in the domestic market. Most companies in Emami's place would have deferred spending on brand re-positioning and relaunch; Emami felt that a weak consumption market, when spending was being deferred by most players, was the best time to capture consumer attention. This contrarian streak, coupled with boldness, made all the difference.

Q: What else contributed to the Company's sharp performance improvement?

A: The second point that one needs to highlight is that Emami addressed a challenging market place by not playing for incremental gains; it responded with a number of calculated concurrent initiatives – its decision to focus on Power Brands as opposed to spreading itself thin across its vast portfolio; its commitment to broad-base its distribution presence beyond wholesalers and towards e-commerce, modern trade format and direct distribution; its commitment to strengthen its international business; its commitment to moderate costs, reducing its break-even point and strengthening any-market competitiveness. The fact that Emami could engage in these concurrent initiatives, pull them off and create a new foundation of sustainable growth, is a validation of our managerial capabilities, knowledge bandwidth, courage and strategic vision.

Q: Emami faced a priority in reviving growth in some of its brands like Kesh King, Zandu Healthcare Range and Fair and Handsome.

A: The message that I wish to communicate is that even as the sector was faced with slowdown and pandemic challenges, there were teams focused on repositioning specific brand segments with the objective of reviving growth.

Take the instance of Kesh King. The Company focused on a combination of approaches: direct to consumer delivery, while promotions highlighted its superior price-value proposition and brand positioning as India's No.1 Hairfall Expert. The result is that Kesh King Oil returned to growth, growing by 15% over 2019-20.

Turn to the Zandu Healthcare range, where the Company strengthened processes, decision-making and time-to-market for all new product launches. Besides, the Company widened the rural and urban coverage for ayurveda products. The Company collated feedback from the medical fraternity and retailers leading to responsible product development. The result was an appreciable improvement in the offtake of this segment during the year under review.

Come to the performance of Fair and Handsome where the consumption of men's fairness creams and face washes declined due to a decline in discretionary spends. Emami could have waited for the market sentiment to change; instead, the Company rebranded Fair and Handsome 'Fairness Cream' and 'Fairness Facewash' as 'Instant Radiance Cream' and 'Instant Radiance Facewash' respectively. Besides, the Company engaged Salman Khan and launched a new TV campaign. The proactive counter-response resulted in the Fair and Handsome portfolio growing 18% in the second half of the year following the relaunch.

Q. How did the Company's International business perform?

A. Here too, a distinctive response became visible. Even as the COVID-19



Emami's state-of-the-art manufacturing unit at Pacharia, Assam

pandemic translated into a global economic slowdown and trade disruption, which initially affected Emami's international business, the Company responded with speed: it extended its international brand Creme 21 into skin care (for all ages), graduating this acquired brand into a multi-category platform, widened its ASEAN footprint and empowered teams across various global markets. The result is that the Company's international revenue grew 12% by value over 2019-20.

Q: How does Emami intend to grow from this point onwards?

A: Emami will do what it has always done: keep pushing the frontier, keep daring the odds, keep thinking contrarian and keep reinventing the conventional. This means that new categories are likely to be explored, new products launched, old products relaunched, brand extensions made, new territories entered, fresh acquisitions made, new areas for costs to be moderated in – everything that one will associate with a company that intends to grow faster.

Q: What provides you with the optimism that this is likely and possible?

A: What we are seeing is a transforming India and world: there is a greater propensity to consume natural and herbal products, which is something that we have been doing for nearly four decades; more than 80% of Emami's products today have an

ayurvedic base.

What we are seeing is a bigger willingness to buy online or through modern trade formats, which is where Emami is proceeding.

What we are seeing is a greater focus on digitalisation, which is why we have been investing and will continue to invest in the future in digital transformation.

What we are seeing is a greater consumer focus on the Personal and Home Hygiene segments following the pandemic, spaces where we forayed into.

The result is that Emami is in the midst of increased sectorial relevance, the full benefit of which will play out across the foreseeable future.

Q: If you had to leave one principal message with shareholders, what would it be?

A: This is a new digitalised Emami that is moving with considerable agility. Most initiatives – whether in terms of cost management, product launches and promotions – are being increasingly digitalised. This has enhanced organisational agility, moderated costs and enhanced our consumer engagement, especially with millennials. We are optimistic that this re-interpretation of Emami is broadening the foundation of appeal across a younger spending population, which will generate improved prospects across the foreseeable future.

Our founders with the second generation leaders



Sitting (left to right): R S Agarwal, Aditya V Agarwal, Priti A Sureka and R S Goenka

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

The spirit of Emami

How the Company countered apprehensions and rejuvenated itself in a challenging 2020-21

1

They said that Emami's best days were over

The Company reported a revenue of ₹2,881 crore, 8% higher than 2019-20, despite a 26% sales decline in the first quarter of 2020-21

2

They said that Emami was excessively dependent on its Power Brands

The Company broadbased its presence by entering the Personal Hygiene And Home Hygiene segments

3

They said that Emami had virtually no exposure to the Modern Trade format

The Company doubled its Modern Trade revenue from 4% in 2015-16 to 8% of revenues in 2020-21

4

They said that Emami was too conventional to make an online impact

The Company increased its online revenue to ~3% compared to negligible revenue in 2015-16

5

They said that Emami had been facing challenges with some brands that were likely to continue.

The Company re-launched and revived Kesh King; it strengthened Zandu Pancharista and Fair and Handsome

6

They said Emami would find it difficult to re-energise its Zandu Healthcare range

The Company strengthened Zandu Healthcare offtake by 45% in 2020-21

Agility: The essence of Emami's transformation in 2020-21

How Emami responded to unforeseen and unprecedented challenges with a combination of passion, team-work and agility

Overview

India's FMCG sector had been slowing for a few years before 2020-21. As a future-facing company, Emami had initiated the process of going back to the drawing board with a number of initiatives to restructure its operations and sustain its sectorial

outperformance.

When the pandemic induced an extended lockdown, there was a new challenge facing the Company: address business as usual or respond with urgency to the important.

The Company responded with agility

to circumstances unravelling around India's FMCG sector. The speed of response to unforeseen marketplace developments resulted in a series of small and big wins; more importantly, they energised the Company and deepened respect for Emami as a future-facing organisation.

1 BROADBASED THE PLATFORMS

Challenge: The outbreak of the pandemic and the ensuing lockdown put a premium on the Company's need to respond with agility.

Response: The Company broadbased its business across three platforms (health care, personal hygiene and home care hygiene) on account of their increasing relevance. In the Health Care segment, the Company built

around the Zandu brand of immunity-enhancing products and offerings complementary to conventional treatment. In the Personal Hygiene segment, the Company leveraged the BoroPlus brand, made prudent extensions (sanitiser, hand wash and soap, body wash and antiseptic liquid) and built around the multi-decade antiseptic platform. In the Home

Care Hygiene segment, the Company capitalised on the enhanced hygiene consciousness during the pandemic through its new Emasol brand, pending a range of home hygiene products.

Outcome: The Company strengthened its brand relevance at a time of sectorial uncertainty.

2 INCREASING LAUNCHES

Challenge: The market, which had slowed before COVID-19, was disrupted during the lockdown. There was a challenge in increasing sales through widening choice (launches and relaunches). There was a corresponding time lag involved to plan, research and experiment new product launches.

Response: The Company announced compressed deadlines and allocated adequate resources. The Company focused on the Health & Hygiene segment to enhance its relevance to the pandemic, which warranted an extensive application of personal and community hygienic standards.

The Company built on the visibility and traction of the multi-decade Zandu brand with a focus on immunity-enhancing products, offerings complementary to traditional treatment options and a growing introduction of products addressing lifestyle ailments. On the Personal Hygiene segment, the Company selected to leverage the existing BoroPlus brand through timely brand extensions (sanitisers / handwash / soap). This is likely to evolve the Company from periodic brand extensions to the creation of a broad-based platform that will leverage its existing recall and help create a widening portfolio.

On the Home Care segment, the Company responded to the sweep of the pandemic through the introduction of a range of Home Hygiene products (EMASOL brand). These products represented superior offerings in terms of cleanliness and germs protection. The offerings comprised a disinfectant floor cleaner, toilet cleaner, bathroom cleaner, dish wash gel and an all-surface sanitiser.

Outcome: The Company launched more than 40 products in the domestic business during the course of the year with speed and sensitivity, contributing ~4% to revenues during the year under review.

3 NIMBLE ALIGNMENT OF MANUFACTURING AND LOGISTICS

Challenge: Following the imposition of the lockdown, there was a premium on the ability to source raw materials from various vendors. Considering that the Company aggregates raw materials and resources from 4,300+ vendors, each with specific bottlenecks in a locked-down economy, the challenge appeared insurmountable.

Response: The Company engaged deeper with vendors offering alternative and supplementary initiatives to aggregate raw material to keep the production lines moving and service the growing demand for health and hygiene products.

Outcome: The speed of the Company's response ensured that

following the first quarter, the Company's offtake continued to increase attractively in every successive quarter. The co-ordination between the sales and supply chain management teams minimised stock outs and inventory bulges. The systemic agility resulted in sales growth.

4 GIVING EMAMI AN ONLINE PERSONALITY

Challenge: As consumers found it difficult to access physical stores, there was a quicker consumption shift towards online marketplaces.

Response: The Company moved with speed to launch www.zanducare.com, its exclusive e-commerce portal to capitalise on the growing need for the residential delivery of healthcare products. The Company launched a complementary doctor consultation service on its portal. It aggregated a dynamic team to address the e-commerce space.

The Company's products are now also available across major platforms (marketplaces like Amazon and Flipkart; grocery platforms like Grofers, Big Basket, Flipkart Grocery and Amazon Pantry; pharmaceutical platforms like Pharmeasy, IMG, Netmeds and beauty platforms like Nykaa).

This ensured an on-time availability of stocks, faster processing of purchase orders, higher fill-rates, flexible supply chain response and delivery scheduling. The Company built advance analytics

capabilities in comprehending consumer behavioral changes in real-time. The agility underlined the Company's long-term focus in enhancing the online proportion of its revenues.

Outcome: In a segment where e-commerce growth is competitive and market share difficult to access, the Company grew the e-commerce proportion of its revenues attractively from 0.9% of sales to 2.9% in 2020-21.

5 THE SUSTAINED RURALISATION OF EMAMI

Challenge: As cities were locked down, there was a growing need to explore revenue growth from the broad sweep of India's rural and semi-urban population (estimated at around 65% of its population).

Response: Emami refocused with speed on enhancing rural revenues following reverse migration and lower pandemic impact.

Outcome: The Company re-targeted rural coverage with relevant SKUs,

product assortments and high potential distributors. The Company's secondary sales in the rural sub-stockist channel grew by 17% during the year.

6 DIGITALISING THE EMAMI BRAND

Challenge: As consumers turned increasingly to their smartphones during the pandemic, the need of the hour was to communicate digitally with consumers.

Response: The Company moved with speed to enhance its digital presence (Facebook, Twitter, Instagram, LinkedIn and Tik-Tok), engaging closer and more actively with consumers.

Outcome: The Company increased its digital spends by nearly three-fold, strengthened brand visibility, youth appeal and consumer engagement, enhancing value for every rupee spent.

7 WORKPLACE FLEXIBILITY

Challenge: As the lockdown was implemented, the Company's employees were required to work from home, an unprecedented reality, which warranted a speed of response.

Response: The Company responded nimbly with a flexible hybrid model of employees working from home and office.

Outcome: The Company reported

a 8% increase in revenues and 50% growth in profit after tax, validating the effectiveness of its hybrid approach (prioritising employee safety without compromising organisational efficiency).

8 COST MANAGEMENT

Challenge: The Company's profitability had moderated in three years leading to 2020-21. The pandemic-led lockdown induced consumer downtrading and a focus only on essential items.

Response: The Company embarked

on cost optimisation initiatives through Project WoW ('War on Waste'), ensuring sustainable cost reduction. The Company engaged the prominent global management consultant AT Kearney to assist in cost optimisation initiatives and focused on

extending its cost advantage beyond the usual raw material arbitrage by reviewing partners, products and processes.

Outcome: The Company expects to generate annualised savings of ₹ 80-100 crore from this project.

9 AUTOMATED SALES PLATFORM

Challenge: In the era of digitalisation, it is imperative to be technologically advanced to survive competition.

Response: The Company implemented sales force automation to enhance sales productivity. It graduated the Distributor Management System to a Cloud-based system for better data management. It deepened investments in analytics with the objective to enhance informed decision-making. The Company empowered sales force executives with hand-held devices, strengthened distribution analytics, widened exposure across the Modern

Trade format and restructured its global distribution channel in key geographies. The Company introduced a Privilege Club programme for the rural channel; it introduced a standalone Modern Trade programme and strengthened the distribution network and visibility of modern trade outlets. The Company added 18,000 towns of 3,000+ population each through its rural expansion project.

The Company digitalised its rural footprint. The entire rural field force, including van sales persons, were provided hand-held devices to increase sales automation. The Company

will address all high potential towns through direct coverage by digitally mapping potential villages, delivering sales relevant to categories. These could then become new hubs for the Company to extend deeper into van markets.

In the urban markets, the Company will leverage its distribution by driving a products assortment through cross-sell and upsell initiatives. The Company made critical people investments to strengthen its presence in standalone supermarkets and across large neighbourhood grocers. The chemist coverage expansion in key cities could emerge as a growth driver.

10 STRENGTHENING INTERNATIONAL BUSINESS

Challenge: Emami's international business was impacted by geo-political issues and supply chain issues leading to possibilities of lower growth.

Response: The Company strengthened its international business through acquisition and distribution initiatives that deepened its presence across the countries of its focus. The Company appointed a dedicated team to focus completely on generating growth from respective countries, making it possible for decisions to be taken closer to the ground. The Company expanded its international portfolio by introducing localised herbal products, enhancing consumer assurance on Ayurveda and launching its entire oil range in Bangladesh (Navratna, Emami 7 Oils in One and

Kesh King). The Company introduced Creme 21 in Bangladesh; besides, it extended the acquired brand into skin care (for all ages) and a multi-category platform. The Company localised manufacture to the extent possible, with own manufacturing in Bangladesh and third party manufacturing in Germany, Sri Lanka and Dubai. The Company restructured its International Business distribution network, catalysing growth.

Outcome: The Company's international business grew 12% and accounted for 16% of the overall revenue in 2020-21; focused countries accounted for nearly 80% of its global revenue, ensuring investment effectiveness.

40+

Number of products launched by Emami in the domestic business, 2020-21

8

Number of products launched by Emami in the domestic business, 2019-20

How Emami responded with agility to counter the slowdown

Broadbased the platforms
Accelerated launches
Shrunk timelines
Strengthened its supply chain
Enhanced its e-commerce focus
Re-targeted rural coverage
Increased digital spending (over print media)
Adopted a hybrid employee engagement

Profitable growth
Increase in operating margins
Net cash generation of ₹357 crore after spending ₹221 crore on shares buyback and ₹356 crore for interim dividends
Record revenues and profits

Transformational story

How Emami reinvented its distribution footprint

Until, a few years ago, Emami brands were largely dependent on the wholesale channel (~50% of revenues). Direct reach had stagnated at 6.4 lac outlets. Modern trade accounted for low single-digit percentage revenues. Revenues from e-commerce were negligible.

Then came demonetisation and the introduction of GST, which prioritised the re-stocking of staples over niche brands like Emami, staggering offtake.

The verdict: Emami would need to do something decisive to return to its erstwhile growth journey.

Emami responded with speed through various initiatives.

The Company increased its direct reach

by ~3 lac outlets. It strengthened its rural coverage through van operations. It invested in digital technology to capture data real-time. It rolled out CDMS for distributors and hand-held devices for frontline sales executives, making it possible to tap into analytics leading to informed decision-making. It accelerated its Modern Trade exposure. It created a separate structure to leverage standalone modern trade formats. It widened its e-commerce footprint.

The results: Revenues from the wholesale channel declined from ~50% to 43%; Modern Trade revenues increased from 4% to 8% in 2020-21; e-commerce contribution increased to 2.9% in 2020-21.

The message that a reinvented company is now sending out: 'Buy Emami anywhere.'

Revenues from the wholesale channel declined from ~50% to 43%

Modern Trade revenues increased from 4% to 8% in 2020-21

e-commerce contribution increased to 2.9% in 2020-21



Transformational story

How a nimble Emami turned the challenging Kesh King acquisition around

Emami acquired Kesh King in 2015. The acquisition was based on Emami's perception of Kesh King's market leadership and the possibility of graduating the brand to a different level under Emami's stewardship.

Every large acquisition carries corresponding risks; this one was completely unprecedented.

Kesh King reported weaker-than-expected sales following acquisition due to an inventory liquidation by longstanding distributors. A new sectorial entrant launched a challenger brand. One of India's largest personal care FMCG companies acquired a competing brand and invested in its growth. The imposition of demonetisation and GST affected offtake as the brand was wholesaler-dependent.

Most observers came to a conclusion: 'The acquisition has bombed.'

Emami remained convinced of the intrinsic profitability of the acquisition. Kesh King quality was superior than competing alternatives at a lower price point.

Emami returned to the drawing board. The Company relaunched Kesh King with a special comb applicator coupled with a new formulation and communication. The shampoo was relaunched around new packaging in line with the category to enhance shelf-space visibility. The brand was marketed directly to consumers with a lower dependence on the wholesaler channel.

The result is in the numbers: Kesh King recorded strong growth of 15% in 2020-21 and is widely acknowledged as yet another Emami acquisition cum marketing success story.



Transformational story

How Emami energised Zandu Pancharishta

During the last few years, Zandu Pancharishta sales growth was sluggish for a curious reason.

A number of consumers perceived that the product would provide instant relief from digestive issues like any antacid; the product worked instead from the roots to boost digestive immunity, appetite and long-term relief from indigestion, gas, acidity, flatulence and constipation.

A number of market commentators felt that most people would turn to short-term remedies whenever they suffered a gas attack and that a long-term remedy would always be overlooked.

Emami disagreed and trusted its instinct instead. The Company revisited its existing strategy and launched a new communication with superstar Amitabh Bachchan (highlighting its digestive impact by working from the roots).

Emami altered the packaging from glass to functionally safer PET bottles, strengthening offtake. The new positioning worked its magic. The brand grew 18% in 2020-21.



Transformational story

How a forward-looking Emami put the radiance back into Fair and Handsome

Fair and Handsome is well-known for revolutionising the male grooming category in India.

The male grooming category was traditionally underpenetrated, offering headroom for growth. Fair and Handsome was quick to capitalise on this opportunity. It generated an instant connect with consumers as the brand's exclusive products addressed their aspirations.

Something happened thereafter. Weak rural demand, liquidity crunch, lower disposable incomes, perception that 'fair' was not a politically correct term to use...and beards. That's right, as facial hair returned to men's faces within the age group of 20 to 29 years, the cream surface application area declined by 25-30% and so did the consumption of Fair and Handsome.

Emami could have waited for discretionary consumption to rebound. It selected to row harder upstream instead.

Emami relaunched Fair and Handsome in refreshed packaging with a 'radiance' promise on all products (instead of 'fairness'). A differentiated packaging design in line with Men's Face Wash category was introduced. Actor Salman Khan was engaged to endorse the brand. A 360-degree media campaign was launched in November 2020. Key SKUs were re-priced to enhance affordability. Large SKUs were launched for e-commerce. Digital promotion addressed a new audience. The brand partnered category events in Modern Trade and e-commerce channels.

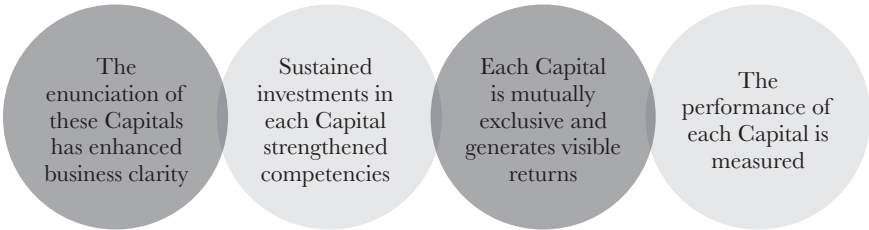
The result: Fair and Handsome reported a positive growth of 18% in the second half of 2020-21, following relaunch.



Emami's Integrated Value-Creation report

Emami's multi-decade growth has been derived through the interplay of various competencies

Overview



Our 7 capitals

Manufacturing capital

674
(₹ crore) Invested towards the upgradation of manufacturing units in the last five financial years

- Initiated backward integration projects

Intellectual capital

110+
(₹ crore) Invested in R&D activities in five years

40+
Number of products and variants launched in 2020-21 (in the domestic business)

- Implemented process optimisation projects
- Engaged in joint programmes with research organisations for drug development and traceability studies
- Merged Analytical R&D teams of personal care and healthcare products for better efficiency and cost reduction

Financial capital

0.05
Debt-equity ratio

70 bps
Extent by which gross margins improved following stringent cost management measures and benign raw material prices

8
₹ per share of which interim dividends

221
(₹ crore) Quantum of share buyback

- Initiated WOW, a cost optimisation project across the organisation
- Strong Liquidity:** ~ ₹450 crore of liquid assets

Human capital

91.7%
People retained across organisation

10,856
Person hours of training conducted in 2020-21

1,377
(₹ crore) Investment towards employee benefits in five years

Brand capital

40
New products launched in 2020-21 under Zandu, BoroPlus, Navratna and Kesh King brands

Forayed into the Homecare Hygiene segment with Emasol

Maintained market leadership position for all Power Brands

2,312
(₹ crore) Investment in A&P expenses in the last five years

Natural capital

8%
Use of renewable energy in 2020-21

7%
Reduction in specific energy consumption (vs production) in 2020-21

13%
Reduction in effluents generation (vs production) in 2020-21

8%
Reduction in water consumption (vs production) in 2020-21

70%
Water recycled in 2020-21

Reduced packaging material consumption

Investments in eco-friendly technologies

Logistics realignment helped reduce carbon footprint

Social and Relationship capital

~₹ 40 crore
Contribution to philanthropy in five years

Received Star of the Year Award for the second year in a row at Tefla's Think CSR 2020 Forum for the highest standard of CSR activities during the COVID-19 pandemic

The foundation of Emami’s value-creation framework is a positive sectorial context

Global economic overview

The global economy reported a de-growth of 3.3% in 2020 compared to a growth of 2.9% in 2019. This steep decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies. The global economy is expected to grow 6% in 2021 and 4.4% in 2022 as per IMF.

Indian economic review

The Indian economy passed through one of the most volatile periods in living memory in 2020-21.

The Indian government announced a complete lockdown in public

movement and economic activity from the fourth week of March 2020. The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investment, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% in the first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The central and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of unlocking linked to corresponding economic recovery. India’s relief consumption,

following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5% in the July-September quarter and reported 0.4% growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review.

India’s GDP contracted 7.3% during 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – among the most decisive among major economies – validated India’s long-term consumption potential.

Growth of the Indian economy, 2020-21

Regional growth %	2020	2019
World output	(3.3)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

	Q1, FY21	Q2, FY21	Q3, FY21	Q4, FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey, Financial Express)



Senior Management Team

01 N. H. Bhansali, CEO - Finance, Strategy & Business Development and CFO 02 Punita Kalra, CEO - Research & Innovation Strategy and CQA 03 Dr. C.K. Katiyar, CEO – Technical (Healthcare) 04 Vivek Dhir, CEO – International Business 05 Dhiraj Agarwal, Head - Media 06 Vinod Rao, President, Sales - Consumer Care 07 Gul Raj Bhatia, President - Healthcare 08 Rajesh Sharma – President, Finance & Investor Relations 09 Shagun Tulsyan – President, Legal & Revenue 10 Sanjay Madan – President, Operations 11 Pradeep Kumar Pandey – President, Packaging

The overview of India’s FMCG sector

Overview

The FMCG sector is the fourth largest sector in the Indian economy with US\$110 billion in revenues in 2020. The packaged foods segment, which accounts for 50% of the industry’s revenues, is expected to grow by up to 12% in 2020-21 compared to 10% in 2019-20, owing to a shift to branded products and deeper penetration of product segments. The Personal and Home Care segment, accounting for a third of FMCG revenue, is also expected to grow 8-9% in 2020-21 compared to 6-7% in 2019-20.

In the April-June period (Q1 2020-21), the FMCG sector’s value growth declined by 17%, due to the demand and supply shock induced by the COVID-19 pandemic, caused by limited mobility and

supply-chain disruptions during the lockdown, and lower income visibility for consumers, which affected sales. However, essential products such as packaged food and beverages that form a bulk of FMCG demand, have seen a rise in demand as consumers stuck at home continued to stock packaged foods and staples.

Most FMCG companies reported recoveries in core categories during the July to September quarter (Q2 2020-21); demand was mostly driven by health and hygiene offerings and immunity-boosting foods. Moreover, rural demand continued to outperform the urban, growing at 1.2x, compared to 0.5x in the previous year.

(Source: Hindu Business Line, Economic Times, Business World)

How consumer behaviour and demand patterns are expected to change following COVID-19

• High incidence of in-home cooking is expected to increase the demand for products in the ready-to-eat segment

• Consumers to be more value-seeking but still prefer trusted brands

• Rising consciousness of health and hygiene will drive the demand for immunity-boosting products

• With fears of job loss and falling income, consumers may cut spends on discretionary categories

• Preference towards online shopping to increase



Emami’s key initiatives, 2020-21

Distribution

- Products available in 4.5 million retail outlets across India
- Direct reach to 9.4 lac retail outlets; nearly half across rural India
- Frontline sales force of more than 3,400 personnel covered most markets
- Increased rural coverage; invested in additional manpower and evaluated van markets to drive rural growth
- Accelerated offtake with a thrust on B2C initiatives and joint business plans with Modern Trade chains
- Created a separate structure with activation programmes to leverage standalone Modern Trade offtake
- Enhanced focus on e-commerce with the launch of special packs and cross-sales
- Used technology to capture real-time data, aiding efficient decision-making
- Rolled out CDMS for distributors and hand-held devices to front-line sales force, enabling analytics and efficiencies

Branding

- Increased focus on core brands and extensions
- Launched 40+ products in the domestic business
- Launched Personal Hygiene products under the BoroPlus brand
- Focussed R&D approach on product efficacy
- Extended Emami’s international presence to more than 60 countries
- Launched multiple SKUs and LUPs to enhance affordability
- Brand spending stood at ₹ 458 crore
- Brand spending stood at 15.9% of revenues

Manufacturing

- Manufactured throughput comprises more than 300 products
- Manufactured value stood at ₹ 930 crore
- Seven manufacturing units operated in India and one in Bangladesh

International business

- Worked on ayurveda’s globalisation; introduced localised herbal products
- Focused on top five countries where key brands attained leadership positions
- Introduced health, hygiene and immunity boosting products
- Expanded the products portfolio; launched the entire oil range in Bangladesh including Navratna, 7 Oils in One and Kesh King
- Introduced Creme 21 in Bangladesh: extended the brand into skin care; transformed it into a multi-category platform
- Introduced federal structure; empowered teams in countries to grow their businesses
- Established supply chain localisation (own manufacturing in Bangladesh and third party manufacturing in Germany, Sri Lanka and Dubai)

Positive impacts

- Domestic revenues grew by 10% (online sales grew by >3x and Modern Trade revenues 15%)
- International business revenues grew 12%
- Gross margin increased 70 bps to 67.7% in 2020-21
- EBIDTA grew by 28%; margins increased 470 bps to 30.7%
- PAT grew 50%; margins increased 440 bps to 15.8%
- Cash profit grew 29%; margins increased 440 bps to 28.5%
- Net cash surplus stood at ₹357 crore
- Cumulative senior management experience was a rich 619 person-years
- 42% employees had been employed with the Company for 5+ years
- Strengthened interest cover to 44.2 in 2020-21 from 8.82 in 2015-16
- Vendors stood at 4,300+
- Primary customers were 2,800+
- Resolved 100% consumer complaints

Emami’s strategy

Strategic focus	Innovate and excel	Cost advantage	Supplier of choice	Robust people practices	Responsible corporate citizenship	Focus on value creation
Key enablers	Nurtured a culture of product innovation Introduced or relaunched products around distinctiveness	Invested in cutting-edge technologies Automated manual processes Moderated costs; enhanced efficiency	Emphasised product differentiation, superior quality, value-addition and superior price-value proposition	Focused on high engagement, pride of association, fair remuneration and other incentives	Invested ~₹40 crore in community uplift in five years across interventions	Committed to the manufacture of value-added products
Material issues addressed	Invested in technologies to enhance differentiation	Automated processes; moderated manufacturing costs	Strengthened brand recall among key customers.	Improved employee engagement and transparency.	Fostered community engagement; enhanced prosperity.	Addressed customer needs.
Capitals impacted	Manufacturing, Intellectual and Financial	Financial and Social	Intellectual, Manufacturing and Social	Intellectual and Human	Social and Natural	Intellectual, Manufacturing and Social

Sharing and re-investing the value created

2,881 (₹ crore) Turnover	822 (₹ crore) Cash profit	455 (₹ crore) Net profit
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Value-creation activity

Employees 309 (₹ crore) invested in employee remuneration	Vendors 709 (₹ crore) of materials procured	Communities 7.8 (₹ crore) of CSR spending
Investors 356 (₹ crore) paid out as dividend	Buyback 221 (₹ crore) in share buyback	Capital expenditure 44 (₹ crore) capex for technology and capacity creation
Consumers 40+ products added to the domestic business	Footprint / Presence 6 (crore+) households Emami is present in	R&D 20 (₹ crore) R&D investment

Our stakeholder engagement

Emami recognises the importance of enduring relationships with key stakeholders through transparent, sincere and effective engagement.

Emami’s stakeholders (persons, groups or organisations) are directly impacted by its activities, as well as those (persons, groups or organisations) reasonably foreseen to be impacted by its activities. A structured engagement ensures the timely communication of accurate and relevant information.

Stakeholder group	Emami consideration	Stakeholder interest	Emami’s engagement	Key capitals impacted
Customers	Products are used by customers and it is imperative that they are aware of their indications, benefits and side-effects; while the Company needs an understanding of perceptions and expectations	<ul style="list-style-type: none">• Quality products• Value-for-money proposition• Consistent, reliable and on-time supply• Impact of product recalls or any quality, efficacy concerns	<ul style="list-style-type: none">• Understands customer needs; introduces new products and improves the existing• Swift addressal of customer complaints through dedicated cells• Regular communication about products through different media channels• Communication with customers	<ul style="list-style-type: none">• Manufacturing• Intellectual
Government and regulatory authorities	Emami’s ability to produce, market and distribute personal care and healthcare products is dependent on manufacturing licenses and regulatory approvals issued by the authorities	<ul style="list-style-type: none">• Legal and regulatory compliance• Responsible products• Social and environmental impact of operations• Tax revenues and local investment	<ul style="list-style-type: none">• Audits of manufacturing sites to ensure Good Manufacturing Practices and regulatory compliance• Participation in industry bodies• Reports confirming legislative and regulatory compliance policies and processes• Involvement in government programmes to create jobs and uplifting the disadvantaged• Establishment of system-based compliance control	<ul style="list-style-type: none">• Social and Relationship• Manufacturing• Natural

Stakeholder group	Emami consideration	Stakeholder interest	Emami’s engagement	Key capitals impacted
Employees and collective labour organisations	Employees play an important role in achieving the Company’s strategic objectives. The Company needs to understand the requirements, challenges and aspirations of this important stakeholder group	<ul style="list-style-type: none">• Job security• Equitable remuneration packages, performance incentives and benefit structures• Diversity and inclusivity• Performance management, skill development and career planning• Reputation as an ethical employer• Employee health, safety and wellness• Employee bargaining and organisational rights	<ul style="list-style-type: none">• Understanding employee needs and provide enabling work environment• Internal communication such as HR portal, announcements and posters• Induction and internal training• Employee surveys• Effective talent management and succession planning• Employee health, safety and wellness campaigns	<ul style="list-style-type: none">• Human
Suppliers, service providers, consultants and business partners	Empowering the Company in meeting commitments to customers and other service providers	<ul style="list-style-type: none">• Fair engagement terms and timely settlement• Ongoing communication on expectations and service levels• Fair contract terms and selection processes	<ul style="list-style-type: none">• Strategic stakeholder management program• Periodic communication on service levels and other delivery expectations• Interactions about quality, safety and other regulatory compliances	<ul style="list-style-type: none">• Social and Relationship• Financial
Investors and financiers	As providers of capital, these stakeholders require to be kept informed of material developments impacting the Company and its future prospects	<ul style="list-style-type: none">• Revenue, EBIDTA and returns on investment growth• Appropriate management of capital expenditure, working capital and expenses• Gearing, solvency and liquidity• Dividends• Security over assets, ethical stewardship of investments and good corporate governance• Fair executive remuneration	<ul style="list-style-type: none">• Dedicated investor communication and analyst presentations• Timely stock exchange intimations, press releases, conference calls and newspaper publication of financial results• Annual general meetings• Investor communication section on the corporate website• Engagement with the media• Robust corporate governance system and disclosures	<ul style="list-style-type: none">• Financial

How we manage risks at Emami

Overview

The subject of risk management is increasingly relevant in every business in view of the uncertainties affecting economies and businesses. At Emami, business sustainability is derived through the identification of probable business downsides and their proactive de-risking. The more competently we





manage these risks, the stronger our capability to weather market cycles and the various unforeseens. The ‘how’ influences the ‘what’: the process influences the effectiveness of risk mitigation at our Company.








At Emami, our risk management practices are founded on our guiding principles, which we consistently strive

to apply across all our risk categories. The purpose of the Company’s Risk Management Committee is to ensure that the executive management team has a risk management framework in place that includes policy, procedures and assessment methodologies that help the Company monitor and manage organisational risks.



Our principal risks and mitigation measures

Key risks	Explanation	Mitigation measures
<div>Economy & Industry risk</div> <div></div>	<p>The Company’s performance could be affected in the event of an economic slowdown.</p>	<p>The Company provided value-added products at affordable prices</p> <p>Most of the Company’s flagship brands are available in affordable low unit packs (24% of revenues)</p> <p>The Company launched multiple products in health and hygiene segment and offered ayurveda-based innovative products to address consumer needs</p> <p>The Company made significant investments in the channels of the future, digitalising its traditional distribution.</p> <p>The Company strengthened its e-commerce and Modern Trade visibility by hiring experienced resources</p>
<div>Competition risk</div> <div></div>	<p>An increasing number of players could increase competition and moderate market share</p>	<p>The Company possesses extensive scale, brand recall and operational efficiency.</p> <p>The Company is among a handful to work with ayurveda ingredients backed by scientific studies. Emami’s quality emphasis translated into enhanced competitiveness.</p> <p>The Company countered competitive action through brand building, product launches and extensions.</p> <p>Most Emami products are present in niche spaces with limited competition.</p>
<div>Raw material & packing material risk</div> <div></div>	<p>Volatile raw material costs could impact margins</p>	<p>The Company’s manufacturing units are proximate to raw material sources and maintain sufficient stock to ensure continuous availability. Besides, the Company develops multiple raw material vendors, using the reverse auction method to moderate costs.</p> <p>The dedicated purchase team monitors raw material sources and prices. Based on market intelligence, effective hedging offsets an increase in raw material costs.</p> <p>The Company developed multiple vendors for seamless delivery.</p>
<div>Regulatory & compliance risk</div> <div></div>	<p>Inability to comply with regulatory norms could result in penalties being levied</p>	<p>The Company is an ethical player, responding with a sense of governance. Over the years, governance has reflected in complete alignment with the certification and compliance needs of business, no injury related to operations, workplace safety, commitment to customer interests and addressing statutory obligations.</p> <p>Emami implemented a compliance system and management tools to ensure that all its functions and units were aware of regulations.</p>

Key risks	Explanation	Mitigation measures
Climate risk 	Unfavourable and delayed seasonal influences could impact offtake	<p>The Company possesses a range of products relevant across seasons. Emami extended to discretionary products, creating round-the-year sales visibility.</p> <p>Apart from seasonal products, brands like Emami 7 Oils in One, Zandu, Kesh King and Fair and Handsome are largely perennial with no seasonal impact.</p> <p>In 2020-21, Emami launched BoroPlus Organic Aloe Vera Gel, BoroPlus Hygiene range, EMASOL Home Hygiene range and various healthcare products under Zandu, which mitigates seasonal impact.</p>
Currency risk 	Volatility in currency valuations could impact the bottom-line	The Company manages currency risks by monitoring exposures coupled with prudent hedging.
Innovation risk 	Inability to introduce innovative products could affect growth.	<p>Existing brands are being constantly nurtured and upgraded for a better consumer experience. Consumer studies and clinical studies are conducted to address consumer preference and brand promise.</p> <p>Emami's R&D team addresses the needs of consumers; it launched 40+ products in the domestic business in the last financial year.</p> <p>Emami made investments in digitalising traditional distribution. Emami strengthened its Modern Trade and e-commerce initiatives.</p>
Acquisition risk 	Acquisitions not in line with the Company's strategy could impact long-term growth	<p>Emami made successful acquisitions like Zandu, Kesh King and Creme 21 in the past.</p> <p>The Company's recently-acquired Creme 21 was integrated and introduced in new markets.</p>
Human capital risk 	There is always a requirement of talented professionals to manage day-to-day operations	<p>The Company defined career paths to enhance talent retention, offering the best compensation packages in the industry.</p> <p>The Company reported a high employee retention of 91.7% in 2020-21.</p> <p>42% employees had been associated with the Company for more than five years.</p> <p>Emami developed a leadership pipeline.</p>
Finance and liquidity risk 	Rising interest rates could affect profitability	<p>Emami's cash-and-carry business model enhanced cash flows.</p> <p>Emami enjoyed a comfortable debt-equity ratio of 0.05.</p> <p>Emami was rated (by CARE and CRISIL) A1+ (highest rating) for short-term borrowings of ₹ 500 crore.</p> <p>Emami was net cash surplus (₹357 crore) at the close of 2020-21.</p>
Pandemic risk 	The unpredictable mutation of the pandemic virus could impact growth	The Company is convinced of increased health and wellness needs during the pandemic. The Company developed multiple remedial products in the Healthcare, Immunity, Personal Hygiene and Home Hygiene categories to address emerging needs.

3 benefits in 1 soap? Now, that's SMART!





-  **Antiseptic**
-  **Moisturising**
-  **Ayurvedic**

INTRODUCING

BOROPLUS

3in1 SMART SOAP

- **Antiseptic**- Kills 99.9% germs**
- **Moisturising**- Softens the skin
- **Ayurvedic**- Neem, Tulsi and Aloe Vera keeps skin healthy

The Smart choice!

from **INDIA'S No.1** Antiseptic Cream Brand

Recommended by Doctors | Free from Parabens & Sulphates

SPECIAL OFFER
₹20/-



75g

*MRP incl. of all taxes.
**Based on independent Microbiological Laboratory test as per standard protocol in 60 seconds. *Soaps are known to impact virus structure thereby killing them.

Brand Capital

The Emami Brand Report



Emami’s past and present Brand Ambassadors

Properties

At Emami, we like to perceive our brands as ‘properties’ – enduring assets (self-generated brands are not reflected in the Balance Sheet due to accounting limitations) – that generate revenue and profits well into the long-term.

Our five Power Brands (average age 21 years) accounted for ~80% of the

Company’s revenues in 2020-21.

Market leadership

At Emami, we focus on sustained market leadership as an index of our brand effectiveness.

Five Emami brands were decisive market leaders as on 31st March, 2021 and been market leaders for ten years

or more. Eight Emami brands figured in the top three of their operating segment as on 31st March, 2021.

This capacity of sustained market leadership has transformed the brands into annuity revenue drivers, an assurance of revenues and profit visibility in an uncertain world.

Brand	Year of launch/ acquisition	Category penetration (HHP Mar’21)	Market share (MAT Dec’19)	Leadership position	Market share of the next highest competing brand
BoroPlus Antiseptic Cream	1982	25%	74%	1	25%
Navratna Cool Oil	1989	12%	66%	1	29%
Fair and Handsome Cream	2005	2%	65%	1	28%
Zandu & MenthoPlus Balms	2008	39%	55%	1	18%
Kesh King Ayurvedic Oil	2015	8%	27%	1	20%

Success

At Emami, we believe that the success of our brands is not reflected as much in their longevity as much as in our capacity to sustain them with low-to-moderate annual investments. Most of our brands do not warrant substantial re-investments in positioning or visibility, making it possible for the Company to benefit by allocating savings into new brands and launches. The capacity to sustain new launches in 2020-21 through accruals provides the Company with a platform for profitable and sustainable growth.

There is another factor that drives the success of our brands: the speed with which we mature our brands towards break-even point and subsequent profitability. This speed is derived from the strength of our eco-system: the strength of our Balance Sheet makes it possible to draw on resources and productise in response to emerging market opportunities; the capacity to build a critical mass of launch quantity; the ability to seed the newly-launched product through the Company’s vast distribution network; the capacity to leverage diverse media and build visibility; the capacity to

procure resources, materials, space and services at a low cost incidence; the ability to manufacture around the highest standards of quality and certifications; the ability to leverage the Emami brand rub-off to excite trade partners and consumers.

Promotional science

At Emami, we do not claim to be the largest promotional spenders; we claim to be prudent investors in consistent brand messaging.

Our promotion has been driven by visible advertising across prominent media (TV, print, digital and social media).

Our promotion effectiveness is derived from consistent brand positioning, use of celebrity endorsements, intensity of promotion and prudent selection of the communication channel.

Emami’s prudent aggregation – art more than science – has helped the Company report significant brand gains, strengthening business sustainability.

Emami has been a pioneer in engaging celebrities to endorse its brands.

Emami was first to engage in in-film advertising in the 1980s with the film *Agar Tum Na Hote*, starring superstar Rajesh Khanna, Rekha and Raj Babbar.

The Company has engaged renowned names from India’s film industry, sports and art fraternity.

Indian cinema icons like Amitabh Bachchan and Shah Rukh Khan have been endorsing Emami brands for more than a decade.

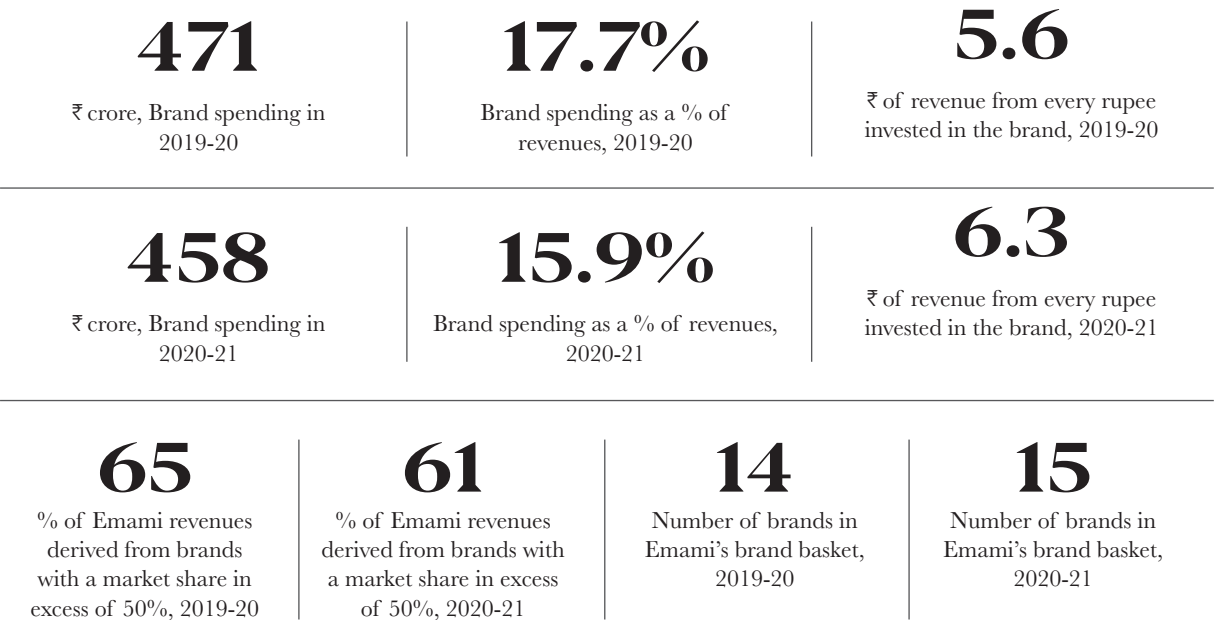
More than 60 celebrities have been associated with Emami brands over the years.

Measuring our brand efficiency

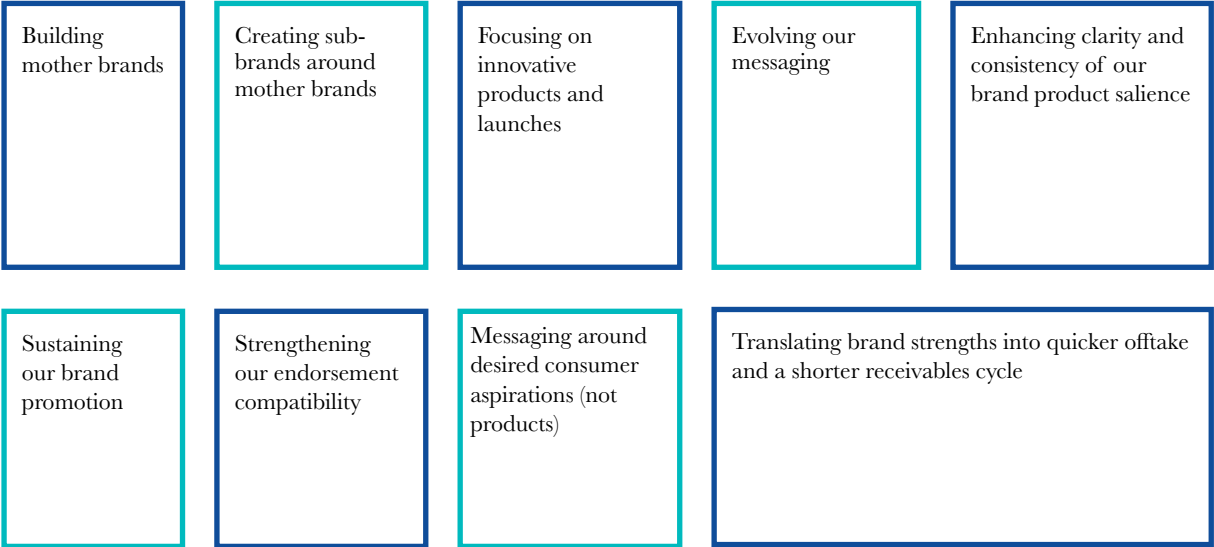
At Emami, we measure the efficiency of our brand through a simple metric: how much we can extract from our brands compared with what we put into them.

The more efficient we become in terms of brand spending, the greater bang we generate from our buck and the larger our capacity to reinvest in the existing brands basket or additional brands.

Emami’s brand stethoscope



Pillars of our brands strategy



Our major social media campaigns in 2020-21



The strengths of the Emami brand

Recall The Emami brand is not a logo or a product; the brand is a multi-decade tradition across generations in India	Trust The Emami brand stands for ‘bharosa’ or a peace of mind on account of its product, service and corporate integrity	Availability The Emami brand is available whenever consumers need it – adequately stocked (without being dumped in the market) – which means that no consumer needs to return disappointed	Accessibility The Emami brand is available across more than 45 lac retail points across India, ensuring that it is never too distant to buy when consumers need it
Affordability The Emami brand provides a superior price-value proposition to consumers – a considerably superior return on their spending that encourages them to pay a reasonable premium and buy repeatedly	Choice The Emami brand stands for a wide choice across a range of products that makes it a single-stop solution provider for family needs	Consistency The Emami brand stands for superior consistency batch after batch, which means that consumers can bank on the highest efficacy standards	Growing the market The Emami brand does not just focus on market share accretion; it is focused on innovation and solution evangelism that makes it possible to grow the market instead

HOW innovation resides at the core of Brand Emami



Fair and Handsome Cream

India's first skin radiance cream for men

Navratna Maxx Cool Talc
India's only cooling talcum powder with sweat-activated cooling technology



7 Oils in One:
Launched a special 3-D decorated pack to showcase the list of ingredients through the transparent product bottle

Zandu Pancharishta
Launched Pancharishta in a PET bottle without compromising product efficacy



Zandu Nityam Tablet
Ayurvedic laxative in a convenient tablet form



Navratna Garam Tel

One-of-a-kind warm oil that provides warmth on application. Enriched with nine ayurvedic ingredients, such as brahmi, mustard, cinnamon and ginger

Kesh King Comb applicator
Special comb applicator for targeted application for 2x effectiveness in countering hair fall



Zandu Ayurvedic Cough Syrup

Launched ayurvedic cough syrup in a unique and innovative sachet packaging



HE Magic Duo

Combined two distinct fragrances in a single product; PRI technology used in the label

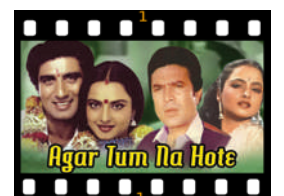
Zanducare.com
Exclusive e-commerce portal offering one-stop D2C access to all ayurvedic and wellness needs - from Zandu healthcare products to online ayurvedic doctor consultations



Smaller packs

Sustained packaging innovation through unique LUP packaging across varied product categories, often a first in industry - from sachets for oil, talc, creams to dibbis for creams and balms

In-film promotion
Pioneered the concept of in-film advertising in the 80's superhit film *Agar Tum Na Hote*



Financial Capital

Emami's Financial Capital

How Emami has created a foundation of profitable and sustainable growth, enhancing shareholder value



Overview

At Emami, our objective is to consistently enhance shareholder value and, in doing so, outperform the returns we may have generated in the past through the prudent utilisation of resources at our disposal.

Over the years, the Company consistently reinvested accruals with the objective to maximise growth, generate robust cash flows, strengthen margins and enhance shareholder value.

During the year under review, the Company encountered an unexpected

market disruption on account of a pandemic outbreak and erosion in consumer sentiment. Despite this headwind, the Company reported 8% sales growth, 28% EBIDTA growth and 470 bps increase in EBIDTA margin.

Key challenges and counter-initiatives

There was a challenge in addressing the need for cash flows to meet the ongoing overheads on the one hand and business investments on the other, reconciling the existing needs of the business with growth.

The Company focused on generating a sustainable cost advantage by reducing fixed costs. This was achieved through a structured programme that comprised a review of administrative costs and regular raw material price monitoring for effective hedging. This War on Waste (WoW) project is expected to generate ₹80-100 crore through cost reduction across various expense heads (media, materials, administration and selling costs, among others).

Strengths

The Company enjoys one of the highest margins in India's FMCG Companies, generating an attractive corpus for reinvestment.

The Company is debt-free despite having invested more than ₹2,600 crore in acquisitions over 12 years.

The Company has been consistently paying a dividend of ~40%; it engaged in a share buyback in 2020-21, acquiring 94.2 lac shares amounting to ₹192 crore (excluding tax).

The Company was rated at A1+by CRISIL and CARE, validating its financial foundation.

Highlights, 2020-21

The Company's performance was impacted due to the pandemic-induced lockdown. However, margins increased with 8% sales growth due to stringent cost control and benign raw material prices.

The Company declared Interim Dividends of ₹4/ per equity share during the second and third quarters of

the year under review.

The Company achieved its highest EBIDTA margin during the year under review.

Outlook, 2021-22

Going forward, the Company intends to maintain decent margins on the back of stringent cost control and volume-led growth. Increase in raw material costs could be absorbed through higher operational efficiency and judicious price increases.

Financial review

Particulars	Revenue Growth	Gross margin	EBIDTA growth	EBIDTA margin	PAT growth	PAT margin	Cash profit growth	Cash profit margin
Q1, 2020-21	-26%	66.5% (+230 bps)	-8%	25.5% (+490 bps)	1%	8.2% (+220 bps)	-7%	23.8% (+ 480 bps)
Q2, 2020-21	11%	70.3% (+60 bps)	33%	35.0% (+570 bps)	23%	16.1% (+160 bps)	31%	31.7% (+480 bps)
Q3, 2020-21	15%	70.4% (+210 bps)	29%	36.4% (+390 bps)	45%	22.4% (+460 bps)	32%	32.5% (+420 bps)
Q4, 2020-21	37%	62.6% (-260 bps)	65%	22.3% (+380 bps)	276%	12.0% (+760 bps)	57%	23.4% (+300 bps)
2020-21	8%	67.7% (+70 bps)	28%	30.7% (+470 bps)	50%	15.8% (+440 bps)	29%	28.5% (+440 bps)

The Company's performance was impacted due to the pandemic-induced lockdown. However, margins increased despite lower sales due to stringent cost control and benign raw material prices.

The Company declared a first and second interim dividend of ₹4 per equity share during the second and third quarters of the year under review.

The Company achieved its highest ever EBIDTA margin during the year under review.

Key Ratios

Parameters	2020-21	2019-20	Reasons for variance
ROE (on cash profit)	46.6%	35.1%	Higher sales and reduction in costs led to growth in cash profit
ROCE (on cash profit)	44.2%	31.4%	
Return on Net Worth	25.8%	16.6%	
Debt Equity Ratio (x)	0.05	0.12	Due to a decrease in borrowings and increased net cash
Interest Cover (x)	43.9	18.8	Due to a higher EBIDTA over the previous year
Current Ratio (x)	1.3	1.4	

Working Capital

Parameters (days)	2020-21	2019-20
Trade receivables*	29	42
Inventory	38	33
Trade payables	44	45
Other receivables**	18	29
Net Working Capital	41	59

* Due to an increase in collections from customers
** Due to a reduction in advance from various vendors

Internal control systems and their advocacy

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

The Company's in-house internal audit department carries out internal audits

at all manufacturing locations, offices and sales depots across the country as well as overseas subsidiaries. The objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance with the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and corporate policies. The Company's internal audit department and risk management system have been

accredited with ISO 9001:2015 and ISO 31000:2009 certifications, respectively. A summary of all significant findings by the audit department along with the follow-up actions undertaken thereafter is placed before the Audit Committee for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and keeps the Board of Directors informed about its major observations from time to time.

Human Capital

Emami's Human Capital

Over the years, Emami has invested in skills, experience and knowledge to build a passionate and outperforming company

Overview

Emami's HR practice conforms to all the norms laid down in the national and international labour regulations. The Company is an equal opportunity employer with no bias for gender, race, religion, linguistic or geographic preference. Professional credentials are the only criteria for selection of a candidate by the Company.

The demographic profile of the Company reflects national diversity.

Built on the foundation of its values and a commitment to the Group Code of Conduct, Emami strives to provide a safe, challenging and rewarding environment for each of its employees. The Company

provides a learning work environment where necessary resources are provided to employees to maximise productivity. The Company's strength lies in its diverse, experienced, talented and professional workforce, enabling it to survive in the dynamic business environment.

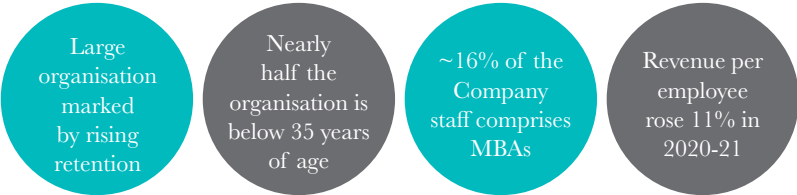
People-centric

Emami has invested in a people culture that nurtures talent and encourages employees to voice their opinion.

Employee centric policies

The human resource department formulates policies that reflect challenges faced by the employees. The Company is open to employee feedback on all aspects of work life to calibrate processes and practices.

Strengths



Key inputs

- Continued investments in capability building for current and future skill sets
- Talent management and succession planning to ensure continuity with respect to critical skills
- Focused on achieving workforce diversity and inclusion
- Constructive engagement with employees and representative labour organisations
- Fostering our commitment to integrity and value-driven leadership

- Increased focus on employee health, safety and wellbeing
- Introduced flexible work processes and schedules to enable employees to effectively deliver on their mandates
- Benchmarked remuneration, incentives and performance management practices
- Deployed a digital platform for enabling employees to work virtually and remotely
- Invested in technology to enhance workforce agility

Outcomes

- Superior business performance delivered by motivated teams
- High performance culture and the retention of critical talent
- Stable employee relations
- Safe, healthy and engaged workforce

Learning and development

At Emami, we believe that regular employee training and development contribute to sustainable growth. The learning and development agenda is

based on two key criteria: the need for the business and the individual's aspiration. In consultation with functional leaders, the key business challenges are identified and people capability requirements mapped. Individual learning and growth needs are identified through the annual performance review process. These inputs define the learning and development agenda for the Company. The Company provides opportunities to employees to develop skill-sets for career progression.

During the 70 days of the nationwide

lockdown in 2020-21, the Company introduced innovative ways to stay connected with employees. Initially, due to a slowdown in business activities, employee time was effectively used by initiating new learnings across areas. All learning initiatives and content were delivered virtually through self-paced and facilitator-led sessions.

The Company provides a learning based work environment where all necessary resources are provided to employees to maximise productivity.



Recognition

Appreciation at Emami goes a long way in building self esteem, fellowship, affiliation and fulfilment.

Employee appreciation badge

This is an Emami e-appreciation initiative, which enables employees to appreciate each other for their valued

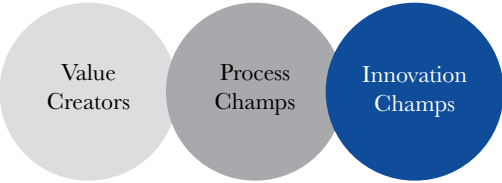
support and contribution by gifting e-badges. On the basis of the number of badges received, the top three recipients are recognised each quarter.

Emami Annual Excellence Award

Emami’s functional heads respond with nominations to three award categories to showcase extraordinary

contributions made by their team members. A Jury Board consisting of senior leaders of the organisation evaluates nominations; after in-depth deliberation and discussions, two winners are awarded for each category.

The Annual Excellence Gold and Silver awards are given in various categories



All the winners were recognised by the top leadership of the Company in a virtual ceremony.

Leadership succession

(Design and implementation of Talent Management Program)

Emami’s HR team helps the Company in the identification of key and critical talent who can be potential successors for key roles. These employees are assessed for their performance and potential, based on assessment reports, they are trained for larger responsibilities.

Competency framework

The corporate HR team has undertaken a project to define a ‘Competency Framework’ applicable for five work levels of employees across all functions. This enables the organisation to assess, develop and deploy talent based on the evaluation

of an individual’s competencies against the desired competencies of the role. This increases the efficiency of various people processes.

Talent acquisition

The year 2020-21 imposed severe challenges in acquiring and onboarding talent due to uncertain business circumstances triggered by the pandemic. Emami has always been a socially and ethically responsible business entity, who stood by its hiring commitment offered to multiple candidates nationally and overseas despite business challenges.

Despite major challenges faced in acquiring talent remotely, Emami’s HR team has been instrumental in creating ways and means in successfully

navigating interviewing, onboarding, induction and all employee life cycle transactions including exit. The Emami HR team institutionalised the process of campus hiring and internships distantly.

To facilitate the interviewing skills of hiring managers, multiple e-workshops were organised to increase hiring effectiveness.

Emami is promoting Kolkata as a job destination to attract prospective employees from other cities. It is creating a digital campaign for prospective employees, promoting the work culture, living conditions in the city, and infrastructure like education system for children, among others.

Performance management system

Emami has always considered performance management process as one of its key business management process levers. The performance management system has matured and accepted across a cross-section of employees.

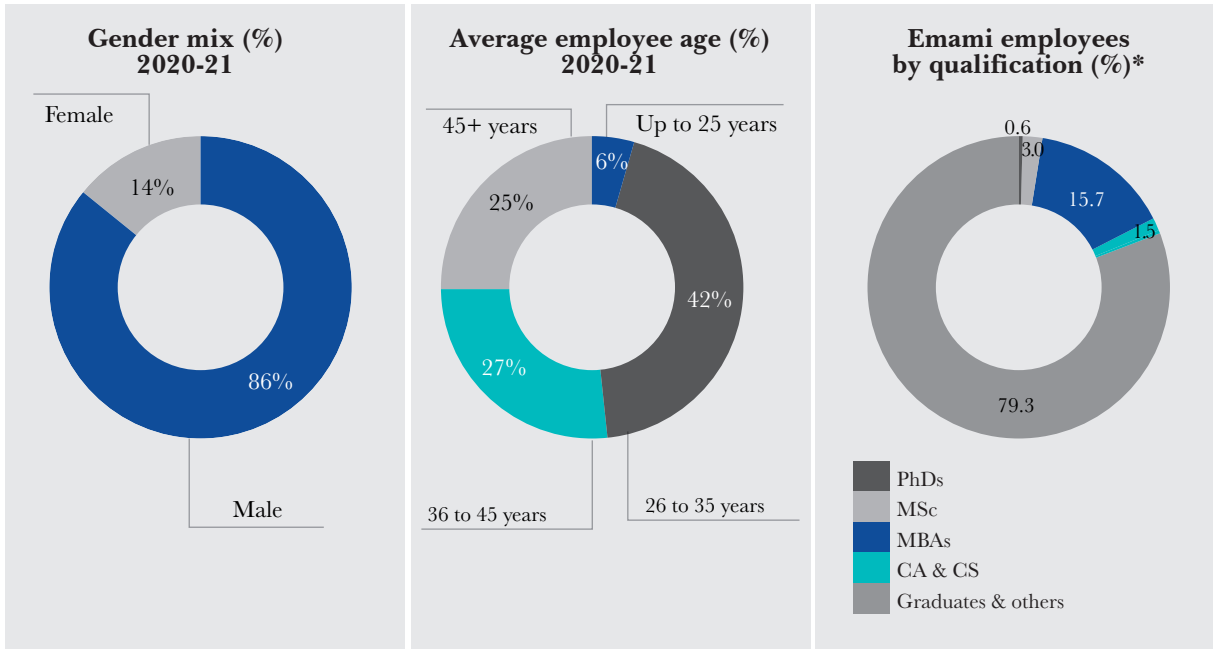
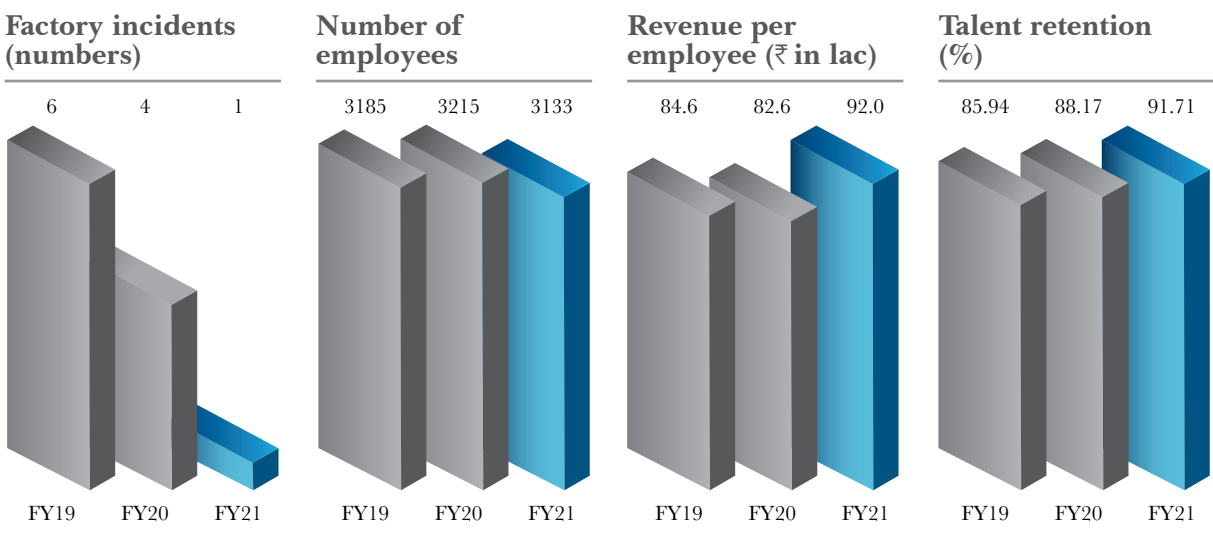
Emami stood by its philosophy of recognising and rewarding performing talents responsible for growth during difficult times. This

attempt at rewarding employees in trying times boosted morale which transpired in profitable growth.

Employee safety

Employee safety is of importance at Emami. Besides providing training to employees, the Company adopted multiple safety initiatives to ensure that all employees and their families remained safe and healthy in body and mind during the pandemic.

Emami formed a task force responsible for addressing employee concerns and remained vigilant in administering an adherence with safety protocols.



*Excluding permanent workmen

Intellectual Capital

Emami's Intellectual Capital : R&D

How Emami's forward-looking R&D function has strengthened consumer loyalty

Overview

At Emami, our research and development has been directed around not just the creation of better ayurveda-based products; it has also consistently focused on a progressive reduction costs with the objective to enhance the price-value proposition.

There are a number of reasons for this priority.

One, Emami is focused on democratising the virtues of ayurveda-based products for the largest slice of the Indian population through enhanced product affordability.

Two, in a world where it is becoming increasingly difficult to pass costs to consumers, there is a greater focus on seeking cost economies from within the Company's operations.

Three, Emami believes that the most sustainable company is the one with the lowest cost structure, putting a premium on research-led process improvements.

The result is that the research and development function at Emami is continuously engaged in seeking better ways of doing the same things.



R&D in healthcare

Zandu brings its century old experience to the ayurveda healthcare space.

Following the acquisition of Zandu, Emami extended its scientific expertise to existing products to improve their value and quality.

Emami's healthcare R&D initiative was reinforced through scientific collaborations. In the last couple of years, the Company undertook a pharmacological efficacy project with NSHM at Kalyani in West Bengal to conduct claim support studies. Emami's R&D started conducting Herb Drug Interaction studies on most new drugs for lifestyle disorders; the Company emerged as the only one in India to conduct a herb-to-drug interaction

study before product introduction. The Company is involved in the development of two new phytopharmaceutical drugs, a new category – with Indian Council of Medical Research, Ministry of Health and Family Welfare, GoI and the Department of Bio Technology (DBT), Ministry of Science and Technology, GoI – across five-year projects. It entered into a tripartite agreement with DBT and Zandu Foundation to widen sustainable cultivation and provide a buyback guarantee to the cultivated produce of medicinal plants.

The Company focused on quality and safe product manufacturing as per WHO-GMP (World Health Organisation Good Manufacturing

Practices) requirements. To enhance safety guarantee, the Company tests four contaminants – heavy metals (mercury, cadmium, arsenic and lead), aflatoxin (metabolite of fungus and its trace in the finished product), pesticide residue (ensuring pesticides below standards) and microbial load (bacterial test) in all health care products. The Company was the first in India to test across these parameters for each product and production batch (as opposed to sample testing).

The Company commenced cell-based efficacy studies in a special bio-assay laboratory to accelerate efficacy elevation during drug development, making it possible to launch effective products faster.

Our strengths

Team: The R&D team comprises scientists, PhDs and post-graduates with specialisations in ayurveda, chemistry, pharmaceuticals, pharmacognosy, microbiology, molecular pharmacology and biotechnology.

Alliances: The Company is engaged in alliances with research or educational institutions, catalysing path-breaking innovation.

Infrastructure: The Company invested in a state-of-the-art research and development centre in Kolkata to deepen product innovation, product processing science, competition intelligence, analytical development, perfumery science, quality assurance, packaging and development. Testing facilities comprise sophisticated testing and quality assurance equipment

approved by Ministry of AYUSH and accredited by NABL. The unique bioassay laboratory has been designed and equipped to provide efficacy studies in line with the latest scientific parameters, deepening a culture of claims substantiation, a competitive differentiator. Besides, a specialised facility makes it possible to isolate and characterise pure phytochemical compounds used in the quality management of certain finished products; a resident library of about 150 compounds from medicinal plants was created.

Quality: Quality testing methods extend beyond regulatory requirements to the use of phytochemical marker compounds in testing products like sennosides in the Nityam tablet, andrographolide in the Kalamegha

capsule, curcumin in the Turmeric capsule and Withaferin A in the Ashwagandha tablet.

Knowledge-driven: The Company's dedicated team studies developments in the global market. Its responsive R&D is harmonised with rapidly changing external developments facilitated by collaborative products development with a range of vendors, widening the Company's opportunity window.

Focus: The Company's institutionalised process comprises a competent examination of processes, resource suppliers, global technology improvements (that enhance output with a corresponding reduction in the per unit production cost) and substitutes identification (without compromising product quality and related interventions).

Highlights, 2020-21

As the consumption markets slowed during the first half of the year under review, Emami responded to the unfolding reality by accelerating a number of cost-moderating projects.

The Company developed remedial products like ayurvedic sanitiser, Ayush Kwath and immunity-boosting products.

The Company launched 15 products as suggested by Ministry of AYUSH for prophylactic use during the pandemic.

The Company moved with speed

as soon as the lockdown was lifted; its scientists ensured output and speed without compromising quality, developing new products.

The Company restructured to create a Corporate Analytical Design Excellence (CADE) by merging the Analytical Research & Development teams of Healthcare, Personal Care and Quality Assurance to enhance efficacy while reducing costs.

The Company responded to a call by the Ministry of AYUSH to provide a standardised drug Chirakin Tablet

(Ayush 64) from a single batch for clinical trials in COVID-19.

The Company initiated a clinical study on a product kit comprising Zandu Chyavanprash, Tablet Immuzan, Tablet Trishun and Zandu Honey for COVID-19 recovery (study registered at CTRI).

The Company innovated in traditional classical products like Zandu Chyawanprash with jaggery, instead of sugar, with upsides for respiratory health and COVID-19 immunity.

Emami's key research partners

Indian Council of Medical Research: Apex body for the formulation, coordination and promotion of biomedical research. The Council's research priorities coincide with national health priorities.

Department of Bio-technology: Under the Ministry of Science and Technology responsible for administrating development and commercialisation in the field of modern biology and biotechnology in India.

Indian Institute of Integrative Medicine: National

Institute of the Council of Scientific & Industrial Research (CSIR) of India, focusing primarily on the research on drug discovery from natural products (medicinal plants and microbial species).

Zandu Foundation: Engaged in community, personal and social services. It started the Biotech – KISAN Hub of Gujarat, a part of Department of Biotechnology's novel initiative to promote the cultivation of quality medicinal plants through the sustainable use of bio-resources that generate additional income for local farmers.

R&D in Consumer Care

At Emami, the development of aspirational products to enhance consumer life quality has been central to the business. During the pandemic year, the role of R&D was of paramount importance. The Company placed a greater emphasis on Personal and Home Hygiene products and launched multiple categories during the year under review.

Highlights, 2020-21

- Developed BoroPlus Personal Hygiene range consisting of sanitisers, soaps, handwash, body wash and hygiene liquid.
- Developed Emasol Home Hygiene range with distinctive BGV24 technology and a unique 24-hour protection proposition.
- Developed the Navratna Therapy range without sulphate, artificial colours, fragrance, silicone and parabens.
- Streamlined processes around a scientific approach, effective collaboration, better management and improved productivity, which generated attractive savings.

Preparing for the future

The Company is building capabilities in the following areas:

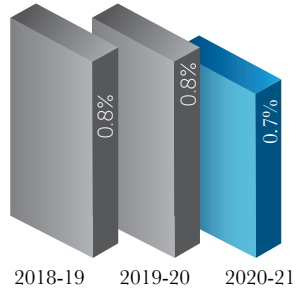
- Natural, organic, ayurvedic formularies with Ecocert, Cosmos and NPOP certification, with customised tweaks for critical sensorial and fragrances etc.
- Partnering external manufacturers for differentiating technologies to support new business opportunities.
- Investing in training and grooming talent; studying new products and segments.



Continuous innovation



R&D as a % of revenues



Social & Relationship Capital : Governance

Emami’s Social & Relationship Capital

Sharda Shah has been an investor in Emami since its public issue in 2005. The reason for her long-term holding: timely communication about the performance, a detailed annual report, presentations every quarter and superior corporate growth. This has helped grow her investments 42x in 16 years.

Sector-specific skills of Directors	Financial planning	Taxation and foreign taxation	Strategic planning	Corporate affairs	Commercial & corporate law	Arbitration	Foreign collaborations
	Banking	Mergers and acquisitions	Corporate restructuring	Factory operations	Distribution	Procurement	Packaging
Human resource management	Information technology	Corporate communication	Media and advertising functions	Marketing	Brand development	Understanding of consumer behaviors	Risk management and stakeholder management

Engaging with stakeholders

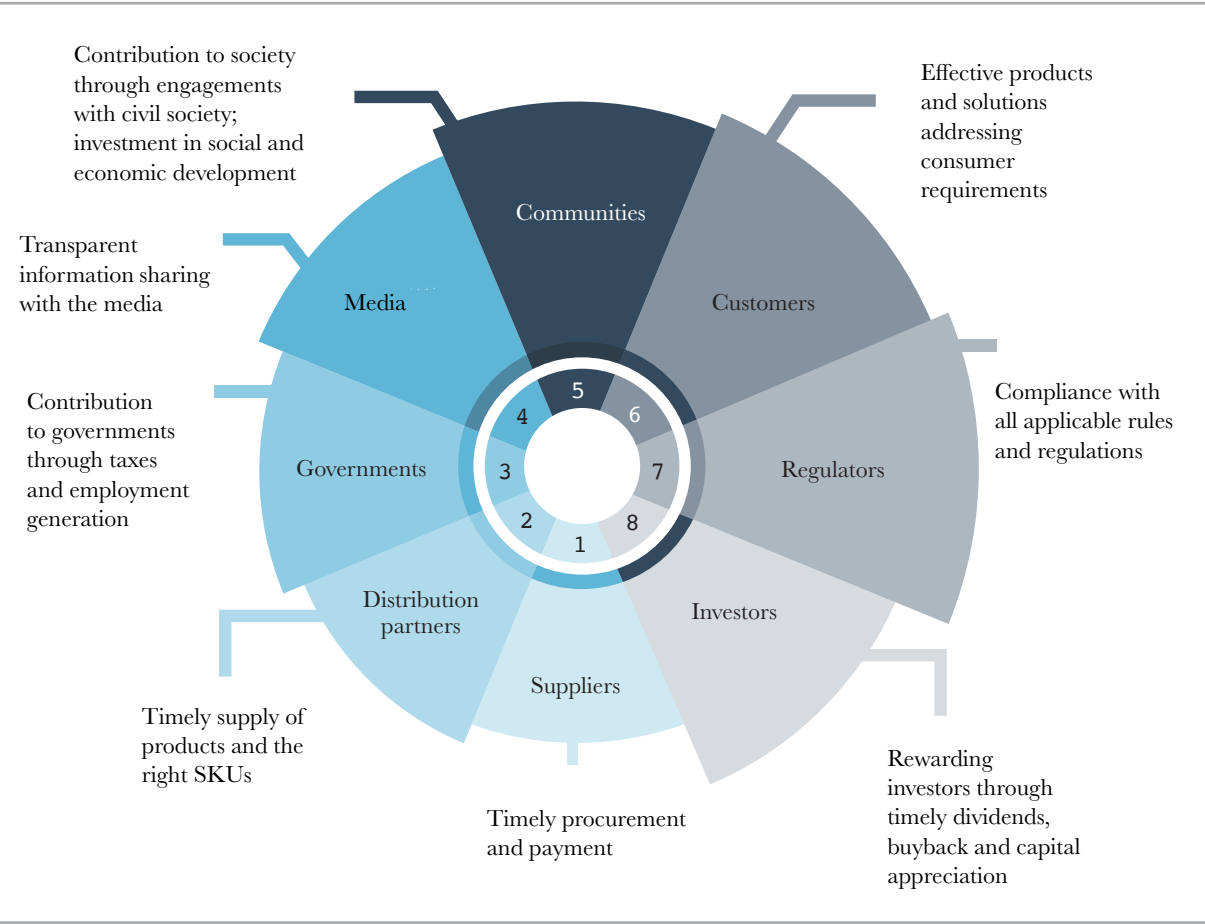
Emami focuses on strengthening returns to shareholders through a robust business model, communication transparency, investor engagement through conference telephone calls, presentation and publication of financial results across media formats. The Company’s detailed annual report represents a powerful tool to highlight performance and strategy. Its grievance

redressal system addresses investor grievances through timely resolution.

Emami also engages with government agencies in driving projects for industry benefit. It is engaged with the Ministry of Ayush for various projects, government institutions for the preservation of endangered medicinal plants in the north-east, conducting pharmacological studies and

developing Ayurveda-based medicines. It is also a member of various industry associations like Confederation of Indian Industry (CII), Federation of Indian Chamber of Commerce and Industry (FICCI), MCC Chamber of Commerce and Industry (MCCI), Bharat Chamber of Commerce (BCC) and Indian Chamber of Commerce (ICC).

Our stakeholder engagement



Overview

Emami is more than the name of a Company; it is a metaphor for things that enhance societal value. The result is a positive rub-off of the Company’s product integrity into a larger corporate recall that stands for enduring engagements with stakeholders, value-creation, community respect and responsible citizenship.

Key priorities

- Enduring relationships with all stakeholders (communities, customers, regulators, investors, suppliers, distribution partners, service providers, governments, media and other key stakeholders)
- Responsible corporate citizenship
- Robust governance framework
- Enunciated policies and processes

Key initiatives, 2020-21

- Engagements with key stakeholders; management of reasonable stakeholder expectations
- Socio-economic investments focused on enhancing community standards
- Support for economically marginalised communities (education, livelihood and other areas)
- Implementing a company-wide ethical framework and legal compliance processes (system-based control)

- Meetings with stakeholders through the virtual mode

Outcomes

- Recognition as a good corporate citizen with a reputation for quality products, processes and practices
- Value delivered to stakeholders
- Meeting legitimate stakeholder expectations
- Uplifting community lives

Emami’s governance commitment

Emami is a governance-driven organisation led by a strong Board, having outlined SOPs for most functions, proactive investment in digitalisation and an extensive compliance commitment. Emami’s stakeholder-inclusive governance is marked by transparency and communication. During the year under review, the Company entered into a

range of structured engagements with its stakeholders.

Composition of the Board 16 Directors

- 8 Independent Directors
- 7 Executive Directors
- 1 Non Executive Director
- 12.5% of the Board comprised women

Special Board committees

- Corporate Governance Committee
- Share Transfer Committee
- Finance Committee
- Buy-back Committee (dissolved on 5th November, 2020)

Statutory Board Committees

- Audit Committee
- CSR Committee
- Nomination and Remuneration Committee
- Risk management Committee

Social & Relationship Capital : International Business

HOW

our international business stands at a decisively positive moment in its existence



Emami. Indian by origin. Global by personality

Svetlana in a bitterly cold Moscow has fallen in love with BoroPlus

Charlotte in Boston loves the smell (and therapeutic impact) of Zandu balm.

Kipchoge in tropical Nairobi finds relief in Menthoplus.

Dr Rafiq in Iraq recommends Kesh King to his patients

Lech in Eastern Europe is a committed user of Creme 21

Chathuri is a proud Emami employee in Colombo

How we built our international business differently...

- We treated the word ‘international’ more as an over-arching mindset than just a reference to sales in a geography.

We addressed the global market across large geographic clusters as opposed to a random collection of countries.

We did not just market existing Emami brands but demonstrated the courage to acquire a global brand as well.

We did not just acquire a global brand with the objective of generating reasonable growth; following acquisition, the brand reported the fastest growth in years.
- We did not just buy into a prominent global brand but graduated it into a platform that could accommodate similar products and become a full-fledged portfolio.

We did not merely allocate a few executives out of India to grow our international business; we emerged as a multi-ethnic recruiter of global talent drawn from 15 nationalities.

We did not respond with the simplistic approach of pushing Emami brands into global markets; we customised our brands based on an understanding of global preferences (fragrance, packaging and therapeutic impact).
- We did not treat the international market as a place to allocate any surplus products from the Indian market but as a space from which to learn new trends, research and technologies.

We are not merely transferring products manufactured in India to the global markets but we expect to generate significant revenues from products manufactured abroad.

We are not only utilising the rich research reservoir of India but also tapping into global knowledge pools and competencies to launch new products for the global market.

How our international business delivered in a challenging 2020-21

International business revenue grew by 12%, faster than the growth of the domestic business

Revenue share from this business increased from 11% in 2012-13 to 16% in 2020-21.



A number of demanding consumers sought the Creme 21 brand in the international market since the packaging and product quality were distinctively European by origin and effectiveness.

Overview

For a company rapidly growing in India and addressing a vast under-penetrated market, it would have been usual to be completely focused on the Indian market or, at best, allocate a small portion of its revenues for sub-continental countries. Emami selected to walk the road less travelled. The Company internationalised its personality at three levels: **one**, through an international presence with own and contract manufacturing facilities in four countries outside India; **two**, a marketing presence in more than 60 countries; **three**, the ability to acquire and integrate global brands into its global portfolio; **four**, the Company deepened its presence in countries marked by an Indian diaspora before extending to countries with a

similar demographic profile and eventually to a larger more challenging international arena marked by a multitude of brands and informed consumer choice. This transition indicates a growing Emami confidence to make its International Business a distinctive aspect of its growth agenda. The transition was not as easy. The Company enriched its global talent pool through the engagement of non-Indian professionals from different nationalities speaking multiple languages; the Company created eight offices in seven countries; the Company restructured its international business around five clusters (MENA, SAARC, SEA, Russia-CIS-Europe and sub-Saharan Africa).

Challenges and counter-challenges, 2020-21

During the year under review, the COVID-19 pandemic generated global economic slowdown and trade disruption, which affected Emami's international business, marked by slower offtake, longer cash recovery cycles, increased working capital outlay and inflation during the latter part of the year.

The Company responded with speed to these realities and the result is that despite a slower cross-country movement of products, lockdown in a number of markets for a part of the financial year and hesitant consumer sentiment, the Company's International Business grew 12% in 2020-21, with growth of 22% in the last three quarters that were impacted relatively less by COVID-19.

The Company extended Creme 21 into skin care (for most skin types), graduated Creme 21 into a multi-segment platform, widened its SAARC footprint and deepened its federal spirit through empowered teams across the markets of the Company's presence.

Besides, the Company localised the supply chain (own manufacturing in Bangladesh and contract manufacturing in Germany, Sri Lanka and Dubai), launched the entire range of oils in Bangladesh including Navratna Oil, 7 Oils in One and Kesh King, introduced Creme 21 in Bangladesh, launched health, hygiene and immunity boosting products, introduced localised herbal products while enhancing ayurveda globalisation, focused on maximising offtake in regions (MENA, Bangladesh, Russia, Nepal) that accounted for a majority of its global revenues.

Achievements, 2020-21

- The Company's international revenues grew 12% with a significant contribution derived from the Personal Care business from the MENA and SAARC regions
- The Company's international revenues accounted for 16% of overall revenues
- The Company's acquired brand, Creme 21, grew 22% following the introduction of new and re-launched products
- The Company launched products and localised campaigns to capitalise on emerging market opportunities
- The Company entered USA, the largest consumer market in the world
- The Company focused on immunity boosting products and launch of a hygiene range during the pandemic.

Outlook

Going forward, the Company aims to deepen its presence in existing international geographies, commission more localised manufacturing centres to minimise logistical costs and reduce turnaround time, resulting in stronger growth and profit across international subsidiaries across the foreseeable future.

How we transformed our international effectiveness

- Combined organic growth with acquisitions (inorganic)-led growth
- Extended from moderate growth to nimble opportunity-seeking

International



Reinforcing the Creme 21 brand



Big numbers

448	16	10+	60+
₹ crore, International revenues in 2020-21	% share of international revenues in the Company's total revenues in 2020-21 (15% in 2019-20)	Major brands in the international portfolio	Countries of presence

Social & Relationship Capital: Modern Trade

How Emami widened its distribution across the Modern Trade format

Emami responded to emerging channels and evolving consumption formats through adaptation and relevance

Overview

In a world of rapidly evolving changes in how consumers buy, there is a premium on remaining relevant.

During the last few years, Emami focused increasingly on the Modern Trade format with the objective to graduate towards futuristic distribution channels. By addressing issues within this channel and implementing

Modern Trade-specific strategies, Emami generated strong revenue growth.

The Company faced hurdles: it did not possess significant Modern Trade penetration and needed to ensure a parity between its general and modern trade businesses to minimise channel conflicts and cannibalisation. Over time, the Company re-defined its

modern trade strategies, investing in improved efficiencies in modern trade-heavy geographies and product-specific strategies.

Revenues from the modern trade channel grew by 15% in 2020-21 despite a revenue decline of 46% in Q1, the overall revenues from this business accounting for ~8% of domestic revenues.

Initiatives

Joint business planning

Through this approach, the Company strengthened relationships with each of its modern trade accounts across geographies. This approach translated into symbiotic relationships with modern trade partners and joint activation of key brands and products across targeted stores in relevant geographies. The Company channelised efforts towards select clusters where returns were the highest. This approach generated real-time feedback from the accounts' ground teams, leading to holistic improvement. The Company promoted 'challenger' brands across the Modern Trade channel with the help of partners.

Margins-driven strategy

The Company created brands and products targeted exclusively at the Modern Trade channel. Larger packs were designed for certain brands to 'upscale' the modern trade shopper, provide better value and improve margins. The promotion budgets were reallocated towards Emami's 'challenger' brands, where it was essential to remain competitive and aggressive. Emami's field force in the Modern Trade channel was re-aligned.

Winning in store

The Company's field force improved on-shelf product visibility. The Company's field force app enhanced real-time synergies between sales, trade marketing and account management teams. The app enhanced visibility in daily stock stores availability, resulting in data-driven decision-making to enhance sales. Geo-tagged photographs from the app empowered Emami's sales managers to 'virtually' visit a number of stores, improving efficiency.

Road ahead

The Company intends to grow profitably as opposed to topline accretion, focusing on joint business planning and enhanced visibility. Significant investments have been made to drive standalone Modern Trade store growth in 2021-22.



Social & Relationship Capital: Sales and distribution

How

Emami widened its sales footprint in a difficult year

Jayanti lives in Koderma in the state of Jharkhand. During the lockdown, most transportation connections between her place of residence and major cities were disrupted. Interestingly, the only sign of life in her location was a retail kirana store, which appeared stocked all through the day. This ensured that some of the personal care products that she was used to – the Kesh King shampoo sachet for ₹2, for instance – continued to be available. In a world that had substantially transformed, small pleasures and conveniences like these sustained hope and the optimism for better days.

Overview

In Emami’s consumer-driven business, there is a premium on the ability to reach produces to where consumers need them. This is particularly challenging in a

country like India, which comprises a spatial breadth of 3.28 million sq km, the seventh largest in the world. There is a third variable that makes this function challenging: India also comprises the world’s

second largest population cluster, with around 65% living in dispersed rural and semi-urban pockets, making the timely delivery of products critical.



Challenges, 2020-21

The sales function of the Company was challenged in different ways through the course of the last financial year. On the one hand, the Company was required to reach products across the country despite restrictions in the inter-state movement of vehicles; besides, the Company was required to engage with its distribution partners, stock their shelves and ensure that consumer needs could be periodically serviced.

Achievements, 2020-21

Despite an underwhelming Q1, when revenues declined 26% compared with the previous corresponding quarter, the Company ended 2020-21 with 8% revenue growth.

This improvement was derived from the following realities: 40+ new products were launched during the year that contributed 4% to the Company’s topline in 2020-21; e-commerce revenues grew >3x; rural revenues reported 17% secondary growth in 2020-21, rising strongly in the last three quarters.

The Company widened and deepened its market presence through

various initiatives. The Company strengthened and empowered its rural field force through digitalisation tools that enhanced reporting and productivity; it embarked on rural expansion by directly covering more villages and optimising van routes.

The Company countered the lockdown through the creation of a safety-enhancing counter-COVID dossier for the entire sales team right up to frontline teams; territories were mapped as per their evolving statuses (Green/Orange/Red zones); depending on the market conditions, zone-specific KPIs were mandated to maximise distribution efficiencies; orders were entertained on telephone; daily on-ground monitoring kept the Company’s sales wheels moving.

The rural segment was identified as a key business driver as early as May 2020, supported by efficient loyalty programmes. Modern Trade was affected following hypermarket closures that accounted for 24% of channel revenues. The Company invested in initiatives to drive revenues across standalone super markets revenues and large neighbourhood grocers. The supply chain bottlenecks (plant and warehouse) were countered

through the inventory of key brands and SKUs, streamlined mother warehouse operations, additional capacity in plant locations and a credit policy to support distributor working capital, pre-empting supply bottlenecks.

It deepened its retail focus through pan-India engagements with supply chain partners (Delhivery, Jarvis and Zomato) with a rural thrust. Key wholesale markets were mapped zonewise; growth was catalysed through efficient loyalty programme management.

The Company countered a slowdown in discretionary spending categories. It focused on growing the pain management portfolio, which enjoyed traction; trade spend was optimised and above-the-line investments were made to drive household penetration. The Company widened the push of its immunity range during the non-season. It launched products mainly in the Health and Hygiene space. It scaled its e-commerce revenues by >3x; digital-first brands were launched to leverage the growing consumer trend of buying more online.

Strategic direction

Emami recognises that in a business where the consumer is unlikely to return if a product is not available, there is an ongoing premium in being able to carve out a consistently high shelf presence.

Over the years, Emami selected to widen its pan-India footprint: the Company's products are to be found in 4.2 million stores with a direct engagement across 0.9 million outlets and wholesale engagements accounting for 43% revenues.

Over the years, Emami widened its relevance through the introduction of low-priced products. During the year under review, LUPs of Power Brands priced at ₹10 or below accounted for 28% of revenues. The Company's positioning as an affordable value-driven brand was reinforced with the strategic launch of BoroPlus Soaps for ₹10 and Kesh King shampoo sachets for ₹2 each. Besides, the Company

entered 11 categories largely in the Hygiene range, a subject of growing relevance.

The introduction of large consumer packs and an e-commerce-specific portfolio catalysed channel growth. A greater focus on new product development and large packs accounted for 12% and 33% of Modern Trade segment revenues.

During the last few years, Emami focused on rural footprint expansion through van operations, widening its footprint across 26,000 rural clusters each with 3,000+ population.

Its has taken this initiative ahead through proactive digitalisation: the Company's van sales persons now use handheld sales force automation devices and, going forward, the Company intends to increase its direct coverage across villages, which could become hubs helping to extend deeper.

Emami is investing deeper in digitalisation across rural and urban geographies.

Through data analytics, the Company is driving distribution efficiencies and assortment increase through upsell and cross-sell initiatives.

The Company is strengthening its presence in standalone super markets and large grocers; investments are being made in frontline sales teams.

The Company is increasing its direct chemist footprint.

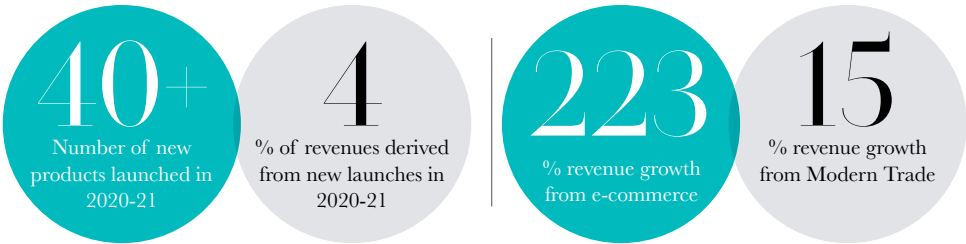
Emami is strengthening its direct rural coverage; it is digitalisation the frontline and direct footprint; it is engaged with agencies specialised in rural operations to widen its rural footprint.

Emami is also focusing on its health care range and digital-first brands to drive e-commerce growth.

Rural – Super Stockist Network.

Distribution footprint expansion	Automation enablement	Sales strategy	Category development
<ul style="list-style-type: none">• Double coverage in priority States• 100% Hit-list coverage for better Rural Salience	<ul style="list-style-type: none">• Improve ways of working and efficiency• Must Sales initiative to increase range	<ul style="list-style-type: none">• Assortment building• LUP efficiency and distribution buildup• Develop brands: BoroPlus soap at ₹10 and a shampoo sachet	<ul style="list-style-type: none">• Rural-specific BTL activities• Engaging with rural consumers

Big numbers



Emami's domestic business growth in 2020-21



How Emami is addressing the potential of our markets

Metros – Top 52 Cities

Quality of coverage	Quality of presence	Visibility
<ul style="list-style-type: none">• Increase coverage in Standalone Modern Trade (SAMT)• Drive large pack growth in General Trade top stores• Increase large value per outlet (VPO) channels like chemists	<ul style="list-style-type: none">• Drive channel engagement through loyalty programs in the top stores• Drive assortments through range selling• Increase must-sell compliance	<ul style="list-style-type: none">• Deploy merchandisers in Modern Trade/Top SAMT• Create visibility in top stores

Emerging India – Rest of Urban Towns

Expand Coverage	Drive Sales Efficiency	Build Assortment
<ul style="list-style-type: none">• Increase dealers per lac to metro levels• Add chemist coverage to build VPO	<ul style="list-style-type: none">• Increase MR efficiency metrics• Optimise coverage frequency increase to fortnightly	<ul style="list-style-type: none">• Increase retail presence by SKUs (focus on base + large packs)• Increase retail contribution by upselling (driving VPO)• Drive cross-selling increase - Lines per call (LPC)



Emami rolled out a handheld device application (mSEA) for all frontline rural sales team in 2020-21

Manufacturing Capital

Emami's Manufacturing Capital

Emami's capacity to put quality products consistently on shelves has been derived from a rich manufacturing discipline

Subhash travels extensively and needs to protect his skin from the harshness of changing climatic patterns. He often turns to Emami's products brought from different areas of his presence. The one point that has never failed to strike him is the integrity of the Emami brands he selects to buy – always a consistently high standard of product effectiveness derived from a culture of manufacturing excellence.



Emami's manufacturing operations in its Vapi unit

Overview

Emami's consistent growth has been derived through a high standard of manufacturing excellence, reflected in quality consistency, high output, related economies of scale, ramped volumes based on evolving demand and the ability to put products consistently on shelves.

Over the years, Emami strengthened its manufacturing rigour through a proactive investment in dispersed

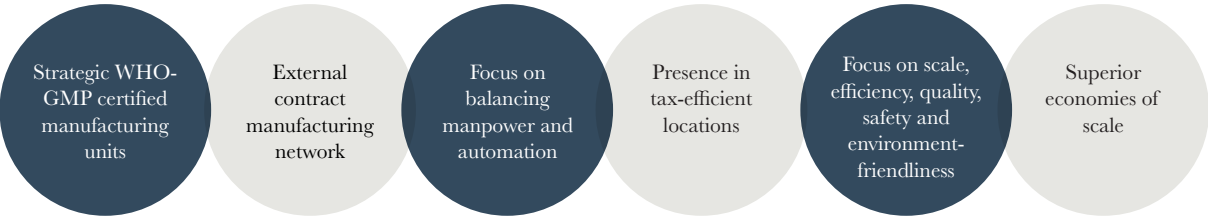
tax-efficient manufacturing locations marked by size, superior workflow design, technology and certifications (WHO-GMP).

Emami manufactures products in seven state-of-the-art facilities located across India, and one unit in Bangladesh. These facilities empower the Company to capitalise on the availability of people, resources, fiscal incentives, markets and proximate ports, backed by 24 warehouses.

All units manufacturing healthcare products are WHO-GMP-certified, validating the highest product quality standards.

The Company's competitiveness has been reinforced by a combination of modest capital cost per tonne of invested equipment, superior asset utilisation and high conversion efficiency.

Key priorities



Strengths

Strategic location: Emami's plant locations in India capitalise on the availability of adequate raw material, skills, markets and logistical connectivity (in addition to outsourced manufacturing units). The Company is equipped with an overseas manufacturing facility in Bangladesh and third party owned units in Sri Lanka, Germany and Dubai.

Tax efficiency: Emami selected to invest tax-efficient locations. The Company's flagship Pacharia unit enjoys fiscal benefits till 2025-26.

Strong management: Emami's strong management team possesses decades of experience in diverse business practices, customer preferences and industry challenges.

Contemporary technology: Emami

invested in automated state-of-the-art equipment across plant locations.

Asset utilisation: Emami enhanced capacity utilisation, revenues and amortisation economies.

Certifications: Most Emami facilities are cGMP and ISO 9000-compliant and follow the highest standards of safety and environment protection.

What we achieved in 2020-21

Output

Emami's manufacturing units remained operational through the pandemic

The Company optimised the utilisation of manufacturing capacity and the addition of third party manufacturing units to address increased demand

The Company increased its flexibility

to accommodate variations in demand through quick-to-market and nimbleness in using manufacturing infrastructure

Products

Introduced 40+ new products

Capacity

• Increased dibbi capacity (balm) from 72 lac dozens/month to 92 lac dozens/

month

- Identified two international manufacturing units (third party); facility readiness examination was completed
- Commissioned renewable solar energy at two units in Western India
- Commissioning is in progress in one Eastern India unit

Cost management

The Company identified and implemented cost reduction/ rescheduling of various overheads

Stringent control and monitoring improved overall equipment efficiency, wastage reduction and targeted cost management programmes

Energy conservation was achieved through the increased use of renewable energy and briquette fire boiler (instead of diesel) etc.

Awards and certifications

- Testing facilities of all manufacturing units are NABL-certified
- Engaged as the third ayurveda-based

healthcare company in India to receive the coveted WHO certification

- Received WHO GMP re-certification for the Vapi and Masat units
- Received 17 Quality Circle / Kaizen Awards
- Received Platinum Award for the Bangladesh unit in International Convention on Quality Control Circle
- All manufacturing units are accredited with ISO 14001:2004 and ISO 18001:2007 accreditation

Safety

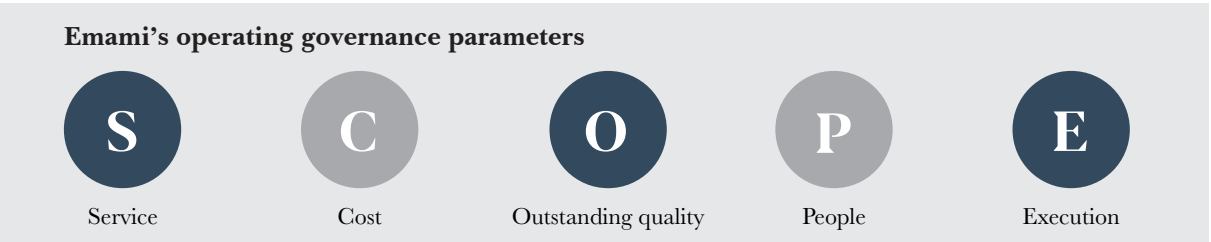
- Achieved zero environmental incidents
- Reported 100% compliance with hazardous, e- and bio-medical

waste, plastic waste (PWM-2016 and management requirement)

- Rolled out Commercial Hygiene Scorecard /Inventory Dashboard/ QC Dashboard for better control and hygiene of various KPI and key indicators

Operating governance

Emami manufacturing units continue to monitor the efficacy of operational performance through a scorecard system (SCOPE, S-service, C-cost, O-Outstanding quality, P-people, E-execution). Each element of SCOPE comprised different KPIs, measurability for periodic targets and 36 KPIs under different SCOPE parameters.



Contract manufacture

About 12% of Emami's output was generated from contract manufacturing units, strengthening the Company's asset-lightness.

Enhanced automation

Emami automated a larger number of processes through investments in pneumatics that reduced manual interventions, enhanced productivity, increased product consistency and

strengthened overall viability.

These initiatives helped upgrade technologies to reduce costs and enhance environment integrity. During the last couple of years, the Company commissioned environment-friendly briquette-fired boilers (using waste materials) and embarked on captive nitrogen production. The Company strengthened manufacturing

economies through investments in large equipment that increased batch cycles, enhanced manufacturing economies, accelerated operating speed and reduced costs. The Company continued to replace legacy equipment with modern alternatives, especially in healthcare product manufacture, where the Company invested in technologies generally used by pharmaceutical companies.

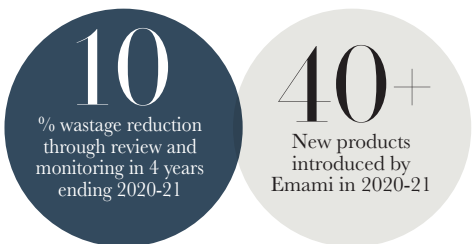
Manufacturing edge



Big numbers



Big numbers



RECURRING STOMACH PROBLEMS?

THE CAUSE LIES IN WEAK DIGESTION

Treat recurring problems like:

- ✓ Indigestion ✓ Gas
- ✓ Bloating ✓ Belching
- ✓ Loss of appetite

From their roots

35 AYURVEDIC INGREDIENTS

ZANDU Pancharishta
Ayurvedic Digestive Tonic
Complete Digestive Care

Relief from regular digestive problems

Works at the root, boosts digestive immunity & appetite

HEALTH EXPERT FOR A CHANGING LIFE

ZANDU Pancharishta
Digestion expert for a changing life

Digestive problems gone. Make digestion strong.

Manufacturing Capital: Packaging

The role of packaging in a transforming Emami

There is a famous line by an international personal care brand: ‘In our factories we make products; in our stores we market hope.’ At Emami, the ‘hope factor’ has been emphasised by the quality of our evolved packaging



Overview

There are a number of reasons why packaging quality has become increasingly central to the success of an FMCG company like ours.

One, printing standards have evolved significantly in the last couple of decades, extending from the standard four-colour approach to six-colour standards, coupled with the ability to manage a range of colours, finishes and treatments.

Two, with modern retail formats

gaining ground, there is a premium on the need to graduate beyond the competitive clutter of the retail shelf. The result is that the role of design, colours and typefacing on packaging has become increasingly central to getting consumers to pick the Company’s products for inspection from a range that is visibly available.

Three, packaging needs to continuously evolve in a world marked by counterfeiters, enhancing the role of foolproof holograms

and other technology-driven non-copiable watermarks.

Four, there is a growing emphasis to consume as little packaging material as possible and consume as much of recyclable and environment-friendly packaging material as possible, an ongoing journey of improvement without end.

Five, there is a greater need for modern-day packaging to extend shelf life, enhancing the value proposition for consumers.

Key strategies

Winning organisation: Emami’s packaging team strengthens people management on the back of people-centric initiatives to create a great workplace.

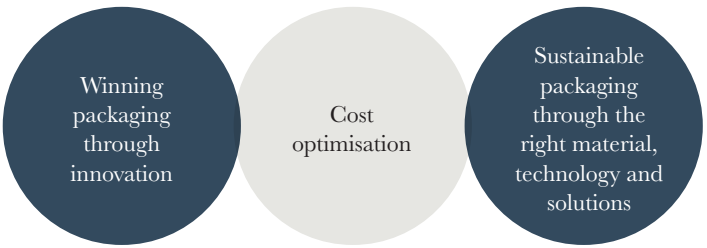
Innovations: Emami strengthened its culture of innovation by engaging

members to contribute towards packaging innovation. Each member of team is free to choose a ‘passion project’. The packaging team organised a PACKINNOVA workshop to showcase projects covering techno-commercial details and potential applications.

Multiple initiatives were launched to drive top-line growth with a focus on premium packaging. The introduction of the unique PRI technology in label decoration enhanced aesthetics and countered counterfeiting.

Emami’s proactive approach

Over the years, Emami strengthened packaging design through the interplay of three strategies.



The Company strengthened its speed to market, making it possible to protect itself from counterfeiters on the one hand and capitalise on the consumer’s demanding requirements on the other.

The Company focused on execution with excellence, marked by time-bound execution and ‘first-time right’ implementation with a robust risk assessment and management system.

The Company localised components, maximised self-reliant sourcing, turned to vendors with optimised costs and consolidated them with the objective to enhance purchases in return for cost advantages

The Company invested in

digitalisation to strengthen the packaging lifecycle adapted around procurements and requirements.

The Company engaged with pioneer plastic recycling organisations to reinforce its Extended Producer Responsibility as per the guidelines issued by the government on plastic waste management. The Company complied with guidelines comprising the use of >50 micron for single-layer plastic.

The Company strengthened the sustainability element of its packaging solutions through the interplay of ‘reduce’ and ‘replace’ directed to reduce carbon footprint.

2020-21 highlights

- Delivered the highest packaging standards for new Personal Hygiene products under the BoroPlus brand during the pandemic environment
- Introduced Home Care category products under the EMASOL brand
- Introduced user-friendly packaging in immunity products to enhance consumer experience (Tulsi drop, Haldi drop, Health Juices, Ayush Kwath Powder and multiple single herbs products)
- Reworked packaging design to moderate costs without compromising packaging quality

Outlook

The Company will continue to promote packaging innovation through the Direct to Consumer platform, securing its supply chain and business sustainability. Besides, the Company intends to deepen digitalisation, knowledge library, innovation process standardisation and effective monitoring with the objective to enhance value for itself, consumers and society.

Big numbers



How Emami is enhancing packaging sustainability

Reduce: Optimised plastic and paper in consumption by 110 tons and 145 tons respectively through superior design.

Extended Producer's

Responsibility: Worked towards emerging as multilayer plastics-neutral by taking packaging returns from

consumers following product use.

Post-consumer recycling (PCR):

Working closely with industry partners to enhance the PCR proportion of our rigid container (PET, PP and HDPE) production to more than 20%.

Recyclable laminates: Qualified recyclable laminates for use in flow wrap applications, replacing the three-

layer laminate of Fair and Handsome 8g flow wrap with a two-layer recyclable equivalent.

Recyclable metallised paper

board: Developed a product to replace metallised paper board (non-recyclable) with recyclable metallised paper board without affecting functional or aesthetic properties and reducing the cost differential.

Some Emami products designed around packaging complexity

Health Care Zandu products: Tamper-proof features

Kesh King Ayurvedic Oil and BoroPlus: Unique printed cartons; cutting-edge decoration technology on varnish application for label and laminate unique to the industry; restricted counterfeiting

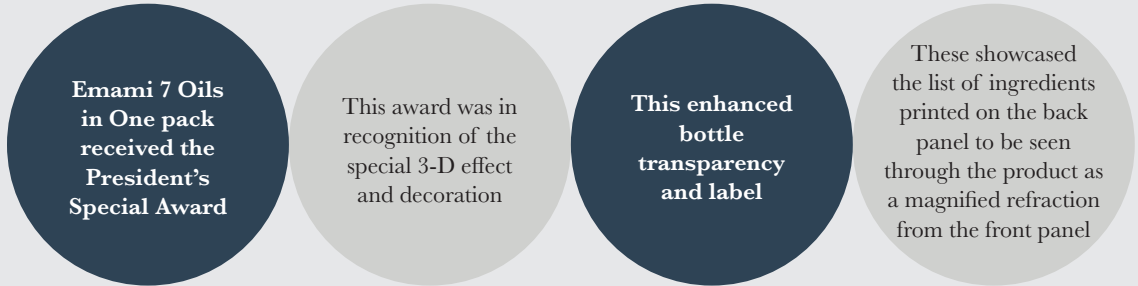
Talcum powder cap: Tamper-proof feature; complex mould design



How Emami has evolved to evolving packaging standards



The President's Special Award



Manufacturing Capital: Supply chain management

How Emami managed its supply chain in a challenging year



Overview

In the business of FMCG products, especially ones marked by a large number of products corresponded by an even larger number of raw materials, there is a consistent premium on the ability to aggregate an adequate number of raw material to keep production lines moving.

The scenario is far more complex

than this: the supply chain needs to continuously respond to changes in market preferences and seasons on the demand side and changes in commodity availability, prices and substitute emergence on the supply side. The result is a comprehensive need to keep production lines running, using an optimal quantum of raw materials in line with the prevailing demand and do so at

optimal costs.

At Emami, the complexity of this function is marked: the need to service the needs of more than 300 products through the prudent aggregation of hundreds of resources to be placed in seven different manufacturing facilities with the overall objective of maximising availability, productivity and profitability.

Key strategies

Over the years, the Company launched new products with a precise understanding of viability, based on a consistent pan-India supply chain efficiency. This comprised an analysis of the access of raw materials (cost, seasonality, quality, number of vendors and alternative supplies). The Company procured raw materials from approved pan-India sources as well as selective imports; packaging material was sourced largely from local vendors, where the Company provided an assurance of volumes in exchange for economic procurement.

The Company engaged in cross-functional collaboration to implement Design-to-Value ideas that helped moderate raw material intensity in the products from the outset. The implementation of ‘Should Cost Modelling’ helped moderate packaging costs. The Company engaged in Alternative Vendor Development as a risk mitigation and cost improvement approach. The Company engaged in

strategic buying wherein it purchased adequate quantity at the right time through its supply chain and operations planning.

Challenges and counter-initiatives

The Company entered the year under review in a state of lockdown, where a restriction in the inter-state movement of resources and end products put a strain on the effectiveness of its supply chain. From the second half of the year under review, a sharp increase in resource costs was encountered.

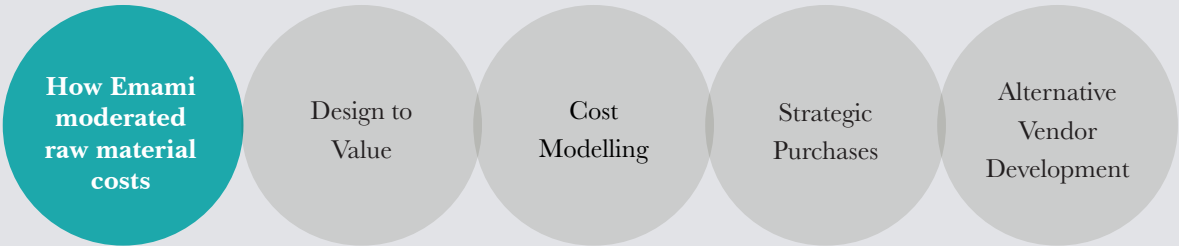
The Company responded to this reality through stronger collaboration and communication with vendors and logistics partners. It entered into strategic sourcing that comprised the seasonal purchase of high value raw materials to maximise economy; it turned to selective inventory aggregation to prevent stock-outs; it engaged in alternate vendor development as a risk mitigation and cost improvement strategy.

Achievements, 2020-21

- The Company reported the following improvements in a year marked by sudden shifts in demand patterns
- Protected the integrity of the supply chain even through lockdown period of the pandemic
- Achieved superior resource quality
- Developed alternative sources of key resources, moderating cost and enhancing quality
- Strengthened information flow and data infrastructure to enhance network efficiency
- Achieved cost savings for key raw materials

Outlook

Emami intends to strengthen its supply chain efficiency and protect its cost structure to address the possibility of high raw material and packaging material costs through 2021, catalysed by the possibility of global economic recovery and reflation (fiscal stimulus released by central banks and governments of major countries).



Big numbers

300+

Number of products manufactured by Emami

7

Domestic manufacturing facilities

929

₹ crore, procurement of materials, 2020-21

876

₹ crore, procurement of materials, 2019-20



Manufacturing Capital: Quality Assurance

How we manage quality at Emami

How we strengthened our quality standard into a sectorial benchmark

Big numbers

28

% decline in quality-based rejections based on consumer feedback, 2020-21

Overview

Quality management is a critical Emami function for a number of reasons.

Emami's products are manufactured across different plants for reasons of market proximity, using the same raw material brought across different batches, ongoing resource substitution without affecting quality and consistently improving quality standards with the objective

to enhance a consumer's price-value proposition.

Emami's quality management system comprises business processes focused on consistently meeting customer requirements aligned with the organisational direction. Quality systems are dynamic with scope for quality improvement and process robustness. The learning outcomes of innovations and pre-emptive risk mitigations improved design

standards without compromising customer requirements.

In 2020-21, the Company embarked on a decisive initiative to strengthen quality standards through the integration of Corporate Quality Assurance (Consumer Care and Health Care) into one Emami Corporate Quality Assurance Department.

Principles

At Emami, our focus lies in the delivery of completely safe products for consumers. The fundamental principles of the Corporate Quality Assurance comprise the following:

- Proactive approach ensures that

products manufactured adhere to specific standards, statutory requirements, improving quality benchmarks and error elimination

- Growth through quality and innovation in products and services

- Focus on quality by design through pre-emptive risk mitigation under a quality risk management system
- Products testing for limits of contaminants (heavy metals, pesticides, aflatoxins and microbiology)

Highlights, 2020-21

- The merger of the quality assurance teams of the two product divisions (Consumer Care and Health Care) helped merge people and processes seamlessly to enhance speed-to-market and workflow simplification.
- Successful WHO-GMP inspections of manufacturing sites (Silvassa, Vapi and Valsad) for the grant / revalidation of Certificate for Pharmaceutical Products (CoPPs) for ayurvedic drugs for GMP compliance verification as per WHO guidelines was completed; this paved the way for the export of 45 ayurvedic drugs to 158 countries
- Helped accelerate the rollout of existing and new products through alternative processes that were executed remotely in a lockdown environment. This was achieved through process digitalisation, remote

roll-out / technology deployment and remote audits.

- Eliminated product rejections, leveraging its standard operating procedure in line with prevailing Good Manufacturing Practices (GMP)

The result was a higher ease of deployment, lower failures, quicker turn-around times, improved process efficiency, doubled certification throughput, 50% increase in product rollouts, introduction of new input materials, introduction of new vendors and manufacturing partners and a new sales channel (e-commerce) leading to a new supply chain for products (without quality non-conformances).

Emami strengthened its customer response management/ complaint handling cell to receive, log, investigate and improve on product quality and

efficacy feedback, complaints and customer grievances. The Company provided customer care contact details (phone numbers / email / website) on all product packaging to facilitate feedback access. The Company registered a 91% increase in consumer feedback with 100% resolution.

What makes Emami's customer engagement different is that it comprises governing processes that embrace all operating functions, creating an organisation-wide consumer focus. The Company analyses customer complaint trends and processes at the highest levels, reinforcing its importance.

Outlook

The Company intends to capitalise on learnings in enhancing remote effectiveness and create quality by design in product development.

Manufacturing Capital: Information Technology

Emami strengthened its IT framework in a pandemic year

How we extended the role of information technology from business support to business driver

Overview

Following the pandemic, there is a growing recognition that there are really only two kinds of companies – technology-driven and the technology-averse.

At Emami, we believe that the role of technology in running its FMCG business has increased for a number of reasons.

One, the competitive difference between FMCG players is narrowing; the specialised role of

digital technologies is playing an even bigger role in widening this delta and enhancing a competitive advantage in challenging markets.

Two, the disruptive use of digital technologies is translating into a wider and deeper understanding of a large consumer market like India that is, in turn, sub-divided into a number of smaller markets with distinctive consumption characteristics.

Three, the role of digital

technology has extended beyond simplistic automation, extending to the simulation and manipulation of data sets to generate conclusions not easily discerned by the naked eye or reasonable intellect.

Four, the use of technology makes it possible to extend companies from a reactive review to proactive assumptions, based on a number of ‘what if’ questions, leading to a range of probable outcomes and possibilities, the basis of all decision-making.

Emami and IT

As a forward-looking organisation, Emami invested in a range of digital technologies with the objective to moderate costs, enhance real-time information access to support faster decision-making, accelerate workflows, strengthen information security and provide employees with secure remote working possibilities. The Company entered into partnerships with SAP and Microsoft and encouraged smaller players to provide boutique solutions customised to the Company's needs.

At Emami, technology plays a key role in transformation. Information technology plays an important role in the Company's forward-looking business strategy. Gradual renewal of

the IT architecture ensures efficiency of business processes and helps meet market and customer requirements. Technology benefits of IT are leveraged to maximise productivity and improve customer service.

Adoption of advanced technology including AI and ML and industry best practices makes the Company more competitive. Technology advancements are opening up unprecedented opportunities to create value and meet the expectations of a wider group of stakeholders. When opting for technology as a growth engine, it is essential to select the right technology and use it in the right way. The Company has remained proactive in finding new ways of doing business

and staying ahead of the curve. Technology has been acknowledged as the backbone of business innovation and transformation.

Highlights, 2020-21

- The Company's technology partners comprised SAP, Microsoft, Azure, IBM and prominent Indian companies providing boutique solutions.
- The Company increased focus on workflow-based automation, cloud migration, security tools, collaboration tools and analytics to improve productivity, bottom-line and customer satisfaction.
- The Company shifted from SAP on Private Cloud to SAP on Public Cloud



services model, enabling access to unlimited capacity.

- The Company empowered the sales team with sales force automation technology, facilitating real-time sales information capturing and monitoring. This included enablement with the rural sales force with a Rural Sales Force Application that initiated app development for retailer order placements.
- The Company digitised the data capturing process of all trade channels.
- The Company implemented analytics solutions in the areas of cross-sell / up-sell and beat optimisation.
- The Company undertook initiatives to automate the procurement and payment process.
- During the pandemic, the Company

implemented P2P, MDM and SAP Cloud migration within a record time.

- The Company developed a secure IT infrastructure with collaborative tools for a smooth transition to Work from Home.

Outlook, 2021-22

Going ahead, the Company intends to leverage IT capabilities to transform new product development processes, supply chain management, portfolio & project management and improve sales & operations through faster analytics.

The Company increased its IT investment by 19% during the year under review with the objective to graduate to a secure paperless system with other benefits in 2021-22.

Our IT focus

- Many more workflow-based automation initiatives
- Complete migration to public cloud
- Reinforce IT security
- Deeper investment in data analytics

Natural Capital

Emami’s Natural Capital

Emami utilises natural resources with a moderate carbon footprint leading to the manufacture of products that are good for consumers, company and the world

Overview

The new trend in the global FMCG industry is not ‘Is it fashionable?’ but ‘Is it responsible?’

FMCG brands are recognising the financial and environmental benefits of sustainable practices. Besides, environmental norms are helping

reduce resource depletion, water scarcity, pollution and harmful impacts.

Sustainable manufacture comprises the manufacture of products through economically sound processes that moderate the

consumption of energy and natural resources while moderating carbon footprint on the one hand while enhancing employee, community and product safety on the other.

The result is that the specific has gradually turned to the holistic.

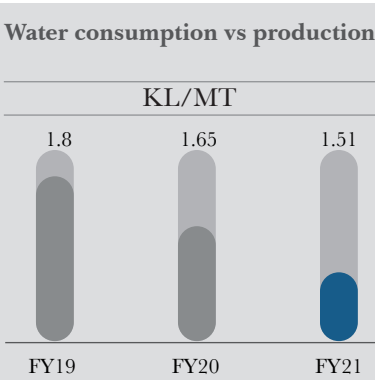
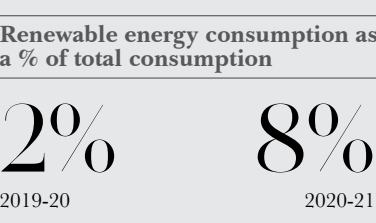
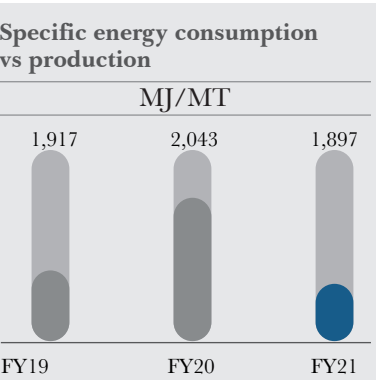
Energy conservation initiatives

Emami embarked on the following initiatives to moderate its carbon footprint:

- Created an Energy Optimisation Cell to examine phased energy mapping
- Replaced HSD fuel with briquette fuel and steam condensate recovery in the boiler

- Undertook energy-efficiency initiatives, which enhanced power efficiency
- Installed 33 kV lines in two manufacturing units, producing ~60% of the Company’s output; it installed high-speed packing machines
- Supplemented regular boilers with small equivalents

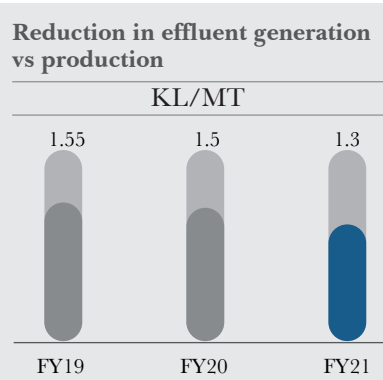
- Installed a dedicated air handling HVAC system for separate areas
- Installed energy-efficient motors
- Installed LED lights across manufacturing units
- Installed solar power in two manufacturing units
- Drew renewable energy from windmills



Water conservation initiatives

The Company intensified initiatives to maximise water management efficiency.

- 70% water was recycled during the year
- Modified the manufacturing process of Kesh King, reducing water consumption by 25%
- Implemented a condensate recovery system
- Reused ETP-treated water for gardening and toilets, making the factories zero-discharge



Emission control initiatives

- Invested adequately in emission control equipment
- Monitored air quality in and around the plant on a real-time basis



Sustainable packaging initiatives

- Partnered a Plastics Recycling Organisation to collect, process and recycle post-consumer multi-layer plastic used in packaging (as per PWM guidelines). The Company aims to become MLP waste-neutral by the end of the financial year
- Collaborated with post-consumer

recycling partners to qualify generate >20% of PCR in the use of rigid PET, PP AND HDPE containers

- Implemented recyclable laminates for flow wrap applications; it replaced the three-layer laminate Fair and Handsome flow wrap with a two-layer recyclable laminate; it intends to use recyclable laminates for primary packs of all sachets

- Optimising the use of plastic and paper; reducing our CO₂ footprint through localisation
- Developed a solution to replace non-recyclable metallised paper board with recyclable equivalent to reduce costs without affecting properties
- Reduced the consumption of 110 tons of plastics and 145 tons of paper in 2020-21 through superior design

Sustainable procurement initiatives

Emami’s dedicated Bio Resource department supports the procurement team to directly/indirectly connect with farmers who cultivate ayurvedic medicinal herbs

The Company initiated a comprehensive supplier assessment process, including SHE & TQM process audit led by its Central Quality Assurance Team and supported by the procurement team, to engage with suppliers. They engaged in a due diligence to select partners based on their social obligations record

The Company engaged in optimal

raw material procurement through co-ordinated team working

Emami collaborated with government organisations, institutions and self-help groups to ensure direct engagement with farmers and collectors. Small farmers from tribal regions emerged as major suppliers of ayurvedic herbs; small farmers from Uttarakhand, Himachal Pradesh, Madhya Pradesh, Chhattisgarh, West Bengal, Orissa, Sikkim and Tamil Nadu engaged in contractual herb cultivation (Kutaki, Tagar, Kapur Kachari, Sarpgandha, Tejapatta and Kauncha). The Company is working on the plantation of herbs (Ashoka, Arjuna and Baheda) in these regions

The Company conducted 11 capability building programs (400+ farmers participated); it facilitated the registration of 100+ farmers under State Government Cultivation Programmes and distributed planting materials to more than 900,000 farmers; it promoted mentha farming across farmers and small-scale industries

Most of the Company’s packaging suppliers (80%-plus) continued to be located in proximity to manufacturing plants, reducing transportation, fuel consumption and emissions

Responsible corporate citizen

Emami's Community Capital

Emami is a responsible corporate citizen, engaged in a number of community-centric programmes and initiatives

Gopal lived in the slums of Tiljala in Kolkata. During the COVID-19 induced lock-down, his father (a driver) could not afford to buy him a mobile phone to enlist for online coaching classes being conducted by Emami Foundation.

Emami responded to this reality. The Company launched a unique assignment-based online learning initiative where students could learn during flexible hours. Gopal was able to download his online assignments on his father's mobile after his father returned home from work each evening, uploading the completed assignment by the following morning through his father's mobile before he left for work.

This is one of the numerous success stories inspired by Emami's commitment to innovate CSR solutions for the wider community.

Overview

As a responsible corporate citizen, Emami transforms lives for the better - 'learn from the community', 'plan with the community' and 'work with the community'. Emami's CSR activities have been traditionally driven by a moral obligation and philanthropic spirit, an integral part of its business.

During the COVID-19 pandemic, Emami was actively engaged in making a difference by addressing the less privileged with services that enhanced societal prosperity and economic wellbeing.

The Company's CSR engagement was driven through specific imperatives – programmes aligned

with national and regional needs, focused engagement in select spaces marked by under-investment, partnerships with like-minded partners and advancing model community development centres across a multi-state footprint.



Srimad Jagadguru Shankaracharya Sri Raghaveshwara Bharati Swamiji



R.K. Goenka, Patron-CSR

CSR vision and objective

Emami's Corporate Social Responsibility has been integrated into its business model through a policy that functions as a built-in, self-regulating mechanism, whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms.

Commitment, 2020-21

During the financial year under review, the Company allocated ₹ 7.8 crore

for CSR initiatives across education, health and sanitation, backward society development, hunger eradication, animal welfare, environmental protection and promotion of traditional arts and culture.

Initiatives, 2020-21

Educating the deserving and needy students

The Company provided financial assistance and educational material to 290 underprivileged and needy students at secondary and higher

secondary education levels. More than 170 students were supported with textbooks during the COVID period. It arranged evening classes for children of the slum dwellers in Chennai. It provided assistance to operate 75 one-teacher schools (Ekal Vidyalaya) catering to 2,055 students in South Dinajpur, Jalpaiguri and Malda districts of West Bengal. It started new-age skill development courses at the newly constructed 48B Mukhtaram Babu Street CSR Centre.



Free text book distribution programme for underprivileged students

Building health and education infrastructure

- Provided financial assistance to develop infrastructure for education and skill development institute at Kolkata.
- Built a high-end health centre and clinic at 48B Mukhtaram Babu Street CSR Centre.
- Provided medical infrastructure to Kolkata hospitals for the treatment of underprivileged and COVID-19 patients.

Skill development for livelihood opportunities

- Organised skill development training for 450+ underprivileged individuals in Kolkata in various vocational trades through the CSR skill development centres operating under Emami Foundation.
- Provided skill development and soft skill training in the slums of Chennai.

Ensuring health for all

- Funded the treatment of 381 underprivileged patients who needed urgent and emergency medical intervention.
- Operated and managed outpatient department clinics with ayurveda-based tele-medicine services during the COVID-19 pandemic, benefiting 33,819 beneficiaries in Kolkata, Haripal and the Sundarbans.
- Organised free diabetic screening and baseline study camps of diabetes



Skill development class - stitching & tailoring

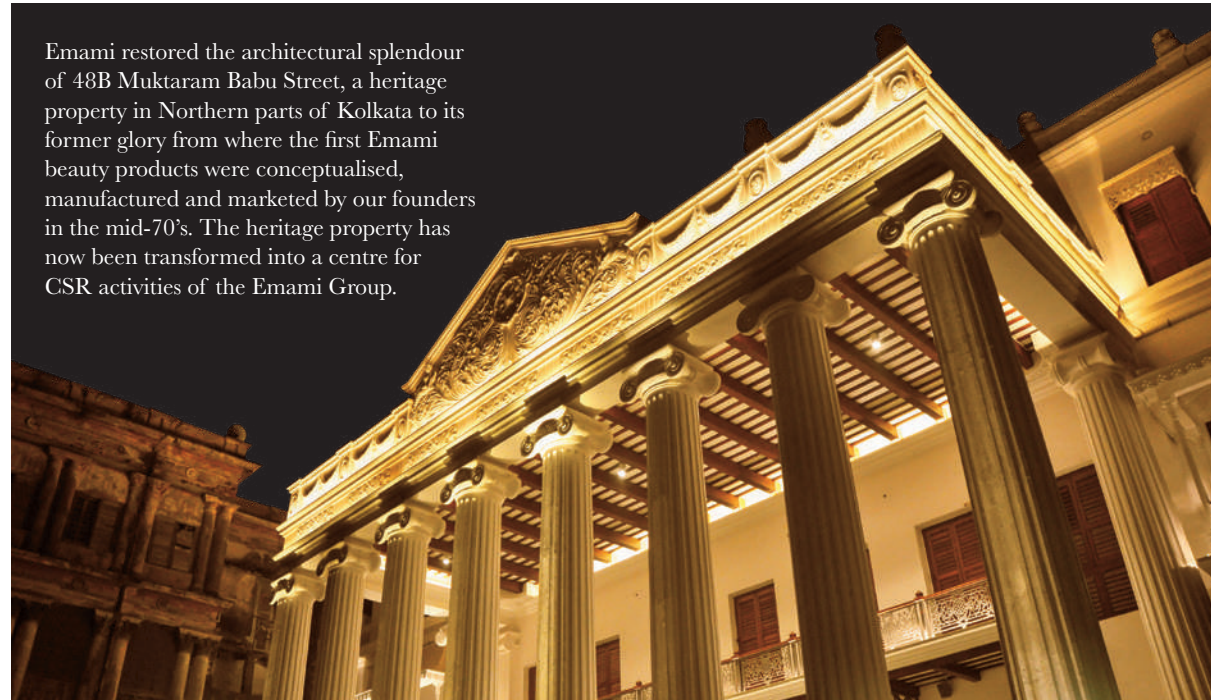
for 40 year-plus at-risk population to prevent complications.

Community development

- Provided financial assistance for setting up community libraries in Chennai. Contributed towards traditional art and cultural programmes in and around Kolkata.
- Contributed towards the rescue and rehabilitation of 215 vulnerable people from the streets of Kolkata and suburbs.



Eye check-up camp



Emami restored the architectural splendour of 48B Mukhtar Babu Street, a heritage property in Northern parts of Kolkata to its former glory from where the first Emami beauty products were conceptualised, manufactured and marketed by our founders in the mid-70's. The heritage property has now been transformed into a centre for CSR activities of the Emami Group.

- Provided support for home rebuilding for people affected by the Amphan cyclone in Contai and Khejuri coastal areas of East Midnapore, West Bengal. Provided food and supplements under the Hunger Mitigation Program in and around the Emami factory units in Kolkata and suburbs.

- Provided financial assistance for setting up veterinary clinics for animal protection in Kolkata.

COVID-19 relief services

- Provided support to 1,500 people during COVID-19 pandemic in villages around Masat & Dongari.
- Provided infrastructure support to two hospitals in Kolkata.
- Set up a helpline during the lockdown for senior citizens to access doorstep delivery of essential items like dry rations and medicines in association with Vishwa Jagriti Mission, benefiting 1,500 people.
- Sanitised more than 20 Emami Foundation-supported schools in the post-lockdown period.

E- Learning / online education services

- Provided support in online learning and e-learning using virtual platforms

for the After-School Support Program covering 150+ students in Kolkata and Haripal.

- Formed student WhatsApp groups for assignment-based learnings through Emami Foundation centres.
- Set up digital infrastructure at the Emami Foundation CSR Service Centres consisting of smart classrooms with large TVs and accessories.
- Provided financial assistance for the internet connection and soft loans for smart phones.
- Introduced hybrid model of After School Support Programme following the lockdown period.



Dance movement therapy for students

Ayurveda telehealth services during COVID period

- Launched an innovative ayurveda-based telehealth pilot project to cater to the healthcare needs of people in the remote villages of Haripal, aided by mobile connectivity and communication technologies, which ensured zero physical contact tele-consultations between doctors and patients through the use of clinical decision support systems and symptomatic questionnaires in the process of prevention, diagnosis and treatment of diseases.

Case study: The success of Emami's Telehealth programme



The nationwide lockdown in April and May 2020 halted the outreach of the Ayurveda-based Mobile Medical Unit named Sanjeevani, which provided healthcare services in the remote villages of Hooghly district. The Company launched an innovative telehealth service, ensuring the continuity of ayurvedic and holistic healthcare services.

The delivery of healthcare services was now addressed using mobile and communication technologies

for the exchange of vital health-related information between doctors and patients. The mobile phone based telehealth intervention moderated the need for one-on-one physical engagement.

An experienced ayurvedic doctor was engaged by Emami Foundation with a virtual team comprising a Telehealth Coordination Officer, Pharmacist and village volunteers. The details of patient complaints and doctor prescription

were captured by a Telehealth Coordination Officer, which was forwarded to the Pharmacist who arranged for the required ayurvedic medicines along with relevant usage instructions to be dispatched to the caller's village on the same day. Some 6,700 patients from around 12 villages of the Haripal area in Hooghly, West Bengal, benefitted through this unique arrangement in 2020-21.

Case study: Emami's Emergency response services

Emami conducts a unique CSR service (Emergency Response Service) through its NGO partner HIVE India to provide immediate support to any person at risk on Kolkata streets. The service is provided 24 hours a day through the year with a focus on the elderly, women and children.

The emergency response unit is equipped with an ambulance to respond to any emergency call

within 20 minutes and trained to handle crises. In collaboration with the local administration, immediate arrangements are made for the medical treatment, tests, hospitalisation, psychiatric or any other special needs. In case of emergencies, the unit assists in addressing disasters, collaborating with the Kolkata Police, Fire and Emergency Departments.

In one such incident, 65-year-old

Gopal Majhi (name changed) was noticed by some locals as wondering aimlessly in Kolkata. The local residents informed the Thakurpukur Police Station, which contacted the Emami emergency response unit. The Emami team rescued and admitted Gopal to Vidyasagar State General Hospital. Following treatment for dementia, Gopal was reunited with his family.

Brand Review - Healthcare

How we strengthened our healthcare business in 2020-21

Overview

Even as you see India's average weight and obesity increasing on account of slackening and sedentary lifestyles, do not be fooled: there is another India focused on getting fitter.

The focus is not just on weight reduction; a number of Indians are

turning to benign natural products absent of chemical-induced side-effects.

The result is that India's ayurveda sector was estimated at US\$ 4.4 billion until as recently as a couple of years ago but is now expected to grow at a CAGR of 16% until 2025.

(Source: *The Economic Times*)

Emami and ayurveda

Emami has been consistently investing in ayurveda research and products - across the personal care and health care categories - convinced of the long-term relevance of this segment.

The Company's ayurveda thrust was reinforced with its R&D centre being approved as a drug testing

laboratory for ayurvedic, siddha, unani and homeopathic products by the Ministry of AYUSH. This NABL-accredited R&D laboratory (accredited by Department of Science and Technology, Government of India) has been complemented by the bio-resources department that sources quality ayurvedic herbs and resources.



Challenges and counter-initiatives

The pandemic-induced lockdown of 2020 disrupted trade movements across India, affecting reach of company's products through the direct distribution channel.

The Company widened its e-commerce footprint; it launched an online portal (www.zanducare.com).

In a market abundant with immunity-boosting products, it was imperative to introduce differentiated products.

The Company launched innovative communication campaigns for Chyavanprash and Kesari Jivan, highlighting the double immunity potency; it launched a film on the Zandu range to reinforce immunity product effectiveness.

Strengths

Zandu is uniquely positioned in the consumer's mind as a trusted 100-year+ brand with a range of products and therapies backed by scientifically-validated superior efficacies.

Emami possesses a strong R&D team.

The Company positioned Zandu as a 'health expert' directed to address the health-related wellness needs for various segments of the Indian population.

The Company's products have been priced affordably for diverse income groups.

Initiatives, 2020-21

The Company launched an Immune India campaign by offering a one-time special price offer for the Zandu Chyavanprash range, coupled with Zandu hand sanitisers (free) with the objective to make Zandu Chyavanprash affordable to a large section and help them build their immunity.

Zandu Healthcare launched the following value-added differentiated products:

- A healthy jaggery-based Zandu Chyavanprash with no sugar but with the goodness of gur (jaggery), a healthier alternative
- Value-added variant of Zandu Kesari Jivan containing dry fruit, an efficacious product offering
- Zandu Immu Soft Chews in a tasty

jelly format for children across key markets

- Immuzan, an immune-modulatory product to enhance respiratory health
- Rhumasyll Maxx, a pain relief product to complement the existing Rhumasyll range
- Single herb range, which included giloy ghanvati, giloy churna and amla churna among others
- Single herb tablets such as ashwagandha, giloy, neem and tulsi
- Unique range of health juices such as amla, aloe vera, karela-jamun, giloy-tulsi, scientifically formulated with additional herbs to provide value-addition and improved taste
- Tulsi and haldi drops in convenient-to-use packaging formats

Some of Zandu's new offerings on www.zanducare.com



Promotional programmes and market activations

Zandu Pure Honey was priced attractively to enhance affordability

A promotional campaign highlighted immunity benefits of Zandu Pure Honey, highlighting the brand's antioxidant properties and source of origin (Sunderbans)

To highlight the immunity benefits of Zandu Pancharishta and speedy relief from cough through Zandu Ayurvedic

Cough Syrup in the COVID-19 context, promotional campaigns were launched

The Company strengthened processes, decision-making and time-to-market for new product launches

The Company widened rural and urban coverage for ayurveda products

The Company launched Zandu kiosks

to advocate the immunity range among consumers

Emami's sales and marketing team collated feedback from the medical fraternity and retailers leading to responsible product development and brand promotion; it promoted the Company's brands through digital communication channels

Awareness creating initiatives

The Medico team rolled out Kavach Clinics on the doctor's premises, ensuring safety and hygiene for patients and providing COVID-19 precautionary measures (in addition to a sanitisation station).

The Company conducted more than

100 webinars with the ayurvedic medical fraternity in enhancing awareness in countering COVID-19.

The Company conducted medical education programs from November 2020, engaging the medical fraternity.

The Company enhanced Zandu Ayurvedic Chikitsalayas, making medical intervention affordable.

It organised health camps (bone mineral density and diabetes detection)

Distribution initiatives

Emami strengthened its frontline sales team across North, East and West India.

The Company focused on the wholesale channel to increase its indirect coverage and on the ayurvedic channel to improve penetration.

Digital initiatives

Emami introduced e-commerce-specific products like the PET squeeze pack of Zandu Honey, a ₹250 pack of Zandu Immu and Kesari Jivan Dry Fruit.

The Company leveraged the digital media to enhance relevance during the lockdown; products were marketed on Amazon and other e-pharma chains.

The Company launched an online e-commerce platform (www.zanducare.com).

The Company increased handheld device usage for ECO, lines, bills cut, fill rates and value per order, among others.

The Company launched various campaigns on social media platforms like Facebook and Instagram.

Achievements, 2020-21

- Zandu Healthcare sales grew by 45%.
- Chyavanprash Range (Zandu Chyavanprash, Zandu Kesari Jivan and Zandu Sona Chandi Chyawan Plus) and Zandu Pure Honey sales doubled.
- Zandu Pancharishta reported double-

digit percentage growth of 18%.

- New product development contributed attractively to the healthcare portfolio.
- Zanducare.com was ranked the number one website in India in the alternate health and remedy space by Similarweb.

Outlook, 2021-22

Going forward, the Company aims to achieve higher double-digit growth on the back of prudent brand investments and will focus on increasing its penetration through D2C initiatives, visibility programmes and scientific engagements through Continuous Medical Education Programmes (CMEPs) and RTMs (Round Table Meetings)

Strengths

- Deep knowledge in ayurveda with a cutting-edge R&D centre
- Products are certified by international agencies

- Products have been backed by scientific efficacy studies
- Alliances were forged with sectorial thought leaders for new product development

- Strong team of brand representatives was created for promotions, involving ayurveda doctors

Brand Review – Male grooming range

How

Emami reinforced its presence in the male grooming segment

There was a time when Aryan used face cream in a defensive manner. With the doors closed so that the women of the house would not poke fun at him. There has been a sea change since. Ever since Emami launched Fair and Handsome, Aryan has re-emerged from the closet. His fairness creams are placed prominently on the dressing table!

Emami's Fair and Handsome Range is endorsed by Indian superstar Salman Khan



Overview

Emami gets the credit for not just launching new products in the male grooming segment; it gets the credit for having created a completely new category of male skin radiance in India.

The idea dawned on the Emami management when the Company’s consumer study reports showed that a number of men dipped into the creams bought by the women of their families for their personal grooming needs.

The Company launched a

pioneering brand called Fair & Handsome in 2005, which did three important things within India’s personal care space: shifted the conventional needle of grooming needs from women to men; enhanced a perspective that men didn’t need to feel defensive about their personal grooming requirements; introduced a personal men’s grooming product beyond a shaving cream.

The result is that the Company had grown the space from scratch, provided it an organised structure and invested it with periodic

product introductions supported by consistent brand spending. Besides, this space was supported by celebrity ambassadors from Shah Rukh Khan to Salman Khan, from Hrithik Roshan to Kartik Aaryan and to Vidyut Jammwal, who provided the space with respect and visibility.

Emami carved out a market share of 65% (MAT Dec 2019) in the Men’s Fairness Cream Category. The sector’s penetration of only 2% indicates multi-year headroom and growth possibilities.

Key challenges and counter-initiatives

- Significant decline was seen in discretionary spending
- Country-wide lockdown led to lower penetration and decline in volumes
- Consumption of discretionary products declined significantly in the

first half of 2020-21 (Source: KWP)

- Consumers sought solutions beyond fairness, such as dark spot reduction, even tone and sun protection
- Incidence of a beard growing trend increased, which reduced facial area

and need for a specialised cream.

- There was a perception of use only on special occasions
- Media activity resumed in the third quarter of the year under review in line with the festive season

Highlights, 2020-21

The Company rebranded Fair and Handsome Fairness Cream and Fairness Facewash as Instant Radiance Cream and Instant Radiance Facewash respectively.

The Company engaged Salman Khan to launch a new TV campaign, which went live in mid-November 2020, following which the Fair and

Handsome portfolio grew by 18% in the second half of 2020-21. The contextualisation of Fair and Handsome Radiance Cream as ‘*mardon wala* fairness cream’ was strengthened, leveraging the association of Salman Khan as ‘*Bhai ka cream*’.

The Company launched a digital

campaign activation on Facewash, which highlighted functional benefits.

On the other hand, the HE Advanced Male Grooming Range continued to leverage the extension to other male grooming categories, van operations to penetrate rural markets, timely digital interventions and the growing e-commerce space.

Outlook

The market traction is expected to normalise by the second half of the current financial year. The investments in the Fair and Handsome portfolio are expected to sustain growth momentum. The Company intends to build on the Salman Khan association. The Company expects to report a high

double-digit percentage growth in the men’s grooming portfolio on the back of investments, new celebrity endorsement, new theme and new range launches. In the HE deodorant space, the Company intends to launch new fragrances.

What provides optimism is that the penetration of male grooming products and brands in India is low, with a majority of men still using women’s / family personal care brands for their skin care, hair care and cleansing needs, a vast available headroom for sustained growth.

Our Fair and Handsome journey

2005

Launched Fair and Handsome Cream, seeding the concept of male face skin care in India

2007

Engaged Shah Rukh Khan as brand ambassador

2013

Reformulated and re-staged the brand

2014

Entered the facewash space; Hrithik Roshan was engaged as the celebrity ambassador

2015

Launched Fair and Handsome Complete Winter Solution, the first cream extension

2016

Launched Fair and Handsome Oil Clear facewash, the first facewash extension

2018

Launched Laser-12, the most advanced fairness cream

2020

Engaged Salman Khan to endorse the brand; Rebranded Fair and Handsome Fairness Cream as Fair and Handsome Radiance Cream; Rebranded the Fair and Handsome Fairness Facewash portfolio as Fair and Handsome Instant Radiance Facewash



How we reinvented our Fair and Handsome	Relaunched the brand with new packaging	Repositioned the brand	Introduced a new brand ambassador	Introduced new campaigns
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Our HE journey

2014: Launched six variants of HE deodorants with Hrithik Roshan as the celebrity endorser

2016: Launched deodorants with cooling benefit and no-gas deodorants

2017: Launched small and mini packs

2018: Emerged as the second brand in India to launch pocket deodorants

2019: Emerged as the first brand in India to launch 2 Fragrance in 1 pack as HE Magic Duo; engaged Tiger Shroff as the celebrity endorser



Brand review – Pain Management

‘Kuch hi der me dard se relief!’ Thanks to Emami!’

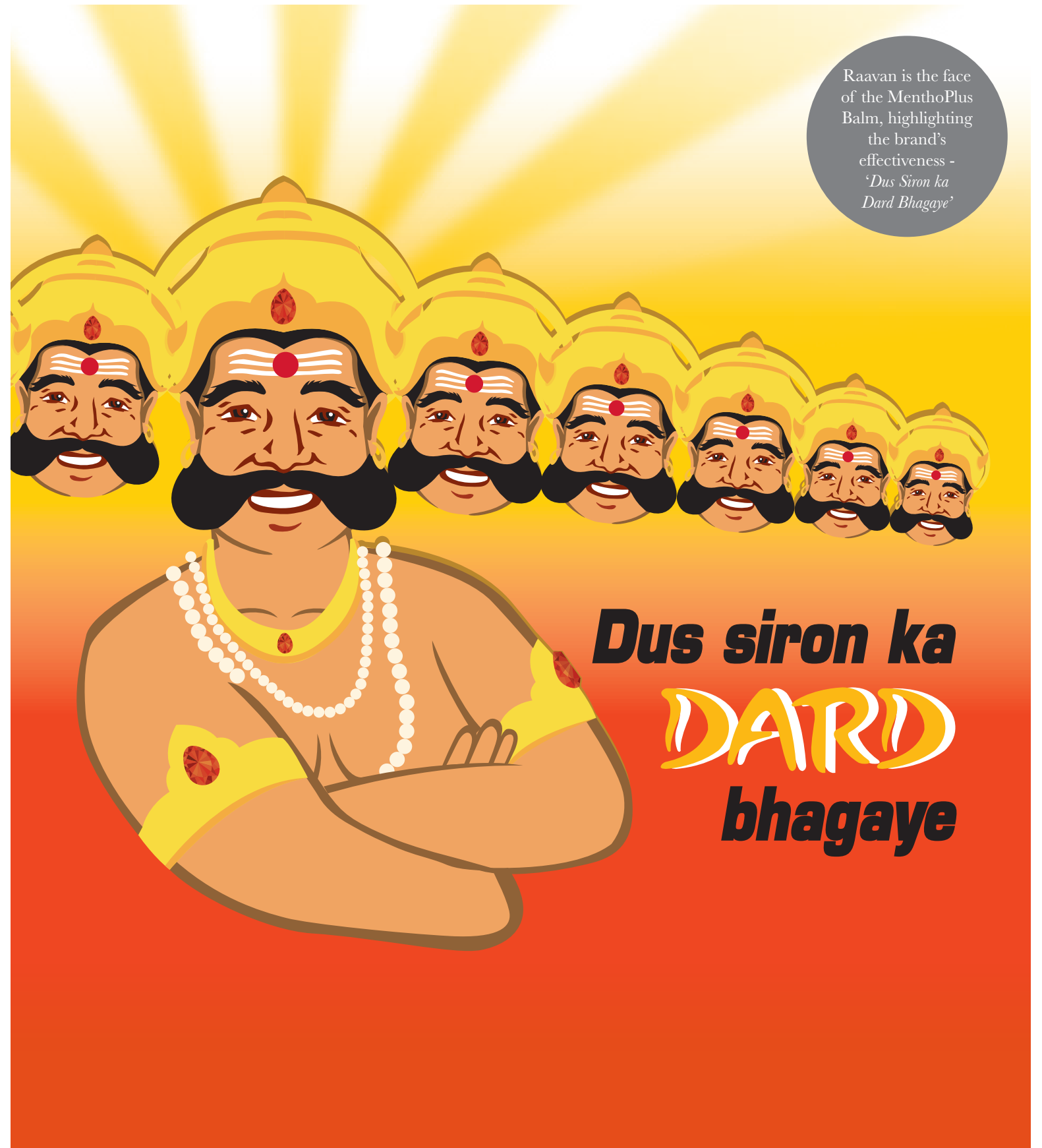
When Kaavya travels, the four things she always carries are her identification proof, credit card, smart phone and ...Zandu balm. “You can’t go wrong with these four things!” she says.

Overview

In a world marked by pace of life, stress, change in seasons and extensive travel, there is a premium on health stability. Emami has reinforced its position as the manufacturer of India’s most trusted pain management portfolio (Zandu Balm, Mentho Plus and Fast Relief).

Zandu Balm, the central feature of this business, comprised the following attributes:

- Ayurvedic knowledge extending across eleven decades; enduring 100% ayurvedic recall
- Among India’s largest pain management brands
- Available in 6 crore+ Indian households; present in more than 18 lac retail outlets
- Firmly established as the ‘*Peeda Haari Balm*’ for the family with a benefit callout of ‘*Ek balm, teen kaam*’ (headache, back ache and cold)



Raavan is the face of the MenthoPlus Balm, highlighting the brand's effectiveness - 'Dus Siron ka Dard Bhagaye'

**Dus siron ka
DARD
bhagaye**

Challenges faced and countered

During the year under review, production and distribution were impacted, which affected the Company’s ability to address increased demand.

However, the Company rebounded from the first quarter of 2020-21 on account of strengthened supply chain management and enduring engagements with vendors, a decisive advantage over unorganised players who struggled with production issues across the first half of the year under review. The Company addressed the needs of the urban market through wholesale-led indirect distribution.

Emami addressed the needs of the growing rural and semi-urban markets.

The Company has overcome multiple challenges over the years by building brand differentiation as an ayurvedic pain expert for headache the colds and body aches, highlighting multipurpose use of Zandu Balm, introduction of low-priced packs and highlighting the safety of ayurveda vis-à-vis the possible side-effects of pain relief tablets.

Strengths

Zandu Balm (Zandu Balm and Zandu Balm Ultra Power) is India’s undisputed leader in the multipurpose pain and cold relief category, available in more than 18 lac outlets (RMS

MAT Dec-2019) across the country.

The brand is marketed in more retail outlets than any other pain relief brand and is present in 6 crore households, making it the world’s number one balm. Zandu Balm is 100% ayurvedic with no side-effects.

Zandu Balm is an all-round solution provider whereas Mentho Plus is positioned as a headache specialist.

Zandu Balm is positioned around naturalness, extending from content to its packaging made from re-cycled paper, ‘recycle’ logo in the artwork and packaging laminate thickness of more than 50 microns.

Outlook

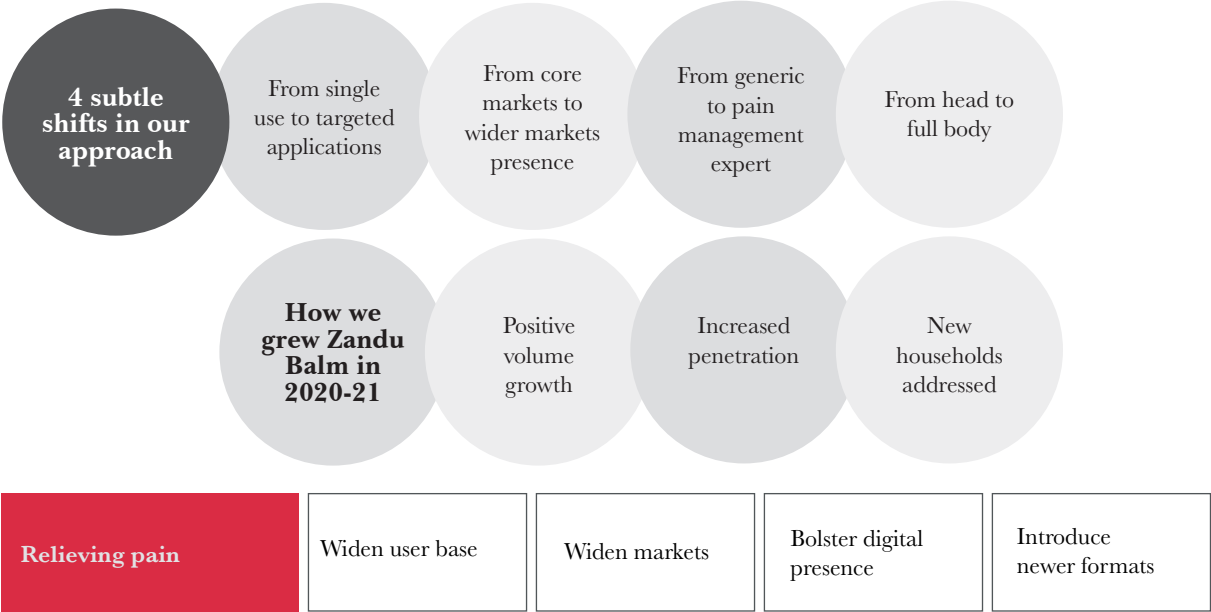
Zandu Balm intends to maintain its increasing consumption base and create new use occasions. The outlook for the category remains positive on account of a larger household base, higher pain incidence triggered by lifestyle changes and increased stress. The Company will drive the brand’s relevance by highlighting trust and relevance through the recalls of ‘100 Saalon ka Bharosa’ and ‘Zandu Balm Peeda Haari Balm’. The Company intends to leverage low unit price (1ml and 4ml) to penetrate Category Low markets (North and East India) deeper and the big pack (25ml and 50ml) to drive loyalty in Category High markets through Modern Trade and e-commerce.

Zandu Balm retained its market leadership, introducing nearly 87 lac new households to its brand.

The entire pain portfolio (Zandu Balm, Ultra Power, Mentho Plus and Fast Relief) withstood the pandemic, growing by 23%.

Emami’s pain management brands

Mentho Plus Balm	Zandu Balm	Himani Fast Relief
<ul style="list-style-type: none">• Addresses headaches; traction on account of affordability and smaller SKUs• ‘Dus siron ka dard bhagaaye’ tag line leveraged the <i>Ravaan</i> mnemonic priced at ₹ 2 for 1 ml, India’s largest in the 1 ml category	<ul style="list-style-type: none">• Zandu is a comprehensive pain management market leader (head to toe) extending beyond the pain space.• More than 100 years of trust• Largest selling balm of India• Positioned around <i>Peeda Haari Balm / Ek Balm Teen Kaam</i>• Introduced Ultra Power variant for severe pain and aches• Introduced Zandu Orthovedic Oil	<ul style="list-style-type: none">• Formulated to provide instant and lasting relief from body aches.• With ayurvedic active ingredients of special herbs like <i>Nilgiri</i> oil, <i>Lavang</i> and <i>Gaultheria</i> to penetrate pain areas with speed. Core target group of young adults who lead an active lifestyle and seek instant relief





Brand review – Navratna

Bollywood heart-throb Salman Khan as the iconic Navratna 'Raahat Raja'

The irresistible coolness of Navratna Oil

In a world where luxuries are either electric or electronic, there is something called Navratna Oil. Where all one needs to do is drop on to the scalp, gently massage, let the magic of oil ooze onto the skin and let the gentle burn linger, helping one unwind and graduate to a different consciousness. There is a description for this. 'Heaven'.

Overview

Over the years, consumers have found it increasingly difficult to precisely describe Navratna Oil. For some, Navratna Oil is a cool oil that makes one feel fresh; for others, it addresses pains (head ache, body ache and stress); for others, it is an oil that helps people sleep better; for most, it is a brand that is a part of everyday life. The result is that Navratna Oil is more than a brand; it is a 'property' that generates multi-year revenues. This positioning has been validated by the numbers. Navratna Oil enjoys a market share of 66.4% of cool oil category with no significant competitors and is available across more than 4.5 million retailers.

Strengths

Navratna enjoys a distinctive recall on the back of celebrity endorsements and availability across more than 4.5 million retail stores.

The brand leads the Cool Oil segment (relief from headache/ body ache/ sleeplessness/ fatigue) and is the second largest player in Cool talc/ Prickly Heat Powder segment. etc. Cool Talc is summer-specific talc, which provides cooling and freshness.

The brand has been built around a differentiated positioning. When most oils were positioned as 'Kale lambe ghaane baal', Navratna positioned itself as a 'stress relief provider'. A study was conducted between coconut oil and Navratna, where Navratna proved to be superior in providing relief from stress.

The brand has leveraged You Tube, Facebook, OTT and Tik Tok in addition to consumer engagements on

e-commerce platforms like Amazon, Flipkart and Big Basket.

The Company engaged the famous Hindi film star Salman Khan as the brand ambassador of Navratna Oil. During the year under review, the Company engaged Varun Dhawan for its talc range.

Challenges and counter-initiatives

During the pandemic, brand availability and consumer attention represented the biggest challenges. The Company rolled out a distribution outreach program to counter unavailability, identified new consumer engagement platforms and introduced relevant communication.

Initiatives, 2020-21

- Capitalised on the engagement of Salman Khan (as *Raahat Raja*) as the brand ambassador.
- Launched a commercial directed by

Nitesh Tiwari (of *Dangal* and *Chhichhore* fame).

- Rolled out a direct reach programme in the rural markets of Uttar Pradesh, Madhya Pradesh, Bihar and Maharashtra.
- Rolled out an 'Anti-stress' campaign to enhance awareness on product benefits in a stressful year.
- Commenced a new Navratna Talc campaign featuring Varun Dhawan.
- Increased focus on smaller packs, enhancing affordability.
- Launched the premium Navratna Gold on e-commerce platforms.

Achievements, 2020-21

The Company recovered from the initial challenges and returned the brand to the retrospective offtake average by the last quarter.

The Company normalised marketing and branding expenses as the lockdown



Navratna's leadership foundation

- Market leader since decades; 66.4% share in MAT Dec 2019
- Coming together of nine herbs
- Provides relief against stress, headache and sleeplessness
- Available in more than 4.5 million retail outlets
- Appreciated by more than 22 million households
- Choice of seven SKUs (500 ml the largest and 2.7 ml the smallest for Re 1)
- Iconic brand ambassadors



Youth icon Varun Dhawan brings his unmatched energy to Navratna Cool Talc

Maintaining market leadership

Introduce new variants

Attract new users

Tap new markets

Strengthen modern trade presence

relaxed, the first in the category to do so across electronic, digital media and platforms. The brand’s visibility on platforms like Tik-Tok enhanced awareness and engagement during the pandemic.

The Company strengthened its value-for-money proposition to strengthen brand relevance at a time of pandemic-induced weakness.

Outlook

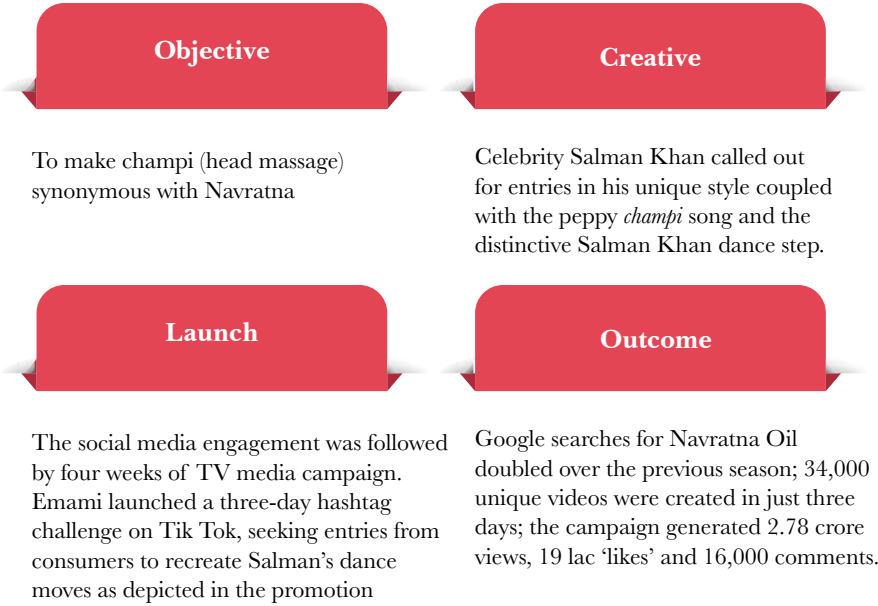
Navratna expects to reinforce its relevance and positioning in 2021-22, returning sales to to pre-COVID levels. The increase in e-commerce and premium digital positioning widened possibilities for the brand.

Navratna launched a campaign featuring Varun Dhawan to promote Navratna Maxx Cool Talc, which promises day-long cooling. Navratna

introduced a premium Navratna Therapy Range comprising Navratna Therapy Body Massage Oil and Navratna Therapy Stress Relief Oil exclusively for digital marketplace.

The optimism for this segment is derived from the fact that even as the hair oil category enjoys a high segment penetration (90%+), therapeutic oils enjoy a category penetration of only 12%, indicating a high headroom.

How we enhanced Navratna’s visibility through the #NavratnaCoolChampi campaign on Tik Tok



4 subtle shifts in our approach





From standalone to extensions

From summer to multi-season

From core markets to new markets

From single use to multiple use

Brand lift result

 Awareness	 Brand association	 Intent	 Ad recall
11.10%	12.57%	13.36%	26.24%

Protecting leadership

Leveraged Salman Khan (as *Raahat Raja*) as brand ambassador

Launched a commercial directed by Nitesh Tiwari

Normalised marketing and branding expenses

Enhanced visibility on Tik Tok

Provided a superior value-for-money proposition

Brand review – Kesh King

Emami's Hair
and scalp care medicine...

The ayurveda way

When 28-year-old Priya Aggarwal noticed surprising hairfall, she turned to a specialist for help. She was in for yet another surprise; instead of recommending medicines, the specialist wrote out a single-lined prescription: 'Kesh King Ayurvedic Medicinal Oil.' After six months of use, she is a transformed person who tells others at kitty parties: 'I know a secret that can bring your hair back at low cost and in no time!' Suddenly she has an audience.

Juhi Chawla has been synonymous with the Kesh King brand for a number of years



Overview

For a number of people who lost hope that their hair loss sequence would never reverse, there is a growing hope in Emami’s Kesh King. This brand, addressing hairfall and regrowth, is a leader in the ayurvedic medicinal oil space.

Kesh King is positioned as an ayurvedic hairfall expert (certified and recommended by international institutes) trusted by millions on account of effectiveness and affordability. The brand is available in ~8 lac retail outlets and accounted for a leading volume market share of 27% (MAT, December 2019).

Strengths

The brand enjoys superior recall and leadership position in the respective categories of its presence.

The brand is perceived as a superior quality natural/herbal/ayurvedic product.

The brand is seen as trusted and home-grown with strong values.

Challenges and counter-initiatives

During the first quarter of the year under review marked by a lockdown, the markets were not easily accessible and visits could not be undertaken; Modern Trade stores were not operational, delivery to last mile stores remained a concern and there was reduced sales manpower in metro towns.

Kesh King focused on affordably priced SKUs to increase distribution, direct to consumer delivery, promotions that

highlighted the superior price-value proposition, emphasised the ‘Vocal for local’ theme to promote Indianness and deepened the trust quotient by communicating its positioning of ‘India’s No. 1 Hairfall Expert.’

Besides, the brand sustained its longstanding focus across its target audience (25-45 years old), leveraged changes in products, positioning and packaging while continuing to focus on convenience (deep root comb applicator) and efficacy (clinical proof and international certifications).

Achievements, 2020-21

- Kesh King Ayurvedic Range witnessed significant growth, growing 15% by value over 2019-20
- Kesh King Shampoo extended into the sachet space, widening its relevance to a new set of consumers and counter possibilities of consumer down-trading; the brand launched a damage repair

variant catering to different consumer needs of repairing damaged hair.

- Promotions revived after the first quarter; digital promotions enhanced advocacy for the brand and educated consumers; digital and OTT platforms leveraged integrated marketing channels
- The use of rural vans, wall paintings, hoardings and branded buses promoted visibility, brand awareness and rural growth momentum
- The campaign was run for the first time on Kesh King Shampoo in the Hindi-speaking markets

Outlook

Kesh King intends to sustain investments in this space to lead the market as a hair fall expert; it intends to launch a new communication slant that indicates emotional benefit; a celebrity face is likely to widen appeal across ages and interest groups;

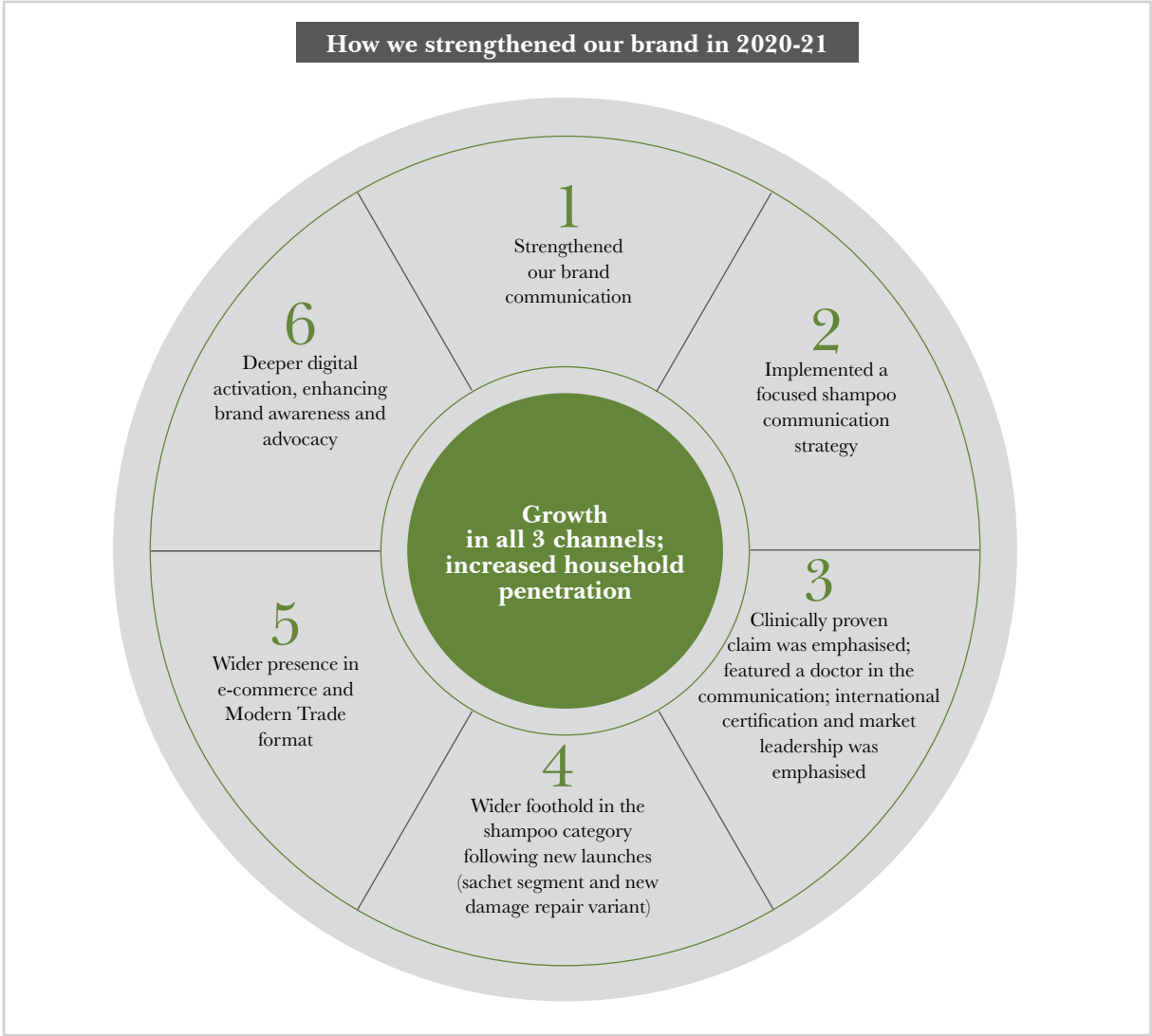
Leveraging Emami’s rural presence

- Rural India is a key target market for Kesh King
- Embarked on rural programmes (wall painting and vans)
- Bridged distribution gaps; enhanced product availability
- Introduced incentive programmes targeting low-performing dealers

activities, launches and visibility will be accelerated and enhanced; new shampoo and oil variants will be launched to address a new set

of consumers, evolving needs and preferences. Given the fact that shampoo is a high penetration category with significant room for growth, the

brand is optimistic of enhancing its market presence and share in the foreseeable future.



How we leveraged diverse media to enhance brand visibility

- **Above the line:** Strengthening Kesh King Medicinal Oil communication to improve its relevance in addressing hairfall
- **Digital:** Engagement in influencer activities and product reviews to enhance brand advocacy

- **Website:** Launch of direct-to-consumer website for better data management and remarketing campaigns
- **Over the top:** Leveraged the over-the-top platforms consistently and continuously in addition to television
- **Below the line:** Used rural branding vans in priority markets; increased

indirect distribution and coverage

- **Outdoor:** Invested in wall paintings and hoardings to enhance sachet awareness.

Engaged in bus branding and festive visibility as State-specific activities

How we grew Kesh King	Deepened the Indianness recall	Introduced a sachet for Kesh King Shampoo	Enhanced rural visibility	Enhanced digital footprint
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Brand review – BoroPlus

BoroPlus.

The cream that
protects

8 subtle shifts in our strategy

From antiseptic to hygiene	From standalone to extension	From winter use to perennial	From occasional to usual
From face+body to face+body+hair	From standalone to blended combination	From functional to experiential	From dependable to responsible



When Akshay set out from his home town in Ranchi to Delhi to play for his college, his mother inspected his kit and shook her head. She said that an important part of his gear was missing. She returned a couple of minutes later with BoroPlus Ayurvedic Antiseptic Cream. ‘Keep this,’ she said, pressing the *dibbi* into his hand. ‘*Kaam aayega!*’

Overview

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

Over the last three-and-a-half decades, this antiseptic brand has turned into a multipurpose friend to address dry skin, cuts, scratches, minor burns, wounds, cold sores and chapped skin – the coming together of its antiseptic equity, moisturisation action and the power of Ayurveda. The result is that BoroPlus has now expanded into soaps, hand washes, hand sanitisers and aloe vera gel.

The secret behind the enduring success of BoroPlus comes down to a unique blend of herbal ingredients and efficacious formulations leading to quick and effective cures.

Emami's success in this space has been marked by sustained leadership in the antiseptic cream market and by its availability in more than 3.2 million retail outlets across India.

Challenges and counter-initiatives

The marketing of BoroPlus encountered supply chain impediments during the start of the year under review. Besides, following the initial demand bulge for hand sanitisers marketed under the brand, offtake moderated from August 2020 onwards.

At a time when consumer sentiment was still hesitant, BoroPlus launched a light, non-sticky, 100% Organic Aloe Vera Gel in June 2020.

Emami's BoroPlus brand

Market leader in the emollient category

Provides a unique blend of ayurveda with Boro-based cream

Provides multipurpose relief for various skin problems

The Company accelerated the launch of the BoroPlus Hygiene range in view of growing market needs during the pandemic.

The range included soaps, hand washes, antiseptic liquids, body washes and hand sanitisers.

The various product launches were supported by higher marketing and branding investments over the previous year.

BoroPlus launched a television commercial for its Hygiene range, featuring Juhi Chawla and Ayushmann Khurrana.

BoroPlus promoted Aloe Vera Gel for skin and hair issues, addressing the urban youth.

BoroPlus also launched a media campaign during the season for its Body Lotions portfolio, enhancing a 24-hour moisturisation positioning

The *Safed Teeka* campaign promoted BoroPlus Ayurvedic Antiseptic Cream, celebrating the diversity of its consumers.

These initiatives reduced the brand's dependence on the winter, enhancing perennial offtake and widening relevance across a larger consumer audience.

The brand relevance increased across the youth, promoted digitally to showcase its increased environment friendliness (no sulphates and parabens).

Strengths

BoroPlus Ayurvedic Antiseptic Cream is a category leader, synonymous with the words 'antiseptic', 'ayurvedic' and 'moisturisation'.

All BoroPlus products are affordably priced, addressing the popular segment comprising low unit price packs available in the urban and rural markets (online and offline).

The brand enhanced its relevance with refreshing communication to stay relevant to changing consumer needs.

There is a growing focus on the digital media, relevant for categories like Aloe Gel and Body Lotion, which target the urban youth and provide incremental reach to the other categories. The combination of outdoor, in-shop and out-of-home branding strengthened the brand's 360° marketing campaign.

Big number

60

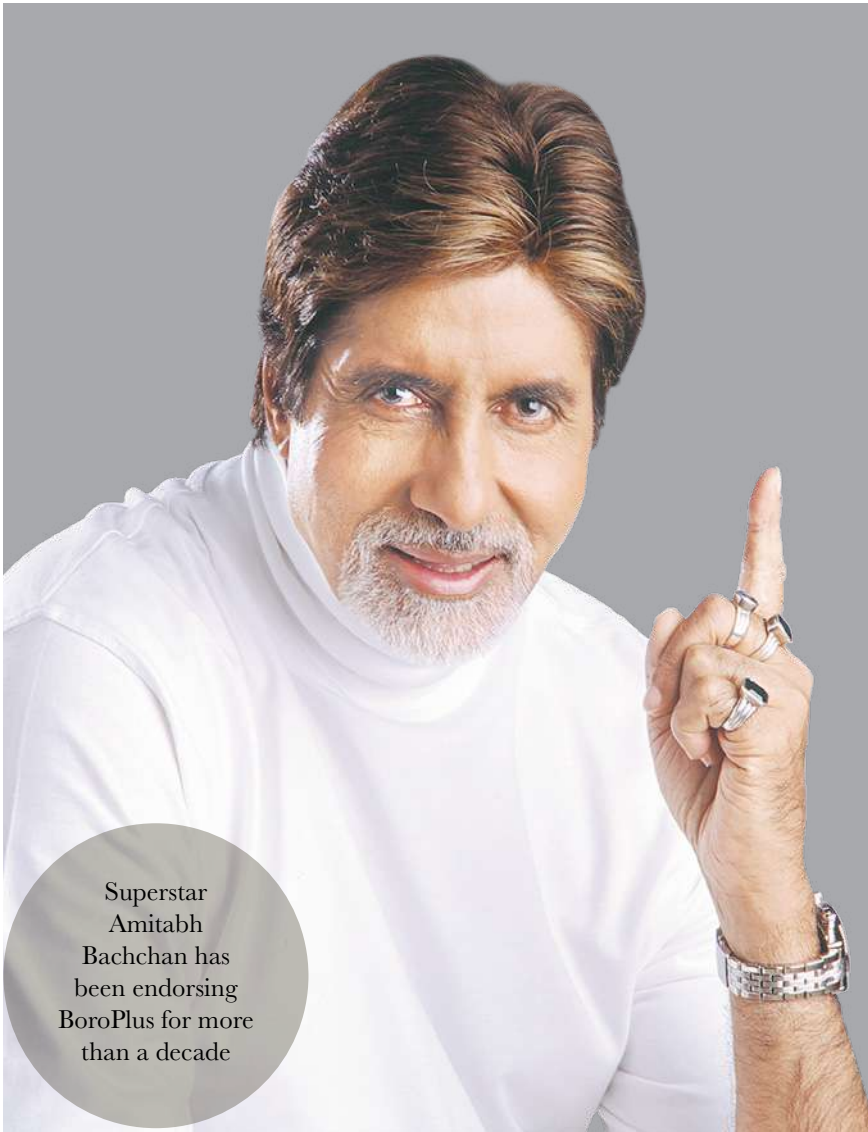
million households where BoroPlus is available

Outlook

Emami's vision is to make the BoroPlus brand the preferred choice for a healthy skin, derived from its natural and ayurvedic heritage and delivering efficacious skincare for an affordable price.

Even as BoroPlus Antiseptic Cream is the number one in its segment, the Company is focusing on new product developments expected to establish a foothold in their categories in a couple of years.

The business expects to enhance traction amongst the youth, widen the market and market share, and grow the business organically by 8-10% a year. While the past year was about new launches, the current year will be one of consolidation around sustained market leadership.



Brand strengths of BoroPlus Ayurvedic Antiseptic Cream		
Antiseptic	Moisturising	Ayurvedic



Awards & Accolades

Corporate awards

- Emami Group was conferred Star of the Year award at the 11th edition of Think CSR 2020 Award organised by Tefla's.
- Chosen as one of India's Top 15 FMCG Supply Chains 2021 at Inflection FMCG Supply Chain Web Conference & Awards.

Brand awards

- Navratna won two Bronze Awards under the 'Best Use of Mobile – Customer Engagement' and 'Amplification' categories at the sixth edition of Maddies 2020, organised by Exchange4Media mobile marketing awards.
- Navratna also won the Flame Awards Asia for its Kumbh Mein Sukun campaign. The brand bagged the Gold Award (for Best Integrated Campaign

of the year) and won the Silver Award (Best Campaign Leveraging Technology, Experience and Engagement)

Individual recognitions

- Shri RS Agarwal and Shri RS Goenka were conferred Doctorate of Philosophy (D.Phil) Honoris Causa degree by Amity University, Kolkata.
- Emami Founders Shri RS Agarwal and Shri RS Goenka were ranked at 94th position by Impact Digital in its Power Business 100 List in recognition for their contribution and support in revolutionising the digital media ecosystem in the country.
- Shri RS Agarwal and Shri RS Goenka were conferred the Sanmarg-Lifetime Achievement Award 2020 for their business leadership, innovative strategies, resilient spirit and community initiatives.



Mr R S Goenka and Mr R S Agarwal, Founders of Emami Group, being felicitated with D.Phil (Honoris Causa) degree by Amity University, Kolkata, over a virtual session.

Directors' Report

Devi Sharekoberg

It gives me great pleasure to share with you the performance of your Company along with audited accounts for the financial year ended March 31, 2021.

1. Operations Review

The financial year under review continued to remain challenging. While, the industry had just recovered from the ripple effects of GST implementation and demonetisation, it faced a daunting task of not only trying to overcome an extended liquidity crunch but an unprecedented and unexpected onslaught of Covid-19 led pandemic across the world, resulting in a complete lockdown across the country in the first quarter of FY21.

Company's operations until the first fortnight of April witnessed significant disruptions affecting the pre-season sale of the Company's summer products, thereby impacting the overall business. Further, a decline in consumption was also witnessed due to rising unemployment which in turn led to a significant drop in demand from low-income groups. This led to a consumer shift towards more essential products like food and groceries, affecting the sale of niche and discretionary products manufactured by the Company.

To ensure safety of employees, the Company implemented "Work from Home" policy and temporarily suspended manufacturing operations at the units. However, production later commenced in phased manner in accordance with Government's advisory for Industrial operations with limited manpower maintaining covid safety protocols such as social distancing.

Despite the severe impact of the unprecedented nation-wide lockdown on the offtakes in April, which led to disruptions in the supply chain, the Company faced the challenges head-on

and tweaked their strategies to suit the dynamic environment in order to ensure that the sales improved and grew on a Y-o-Y basis June onwards. Thereafter the company bounced back strongly and closed the year with a 8% growth in revenues (despite a 26% decline in Q1FY21).

During the year, the Company's major brands like Zandu Healthcare range grew by 45%, Pain Management brands grew by 23%, Kesh King range grew by 15%, BoroPlus range grew by 15% and 7 Oils in One grew by 10%. However, Navratna declined by 8% on account of loss of sales during peak season in the midst of nationwide lockdown.

The company's leading male grooming brand, Fair and Handsome had not performed well in the last financial year due to liquidity crunch, lower disposable incomes and increased preference for facial hair within the age group of 20 to 29 years (moderating surface application area by 25-30%). The company undertook corrective actions and relaunched the brand in Q3FY21 around a new re-positioning strategy comprising revamped formulation, packaging and communication. The products were renamed as Fair and Handsome Radiance Cream and Fair and Handsome Instant Radiance Face Wash and a new differentiated packaging design was introduced for Fair and Handsome Facewash in line with Men's Face Wash category codes. The result is that although Fair and Handsome declined by 19% in FY21, the brand reported attractive growth of 18% in H2FY21.

The pandemic also highlighted the necessity & importance of health and hygiene which the consumer trend reflected based on buying patterns. The company took cognizance of the same and introduced more than 50 new products and variants, majorly in the health and hygiene categories during the year. BoroPlus, with its nation-wide strong brand equity

for its antiseptic and germ protection properties introduced a personal hygiene range consisting of Hand Sanitizer, Antiseptic Soap, Antiseptic Handwash, Hygiene Liquid and Body wash which received a very encouraging market response. Under the Zandu Healthcare range, the company introduced Zandu Ayurvedic Sanitizer, Zandu Ortho Vedic Pain relief oil, Zandu Ayush Kwath Powder, Zandu Single herbs range, Zandu Immu Soft Chews, Zandu Health Juices, Zandu Tulsi and Haldi Drops, among others. The company also forayed into the home hygiene category and launched a new brand "EMASOL" which offers a complete range of home hygiene products, with the unique proposition of 24 hr protection. The Emasol range included a Disinfectant Floor Cleaner, Disinfectant Toilet Cleaner, Disinfectant Bathroom Cleaner, Antibacterial Dish Wash Gel and an All Purpose Sanitizer. The initial consumer response to the just launched brand looks promising.

The current Pandemic also brought heightened awareness and relevance of Ayurvedic immunity boosters like Chyavanprash, Honey, etc. which led to increased consumer household penetration & consumption of the products. The company also launched "Immune India offer" to make Zandu Immunity boosters affordable to a large section of Indians and help them build their immunity levels in the COVID pandemic environment. The Zandu Immunity booster range registered a robust 113% growth during the year.

During the year, all the sales channels posted convincing growth. New age channels like Modern Trade grew by 15% and e-commerce channel grew by more than 3 times during the year and increased its contribution by 190bps to 2.9% of domestic business in FY21. Modern Trade independent stores, also known as Standalone self-service stores grew very well post COVID. The Company created a separate organization structure and activation programmes to drive offtakes of new launches as well as higher margin on larger packs. The company also launched its very own e-commerce portal www.zanducare.com, as a brand store for Zandu Healthcare products. The portal caters to the e-commerce audience with existing as well as newly launched and digital first multiple e-commerce specific products and offers free doctor consultation facility for consumers. Within a short span of its launch, the portal received wide acceptance and appreciation by the consumers and has been ranked as #1 portal in India in the health and alternative health and remedy category by Similarweb.

During the year, the company roped in Bollywood superstar Salman Khan to endorse Navratna and Fair and Handsome. The new commercials with Salman Khan generated good consumer traction for the brands. The company also roped in Indian cricketer Shikhar Dhawan to endorse EMASOL range of home hygiene products and Bollywood stars Juhi Chawla and Ayushmann Khurrana to endorse BoroPlus range of hygiene products. The Company also launched a digital campaign with Salman Khan for Navratna Oil, which was a run-away success garnering an overall 5.8 million videos created by the participants, with video views of 4.6 billion. Further, digital campaigns for Zandu Balms, BoroPlus Hand Sanitizer and Zandu Healthcare range on various social media platforms also garnered very encouraging consumer response.

To augment the current distribution strength, the company outlined a clear strategy to drive growth aggressively in the rural market. Digitalisation of Rural Salesforce (Launch of Rural SFA) was completed successfully during the year, enabling the Rural sales team to capture all market orders digitally & manage sub stockist inventories. The company has also embarked on a focussed rural expansion drive under Project Khoj through expansion of rural footprint in the top 4 potential rural contributing States.

The company's international business on net sales reported an impressive growth of 12.1%, driven by strong performance across key markets and introduction of the hygiene range. Further, the strategy of identifying & tapping opportunities in markets that has high hair oil usage, with brands like Kesh King & 7 Oils in One paid off well in International markets. During the year, 7 Oils in One became one of the largest selling brands in the International markets after the Company launched 7 new variants under the brand and initiated a media campaign with a Bangladesh based celebrity, Ms. Bidya Sinha (Mim). The recently acquired German brand, Creme 21 was extended to North America, Bangladesh, Sri Lanka and other international markets performing exceptionally well during the year.

During the year, the company significantly improved its profitability and margins due to benign raw material costs and strict cost controls. The Company strengthened process efficiency through a cost saving project called WoW (War on Waste) across functions like media, raw material procurement, production, packaging and supply chain. In FY21, Gross Margins at 67.7% grew by 70bps. EBITDA at ₹883.1 crore, grew by 27.9% and EBITDA margins which are at an all-time high of 30.7% grew by 470 bps. Profit after Tax at ₹458.9 crore grew by 48.8% with margins at 15.9% increasing by 430 bps and Cash Profits at ₹821.7 crore also grew by 28.5% times with margins at 28.5% increasing by 440 bps.

The company rewarded its shareholders handsomely during the year by announcing dividends amounting to ₹8/- per share. The Company also completed a buyback acquiring 94.2 lacs shares for ₹192 crore in FY21. Post buyback, the promoter stake now stands at 53.86%. The Company's performance was also reflected in the stock price, which grew by nearly 3 times during the year.

The Company continued to be a responsible FMCG player growing sustainably. The company supported community building and worked on reducing consumption of natural resources. The company spent ₹7.8 crore on CSR, touching the lives of 33,718 individuals. The company also undertook initiatives that helped to moderate use of fossil fuel, reduce carbon footprint, recycle water in its manufacturing process.

The company believes that its evolved business model will be more relevant in a new world facing the challenge of COVID-19 as the pandemic has driven the consumers to shift focus towards hygiene, healthcare and wellness.

Financial results

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Operating income	2,58,228	2,38,992	2,88,053	2,65,488
Profit before interest, depreciation and taxation	94,737	68,612	95,332	74,762
Interest	1,201	1,890	1,327	2,101
Depreciation and amortisation	36,114	32,610	36,695	33,633
Profit Before Tax and Exceptional Items	57,422	34,111	57,310	39,027
Exceptional Items	-	326	-	1,068
Profit before taxation	57,422	33,786	57,310	37,959
Less: Provision for taxation				
- Current tax	10,034	6,427	11,474	7,984
- Deferred tax (net)	(125)	(1,553)	(53)	(857)
-MAT credit entitlement	-	-	-	-
Profit after taxation	47,513	28,912	48,889	30,832
Share of minority interest	-	-	1	(61)
Profit after minority interest	47,513	28,912	45,888	30,893
Share of profit/(loss) of associate		-	418	(602)
Profit for the year	47,513	28,912	45,470	30,291
Cash profit	83,627	61,522	82,165	63,924
Balance brought forward	55,105	69,964	57,618	71,121
Profit available for appropriation	1,02,618	98,876	1,03,088	1,01,413
Appropriation				
Effects of adoption of new accounting standard, i.e, Ind AS 115 ##	-	-	-	-
Final dividend	35,561	36,315	35,561	36,315
Corporate dividend tax	-	7,465	-	7,465
Re-measurement of net defined benefit plans (net of tax)	(125)	(8)	(120)	16
Balance carried forward	67,182	55,104	67,646	57,617
Total	1,02,618	98,876	1,03,088	1,01,413

2. Changes in the nature of business, if any

There has been no change in the nature of business of the Company during the financial year 2020-21.

3. Dividend

During the year under review the Company has paid two interim Dividends aggregating to ₹8/- per share of ₹1/- each. The interim dividends so paid will be placed for approval by the members at the ensuing AGM in adherence with Dividend Distribution Policy.

The total dividend outgo for the financial year ended March 31, 2021 amounted to ₹35,561.10 lacs. The dividend payout ratio works out to 74.85%.

4. Transfer to reserve

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

5. Material changes and commitments

No material changes and commitments have occurred from the date of close of the financial year till the date of this Report, which might affect the financial position of the Company.

6. Share Capital

The authorised, issued, subscribed and fully paid-up share capital comprises of: Authorised Capital: 50,00,00,000 equity shares of ₹1/- each (as on 31st March, 2021) Issued, Subscribed and Fully paid up: 44,45,13,740 equity shares of ₹1/- each (as on 31st March, 2021).

7. Buyback of Equity Shares

In line with achieving the overall shareholders' value, efficient utilization of surplus Fund, increase Earnings per share and increase in the return on capital & return on net worth, the Board of Directors at its Meeting held on March 19, 2020 approved the Buyback of fully paid-up equity shares of the

face value of ₹1/- (Indian Rupees One Only) of the Company, each from its shareholders/beneficial owners (other than those who are promoters, members of the promoter group or persons in control), from the open market through stock exchange mechanism for an aggregate amount not exceeding ₹19,199.43 lacs (One ninety one crore ninety nine lacs and forty three thousand only) which represents 10% and 9.94% of the aggregate of the total paid-up capital and free reserves of the Company based on the audited standalone and consolidated financial statements of the Company respectively as at March 31, 2019.

The Company bought back 94,21,498 equity shares pursuant to the buyback offer in dematerialized form from open market by utilizing a sum of ₹19,198.73 lacs (Rupees One ninety one crore ninety eight lacs and seventy three thousand) which represents 99.9963% of the Maximum Buyback Size, the Buy back process was closed on 9th July, 2020.

8. Internal control systems and their adequacy

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

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

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

A summary of all significant findings by the audit department along with the follow-up actions undertaken thereafter is placed before the Audit Committee for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and keeps the Board of Directors informed about its major observations, from time to time.

Internal financial controls

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

9. Subsidiary and associate companies

A. Subsidiary companies

Pursuant to Section 134 of the Companies Act 2013 and Rule 8(1) of the Companies (Accounts) Rules 2014, the report on

performance and financial position of subsidiaries is included in the Consolidated Financial Statements of the Company. The Company has a policy for determining the materiality of a subsidiary, which is available at www.emamilttd.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf. As of March 31, 2021, your Company had the following subsidiary companies:

- i) Emami Bangladesh Ltd., wholly-owned subsidiary of Emami Limited
- ii) Emami Indo Lanka (Pvt.) Ltd., wholly-owned subsidiary of Emami Limited
- iii) Emami International FZE, wholly-owned subsidiary of Emami Limited
- iv) Emami Overseas FZE, UAE, wholly-owned subsidiary of Emami International FZE.
- v) Crème 21 (Formerly Known as Fentus 113. GmbH, Germany), wholly-owned subsidiary of Emami International FZE
- vi) Emami Rus (LLC), Russia, subsidiary of Emami International FZE
- vii) Pharma Derm SAE Co, Egypt, subsidiary of Emami Overseas FZE.

*Fravin Pty. Ltd., Abache Pty. Ltd. and Diamond Bio-tech Laboratories Pty. Ltd. ceased to be the Subsidiaries of the Company with effect from 16th December 2020.

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

Brief financial and operational details of the subsidiary companies are provided hereunder:

Emami Bangladesh Ltd.

Emami Bangladesh Ltd., 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, 2021, the Company clocked revenues worth ₹12,658 lacs (previous year ₹14,105 lacs) and profit after tax of ₹1,631 lacs (previous year ₹2,634 lacs).

Emami International FZE

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

During the financial year ended March 31, 2021, the Company clocked revenues worth ₹22,983 lacs (previous year ₹17,517 lacs) and profit/loss after tax of ₹869 lacs [previous year ₹(4,251) lacs].

Emami Overseas FZE

Emami Overseas 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, 2021, the Company recorded revenues worth ₹Nil (previous year: nil) and profit after tax of ₹(7) lacs [previous year profit of ₹(9) lacs].

Pharma Derm S. A. E. Co.

Pharma Derm S. A. E. Co. was registered on September 6, 1998 under the relevant Companies Act of Egypt.

The Company was acquired to manufacture pharmaceuticals, disinfectants, cosmetics, chemicals, among others as a subsidiary of Emami Overseas FZE in FY 2010-11. The Company has not yet commenced operations.

During the financial year ended March 31, 2021, the Company recorded revenues worth ₹NIL lacs (previous year ₹126 lacs) and profit/ loss after tax of ₹10 lacs [previous year ₹27 lacs].

Emami Indo Lanka (Pvt) Ltd.

Emami Indo Lanka (Pvt) Ltd., Sri Lanka was incorporated on 27th June 2017, with an objective of tapping the potential of the local market, it started manufacturing locally through a contract manufacturer.

During the period ended March 31, 2021, the Company earned revenues of ₹1,201 lacs (previous year ₹1,019 lacs) and Profit/(loss) after tax of ₹14 lacs, (previous year ₹(20) lacs).

Emami (RUS) LLC

Emami (RUS) LLC was incorporated on 14th August, 2018 with an objective of dealing of Perfumery, Cosmetics and Pharma products.

During the period ended March 31, 2021, the Company earned revenues of ₹3,213 lacs [previous year ₹3,310 lacs] and Profit after tax of ₹(207) [previous year ₹23 lacs]

Crème 21 (Formerly Known as Fentus 113. GmbH, Germany)

Fentus 113 GmbH. Germany, was incorporated on 3rd January, 2019.

During the period ended March 31, 2021, the Company earned revenues of ₹1,808 lacs [previous year ₹1,073 lacs] and Profit / loss after tax of ₹67 lacs [previous year ₹(37) lacs].

B. Associate companies

Helios Life Style Private Limited

Helios is engaged in online male grooming sector and during the financial year ended March 31, 2021, earned revenues worth ₹4,286 lacs (previous year ₹3,923 lacs) and a profit/(loss) after tax of ₹(1,047) lacs (previous year ₹(1,474) lacs).

Brillare Science Private Limited

Brillare is engaged in manufacturing of professional saloon products and during the financial year ended March 31, 2021, the Company earned revenues worth ₹971 lacs (previous year ₹441 lacs) and Profit/(loss) after tax of ₹(203) lacs [previous year ₹(356) lacs].

10. Public Deposits

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

11. Non-convertible debentures

The Company did not issue any non-convertible debentures during the financial year 2020-21.

12. Consolidated financial statements

The consolidated financial statements, prepared in accordance with IND-AS 110– consolidated financial statements, form part of this Report. The net worth of the consolidated entity as on March 31, 2021, stood at ₹1,76,265 lacs as against ₹1,82,375 lacs at the end of the previous year.

13. Secretarial Standards of ICSI

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

14. Auditors and Auditors' Reports

Statutory audit

Your Company's Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (firm registration number 301003E/E300005), were appointed as the Statutory Auditors from the conclusion of the 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company. The Auditors report to the shareholders on the financial statement of the Company for the financial year ended on 31st March 2021 does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s MKB & Associates, Practicing Company Secretaries, as its secretarial auditor to undertake the Secretarial Audit for FY2020-21. 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. Furthermore, the Secretarial Auditor M/s MKB & Associates, Practicing Company Secretaries, have also certified the compliance as per the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and same has been intimated to the stock exchanges within the stipulated time.

Cost Auditor

Your Company's cost accountants, M/s. V.K. Jain & Co. (firm registration number 00049), were appointed by the Board of Directors at its meeting held on June 26, 2020 to audit the cost accounting records, as may be applicable to the Company for FY2020-21, and their remuneration was approved during the previous Annual General Meeting.

M/s V. K. Jain & Co, were reappointed as cost auditors for FY2021-22 by the Board of Directors in its meeting held on 25th May, 2021 and the remuneration payable to the cost auditors is required to be placed before the members in the ensuing Annual General Meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to them is included in the notice convening the Annual General Meeting. The Board recommends the same for approval by members at the ensuing Annual General Meeting.

15. Conservation of energy, technology and exchange outgo

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with the provisions of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is annexed herewith and forms part of this Report. (Annexure II)

16. Extract of Annual Return

In terms of Section 92(3) the Companies Act 2013 and Rule 12 of the Companies (Management and Administration) Rules 2014, the extract of annual return of the Company is available on the website of the Company at the link <http://www.emamilttd.in/investor-info/index.php#Compliance>

17. Corporate social responsibility

Corporate social responsibility forms an integral part of your Company's business activities. The Company carries out its corporate social responsibility initiatives not just in letter but also in spirit and thus has touched thousands of lives across India.

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

The Annual Report on CSR expenditures for the FY 2020-21 is annexed herewith and forms part of this report (Annexure III).

The Company spent ₹781.11 lacs on CSR activities during the year against obligation of ₹778.99 lacs.

18. Directors and key managerial personnel

In accordance with provisions of Section 152 of The Companies Act 2013 read with Rules made thereunder, Shri H. V. Agarwal (DIN 00150089), Shri A. V. Agarwal (DIN 00149717) and Shri R. S. Goenka (DIN 00152880) are liable to retire by rotation

at the 38th Annual General Meeting and being eligible, offer themselves for reappointment.

During the year under review Shri Mohan Goenka (DIN 00150034) and Shri H. V. Agarwal (DIN 00150089), were reappointed as Whole-time Directors of the Company and Shri Sushil Kumar Goenka (DIN 00149916) was reappointed as Managing Director of upon completion of their present terms for a further period of 5 (five) years subject to approval of the members in the ensuing Annual General Meeting.

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

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

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

19. Business responsibility report

As required under Regulation 34 of SEBI Listing Regulations 2015, the Business Responsibility Report of the Company for the financial year ended March 31, 2021 is attached as part of the Annual Report.

20. Dividend Distribution Policy

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

21. Board induction, training and familiarisation programme for Independent Directors

Prior to the appointment of an Independent Director, the Company sends him/her a formal invitation along with a detailed note on the profile of the Company, the Board structure and other relevant information. At the time of appointment of the Director, a formal letter of appointment which inter alia explains the role, functions, and responsibilities expected of him/her as a Director of the Company is given. The role, functions, and responsibilities of the Director are also explained in detail and informed about the various compliances required from him/her as a Director under the various provisions of the Companies Act 2013, SEBI Listing Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct of the Company and other relevant regulations.

A Director, upon appointment, is formally inducted to the Board. In order to familiarise the Independent Directors about the various business drivers, they are updated through presentations at Board Meetings about the performance and financials of the Company. They are also provided

presentations about the business and operations of the Company from time to time.

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

22. Performance evaluation

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder, Regulation 17(10) of the SEBI Listing Regulations and the Guidance note on Board evaluation issued by SEBI vide its circular dated January 5, 2017, the Company has framed a policy for evaluating the annual performance of its Directors, Chairman, the Board as a whole, and the various Board Committees. The Nomination and Remuneration Committee of the Company has laid down parameters for performance evaluation in the policy.

The Board also evaluated the performance of each of the Directors, the Chairman, the Board as whole and all committees of the Board. The process of evaluation is carried out in accordance with the Board Evaluation Policy of the Company and as per the criteria laid down by the NR Committee. The Board members were satisfied with the evaluation process.

23. Number of meetings of the Board

The Board of Directors held four meetings during the year on 26th June 2020, 7th August 2020, 5th November 2020 and 27th January 2021. The maximum gap between any two meetings was less than 120 days, as stipulated under SEBI's Listing Requirements, 2015. The details of Board Meetings held and attendance of Directors are provided in the Report on Corporate Governance forming part of this report.

24. Committees of the Board

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

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Share Transfer Committee
- IV. Stakeholders Relationship Committee
- V. Finance Committee
- VI. Corporate Governance Committee
- VII. Corporate Social Responsibility Committee
- VIII. Risk Management committee
- IX. Buy back Committee (Dissolved on 5th November, 2020)

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

25. Separate meeting of Independent Directors

Details of the separate meeting of the Independent Directors held and attendance of Independent Directors therein are provided in the Report on Corporate Governance forming part of this Report.

26. Whistle-blower policy

The Company has established an effective Whistle-blower policy (Vigil mechanism) and procedures for its Directors and employees. The details of the same are provided in the Report on Corporate Governance, which forms part of this Report. The policy on vigil mechanism may be accessed on the Company's website at: <http://www.emamiltld.in/investorinfo/pdf/WhistleBlowerPolicyEmami.pdf>.

27. Remuneration policy

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

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

The Company's policy on remuneration and appointment of Board members as mentioned in the Remuneration Policy have been disclosed on the Company's website: <http://www.emamiltld.in/investor-info/pdf/Remuneration-Policy-Emami-Ltd.pdf> and annexed the Directors' Report which forms part of the Annual Report (Annexure V)

28. Related party transactions

All related party transactions entered into by the Company during the financial year were conducted at an arm's length basis. No material contracts or arrangements with related parties were entered into during the year under review.

Accordingly, disclosure of Related Party Transaction as required under Section 134(3)(h) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 in form AOC-2 is not applicable.

During the year, the Audit Committee had granted an omnibus approval for transactions, which were repetitive in nature for one financial year. All such omnibus approvals were reviewed by the Audit Committee on a quarterly basis. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for the necessary review and approval. The Company has developed and adopted relevant SOPs for the purpose of monitoring and controlling such transactions.

Your Company's policy for transactions with the related party which was reviewed by the Audit Committee and approved by the Board, can be accessed at: <http://www.emamilttd.in/investor-info/pdf/PolicyforTransactionswithRelatedParties.pdf>.

29. Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments made by the Company pursuant to Section 186 of the Companies Act 2013 are given in the notes to financial statements. The Company has granted loans, provided guarantee and made investment in its wholly owned subsidiary(ies) / associate(s) and other body corporate for their business purpose. The Company also holds securities of other bodies corporate as strategic investors.

30. Particulars of employees and managerial remuneration

The information of employees and managerial remuneration, as required under Section 197(2) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and other details are annexed herewith and forms part of this Report. (Annexure VI)

31. Management discussion and analysis and Corporate Governance Report

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

32. Risk management system

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

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

33. Prevention of sexual harassment at workplace

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

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

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

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

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

35. Directors' Responsibility Statement

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

- I. In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed and no material departures have been made.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021, and of the profit of the Company for the year ended on that date.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The annual accounts were prepared on a going concern basis.
- V. The Directors have laid down effective internal financial controls to consistently monitor the affairs of the Company and ensured that such internal financial controls were adequate and operating effectively.
- VI. The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and that the same are adequate and operating effectively.

36. Acknowledgements

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

unstinted support received from them during the year under review. Your Directors recognise and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

Place: Kolkata
Date: 25th May, 2021

For and on behalf of the Board

R.S. Agarwal
DIN : 00152996
Chairman

ANNEXURES - I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To
The Members,
EMAMI LIMITED

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, to the extent applicable, according to the provisions of:

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

- a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
- b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
- f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 2018
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, the following laws/acts are also, inter alia, applicable to the Company:
 - a) The Legal Metrology Act, 2009;
 - b) Drugs & Cosmetics Act and Rules thereunder;
 - c) Indian Boiler Act, 1923

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

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

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

We further report that

- a) The Board of Directors of the Company is duly constituted

with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no change in the composition of the Board of Directors during the period under review.

- 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 the offer for buyback of equity shares of the company as approved by the Board of Directors at their meeting held on 19th March, 2020, opened on 27th March, 2020 and closed on 9th July, 2020. Under the offer the company has bought back 94,21,498 equity shares at a total sum of ₹19,198.73 lacs. All the shares bought back have been extinguished.

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

For **MKB & Associates**
Company Secretaries
Firm Reg No: P2010WB042700

Manoj Kumar Banthia
Partner

Membership no.: 11470
UDIN: A01147OC000363690
COP no. 7596

Date: 25.05.2021
Place: Kolkata

Annexure- I

To
The Members,
EMAMI LIMITED

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

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

Note: Due to continuing COVID-19 pandemic, for carrying on and completion of the Audit, documents /details have been provided by the Company through electronic mode and the same have been verified by us.

For **MKB & Associates**
Company Secretaries
Firm Reg No: P2010WB042700

Manoj Kumar Banthia
Partner

Membership No.: 11470
UDIN: A01147OC000363690
COP No.: 7596

Date: 25.05.2021
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 negligible percent. The efforts of the company are aimed to minimize energy consumption in spite of the rapid increase in operations of the company.

B. STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY

As the energy consumption to total turnover is very minimal, use of alternate source of energy is presently not required. During the year, the company reported an 8% rise in renewable energy use and a 7% reduction in specific energy consumption (vs production). The company also reported a 13% reduction in effluent generation and 8% reduction in water consumption (vs production).

C. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

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

2. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

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

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

B. BENEFITS DERIVED

1. The benefits derived by the Company for such adaptation have been evident in reducing cost, improving packaging, upgrading existing products and developing new products. Thus, it helped the Company to satisfy consumer needs and business requirements.
2. Future plan of action: Emphasis will continue to be laid on innovative products keeping in view the need and taste of consumers, innovative packaging and adoption of latest technology and know-how to make products more cost-effective as well as of high quality.

C. IMPORTED TECHNOLOGY

Technology imported: None

Year of import: Not applicable

Has technology been fully absorbed?: Not applicable

D. RESEARCH & DEVELOPMENT

1. The R&D activities of the Company are specifically focused on developing new products and improving existing products and analytical methods.
2. The result of such dedicated research work is the constant and innovative expansion in the range of products and achieving greater levels of quality by improved consumption of raw materials and reduction in wastage.
3. The Company's efforts are directed towards creating value-added products and packs for all consumer segments. It is focused on innovative packaging to achieve consumer appeal as well as providing convenience to consumers.
4. The Company's future plan includes putting greater emphasis on Ayurveda science to deliver innovative and effective products.

5. Expenditure in R&D:

	₹ In Lacs
Capital	15.34
Recurring	1,934.75
Total	1,950.09
R&D as a percentage of total turnover	0.76%

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 2020-21 was 10,402.86 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	1,791.98
Capital goods	766.76
Professional fees	474.87
Others	893.83
Total	3,927.44

C. Foreign exchange earnings during the year

	₹ in Lacs
Export of goods on FOB basis	10,402.86
Dividend	2,823.45
Royalty	422.47
Interest	249.74
Guarantee Commission	62.20
Total	13,960.72

ANNEXURE-III

Report on Corporate Social Responsibilities

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

1. Brief outline on CSR Policy of the Company 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.

2. Composition of CSR Committee:

Members	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Shri S. K. Goenka, Chairman	Promoter Executive	4	4
Shri Amit Kiran Deb	Independent	4	4
Shri Mohan Goenka	Promoter Executive	4	4
Shri Harsha V. Agarwal	Promoter Executive	4	4
Smt. Priti A. Sureka	Promoter Executive	4	4
Shri Prashant Goenka	Promoter Executive	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

www.emamiltd.in/investor-info/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Not applicable

6. Average net profit of the company as per section 135(5): ₹38,949.57 lacs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹778.50 lacs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not applicable
- (c) Amount required to be set off for the financial year, if any: Not applicable
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹778.50 lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
781.11	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: The Company does not have any ongoing project, hence not applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Project - Promoting Education, Vocational Skills Project Activities - Infrastructure Support to Schools, Colleges & Educational Institutions	[ii] Promoting Education, including special Education and Employment Enhancing Vocation Skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects.	No	Uttarakhand, Odissa, West Bengal	Kotdwar (Pauri Garhwal), Balasore, Kolkata	358.67	Yes & No	Emami Foundation	CSR00003206
2	Project - Promoting Education, Vocational Skills Project Activities - Scholarship/Assistance to Students & Education Support Program	[ii] Promoting Education, including special Education and Employment Enhancing Vocation Skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects.	No	West Bengal, Tamil Nadu	Kolkata, Hooghly, Alipurduar, Dakshin Dinajpur, Malda, Midnapore [E & W], Nadia, Birbhum, Chennai.	68.45	No	Emami Foundation, Friends of Tribal Society, Bharatyia Samskriti Trust (Chennai)	Emami Foundation - CSR00003206. Friends of Tribal Society - CSR00001898. Bharatyia Samskriti Trust - CSR00000350
3	Project - Promoting Education, Vocational Skills Project Activities - Skill Development Program through Vocational Training Centres, Learning Enhancement Programs & other educational initiatives.	[ii] Promoting Education, including special Education and Employment Enhancing Vocation Skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects.	No	West Bengal, Tamil Nadu	Kolkata, Hooghly, Chennai	20.62	No	Emami Foundation, Gramothan India Foundation	Emami Foundation CSR00003206 Gramothan India Foundation - CSR00000364
4	Project - Social Upliftment Project Activity - Hunger Mitigation & Food Distribution	[i] Eradicating hunger, poverty and malnutrition	No	West Bengal, Assam, Uttarakhand, Gujarat, Maharastra, Dadra & Nagar Haveli	Kolkata, 24 Parganas North, Kamrup, Udham Singh Nagar, Valsad, Palgarh, Masat	16.87	No	Emami Foundation	CSR00003206

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
5	Project - Social Upliftment Project Activities - Promoting Art & Culture and Sports and Supporting Social Infrastructure.	[v] art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts; [vii] training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports [iii] setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	No	Assam, Harayana, West Bengal	Kamrup, Jhajjar, Kolkata	26.07	No	Emami Foundation	CSR00003206
6	Project - Social Upliftment Project Activities - Rural & Slum Development Program, Capacity Building of Grassroot Organizations & Environment Protection & Conservation	[x] rural development projects [xi] slum area development. [iv] ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	No	Kerala, Karnataka, Tamil Nadu	Kasaragod, Dakshin Kannada & Uttar Kannada, Mysore, Shimoga, Sagar, Chennai	15.17	No	Gramothan India Foundation, Bharatyia Samskriti Trust (Chennai)	Gramothan India Foundation - CSR00000364, Bharatyia Samskriti Trust - CSR00000350
7	Project - Social Upliftment Project Activities - Rescue Services, Disaster Management & Support during Natural Calamalities & Covid-19 Pandemic	[xii] disaster management, including relief, rehabilitation and reconstruction activities	No	Dadra & Nagar Haveli, West Bengal	Masat, Hooghly, Kolkata, Sunderban, 24 Parganas North & South Purba Mednipur	32.51	No	Emami Foundation	CSR00003206
8	Project - Social Upliftment Project Activities - Animal Welfare & Environment Program	[iv] animal welfare	No	West Bengal	24 Parganas (N), 24Parganas (S), Kolkata	50.06	No	Emami Foundation	CSR00003206
9	Project - Promoting Healthcare, Water & Sanitation Project Activities - Health Care Infrastructure Development Program	[i] promoting health care including preventive health care"] and sanitation and making available safe drinking water.	Yes	West Bengal	Kolkata	72.00	No	Emami Foundation	CSR00003206
10	Project - Promoting Healthcare, Water & Sanitation Project Activities - Promoting Health Care activities through Clinics & Camps	[i] promoting health care including preventive health care"] and sanitation and making available safe drinking water.	Yes	West Bengal	Kolkata, Hooghly, Howrah	81.69	No	Emami Foundation	CSR00003206
Total						742.11			

- (d) Amount spent in Administrative Overheads: ₹39 lacs*
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): 781.11 lacs
- (g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	778.99 lacs
(ii)	Total amount spent for the Financial Year	781.51 lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.52 lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.52 lacs

* As per rule 7 of the CSR Rules 2014

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer	
1.	2019-20	NA	564.14 lacs	NA	NA	NA	Nil*
	TOTAL		564.14 lacs				

*Note: There was a shortfall of ₹236.25 lacs for the FY 2019-20, reason for the same was mentioned in the Directors' Report of the Integrated Annual Report for the Financial year ended 31st March, 2020.

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). Not applicable

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

Sd/-

R. S. Agarwal
DIN: 00152996
Chairman
Emami Limited

Sd/-

Sushil Kr. Goenka
DIN: 00149916
Chairman
CSR Committee

ANNEXURE-IV

DIVIDEND DISTRIBUTION POLICY

1. Purpose & Background

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

2. Dividend

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

3. Parameters for declaration of Dividend

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

Financial parameters (internal factors)

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

External Factor

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

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

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

5. Utilization of retained earnings

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

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

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

7. Review

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

ANNEXURES - V

REMUNERATION POLICY OF EMAMI LIMITED

FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

1. Preamble

1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors.

1.2 In terms of Section 178 of the Companies Act, 2013 which has been made effective from April 1, 2014 by the Central Government vide notification no. S.O. 902(E) issued on March 26, 2014, this Remuneration Policy ("the Policy") is being framed and formulated for laying down criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.

1.3 The policy will be reviewed by the Nomination and Remuneration Committee of the Board of Directors as and when required.

2. Aims & Objectives

2.1 The aims and objectives of this remuneration policy may be summarized as follows:

2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level. **2.1.2** The remuneration policy seeks to enable the company to provide a well balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

2.1.3 The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

2.1.4 The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. Principles of remuneration

3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a

manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.

3.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

3.3 Internal equity: The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

3.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.

3.6 Performance-Driven Remuneration: The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.

3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

4 Nomination and Remuneration Committee

4.1 The Remuneration Committee of the Board of Directors has now been re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.

4.2 The Committee shall be responsible for:

4.2.1 Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;

4.2.2 Formulating criteria for determining qualifications, positive attributes and independence of a director and

recommend to the Board a policy, relating to the remuneration for the Executives.

4.2.3 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

4.3 The Committee shall:

4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;

4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;

4.3.3 obtain reliable, up-to-date information about remuneration in other companies;

4.3.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

4.4 Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:

4.4.1 Operate the Company's share option schemes (if any) or other incentives schemes (if any). It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);

4.4.2 liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors; and

4.4.3 review the terms of executive Directors' service contracts from time to time.

5 Procedure for selection and appointment of the Board Members

5.1 Board membership criteria

5.1.1 The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of Board Members for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

5.1.2 In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and

operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

5.1.3 Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

5.1.4 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

5.1.5 The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

5.2 Selection of Board Members/ extending invitation to a potential director to join the Board

5.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

5.2.2 The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

6 Procedure for selection and appointment of Executives other than Board Members:

6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;

6.2 The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;

6.3 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

6.4 meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;

6.5 Before the selection of KMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;

6.6 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

7 Compensation Structure

7.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable law. Keeping with evolving trends in industries and considering the time and efforts spent by specific non-executive directors and based on their participation, contribution and active role in the Board and strategic matters of the Company, the practice of paying differential commission will be considered by the Board.

7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

8 Role of Independent Directors

8.1 The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval.

8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.

8.3 The Independent Directors shall submit its recommendations / proposals / decisions to the Committee which the Committee shall consult and take to the Board of Directors.

9 Approval and publication

9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

9.2 This policy shall be hosted on the Company's website.

9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

10 Supplementary provisions

10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

10.2 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.

10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

ANNEXURES - VI

PART A

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 2020-21

Sr. No.	Name	Ratio
1	Shri R.S Agarwal	200.34 : 1
2	Shri R. S. Goenka	200.34 : 1
3	Shri S. K. Goenka	40.80 : 1
4	Shri Mohan Goenka	37.46 : 1
5	Shri H. V. Agarwal	35.04 : 1
6	Smt. Priti A Sureka	35.04 : 1
7	Shri Prashant Goenka	35.04 : 1

- (ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in Financial Year 2020-21:

₹ In Lacs

Sr. No.	Name	Designation	% Increase/decrease
1	Shri R.S. Agarwal	Executive Chairman	-
2	Shri R. S. Goenka	Whole Time Director	-
3	Shri S. K. Goenka	Managing Director	-
4	Shri Mohan Goenka	Whole Time Director	-
5	Shri H. V. Agarwal	Whole Time Director	-
6	Smt. Priti A Sureka	Whole Time Director	-
7	Shri Prashant Goenka	Whole Time Director	-
8	Shri N. H Bhansali	CEO - Finance, Strategy & Business Development & CFO	4.09%
9	Shri A. K. Joshi	Company Secretary & VP - Legal	-0.56%

- (iii) Percentage increase in the median remuneration of employees in the Financial Year 2020-2021: 13.59%
- (iv) Number of permanent employees on the rolls of company as on March 31, 2021: 3133
- (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 6.45% whereas the percentage increase in the managerial remuneration was NIL. 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. Due to the COVID-19 pandemic no increment was made in the remuneration of Whole Time Directors of the Company.
- (vi) The Company affirms that remuneration is as per the Remuneration Policy of the Company.

ANNEXURES - VI

PART B

Statement pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended 31st March 2021

A. Top ten employees in terms of remuneration drawn:

Sl. No., Name, Age, Designation, Remuneration (in ₹), Qualification, Experience (in Years), Date of Commencement of employment, Previous Employment, Position of Last Employment, Whether relative of any Director

1. Shri R.S Agarwal, 75, Executive Chairman, 69391600, FCA, FCS, M.Com, LLB, 50, 03-05-1994, HGI Industries Ltd., President & Secretary, Father of Shri A.V. Agarwal, Shri H.V. Agarwal & Smt. Priti A Sureka. 2. Shri R. S. Goenka, 74, Whole - Time Director, 69391600, B Com, M.Com, 50, 08-11-2012, Emami Paper Mills Ltd., Executive Chairman, Father of Shri Mohan Goenka and Brother of Shri S.K. Goenka. 3. Smt. Punita Kalra, 48, CEO - R&D & Innovation, 36053151, Masters in Pharmaceutical Sciences, 22, 01-04-2010, Hindustan Unilever Ltd., Product Technology Group Head Skin Care, Skin Regional Technology Centre, 4. Vivek Dhir, 51, CEO - IMD, 33824965, MBA, 26, 15-01-2018, Dabur International Ltd. Chief Marketing Officer, 5. Shri N. H. Bhansali, 54, CEO - Finance, Strategy and Business Development & CFO, 25434614, FCA, 30,01-11-2001, Reliance Industries Ltd., Business Analyst, 6. Shri C. K. Katiyar, 66, CEO-Technical (Healthcare), 23839466, PHD, 37, 01-11-2012, Dabur India Ltd., Vice President & Head (R&D), 7. Shri Vinod Nandgopal Rao, 50, President-Sales CCD, 19156686, MBA, 25, 02-03-2020, Hershey's India, Director sales & Export, 8. Shri Pradeep Kumar Pandey, 49, SR. Vice President-Packaging, 14404275, PGD In Packaging Technology, Management in Material Science, 23, 05-09-2015, Procter & Gamble, First Level Section Manager, 9. Shri S. K. Goenka, 63, Managing Director, 14133, 600, B.Com, 40, 17-05-1994, NA, NA, brother of Shri R. S. Goenka. 10. Venkata Rao Damara, 48, President- IT, 13494649, MCA, 21, 04-07-2017, Godfrey Phillips India Limited, Chief Information Officer and Group Digital Head.

B. Other employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One crore & two lakhs rupees

Sl. No., Name, Age, Designation, Remuneration (in ₹), Experience (in Years), Qualification, Date of Commencement of employment, Previous Employment, Position of Last Employment, Whether relative of any Director

1. Shri Mohan Goenka, 47, Whole-Time Director, 12975600, 15, B.Com, MBA, 15.01.2005, Not applicable, Not applicable, Son of Shri R.S. Goenka. 2. Smt. Priti A Sureka, 47, Whole-Time Director, 12135600, , 19, BA, 30.01.2010, JB Marketing & Finance Ltd., Executive, Daughter of Shri R.S. Agarwal & sister of Shri A.V. Agarwal & Shri H.V. Agarwal. 3. Shri H.V. Agarwal,

43, Whole-Time Director, 12135600, 15, B.Com, 15.01.2005, Not Applicable, Not applicable, Son of Shri R.S. Agarwal & Brother of Shri A.V. Agarwal & Smt. Priti A. Sureka. 4. Shri Prashant Goenka, 46, Whole-Time Director, 12135600, 16, B.Com, MBA, 01.09.2004, Not applicable, Not applicable, 5. Shri Nihar Ranjan Ghosh, 58, President -HR, 11975889, 35, Master of Social Work, 16.08.2016, RP-SG GROUP, Executive Director -HR, 6. Shri Anupam Chandra Katheriya, 45, AVP-Marketing & Finance Development, 12391402, MBA, 21.06.2012, Nestle, 7. Shri Hironmoy Sen, 52, President-Sales & Business Head (Sea & North America), 12001539, 27, MBA, 01.04.2019, RPSG Group, Vice President Sales, 8. Shri Vipul Gupta, 41, Head of E Commerce Healthcare, 12001774, 14, Tech. Master of Management Studies, 14.01.2020, Entrepreneurial Ventures, 9. Shri Gul Raj Bhatia, 57, President-HCD, 13261423, 32, B.E, PGDM, 22.06.2020, Dabur India Ltd., Vice President Healthcare, 10. Shri Devendra Jain, 46, Vice President-Supply Chain & Planning, 16500004, 20, BE. MBA, 15.01.2021, Bajaj Consumer Care Ltd., Assistant Vice President,-.

C. Other employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate was not less than eight lakh fifty thousand rupees per month

Sl.No., Name, Age, Designation, Remuneration (in ₹), Experience (in Years), Qualification, Date of Commencement of employment, Age, Previous Employment, Position of Last Employment, Whether relative of any Director

1. Shri Rana Banerji, 54, Head of the Marketing, 7641689, 25, MBA, 02-01-2017, Dabur India Ltd., Head of the Marketing,-. 2. Shri Mohan Rajabhau Panchabhau, 57, COO - Operations, 10042060, 34, BE, 09-06-2014, Hindustan Unilever Ltd., Head Of Innovation, Technology & Planning.

Note :

- The above details of employees does not include the details of remuneration drawn by the top 10 employees as their details are provided in item (A) of Annexure VI -Part B to this Board's Report.
- All appointments are/were contractual in accordance with terms and conditions as per Company rules.
- None of the employees along with their relatives holds 2% or more of the paid-up equity share capital of the Company as per clause (iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Corporate Governance Report

for the year ended march 31, 2021

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

BOARD OF DIRECTORS

a. Introduction

The Board of Directors is the apex body that governs the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, its management policies and their effectiveness. It also ensures that the long-term interests of stakeholders are being served. The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined in this regard.

The members of the Board hail from diverse backgrounds, skilled and experienced in areas like taxation, banking, finance, entrepreneurship, marketing, consumer behaviour mapping as well as legal and general managerial aspects. Many of them have worked extensively in senior managements of global corporations and formed an in-depth understanding of the Indian business environment. The Chairman, Managing Director and Whole-time Directors are assisted by the CEOs/CFO/senior managerial personnels in overseeing the functional matters of the Company.

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

The Meetings of Board of Directors and Board level Committees are usually held at the registered office of the Company at Emami Tower, 687, Anandapur, E. M. Bypass, Kolkata- 700 107 and the Company has all the facilities of holding such meetings through Video conferencing. During the year under review, the Company has followed the rules / norms prescribed by the Central Government for holding meeting through Audio/ Video Mode and social distancing at each of the meeting.

b. Composition of the Board

The Board of Directors comprises professionals drawn from diverse fields, resulting in a wide range of skills and experience being brought to the Board. The Company's policy is to maintain an optimal combination of Executive and Non-Executive Directors. As on 31st March 2021, the Board comprised an Executive Chairman, a Managing Director, five Executive Directors and nine Non-Executive Directors including eight Independent Directors. The Company also had two women Directors on its Board. The detailed profiles of all the Directors are available on the Company's website: www.emamiltd.in.

The Company complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) of the SEBI Listing Regulations, 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 Non-Executive Directors
Shri R. S. Agarwal, Executive Chairman	Dr. K. N. Memani
Shri R. S. Goenka, Wholetime Director	Dr. Y. P. Trivedi
Shri S. K. Goenka, Managing Director	Shri P. K. Khaitan
Shri Mohan Goenka, Wholetime Director	Smt. Rama Bijapurkar
Shri A. V. Agarwal, Non- Executive Director	Shri C. K. Dhanuka
Shri H. V. Agarwal, Wholetime Director	Shri S.B. Ganguly
Smt. Priti A. Sureka, Wholetime Director	Shri Amit Kiran Deb
Shri Prashant Goenka, Wholetime Director	Shri Debabrata Sarkar

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

The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations, 2015. At the time of appointment/re-appointment and at the commencement of each financial year, every Independent Director signs a declaration to confirm that he/she fulfills all the conditions for being an Independent Director as laid down by the law.

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

c. Agenda papers distributed in advance

Agenda of all the meetings of Board of Directors/committees are circulated among the Directors/invitees, well in advance, in a structured format in both the mode soft and physical copies.

All material information except unpublished price-sensitive information are incorporated in the agenda papers to facilitate meaningful and focused discussions at the meeting.

Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda 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

- The principal responsibility of the Board is to oversee the management of the Company, and in doing so, serve the best interests of the Company and its stakeholders. These include:
 - Reviewing and approving operating, financial and other corporate plans, strategies and objectives.
 - Evaluating whether the corporate resources are used for the appropriate business purposes.
 - Establishing a corporate environment that promotes timely and effective disclosures (including robust and appropriate control procedures and incentives), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations.
 - Evaluating the performance of the Company.
 - Attending the meetings of the Board, committees and shareholders.
- 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.
- 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.
- Establish effective systems: The Directors ensure that the effective systems are in place for periodic and timely reporting to the Board on matters concerning the Company.

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

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

f. Compliance

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations primarily of the Companies Act, 2013 read with the rules thereunder, Secretarial Standards prescribed by ICSI and SEBI Listing Regulations, 2015.

Besides preparing the agenda, the notes on the agenda and minutes of the meeting, among others, the Company Secretary establishes and regularly monitors the compliance mechanism in place to carry out effective and timely compliance of relevant laws, rules and regulations.

The Company has put in place system based compliance management tools which is monitored and controlled by the Company's dedicated team. The System provides real time compliance report and status of Compliance.

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.

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 at each Board Meeting.

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

The Board also reviews compliances of subsidiary companies on a quarterly basis.

g. Risk management

The Company has a comprehensive ISO 31000:2009 certified Enterprise Risk Management System at work, duly approved by the Board of Directors of the Company.

The Board has appointed Shri Manoj Agarwal, Senior Vice President – Audit & Control as the Chief Risk Officer.

The Risk Management System is reviewed regularly by risk owners and necessary steps are taken for the risks identified. During the year, comprehensive report on the risks, challenges or opportunities due to Covid 19 pandemic were also considered by the Risk management Team.

Composite reports of all risk areas including cyber laws are periodically reviewed by the Risk Management Committee, Audit Committee, Corporate Governance Committee and the Board of Directors of the Company.

h. Number of Board meetings and the Directors present therein

The Board of Directors held four meetings during the year on June 26, 2020, August 7, 2020, November 5, 2020 and January 27, 2021

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

Dates on which the Board Meetings were held	Strength of the Board	No. of Directors present
June 26, 2020	16	16
August 7, 2020	16	15
November 5, 2020	16	16
January 27, 2021	16	16

The maximum time gap between any two meetings was less than 120 days as prescribed under Regulation 17(2) of SEBI Listing Regulations, 2015. Video conferencing facilities is also used to facilitate Directors at other locations to participate in the Board/Board-level Committee Meetings. In compliance with the MCA circulars issued in view of COVID 19, the Company had arranged participation in the meetings through video conferencing by using the Webex platform. All necessary compliances were made by the Company whenever the Directors used the video conferencing facility in the Board/Board-level Committee Meetings.

i. Attendance of Directors at Board meetings, last Annual General Meeting, relationship with other Directors and number of Directorships held, Chairmanship or memberships of committees of each Director in various companies as on March 31, 2021

Name of Director and DIN	Position	Relationship with other Directors	Date of joining	Number of Board meetings attended	Number of directorship held in Public Limited Companies as on 31.03.2021*	Number of committee positions held**	Attendance at the last AGM
Shri R. S. Agarwal DIN 00152996	Promoter Executive Chairman	Father of Shri A.V. Agarwal, Shri H.V. Agarwal and Smt. Priti A Sureka	03.05.94	4	1	None	Yes
Shri R. S. Goenka [^] DIN 00152880	Promoter Executive Director	Brother of Shri S.K. Goenka and father of Shri Mohan Goenka	03.05.94	4	1	Member - 1	Yes
Shri S. K. Goenka DIN 00149916	Promoter Executive (Managing Director)	Brother of Shri R.S. Goenka	17.05.95	4	1	None	Yes
Dr. K. N. Memani DIN 00020696	Non-Executive Independent Director	-	15.05.06	4	2	Member - 1	Yes
Dr. Y.P.Trivedi DIN 00001879	Non-Executive Independent Director	-	30.01.10	4	4	Chairman - 4 Member - 5	Yes
Shri P. K. Khaitan DIN 00004821	Non-Executive Independent Director	-	24.06.13	3	7	Chairman - 2 Member - 6	No
Smt. Rama Bijapurkar DIN 00001835	Non-Executive Independent Director	-	01.09.15	4	6	Chairman - 3 Member - 6	Yes
Shri C. K. Dhanuka DIN 00005684	Non-Executive Independent Director	-	02.08.17	4	7	Chairman - 2 Member - 10	Yes
Shri S. B. Ganguly DIN 00012220	Non-Executive Independent Director	-	30.01.10	4	1	Chairman - 2 Member - 3	Yes

Name of Director and DIN	Position	Relationship with other Directors	Date of joining	Number of Board meetings attended	Number of directorship held in Public Limited Companies as on 31.03.2021*	Number of committee positions held**	Attendance at the last AGM
Shri Amit Kiran Deb DIN 02107792	Non-Executive Independent Director	-	30.01.10	4	6	Chairman - 4 Member - 8	Yes
Shri Debabrata Sarkar DIN: 02502618	Non-Executive Independent Director	-	21.02.19	4	2	Chairman - 2 Member - 6	Yes
Shri Mohan Goenka DIN 00150034	Promoter Executive Director	Son of Shri R. S. Goenka	15.01.05	4	1	Member - 1	Yes
Shri A. V. Agarwal DIN 00149717	Promoter Non-Executive Director	Son of Shri R.S. Agarwal and brother of Shri H.V. Agarwal and Smt. Priti A Sureka	01.07.07	4	2	None	Yes
Shri H. V. Agarwal DIN 00150089	Promote Executive Director	Son of Shri R.S. Agarwal and brother of Shri A.V. Agarwal and Smt. Priti A Sureka	15.01.05	4	1	Member - 1	Yes
Smt. Priti A Sureka DIN 00319256	Promoter Executive Director	Daughter of Shri R. S. Agarwal and sister of Shri A.V. Agarwal and Shri H. V. Agarwal	30.01.10	4	1	None	Yes
Shri Prashant Goenka DIN 00703389	Promoter Executive Director	Nephew of Shri R.S. Goenka and Shri S.K. Goenka	20.01.14	4	1	Member - 1	Yes

* Excludes Unlisted Public Companies, Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013

** Includes only Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI (LODR) Regulations, 2015.

^ Shri R. S. Goenka has become whole Time Director w.e.f 08.11.2012 and before that he was Non-Executive Director.

None of the Directors is member of more than ten board-level statutory committees or Chairman of more than five such Committees, the Company has taken a declaration for the same from each of the Directors.

Name of the listed companies in which the company's directors are holding position of Directors and the category of their directorship as on 31st March 2021 is as under:

Sl. No.	Name of Director	Name of Listed Company	Category
1	Shri R. S. Agarwal	Emami Limited	Promoter Director /Executive Chairman
2	Shri R. S. Goenka	Emami Limited	Promoter Director / Whole Time Director
3	Dr. K. N. Memani	Emami Limited	Independent Director
		JK Lakshmi Cement Ltd.	Independent Director
		DLF Limited *	Independent Director
4	Dr. Y. P. Trivedi	Emami Ltd	Independent Director
		Reliance Industries Ltd [#]	Independent Director
		The Supreme Industries Ltd	Independent Director
		Zodiac Clothing Company Ltd	Independent Director
5	Shri P. K. Khaitan	Emami Limited	Independent Director
		CESC Ltd.	Non- Independent Director
		Electro Steel Castings Ltd.	Independent Director
		First Source Solutions Ltd.	Non- Independent Director
		India Glycols Ltd.	Independent Director
		Graphite India Limited	Independent Director
		Dalmia Bharat Limited	Independent Director
6	Smt. Rama Bijapurkar	Emami Ltd	Independent Director
		Nestle India Ltd.	Independent Director
		ICICI Bank Ltd.	Independent Director
		VST Industries Ltd.	Independent Director
		Cummins India Limited	Independent Director
		Mahindra & Mahindra Financial Services Ltd	Independent Director
7	Shri C. K. Dhanuka	Emami Limited	Independent Director
		Dhunseri Investments Ltd.	Chairman
		CESC Ltd.	Independent Director
		Dhunseri Tea & Industries Ltd.	Managing Director
		Dhunseri Ventures Ltd	Executive Chairman
		Naga Dhunseri Group Ltd	Chairman
		Mint Investments Ltd	Chairman
8	Shri S. B. Ganguly	Emami Ltd.	Independent Director
9	Shri A. K. Deb	Emami Ltd	Independent Director
		Skipper Ltd	Independent Director
		B & A Limited	Independent Director
		Century Plyboards Ltd	Independent Director
		Star Cements Ltd	Independent Director
		India Power Corp Ltd	Independent Director
10	Shri Debabrata Sarkar	Emami Ltd.	Independent Director
		GOCL Corporation Limited	Independent Director
11	Shri S. K. Goenka	Emami Ltd.	Promoter Director /Managing Director
12	Shri Mohan Goenka	Emami Ltd.	Promoter Director/Whole Time Director

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

* Ceased to be director of DLF Limited on 31.03.2021

Ceased to be director of Reliance Industries Ltd on 24.06.2021

j. Information placed before the 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 Subsidiary & Associate companies; Company's annual financial results, financial statements, Auditors' Report and Report;
- Formation/reconstitution, terms of references and minutes of Board Committees including Audit Committee;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or resignation of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences and material effluent discharge or pollution related problems;
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have been passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications for the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development on human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, among others;
- Sale of material nature of investment, subsidiaries and

assets, which is not in the normal course of business;

- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks pertaining to adverse exchange rate movements, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, among others;
- Financials and minutes of meetings of subsidiary companies;
- Appointment, remuneration and resignation of Director(s) and key managerial personnel;
- General notices of interest to the Directors including declaration of Independent Directors at the time of appointment/annually;
- Appointment of internal auditors, cost auditors and secretarial auditors;
- Secretarial audit report submitted by secretarial auditor;
- Certificate of statutory compliance certifying compliance with all laws as applicable to the Company;
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulation, 1996;
- Dividend declaration;
- Grant of loans and making investments of surplus funds;
- Transactions /Agreements/Contracts with related parties;
- Review of the risk management policy;
- Any other important or critical matters.

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

k. Presentation by the management

Before putting on record the quarterly/annual financial results of the Company, a presentation is made before the Board on

operations of the Company including performance of major brands, international businesses, performance of subsidiary companies, initiatives taken for sales promotion and all other matters having impact on the business of the Company.

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

m. Training of Board members and Familiarisation Programme for Independent Directors

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

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

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

The Company arranges discussions/meetings on the risks associated with the Company's business wherein experts are invited and mitigation plans are discussed with the Executive Directors. Such discussions in the form of training exercises enable them to take better decisions when it comes to discharging their responsibilities.

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

The Independent Directors were given in a formal orientation about the operation of the Company and their roles responsibilities.

Independent Directors are regularly informed and updated on the business activities of the Company by providing them with the details of businesses of the Company as well as details of competitors, changes in relevant laws, their duties/responsibilities and liabilities as a Director.

Such information enables the Independent Directors to familiarise themselves with the Company's operations and the industry at large. The Company had organised factory visits for Independent Directors as a part of the familiarisation programme.

During the year under review, Directors were imparted training on amendments of the Companies Act 2013 and SEBI Listing Regulations, 2015.

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

The details of the Familiarisation Programme can be accessed at: <http://www.emamiltd.in/investor-info/pdf/EmamiLtd>

[Familiarisation Programme For Independent Directors.pdf](#)

n. Whistleblower mechanism

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

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

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

The Audit Committee is empowered to monitor the functioning of the mechanism. It reviews the status of complaints received under this policy. The Committee has, in its report, affirmed that no personnel were denied access to the Audit Committee.

o. Criteria for the selection of the Directors

The selection process of Board members is dependent on several parameters and the policies framed by the Board of Directors of the Company. The Board has identified skill, expertise and competency required in context to its business for it to function effectively and these are taxation, legal, banking, finance, entrepreneurship, marketing and consumer behaviour, which are available with the Board.

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

The Nomination and Remuneration Committee recommends appointment of suitable professionals who may be inducted into the Board. Upon fulfillment of the parameters, the Directors are appointed.

p. Terms and conditions for appointment of Independent Directors

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

q. Board diversity policy

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

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

r. Board evaluation policy

The primary objective of the policy is to provide a framework and set standards for the evaluation of the Board as a whole and each Director individually. The Company aims to achieve a balance of merit, experience and skills on the Board. The policy is to assess and enhance the effectiveness of the Board as a whole. Individual members are assessed on their effective contribution and commitment to their roles and responsibilities as Directors. The Board evaluation process is

carried out by the Nomination and Remuneration Committee and can be accessed at <http://www.emamiltd.in/investor-info/pdf/Board-Evaluation-Policy.pdf>

s. Post-meeting follow-up mechanism

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

t. Code of conduct

The Company has established a Code of Conduct for all the members of the Board including Independent Directors, Committees and Heads of Departments. In compliance with SEBI Listing Regulations, 2015 and The Companies Act, 2013, the Code of Conduct suitably lays down the duties of the Independent Directors.

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

The CEO affirmed to the Board that the members of the Board and Committees and Heads of Departments have complied with the provisions of this code. A declaration signed by the CEO in this regard is annexed at the end of this Report.

u. Skill/Expertise/Competence of the Board of Directors

In compliance with the SEBI (LODR) Regulations, the Board of Directors of the Company having the list of core skills/ expertise / competencies in the context of the company's business and its sector for effective functioning are as follows:

The board has identified the following skills required for the company and the availability of such skills with the board:

Sl. No.	Skills and its Descriptions	Shri R. S. Agarwal	Shri R. S. Goenka	Dr K. N. Memani	Dr Y. P. Trivedi	Smt Rama Bijapurkar	Shri P. K. Khaitan	Shri C. K. Dhanuka	Shri S. B. Ganguly	Shri Amit Kiran Deb	Shri Debabrata Sarkar	Shri S. K. Goenka	Shri Mohan Goenka	Shri A. V. Agarwal	Shri H. V. Agarwal	Smt Priti A Sureka	Shri Prashant Goenka
1	Leadership of Large Organizations Deep knowledge and experience of managing complex business processes, regulatory environment, foresight and ability to strategise during dynamic & challenging situations to manage change successfully in large corporations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Sl. No.	Skills and its Descriptions	Shri R. S. Agarwal	Shri R. S. Goenka	Dr K. N. Memani	Dr Y. P. Trivedi	Smt Rama Bijapurkar	Shri P. K. Khaitan	Shri C. K. Dhanuka	Shri S. B. Ganguly	Shri Amit Kiran Deb	Shri Debabrata Sarkar	Shri S. K. Goenka	Shri Mohan Goenka	Shri A. V. Agarwal	Shri H. V. Agarwal	Smt Priti A Sureka	Shri Prashant Goenka
2	Visioning, Strategic Planning and M&A Ability to use experience & expertise in chartering the growth path of a company in challenging and competitive business environment by developing well thought-out strategies for successful implementation. Strategies to include inorganic growth through potential mergers & acquisitions that enhance and add value to the existing strength of the company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Consumer Insights, Innovation & Marketing exposure Deep consumer insights and knowledge of consumer trends and preferences that help in developing marketing strategies through innovations in both product development and communication to reach out to wider consumer base and gain market share.	✓	✓			✓		✓					✓	✓	✓	✓	✓
4.	Financial & Risk Management Experience & expertise in handling complexities of Financial management, reporting processes, with requisite knowledge of accounting, treasury, Risk Management etc. in large organisations	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Supply Chain Management In-depth knowledge, experience & expertise in the management of complexities of supply chain processes and leveraging the use of technology to enhance efficiency of the system in an ever-changing dynamic competitive environment	✓	✓			✓		✓				✓	✓	✓	✓	✓	✓
6.	Governance and Regulatory Requirements Oversight Knowledge & understanding of corporate laws, and experience & expertise in maintaining board and management accountability, practicing good corporate governance, driving corporate ethics and values to serve towards the best interest of the stakeholders and maximising stakeholders' value.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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 the committees, which comply with the requirements of the Companies Act, 2013 as well as SEBI Listing Regulations, 2015, these comprise:

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

* The Buy-Back Committee was dissolved on 5th November 2020 by the Board of Directors.

Each of these committees has been mandated to operate within a given framework. The details of composition of the above mentioned committees is available on the Company's website: www.emamilttd.in

1. Audit Committee

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

The Audit Committee acts as the link between the Statutory Auditors, the Internal Auditors and the Board of Directors of the Company.

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

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company.

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

The representatives of statutory auditors are permanent invitees to the audit committee meeting. The representative of the cost auditor is invited to attend the meeting of the audit committee when the cost audit report is tabled for discussion. The Managing Director, the CEO-Finance, Strategy and Business Development and Chief Financial Officer and Senior Vice President – Finance and Investor Relations attend the Audit Committee as special invitees.

As on March 31, 2021 the Audit Committee comprised four (4) Directors, out of whom, three (3) were Independent Directors.

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

Shri R.S. Goenka has expertise in commercial and taxation matters. Shri Amit Kiran Deb, IAS and M.A. in Political Science, was the Chief Secretary to the Government of West Bengal. Shri C. K. Dhanuka is a commerce graduate and well-known industrialist and promoter of Dhunseri Group of Companies.

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

The Audit Committee held four (4) meetings during the year on June 26, 2020, August 7, 2020, November 5, 2020, and January 27, 2021.

Shri S.B. Ganguly, Chairman of the Committee, was duly present at the Annual General Meeting held on September 18, 2020.

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

The functions of the Committee include:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Statutory Auditors of the Company including the Cost Auditor of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related-party transactions;
 - Qualifications in the draft audit report; if any.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, among others), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence, performance and effectiveness of the audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
- To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the vigil mechanism and whistleblower mechanism;
- Approval of appointment of CFO (i.e., Chief Financial Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background among others of the candidate;
- Carrying out any other function mentioned in the terms of reference of the Audit Committee;

- Reviewing the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and Appointment, removal and terms of remuneration of the chief internal auditor.

Composition of the Committee and attendance of the members at the meetings held during the year:

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri S. B. Ganguly, Chairman	Independent	4
Shri R. S. Goenka	Promoter/ Executive	4
Shri Amit Kiran Deb	Independent	4
Shri C. K. Dhanuka	Independent	4

2. Nomination and Remuneration Committee

The Committee was constituted by the Board on January 31, 2003 under the name of 'Remuneration Committee' in terms of then prevailing provisions of the Listing Agreement and Companies Act. The Board at its meeting held on May 5, 2014, changed the nomenclature of the Committee to 'Nomination and Remuneration Committee' to align it with the scope of functions of the Committee in terms of Section 178 of the Companies Act, 2013.

The Committee comprises three (3) Independent Directors and Shri A.K. Joshi, Company Secretary as its Secretary.

The Committee held three (3) meetings during the year on June 26, 2020, November 05, 2020 and January 25, 2021.

Shri A. K. Deb, Chairman of the Committee was duly present at the Annual General Meeting held on September 18, 2020. The Company complies with the Regulation 19 of SEBI Listing Regulations, 2015 with respect to composition, role and responsibilities of Nomination and Remuneration Committee.

The functions of the Committee include:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration of the Directors, key managerial personnel and other employees.
- To formulate criteria for evaluation of Independent Directors, Non Independent Directors, the Chairman, the Board as a whole and other Committees
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become

a Director and who may be appointed in senior management.

- To evaluate, review and recommend to the Board, the remuneration of the Executive Directors, striking a balance between performance and achievement.
- Whether to extend or continue the terms of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

Composition of the Committee and attendance of the Members at the meeting held during the year:

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri Amit Kiran Deb, Chairman	Independent	3
Shri S. B. Ganguly	Independent	3
Shri C. K. Dhanuka	Independent	3

REMUNERATION POLICY

Executive Directors

The Nomination and Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendations to the Board. The Board, based on the recommendations, decides the quantum of remuneration to be paid to Executive Directors, subject to approval by the shareholders in terms of the provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims to reward stellar performances on a periodic basis.

The Company has entered into agreement with each of the Executive Directors which may be terminated by either party by giving to the other party six months' notice of such termination.

Service contracts, notice period, severance fees:

Appointment of Whole-time Directors is on contractual basis for a period of five years with the notice period of six months from either side, and there is no provision of payment of severance fees.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not applicable

Non-Executive Directors / Criteria for payment to Non-Executive Directors

The Non-Executive Directors bring with them significant professional expertise and substantial benefits through their rich experience in finance, banking, legal, marketing, consumer behaviours and corporate strategy.

Using their experience and knowledge, they safeguard the interest of investors by exercising appropriate control at various levels. The Company has also inducted them in the various committees of the Board – Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Finance Committee, Corporate Governance Committee, Corporate Social Responsibility Committee, Share Transfer Committee and Risk Management Committee.

Non-Executive Directors are paid sitting fees for attending the meetings of the Board/Committee(s) within the prescribed limits and profit related commission being paid to Non-Executive Independent Directors under Section 149(9) of the Companies Act, 2013 as per the Company's Remuneration Policy for the inputs and guidance provided by them.

The Non-Executive Directors are paid sitting fees of ₹50,000 (Rupees fifty thousand only) for attending Board meeting, ₹40,000 (Rupees forty thousand only) for attending Audit Committee meeting and ₹25,000 (Rupees twenty five thousand only) for attending each of other Committee meetings including Separate Meeting of Independent Directors. The aggregate sitting fees paid to Non-Executive Directors for the FY2020-21 amounted to ₹31.05 lacs (excluding GST). The Non-Executive Directors are also reimbursed expenses incurred for attending the meeting.

As per the provisions of SEBI Listing Regulations, 2015 the Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and the Board. The Committee formulates evaluation criteria for the Independent Directors, which are broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Level of oversight; and
- Professional conduct and independence.

In terms of Section 134 of the Companies Act 2013, the Directors' Report also includes a statement indicating the process that the Board has used for annual evaluation of its own performance, performance of the Committees and the individual Directors of the Company.

Details of remuneration for the financial year 2020-21 (₹ in Lacs)

Sl. No.	Name of Director	Sitting fees	Salary	Commission	Contribution to PF	Value of perquisites	Total
1	Shri R.S. Agarwal (Executive Chairman)	-	396.00	250	47.52	0.40	693.92
2	Shri R.S. Goenka (Whole-time Director)	-	396.00	250	47.52	0.40	693.92

Sl. No.	Name of Director	Sitting fees	Salary	Commission	Contribution to PF	Value of perquisites	Total
3	Shri S.K. Goenka (Managing Director)	-	126.00	-	15.12	0.22	141.34
4	Dr. K.N. Memani (Independent Director)	2.25	-	7.50	-	-	9.75
5	Dr. Y.P. Trivedi (Independent Director)	2.50	-	4.50	-	-	7.00
6	Shri P. K. Khaitan (Independent Director)	1.75	-	4.50	-	-	6.25
7	Shri C. K. Dhanuka (Independent Director)	4.85	-	4.50	-	-	9.35
8	Shri S.B. Ganguly (Independent Director)	6.10	-	4.50	-	-	10.60
9	Shri Amit Kiran Deb (Independent Director)	5.85	-	4.50	-	-	10.35
10	Smt. Rama Bijapurkar (Independent director)	2.25	-	34.00	-	-	36.25
11	Shri Debabrata Sarkar (Independent Director)	2.25	-	4.50	-	-	6.75
12	Shri Mohan Goenka (Whole-time Director)	-	108.00	-	12.96	8.80	129.76
13	Shri A. V. Agarwal (Non-Executive Director)	3.25	-	-	-	-	3.25
14	Shri H. V. Agarwal (Whole-time Director)	-	108.00	-	12.96	0.40	121.36
15	Smt.Priti A.Sureka (Whole Time Director)	-	108.00	-	12.96	0.40	121.36
16	Shri Prashant Goenka (Whole-time Director)	-	108.00	-	12.96	0.40	121.36

Shares held by the Non-Executive Directors as on 31st March, 2021

Sl. No.	Name of the Director	Category of Director	Number of shares
1	Dr. K. N. Memani	Independent	Nil
2	Dr. Y. P. Trivedi	Independent	Nil
3	Smt. Rama Bijapurkar	Independent	Nil
4	Shri P. K. Khaitan	Independent	Nil
5	Shri C. K. Dhanuka	Independent	Nil
6	Shri Amit Kiran Deb	Independent	Nil
7	Shri S. B. Ganguly	Independent	Nil
8	Shri Debabrata Sarkar	Independent	Nil
9	Shri A. V. Agarwal	Promoter Non-Executive	1,34,668

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity other than receipt of sitting fees for the meetings of Board and Committees and profit linked commission and Dividend on their Shareholding, if any, in the Company.

3. Share Transfer Committee

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

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

The Committee held three (3) meetings during the year on June 29, 2020, January 25, 2021 and 1st March, 2021.

The functions of the committee include:

- Approval of transfer/transmission of securities of the Company;
- To deal with rematerialization requests and IEPF related matters;
- Overseeing of the performance of the registrar and share transfer agents of the Company;
- Redressal of shareholders' complaints relating to transfer of shares, non-receipt of annual reports and non-receipt of declared dividend, among others;
- Disposal of old stationeries of dividend warrants, among others;
- Issue of duplicate share certificates;
- Recommending upgradation measures for the standard of service to investors;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition, category of Directors and number of meetings attended:

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri Mohan Goenka, Chairman	Promoter Executive	2
Shri A. V. Agarwal	Promoter Non-Executive	3
Shri H. V. Agarwal	Promoter Executive	2
Smt. Priti A. Sureka	Promoter Executive	-

4. Stakeholders Relationship Committee

The Board at its meeting held on August 19, 2010 constituted a committee under the name of 'Investors' Grievance Committee' in terms of the then prevailing provisions of the Listing Agreement. Further, the Board at its meeting held on May 5, 2014 changed the nomenclature of the above committee to 'Stakeholders' Relationship Committee' in line with the provisions of the Companies Act, 2013 and delegated the role and responsibilities as per provisions of the Companies Act, 2013. The Company complies with provisions of Regulation 20 of SEBI Listing Regulations, 2015

The Stakeholders Relationship Committee comprises two (2) Independent Directors, three (3) Promoter Executive Directors and Shri A. K. Joshi, Company Secretary 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 25, 2021 wherein the Committee reviewed the status of unclaimed shares, unclaimed dividend of previous years and the system of providing investors' services, among others.

Composition and attendance of the Members at the meeting:

Name of the member of the Committee	Category of Director	Number of meetings attended
Shri C. K. Dhanuka, Chairman	Independent	1
Shri S. B. Ganguly	Independent	1
Shri Mohan Goenka	Promoter Executive	1
Shri H. V. Agarwal	Promoter Executive	1
Shri Prashant Goenka	Promoter Executive	1

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

During the year ended March 31, 2021, 4 complaints were received from shareholders, all of which have been attended to/ resolved as of date. Details of the complaints received and redressed are given below:

Nature of complaint	Pending as on 1st April 2020	Received during the year	Disposed during the year	Pending as on 31st March, 2021
1. Non-receipt of dividend	Nil	3	3	Nil
2. Non-receipt of share certificate	Nil	1	-	1
3. Non-receipt of annual report	Nil	Nil	Nil	Nil
4. Others	Nil	Nil	Nil	Nil
Total	Nil	4	3	1*

*The Complaint was received on March 26, 2021 and resolved on April 01, 2021.

5. Finance Committee

The Finance Committee was constituted on May 28, 2008. Subsequently, the Board changed the nomenclature of the committee to 'Risk Management and Finance Committee' and assigned an additional responsibility of reviewing risk management aspects of the Company. However, in view of Regulation 21 of the SEBI Listing Regulations, 2015 a specific committee for risk management was constituted by the Board on October 29, 2015 and the committee has now been renamed as the Finance Committee.

The Finance Committee of the Board comprises six (6) Directors, five (5) of whom are Executive Directors and one (1) is Non-Executive Director. Shri A. K. Joshi, Company Secretary is the Secretary of the Committee.

The Committee held two (2) meetings during the year on July 10, 2020 and January 25, 2021.

The functions of the Committee include:

- Opening, modification and closure of bank accounts;
- Reviewing and considering periodical budgets of the Company and approval of capital expenditures;
- Execution of power of attorney for empowering executives and/or authorised representatives for business operations of the Company;
- Opening, modification and closure of trading and DEMAT accounts required for securities, derivatives, foreign currency and all other options;
- Consideration of matters relating to participation in bids/tenders/expressions of interest and all other business alliances and joint ventures, among others, if any;
- Any other matters(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri R.S. Goenka, Chairman	Promoter Executive	2
Shri S.K. Goenka	Promoter Executive	2
Shri Mohan Goenka	Promoter Executive	2
Shri Aditya V. Agarwal	Promoter Non-Executive	2
Shri Harsha V. Agarwal	Promoter Executive	1
Smt. Priti A. Sureka	Promoter Executive	-

6. Corporate Governance Committee

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

The Corporate Governance Committee comprises three (3) Independent Directors, one (1) Promoter Executive Director of

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

The functions of the committee include

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

The committee held one (1) meeting during the year on January 27, 2021.

Composition, category of Directors and number of meetings attended:

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

7. Corporate Social Responsibility Committee

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

The Corporate Social Responsibility Committee comprises five (5) Promoter Executive Directors and one (1) Non-Executive/Independent Director. Shri A.K. Joshi Company Secretary 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, Annual Action Plan which shall indicate the CSR activities to be undertaken by the Company as specified under The Companies Act, 2013, mechanism for monitoring and ensuring the action plan;
- Recommend the Programme / project and amount of expenditure to be incurred on such Programme / project;
- Monitor the expenses incurred as per the CSR policy of the Company from time to time;
- Any other matters as may be considered expedient by the members in furtherance of and to comply with the CSR policy of the Company.

The Committee held four (4) meetings during the year on June 26, 2020, August 7, 2020, November 5, 2020 and January 25, 2021.

Composition, category of Directors and number of meetings attended:

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

8. Risk Management Committee

In terms of Regulation 21 of the SEBI (LODR) Regulations, 2015, the Board constituted a Risk Management Committee on October 29, 2015. The risk management committee of the Board comprises six (6) Directors, five (5) of whom are Executive Directors and One (1) Independent Director. Shri A. K. Joshi, Company Secretary is the Secretary of the Committee.

The Committee held four (4) meetings during the year on June 26, 2020, August 7, 2020, November 5, 2020 and January 25, 2021.

The functions of the Committee include:

- Review and monitoring of the enterprise risk management system of the Company;
- Review and monitoring of the risk mitigation plan of the Company;
- Any other matters(s) out of and incidental to these functions and such other acts assigned by the Board;

Composition, category of Directors and number of meetings attended:

Members	Category of Director	Number of meetings attended
Shri R. S. Goenka, Chairman	Promoter Executive	4
Shri S. B. Ganguly	Independent	4
Shri S. K. Goenka	Promoter Executive	4
Shri Mohan Goenka	Promoter Executive	4
Shri Harsha V. Agarwal	Promoter Executive	4
Smt. Priti A. Sureka	Promoter Executive	4

9. Buyback Committee

The Board at the Meeting held on March 19, 2020 considered and approved Buyback of equity shares from the open market and formed the buyback committee comprising four (4) board members Shri R. S. Goenka, Executive Director, Shri S. K. Goenka, Managing Director, Shri Mohan Goenka, Executive Director and Shri H. V. Agarwal, Executive Director to assist the

Board in implementing the share Buy-back scheme in the best interest of the company. Shri A. K. Joshi, Company Secretary and Vice President - Legal, is the Secretary of the Committee.

During the year, the Committee held two (2) meeting during the year on July 9, 2020 and July 10, 2020 and all the members were present.

The Buy back process was closed on 9th July, 2020 and subsequently the Buyback Committee was dissolved w.e.f. 5th November, 2020 by the Board of Directors of the Company at their meeting held on 5th November, 2020.

Separate meeting of the Independent Directors

A separate meeting of Independent Directors was held on January 27, 2021 without the presence of the Non-Independent Directors. In accordance with Schedule IV of the Companies Act 2013 and SEBI Listing Regulations, 2015 the following matters were, inter alia reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

Governance in subsidiary companies

The Audit Committee reviews the financial statements and investments made by the subsidiary companies. The Board reviews the minutes of the board meeting and statement of all significant transactions and arrangements and compliances of the subsidiary companies.

The policy for determination of materiality of subsidiaries can be accessed at: <http://www.emamiltld.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf>

The Company does not have a material non-listed subsidiary.

The Company has complied with Regulation 24 of the SEBI Listing Regulations, 2015 with respect to the subsidiary companies.

As on March 31, 2021 the Company had the following non-listed overseas subsidiary Companies:

1. Emami Bangladesh Ltd, wholly-owned subsidiary of Emami Limited.
2. Emami International FZE, UAE, wholly-owned subsidiary of Emami Limited.
3. Emami Overseas FZE, UAE, wholly-owned subsidiary of Emami International FZE.
4. Pharma Derm SAE Co, Egypt, 90.60%-subsidiary of Emami Overseas FZE.
5. Emami Indo Lanka (Pvt.) Ltd., Sri Lanka, wholly-owned subsidiary of Emami Limited.

6. Emami Rus (LLC), Russia, 99.99% - subsidiary of Emami International FZE, UAE.
7. Creme 21, Germany, wholly-owned subsidiary of Emami International FZE, UAE.

Note: With effect from 16th December 2020, Fravin Pty. Ltd., Abache Pty. Ltd. and Diamond Bio-tech Laboratories Pty. Ltd. ceased to be the stepdown Subsidiaries of the Company.

DISCLOSURES

a. Related-party transactions

In accordance with relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015 the Company has formulated a policy on materiality of related-party transactions and on dealings with related-party transactions which can be accessed at: <http://www.emamiltd.in/investor-info/pdf/PolicyforTransactionswithRelatedParties.pdf>

All related-party transactions are approved by the Audit Committee prior to the transaction. Related-party transactions of repetitive nature are approved by the Audit Committee on an omnibus basis for one financial year at a time. All transactions pursuant to omnibus approval are reviewed by the Audit Committee on a quarterly basis.

A confirmation of compliance pertaining to related-party transaction as per SEBI Listing Regulations, 2015, is also sent along with the quarterly compliance report on corporate governance.

As per the Regulation 23(9) of the SEBI (LODR) Regulations the disclosures of related party transactions on a consolidated basis have been submitted by the company for the half year ended 30th September, 2020 to the Stock Exchanges and published the same on the website of the company. Disclosure for the half year ended 31st March, 2021 will be submitted to the stock exchanges within the stipulated time.

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

Details of such transactions as per requirements of IND-AS24 are disclosed in Note 3.53 to the audited accounts. A statement of these transactions was also placed before the Audit Committee and in the Board meetings from time to time.

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

There has been no instance of any non-compliance.

c. Fair Disclosure Code

Pursuant to Regulation 8 read with Schedule A of the SEBI (PIT) Regulations, 2015, the Board of Directors of the Company adopted the Code of Practices and Procedures for Fair

Disclosure of Unpublished Price Sensitive Information (UPSI) which lays down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI.

The said Code is available on the Company's website at: <http://www.emamiltd.in/investor-info/pdf/CodeOfProcedureAndPracticeForFairDisclosure0001.pdf>

d. Accounting treatment in preparation of financial statements

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

e. Risk management

The Company has framed a comprehensive enterprise risk management policy and a new risk register, not only to manage risks but also to minimise their impact. This policy is periodically reviewed by the management and the risk management committee in consultation with reputed and specialised consultants. The policy is updated as per requirements to ensure that the risks are properly dealt and mitigated. The risk management procedures are discussed and reviewed by the Risk Management Committee, Audit Committee and the Board of Directors, every quarter.

f. Proceeds from public issues, right issues and preferential issues, among others

The Company did not have any of the above issues during the year under review.

g. Management discussion and analysis report

The Company's annual report has a separate section for detailed management discussion and analysis.

h. Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India has issued secretarial standards on board meetings & general meetings and also issued draft secretarial standards for payment of dividend, maintenance of register and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal among others. The Ministry of Corporate Affairs has mandated SS-1 and, SS-2 with respect to board/committee meetings and, general meetings respectively. The Company has complied with these two standards and voluntarily complied with the other standards.

i. Audit report for reconciliation of share capital

M/s. MKB & Associates, Company Secretaries, carried out a share capital audit to reconcile the total admitted equity share capital with the NSDL and the CDSL and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with the NSDL and the CDSL.

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

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

The Company has complied with corporate governance requirements specified in SEBI Listing Regulations, 2015 (as applicable) and necessary disclosures thereof have been made in this Corporate Governance Report.

k. Disclosure on commodity price risks or foreign exchange risk and hedging activities

The Company is subject to market risks with respect to commodity price fluctuations for a wide range of materials, which are drawn from the agricultural and petrochemical value chains. The Company hedges its exposure to commodity risks through a judicious mix of long-term contracts for seasonal items and strategic buying initiatives for other commodities as and when required. A robust framework and governance mechanism is in place to ensure that the Company is effectively safeguarded from market volatilities in terms of price and availability. A robust planning and strategy framework ensures that the Company's interests are protected despite volatilities in commodity prices. With regard to foreign exchange risks, keeping in view the position of rupee in the market vis-à-vis foreign currency, the Company has been taking forward cover for foreign currency exports and imports from time to time and the same are fully-hedged at the time of inception itself, as per the forex policy framework of the Company.

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

During the financial year ended March 31, 2021, the Company has paid the following amounts to M/s S. R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company and other firms in the network of which the Statutory Auditor is a part.

Particulars	Amount (₹ In Lacs)
Audit fee paid to M/S S.R. Batliboi & Co. LLP	116.20
Non audit fees paid to Ernst & Young LLP for:	-
Management Consultancy	45.00
Taxation services	-

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

During the year under review, the company has received one complaint which was redressed as per policy and law and no complaint is pending at the end of the financial year.

GENERAL SHAREHOLDERS' INFORMATION

Resignation /Appointment of Director

In accordance with provisions of Section 152 of the Act read with the Rules made thereunder, Shri H. V. Agarwal (DIN 00150089), Shri A. V. Agarwal (DIN 00149717) and Shri R. S. Goenka (DIN 00152880) are liable to retire by rotation at

the 38th Annual General Meeting and being eligible, offer themselves for reappointment.

The Board of Directors at their meeting held on 5th November, 2020 reappointed Shri Mohan Goenka and Shri H. V. Agarwal as Whole-time Directors of the Company upon completion of their present term on 14th January 2021 for a period of five years subject to approval of the members in the ensuing Annual General Meeting. Further the Board of Directors at their meeting held on 27th January, 2021, also reappointed Shri S. K. Goenka as Managing Director of the Company upon completion of his present term on 31st May 2021 for a period of five years subject to approval of the members in the ensuing Annual General Meeting.

GENERAL BODY MEETINGS

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

For March 31, 2020: Friday, 18th September, 2020 at 11:30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). There was no special resolution required to be passed at the Meeting.

For March 31, 2019: Thursday, August 8, 2019 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11:30 a.m. There was no special resolution required to be passed at the Meeting.

For March 31, 2018: Wednesday, August 1, 2018 at South City International School Auditorium, 375 Prince Anwar Shah Road, Kolkata-700 068 at 11:30 a.m.

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

Whether any special resolution passed through postal ballot in the previous year: None

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

Details of resolutions passed through e-voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provided members the facility of evoting as provided by CDSL to exercise their right to vote on resolutions transacted at AGM.

Green initiatives undertaken as per the directives of the Ministry of Corporate Affairs, Government of India

The Company as a responsible corporate citizen welcomes and supports the green initiatives taken by the Ministry of Corporate Affairs, Government of India by its circular, enabling electronic delivery of documents to the shareholders.

The Company has already implemented sending of the

communication to the shareholders by electronic mode at their e-mail addresses registered with the depository/registrars and share transfer agent and all such communications were immediately uploaded at the Company's website. This helped in prompt delivery of documents while avoiding loss in transit.

The Company had requested the shareholders to register their e-mail IDs with the registrar and share transfer agents of the Company or to their depository participants so as to enable the Company to use the same for serving documents to them electronically.

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 Promoters, Directors on the Board, senior management and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this code.

The Company has also formulated code of practices and procedures for fair disclosure of unpublished price-sensitive information, which is available on the Company's website: www.emamilttd.in

The Board has also formulated Policy of legitimate purpose for sharing of unpublished price-sensitive information as part of code of practices and procedures for fair disclosure of unpublished price-sensitive information.

Foreign exchange risk management policy

With an objective to indemnify the Company as a result of foreign exchange fluctuations, the Company has framed a structure of foreign exchange risk management policy which elaborates on the process of risk management and to protect profits/insulate itself against losses on account of forex fluctuations.

Dividend distribution policy

As required under Regulation 43A of the SEBI Listing Regulations 2015, Dividend Distribution policy is given separately in the Annual Report and same is also available at the Company's website at: www.emamilttd.in

Means of communication

i. Quarterly /Annual results

Financial results of the Company are published in The Business Standard (In English), and Ajkaal (in Bengali) and are displayed

on the Company's website at: www.emamilttd.in

ii. Presentations/News releases

Presentations and official press release made to the media, analysts, and institutional investors, among others are displayed on the Company's website at: www.emamilttd.in. The same are also disseminated to the stock exchanges as per the SEBI Listing Regulations, 2015.

iii. Website

The Company's corporate website www.emamilttd.in contains comprehensive information. An exclusive section is for investors wherein annual reports, quarterly/half-yearly financial results, notices, shareholding patterns and policies, among others, are available for reference or download.

iv. Annual report

The annual report containing inter alia audited annual accounts, consolidated financial statements, reports of the auditors and directors, chairman's statement, management discussion and analysis report and other important information is circulated to the members and displayed on the Company's website.

v. Designated exclusive e-mail ID

The Company has designated e-mail ID exclusive for investor services: investors@emamigroup.com, which has been displayed on the Company's website at: www.emamilttd.in

vi. Intimation to stock exchanges

The Company intimates the stock exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the shareholders.

vii. Investor relations

The Company's executives participate in investor meetings including conferences in India and abroad from time to time organized by financial institutions, analyst and broking houses. A conference call is done every quarter after declaration of financial results to address the queries of analysts.

Shareholders' information

Date, time and venue of the annual general meeting through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The 38th Annual General Meeting for the financial year 2020-21 will be held on Wednesday, September 29, 2021 at 11:30 a.m.

Electronic voting: Pursuant to Section 108 and other applicable provisions of the Companies Act 2013, read with Companies (Management and Administration) Rules 2014, remote e-voting will be made available at the 38th Annual General Meeting. The voting will begin from Saturday, September 25, 2021 and end on Tuesday, September 28, 2021 (both days inclusive) from 9 a.m. to 5 p.m.

Financial calendar

Financial year: April 1, 2020 to March 31, 2021

The board meetings for approval of financial results for financial year 2020-21 were held on the following dates:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	August 7, 2020	November 5, 2020	January 27, 2021	May 25, 2021

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2021-22 are as follows:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	August 12, 2021	November 12, 2021	February 14, 2022	May 30, 2022

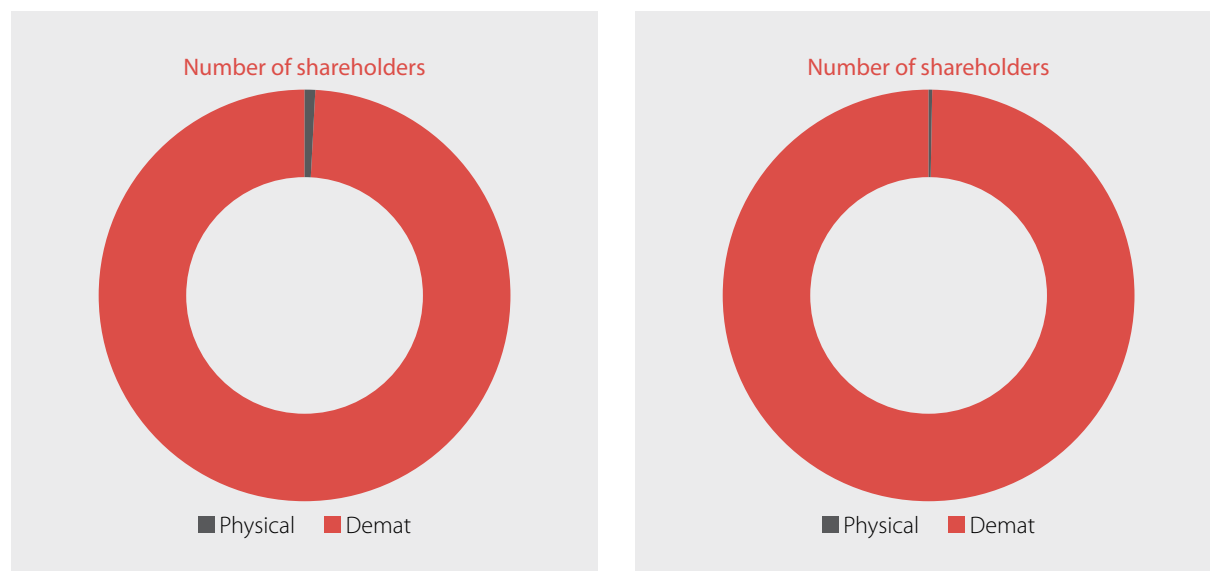
Market information

Listing on stock exchanges

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

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

Number of shareholders and shares held in physical and dematerialised form as on March 31, 2021:



Dematerialisation of shares and liquidity as on March 31, 2021

Nature of holding	Holders	Percentage	Shares	Percentage
DEMAT	84,119	99.51%	44,33,92,649	99.75%
Physical	414	0.49%	11,21,091	0.25%
Total	84,533*	100.00%	44,45,13,740	100.00%

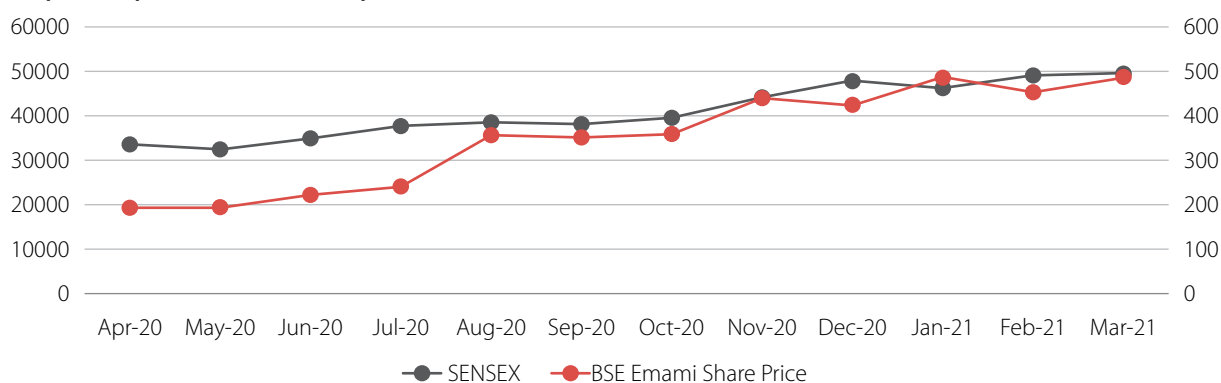
* Number of shareholders is as per folio

Emami share price at BSE and NSE

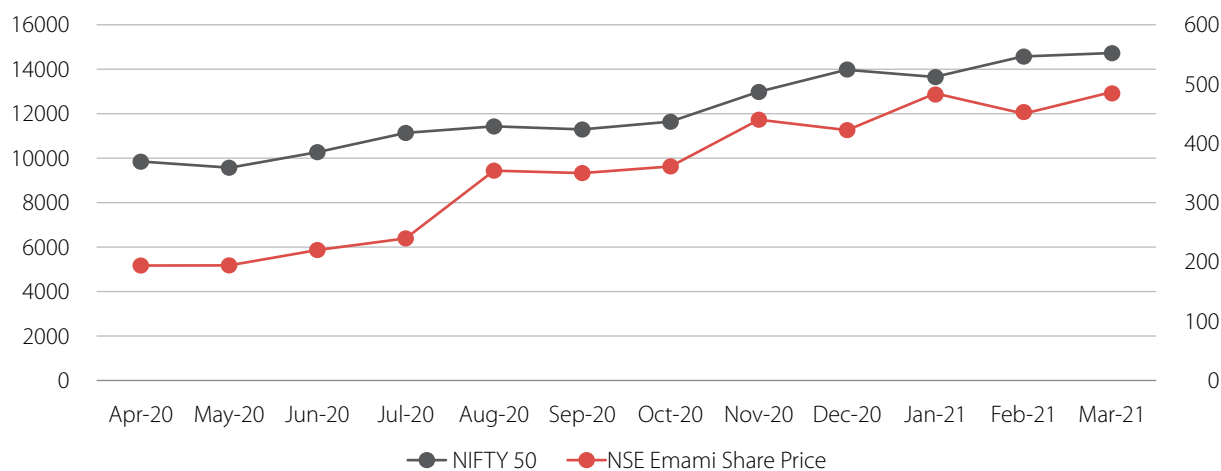
April 2020-March 2021 (Face value of shares: ₹1 each)

Month	Emami share price on BSE			Emami share price on NSE		
	High	Low	Close	High	Low	Close
April 2020	254.00	162.00	194.85	237.90	164.05	194.65
May 2020	213.90	169.00	193.70	214.00	168.85	194.85
June 2020	233.00	184.80	221.05	233.45	184.15	220.80
July 2020	253.50	215.15	239.90	253.85	215.00	239.85
August 2020	380.00	235.30	356.10	383.00	236.00	356.95
September 2020	407.00	343.40	351.05	407.55	343.00	351.30
October 2020	379.75	334.35	360.15	379.60	334.40	361.95
November 2020	447.25	344.35	441.25	448.00	344.60	440.35
December 2020	461.45	393.70	424.50	461.40	393.80	423.75
January 2021	504.80	420.00	484.10	504.00	419.60	483.05
February 2021	519.65	446.55	454.40	519.95	446.05	455.20
March 2021	501.00	443.00	487.65	501.10	442.50	486.00

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



Graphical representation of share price of Emami Limited at NSE vis-à-vis Nifty



Registrar and Share Transfer Agent

M/s Maheshwari Datamatics Private Limited

23, R. N. Mukherjee Road, Kolkata – 700001

West Bengal, India

Telephone: 91- 033- 2248 2248, 2243 5809/5029

Fax: 91-033-2248 4787

E-mail:mdpldc@yahoo.com

All activities in relation to share transfer facility are maintained by the Registrar and Transfer Agent (RTA) of the Company; a compliance certificate in this respect duly signed by the compliance officer and the authorised representative of the share transfer agent is submitted to the exchanges within one month from the end of each half of the financial year with the requirements of Sub- regulation 7(3) of SEBI Listing Regulations, 2015. As per SEBI Guidelines no transaction for transfer of securities of a listed company can happen in physical certificate form from 1st April, 2019.

Applications for transmission etc. of shares held in the physical form are received at the office of the RTA of the Company. All valid requests are processed within 15 days from the date of receipt.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in all respects. Bad deliveries are immediately returned to depository participants under advice to the shareholders.

Pursuant to the provisions of Regulation 40(9) of SEBI Listing Regulations, 2015, a certificate on the compliance of share transfer formalities on half yearly basis, as a quarterly certificate for timely dematerialization of the shares as per SEBI (Depositories & Participants) Regulation, 2018 are sent to the stock exchanges where the shares are listed.

Reconciliation of share capital audit report

Reconciliation of share capital audit report by M/s. MKB & Associates, Company Secretaries, for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and total number of dematerialised shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the audit report is submitted to the stock exchanges where the Company's shares are listed.

Distribution of shareholding by size as on March 31, 2021

No of Equity Shares Held	Holders	%	No of Shares	%
1 To 500	77,734	91.957	73,32,654	1.6496
501 To 1000	3,539	4.1865	24,82,608	0.5584
1001 To 2000	1,462	1.7295	20,54,626	0.4622
2001 To 3000	526	0.6222	12,80,599	0.2882
3001 To 4000	196	0.2319	6,85,592	0.1542
4001 To 5000	139	0.1645	6,22,988	0.1401
5001 To 10000	327	0.3869	23,97,815	0.5394
10001 To ABOVE	610	0.7216	42,76,56,858	96.2077
Total:	84,533	100	44,45,13,740	100

Shareholding pattern as on 31st March, 2021

Category	Number of shares held	% of shareholding
1. Promoters and Promoter Group	23,93,93,412	53.86
Public Holding		
2. Institutional Investors		
a. Mutual Funds and UTIs	8,65,74,364	19.48
b. Alternate Investment Funds	1,46,41,607	3.29
c. Banks, Financial Institutions and Insurance Companies	1,60,50,331	3.61
d. Foreign Institutional Investors	4,67,84,030	10.52
Sub-total	16,40,50,332	36.90
3. Non-Institutional Investors		
a. Private Corporate Bodies (including Clearing Members and NBFCs)	1,89,19,751	4.26
b. Individuals (including Trusts)	2,04,45,480	4.60

Category	Number of shares held	% of shareholding
c. NRIs/OCBs/Foreign Nationals	17,04,765	0.38
Sub-total	4,10,69,996	9.24
Grand total (1+2+3)	444,513,740	100.00

Top-ten shareholders as on 31st March, 2021

Sl. No.	Name	Number of shares held	% of shareholding
1	Sneha Gardens Private Limited	10,57,20,226	23.78
2	Sneha Enclave Private Limited	9,86,67,956	22.20
3	L and T, Mutual Fund	1,94,25,025	4.37
4	Pioneer Investment, AIF	1,41,95,221	3.19
5	DSP Blackrock, Mutual Fund	1,25,11,518	2.81
6	Priti A Sureka	1,16,09,702	2.61
7	SBI, Mutual Fund	99,59,769	2.24
8	HDFC Life Insurance Company Limited	84,65,457	1.90
9	Aditya Birla Sunlife, Mutual Fund	82,26,239	1.85
10	Mirae Asset AMC, Mutual Fund	71,19,915	1.60

Corporate benefits offered to investors during the year:

1st Interim and 2nd Interim Dividend FY2020-21

On November 5, 2020 the Board of Directors declared payment of 1st Interim Dividend @ ₹4/- per shares for the Financial Year 2020-21 which was paid to all the shareholders registered in the Register of Members maintained by the Register and Share Transfer Agent of the company and the Depositories on the Record date i. e. November 13, 2020 fixed for determining entitlement of said interim dividend.

On January 27, 2021 the Board of Directors declared further payment of 2nd Interim Dividend @ ₹4/- per share for the Financial Year 2020-21 which was paid to all the shareholders registered in the Register of Members maintained by the Register and Share Transfer Agent of the company and the Depositories on the Record date i. e. February 5, 2021 fixed for determining entitlement to the 2nd Interim Dividend.

Unclaimed dividends

Unclaimed dividend for FY2013-14(Interim), amounting to ₹7,91,298/-was transferred into Investors Education & Protection Fund (IEPF) of the Central Government on March 4, 2021 in compliance with Section 124 the Companies Act, 2013.

The dividend which remains unclaimed for seven years from the date it is lying in the unpaid dividend account will be transferred to the IEPF on the date given hereunder in table:

Year	Type of dividend	Date of declaration	Due date for transfer to IEPF
2013-14	Final	9th August 2014	12th September 2021
2014-15	Interim	17th September 2014	17th October 2021
2014-15	Final	5th August 2015	6th September 2022
2015-16	Final	3rd August 2016	4th September 2023
2016-17	Interim	6th March 2017	6th April 2024
2016-17	Final	3rd August 2017	3rd September 2024
2017-18	Final	1st August 2018	3rd September 2025
2018-19	Final	8th August 2019	9th September 2026
2019-20	1st Interim	6th November 2019	8th December 2026
2019-20	2nd Interim	19th March 2020	21st April 2027
2020-21	1st Interim	05th November 2020	8th December 2027
2020-21	2nd Interim	27th January 2021	1st March 2028

The members who have not yet encashed their dividend warrants are requested to send their request for issue of duplicate warrants. The particulars of unpaid dividend for the previous seven years were filed with the Ministry of Corporate Affairs and uploaded on the Company's website at www.emamilttd.in.

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

As per the provisions of Regulation 39(4) of the SEBI Listing Regulations 2015, the unclaimed shares certificates which were lying in the possession of the Company were transferred into a special demat account held by the Company. This account is being held by the Company purely on behalf of the shareholders entitled for these shares and voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

Shareholders who have not yet claimed their shares are requested to immediately approach the registrar and transfer agents of the Company by forwarding a request letter duly signed by all the joint holders furnishing their complete postal address along with pin code, self-attested copies of PAN card and proof of address, and for delivery of shares in demat form - a copy of demat account - client master report duly certified by the depository participant (DP) and a recent demat account statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the unclaimed suspense account is given below:

Particulars	No. of shareholders	No. of equity shares held
Aggregate number of shareholders and the outstanding shares in the 'Emami Ltd Unclaimed Securities Suspense Account' lying at the beginning of the year.	22	12,378
Number of shareholders along with shares held whose shares transferred in 'Emami Ltd Unclaimed Securities Suspense Account' during the year.	NIL	NIL
Number of shareholders along with shares held who approached the Company for transfer of shares from suspense account during the year.	1	336
Number of shareholders along with shares held whose shares have been transferred to Investor Education and Protection Fund in compliance with Section 124 of the Companies Act 2013	2	5,396
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	19	6,646

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

As per provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has issued individual notice through registered post to all the shareholders whose dividends were lying unclaimed for consecutive seven years and a public notice in this respect has been given in English and vernacular newspapers and details of such shareholders were uploaded on the Company's website.

Particulars	No. of equity shares
Number of shares lying in the Investor Education and Protection Fund beginning of the Financial Year	2,84,728
Number of shares transferred to the Investor Education and Protection Fund during the Financial Year	25,632
Claim approved by Company and refund of shares from IEPF	336
Number of shares lying in the Investor Education and Protection Fund at the end of the Financial Year	3,10,024

The Company has uploaded the Guidelines for claiming the shares transferred to IEPF account of the Central Government at the Company's website at www.emamilttd.in.

During the year, the Company has received claims for shares which were processed as per applicable law, rules and guidelines prescribed by the IEPF Authority.

Dividend history of the Company with EPS and payout ratio:

Financial year	Dividend (%)	Dividend per share (₹)	Earnings per share (₹)	Payout ratio* (%)
2012-13	800%	8.00	20.80	45.00%
2013-14	Interim: 300%	7.00	17.73	46.24%
	Final: 400%			
2014-15	Interim: 400%	7.00	21.40	38.75%

Financial year	Dividend (%)	Dividend per share (₹)	Earnings per share (₹)	Payout ratio* (%)
	Final: 300%			
2015-16	700%	7.00	15.82	53.26%
2016-17	Interim: 175%	1.75	14.98	55.00%
	Final: 525%	5.25		
2017-18	700%	7.00	13.53	61.90%
2018-19**	400%	4.00	6.68	72.2%
2019-20	200% (1st Interim)	4.00	6.67	75.70%
	200% (2nd Interim)			
2020-21	400% (1st Interim)	4.00	10.23	74.85%
	400% (2nd Interim)	4.00		

*Including dividend distribution tax

** During the year 2018-19, the Company has issued Bonus share in the ratio of 1:1

Correspondence regarding change of address, among others

Shareholders are requested to ensure that any correspondence for change of address and change in bank mandates among others should be signed by the first named shareholder. The Company is now further requesting for supporting documents such as proof of residence and proof of identification, whenever a letter requesting for change of address is received. This is being done in the interest of shareholders, to avoid fraudulent change of the registered address of shareholders by unscrupulous parties. Shareholders are requested to kindly cooperate and submit the necessary documents/evidence while sending the letters for change of address. Shareholders who hold shares in dematerialised form should correspond with the depository participant with whom they have opened demat account(s).

The Company has entered into agreements with both the NSDL and the CDSL, whereby shareholders have an option to dematerialise their shares with either of the depositories.

Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity

None

Plant locations

Assam

Amingaon plant

EPIP Complex Amingaon, Guwahati, Assam – 781031

Abhoypur plant

Abhoypur Plant P.O. College Nagar, Abhoypur, Guwahati, Assam – 781031

Pacharia plant

Pacharia Nalgar Road, Pacharia, Dolarpathar, Kamrup, Assam – 781104

Maharashtra

Sanjan Village, Dongari, TalukaTalasari, Maharashtra-401601

Gujarat

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

Uttarakhand

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

Dadra and Nagar Haveli

Survey No. 61/2, Plot No. 1, Village Masat, Silvassa, Dadra and Nagar Haveli – 396230

Representing officers

Compliance officer

Shri A. K. Joshi,

Company Secretary and Vice President –Legal

Institutional investors/Financial analysts

Shri Rajesh Sharma, Senior Vice President- Finance and Investor Relations

Indian retail investors

Shri Ashok Purohit, Assistant Company Secretary

Communication address of the above officers

Emami Limited

Emami Tower, 687, Anandapur, E M Bypass, Kolkata 700107, West Bengal

investors@emamigroup.com

T + 91- 033 - 6613 6264

F +91-033-6613 6600

Registrar and share transfer agents

M/s Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, Kolkata-700001, West Bengal, India

Contact Person: Shri S Rajagopalan, Vice President and Compliance Officer

Telephone: 91-033-2248 2248,2243 5809/25029

Fax: 91-033-2248 4787

E-mail: mdpldc@yahoo.com

Communication channels

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

Details of publication of financial results

Quarter ended	National	Vernacular
31.03.2020	Exemption granted via Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020	Exemption granted via Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020
30.06.2020	Business Standard (published on August 8, 2020)	Ajkaal (published on August 8, 2020)
30.09.2020	Business Standard (published on November 6, 2020)	Ajkaal (published on November 6, 2020)
31.12.2020	Business Standard (published on January 28, 2021)	Ajkaal (published on January 28, 2021)

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

The CEO's and CFO's certification, as required by SEBI Listing Regulations, is enclosed at the end of the report.

Report on corporate governance

The quarterly compliance report has been submitted to the stock exchanges where the Company's equity shares are listed in the prescribed format as per SEBI Listing Regulations, 2015, duly signed by the company secretary.

Compliance requirements

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the regulations are as below:

Mandatory requirements

The Company was fully-compliant with the mandatory requirements of the SEBI Listing Regulations, 2015.

Non-mandatory requirements:

1. The Board (maintenance of Chairman's office):

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

2. Shareholders' rights

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

3. Audit qualification

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

4. Separate posts of Chairman, Managing Director and CEO

The Company has separate persons as Executive Chairman and Managing Director. Shri R.S. Agarwal is the Executive Chairman, whereas Shri Sushil Kr. Goenka is the Managing Director of Emami Limited and also designated as the CEO for the said purpose.

5. Reporting of internal auditor

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company. The internal auditor reports directly to the Audit Committee.

Certificate

To
The Members,
Emami Limited
Emami Tower,
687, Anandpur, E.M. Bypass
Kolkata - 700107
West Bengal

We have examined the relevant disclosures received from the Directors and registers, records, forms, returns maintained by Emami Limited (CIN: L63993WB1983PLC036030) having its Registered office at Emami Tower, 687, Anandpur, E.M. Bypass, Kolkata – 700 107, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status] at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we certify that following are the Directors on the Board of the Company as on 31 March 2021:

Sl. No.	DIN	Name	Designation	Date of appointment
1	00152996	Mr. Radhe Shyam Agarwal	Whole-time Director	03.05.1994
2	00152880	Mr. Radhe Shyam Goenka	Whole-time Director	03.05.1994
3	00020696	Mr. Kashi Nath Memani	Independent Director	15.05.2006
4	00001879	Mr. Yogendra Premkrishna Trivedi	Independent Director	30.01.2010
5	00001835	Mrs. Rama Bijapurkar	Independent Director	01.09.2015
6	00004821	Mr. Pradip Kumar Khaitan	Independent Director	24.06.2013
7	00012220	Mr. Satya Brata Ganguly	Independent Director	30.01.2010
8	02107792	Mr. Amit Kiran Deb	Independent Director	30.01.2010
9	00005684	Mr. Chandra Kumar Dhanuka	Independent Director	02.08.2017
10	02502618	Mr. Debabrata Sarkar	Independent Director	21.02.2019
11	00149916	Mr. Sushil Kumar Goenka	Managing Director	17.05.1995
12	00150034	Mr. Mohan Goenka	Whole-time Director	15.01.2005
13	00149717	Mr. Aditya Vardhan Agarwal	Non-Executive Director	15.01.2005
14	00150089	Mr. Harsha Vardhan Agarwal	Whole-time Director	15.01.2005
15	00319256	Mrs. Priti A Sureka	Whole-time Director	30.01.2010
16	00703389	Mr. Prashant Goenka	Whole-time Director	20.01.2014

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on 31 March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates
Company Secretaries
Firm Reg No.: P2010WB042700

Manoj Kumar Banthia
Partner

Membership No.: 11470
UDIN: A011470C000363690
COP No.: 7596

Date: 25.05.2021
Place: Kolkata

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

We, Sushil Kr. Goenka, Managing Director and N H Bhansali, CEO-Finance, Strategy and Business Development and CFO of Emami Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements of the Company for the year ended March 31, 2021, and all its schedules and notes on accounts, as well as the cash flow statement.
2. To the best of our knowledge and information:
 - a. these statements do not contain any materially untrue statement or omit to state a material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company, which are fraudulent, illegal or violate the Company's code of conduct.
4. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures.
5. The Company has disclosed where ever applicable, to the Company's auditors and to the audit committee of the Company, the following:
 - a. All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
 - b. Significant changes in internal control during the year;
 - c. Any fraud, which we have become aware of and that involves Management or other employees who have significant role in the Company's internal control systems;

We further declare that all members of the Board and Committees and all employees working at the level of head of the department have affirmed compliance with the Code of Conduct of the Company for the financial year 2020-21.

Date: 25.05.2021
Place: Kolkata

Sushil Kr. Goenka
Managing Director

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

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Emami Limited

1. The Corporate Governance Report prepared by Emami Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2020 to March 31, 2021:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Risk Management Committee
 - (g) Independent Directors' Meeting
 - (h) Finance Committee
 - (i) Corporate Governance Committee
 - (j) Corporate Social Responsibility Committee
 - (k) Buy Back Committee
 - (l) Share Transfer Committee
 - v. Obtained necessary declarations from the directors of the Company.

- vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and

explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Place of Signature: Kolkata
Date: May 25, 2021

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005
per **Sanjay Kumar Agarwal**
Partner
Membership Number: 060352
UDIN: 21060352AAAABO3110

Business Responsibility Report

FY21

Introduction

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

This report conforms to the Business Responsibility Reporting requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India. This Report is one of the avenues to communicate the Company's obligations and performance to all its stakeholders for FY 2020-21.

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.emamilttd.in
5.	Email ID:	contact@emamigroup.com
6.	Financial Year Reported:	2020-2021

7. Sector(s) that the Company is engaged in (industrial activity code-wise): Emami is a Fast-Moving Consumer Goods (FMCG) company and operates in niche consumer and healthcare product categories like Cooling Oils, Balms, Antiseptic cream, Fairness creams for men and Ayurvedic Hair and Scalp Care Oils. The principle products of the Company with Industrial Activity code are:

Sl. No.	Product	Industrial Activity Code
1.	Navratna Oil	30049011
2.	Zandu and Mentho Plus Balm	30049011
3.	BoroPlus Antiseptic Cream	30049011
4.	Fair and Handsome Cream	33049910
5.	Kesh King Ayurvedic Hair & Scalp Oil	30049011

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

- Navratna Oil
- Zandu and Mentho Plus Balm
- BoroPlus Antiseptic Cream
- Fair and Handsome Cream
- Kesh King Ayurvedic Oil

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

- Number of International Locations (Details of major 5) - Emami operates through seven 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 and North Africa (MENA)
 - 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 and 26 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 (as on 31st March 2021)

1.	Paid Up Capital (₹):	₹44.5 crore
2.	Total Turnover (₹):	₹2,881 crore
3.	Total Profit after Taxes (₹)	₹455 crore
4.	Total spending on CSR as a percentage of Profit After Tax	2%
5.	List of activities in which expenditure in point 4 above has been incurred	<ol style="list-style-type: none"> a. Promoting Education and Enhancing Vocational Skills b. Promoting Healthcare Water and Sanitation c. Social Upliftment Programmes

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?: Yes.

2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies):

Emami has 7 subsidiaries as under:

- i. Emami Bangladesh Ltd.
- ii. Emami International FZE
- iii. Emami Indo Lanka Pvt. Ltd.
- iv. Emami Overseas FZE
- v. Emami Rus LLC
- vi. Creme 21 GmbH
- vii. Pharmaderm Company SAE

The Business Responsibility policies of the subsidiaries are in line with the Company's requirements.

3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (Less than 30%, 30-60%, more than 60%).

The Business Responsibility policies are applicable to the management and all the employees of the Company, its subsidiaries and associates companies. Emami Limited encourages adoption of BR initiatives by its Business Partners. Based on dialogue with the suppliers and distributors of the Company, around 30 – 60% of other entities participates/ promotes / actively encourages 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.	033-66136264
5.	Email id	skgoenka@emamigroup.com

2. Principle wise (as per NGV's) BR Policy/ Policies (Reply in Y/N)

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Products Lifecycle Sustainability [P2]

Principle 3: Employees' Well-being [P3]

Principle 4: Stakeholder Engagement [P4]

Principle 5: Human Rights [P5]

Principle 6: Environment [P6]

Principle 7: Policy Advocacy [P7]

Principle 8: Inclusive Growth [P8]

Principle 9: Customer Value [P9]

Sl. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	Do you have policy/policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs. The policies are based on the above guidelines								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes. The policies have been approved by the Managing Director								
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.emamiltd.in/investor-info/pdf/Business_Responsibility_Policy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key stakeholders. Besides, the Company continues to explore other formal channels to communicate more with relevant stakeholders.								
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR policies and its implementation are evaluated internally. The Statutory Auditors conduct audit of the CSR expenditures as required under the law.								

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Apart from the CSR committee which meets quarterly to review the CSR activities, the BR Head periodically assesses the BR performance of the Company.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

Emami Limited annually publishes its Business Responsibility Reports in its Annual Report. The Business Responsibility Reports can be accessed at: <http://www.emamiltd.in/investor-info/>

Section E: Principle wise performance

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes /No. Does it extend to the Group/joint ventures/suppliers/contractors/NGOs/ others?

All individuals working in the Company are subject of the Company's policies on Ethics, Transparency and Accountability along with the Code of Conduct. The Code is applicable in line with the laws prevailing in the country of operation so far as the subsidiaries are concerned. Business Partners of the Company are encouraged to follow the code.

2. How many stakeholder complaints received in the past financial year and what percentage was satisfactorily resolved by the Management?

Stakeholder	Complaints Received during FY21	Complaints Resolved during FY21	Complaints Resolved (%)
Investors' Complaints	4	4	100%
Consumers' Complaints	451	451	100%
Total	455	455	100%

Principle 2: Products Lifecycle Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Navratna Cool Oils
- BoroPlus Antiseptic Cream
- Zandu & Mentho Plus Balms

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Emami has undertaken special efforts in the area of Sustainable Development. The Company has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to produce our products. The Company has proactively looked at opportunities in green solutions as well as organic product designs.

The company monitors energy, emissions and water use at a company level (and not product wise) for responsible resource utilization. Following are the details of the same-

Natural Resources utilized	UOM	FY19	FY20	FY21
Specific energy consumption vs Production	MJ/MT	1,917	2,043	1,897
Water Consumption vs Production	KL/MT	1.80	1.65	1.51
Effluent Generation vs Production	KL/MT	1.55	1.50	1.30

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

The company has a strong cross-functional communication to enable the sourcing team to procure optimum quantity in accordance with manufacturing and sales forecast.

Emami has taken initiatives like using lightweight packing materials, recycled materials, optimising structural and material design to promote sustainability.

The company also engages with suppliers and transporters to establish and strengthen best practices that emphasizes on sustainable sourcing. Emami follows a comprehensive supplier assessment process to identify areas of improvement and providing required support to bridge the gaps.

While identifying and engaging with any new business partner the company ensures due diligence to understand whether the selected partner is conscious of its social and environmental obligations.

The Company also promotes its policy on Human Rights extensively- which applies to all Emami employees. Emami discourages dealing with any supplier/contractor/transporter if it is in violation of human rights. It also prohibits the use of forced or child labour at all manufacturing units /with business associates.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Emami collaborates with local authorities, Govt. institutions, self-help groups and engages with local farmers and collectors in various states through contractual cultivation of medicinal herbs. Emami Limited has conducted capability building programs across regions wherein 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 company has also facilitated registration of farmers under State Government Cultivation Programmes and distributed planting materials to farmers.

Further, Emami sources most of its packing materials locally from the regional suppliers in the vicinity of its manufacturing sites supporting local economy and livelihood.

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. The company is working towards being Multilayer plastics (MLP) neutral by

delivering our commitment through Extended Producer's responsibility. The company is targeting to dispose 100% MLP as per Government guidelines under PWM regulation after collecting from society leveraging its approved Plastics Recycling Organization partners across different regions. This effort helps to clean society from plastic waste. In 2020-21 the company has reduced approx. 110 tons of plastics and 145 tons of paper through Design to Value.

Principle 3: Employees' Well-being

1. Please indicate the total number of employees – 3,133 permanent employees

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis – 3,040

3. Please indicate the number of permanent women employees: 430. As a policy, the company offers equal employment opportunities irrespective of any bias/restrictions on the basis of gender/ caste/ creed/ religion/ ethnicity. All selection decisions for hiring is purely based on merit.

4. Please indicate the Number of permanent employees with disabilities. It is a matter of coincidence that the company does not have any employee with disability. Being an equal opportunity employer, the company never discriminates in selecting any candidate on the basis of their physical abilities. All employees selected into the company are selected purely on the basis of technical/professional/intellectual capability and purely on merit.

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 is members of this recognised employee association? 16%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

Category	No. of complaints filed during the FY	No. of complaints pending as on end of FY
Child labour/forced labour/ involuntary labour	Nil	Nil
Sexual harassment	1	1*
Discriminatory employment	Nil	Nil

*It was resolved in the month of April 2021

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Particulars	%
Permanent Employees	100%
Permanent Women Employees	100%

Particulars	%
Casual/ Temporary/ Contractual Employees	97%
Skill upgradation (permanent employees)	92%
Employees with disabilities	NA

Principle 4: Stakeholder Engagement

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes. Underprivileged communities around the Company's business locations are identified by Emami as disadvantaged, vulnerable and marginalised stakeholders. The needs and priorities of such stakeholders are identified by Emami. The Company continuously engages with all such stakeholders to serve these needs accordingly.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

The Company provides healthcare facilities to the underprivileged in and around its business premises. Emami conducts community development initiatives and disaster management initiatives across its factory locations. Emami also conducts drinking water and sanitation programme in schools, provides scholarships to deserving students, computer training programmes, beautician training programmes, stitching and tailoring programmes to the underprivileged across its business locations. During the financial year, the Company has undertaken establishment of modern infrastructure for proving skill development & other trainings. Further details have been provided in the CSR report in the Annual Report of the Company.

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The Company follows its policy on Human Rights which are applicable to all employees in the Company. For its subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its Business Partners to follow the policy. Emami discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits the use of forced or compulsory labour at all manufacturing units /with business associates.

2. How many stakeholder complaints pertaining to violation of Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received pertaining to human rights violation during the reporting period.

Principle 6: Environment Rights

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company follows its policy on Environment Protection which is applicable to all its business places. For the subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. We encourage our business partners to follow the policy and due care is taken while selecting suppliers / contractors on this front who are selected on the basis of a Comprehensive Assessment Process to ensure sustainability. Further, suppliers / contractors having related ISO certification given preferential treatment in selection process.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

The company has started initiatives like installation of zero discharge ETP and a condensate recovery system. Further, four of Emami's manufacturing units have Zero Discharge effluent.

3. Does the Company identify and assess potential environmental risks? Y/N

Emami firmly believes in sustainable development which is reinforced by environmental management systems practiced across manufacturing units. Emami is consistently putting in efforts to improve the environment protection measures further.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Emami has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to manufacture its products. The power consumption of the Company is negligible compared to its revenues. The efforts of the Company are aimed to minimise energy consumption in spite of the rapid increase in operations of the Company. The company has also initiated the use of windmills during the year as a means of generating renewable energy.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

In FY21, 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

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:

- Confederation of Indian Industry (CII)
- Federation of Indian Chamber of Commerce and Industry (FICCI)
- MCC Chamber of Commerce and Industry (MCCI)
- Bharat Chamber of Commerce (BCC)
- Indian Chamber of Commerce (ICC)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, Emami has not only taken initiatives for the advancement / improvement of public good but also advocated through the above organisations on Economic Reforms.

Principle 8: Inclusive Growth and Equitable Development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. The Company has a dedicated CSR Department, which evaluates monitors and supervises the 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

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

The aforesaid projects have been carried out by the Company directly and/or through implementing agencies. The details can be found in Annexure IV of the Directors Report.

3. Have you done any impact assessment of your initiative?

Yes, the CSR committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your Company's direct contribution to community development projects- Amount in ₹ crore and the details of the projects undertaken?

Sl. No.	CSR Project	Expenditure
1	Promotion of Education & Vocational Skills	₹4.5 crore
2	Providing Health-care, water & sanitation facilities	₹1.5 crore
3	Social Upliftment Programmes and others	₹1.4 crore
4	Admin Cost	₹0.4 crore
	TOTAL	₹7.8 crore

Details of the same have been provided in Annexure IV of the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

All the businesses locations of Emami continuously engage with communities surrounding their operations through focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself. This is done to ensure flow of benefits to communities even if the Company is unable to support the programme in the future. This ensures successful adoption by communities to the extent possible.

Principle 9: Customer Value

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. However, seven consumer cases are pending as at the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)

Yes, over and above what is mandated by local laws like Bureau of Indian Standards Act and Drugs and Cosmetics Act, Emami displays product information on its packaging for the benefit of the consumer. The objective of providing this additional information is to enhance the value consumers can derive from the product. Furthermore, safe and appropriate use is also thereby ensured. The additional information on the product label relates to various active ingredients contained in the product, their proven clinical benefits, consumer grievance redressal mechanisms, directions for use, safety, caution etc. and varies from product to product.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

As discussed in Point 1, seven consumer cases are pending at various consumer forums.

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. We conduct methodical research with respect to our products and advertisements. These surveys are conducted through established third party market research firms. We also undertake regular brand tracking researches to assess brand preference scores and impact of our advertisements. Blind product tests are also conducted to gauge consumer satisfaction vis-a-vis products of our competitors. 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.

FINANCIAL

STATEMENTS

Standalone Financial Statements

Independent Auditor's Report

To
the Members of
Emami Limited

Report on the audit of the standalone Ind AS financial statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Emami Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these

requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to note 3.58 to the standalone Ind AS financial statements, which describes the uncertainties and potential impact of the covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>(a) Non-recognition of Unused Minimum Alternate Tax ("MAT") Credit (as described in note 3.47 of the standalone Ind AS financial statements)</p> <p>As at March 31, 2021, the Company has unused MAT credit balance of ₹27,985.28 lacs which has not been recognized in the books.</p> <p>One of the manufacturing facilities of the Company is availing tax benefits under section 80IE of Income Tax Act, 1961 (IT Act) as a result of which the Company is paying taxes under MAT to the government basis book profits.</p> <p>The credit of such taxes paid under MAT shall be allowed to be utilized in subsequent years when tax becomes payable on the total income in accordance with the normal provisions of the IT Act.</p> <p>In order to determine the utilization of such credit in future years, the management has projected its book profits and tax profits; and based on such projections after considering the potential impact of the pandemic, MAT credit has not been recognized.</p> <p>Significant management judgement is required to determine the forecasted profits, expected future market scenario, economic conditions, tax laws and the management's expansion plans, and these factors impact the timing of utilization of MAT credits.</p> <p>Accordingly, the non-recognition of MAT credit basis the forecasted profits is determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Understood the income tax computation process for normal tax and minimum alternate tax and reviewed controls around recognition of MAT credit. Evaluated the design and tested the effectiveness of relevant controls in this regard. Assessed management's assumptions that substantiate the probability that the unused MAT credit will not be recovered through taxable income under normal provision in future years and also assessed the tax planning strategies, budgets and the plans prepared by the management and the relevant tax legislations. Evaluated the adequacy of the disclosures made by the Company in this regard in the standalone Ind AS financial statements.
<p>(b) Revenue from sale of goods (as described in note 2.2.a, note 3.30 and note 3.63 to the standalone Ind AS financial statements)</p> <p>The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.</p> <p>The risk is, therefore, that revenue is not recognised in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it is determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Considered the adequacy of the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition. Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized in accordance with Ind AS 115. Selected sample of sales transactions made pre- and post-year end and tested the period of revenue recognition based on underlying documents. Selected samples of rebates and discounts during the year, compared them with the supporting documents and performed re-calculation of those variable considerations as per scheme documents. Assessed the relevant disclosures made in the standalone Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 3.28, note 3.39 and note 3.42 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

UDIN: 21060352AAAAABM7239

Place of Signature: Kolkata

Date: May 25, 2021

Annexure 1 referred to in paragraph 1 of the section on “report on other legal and regulatory requirements” of our report of even date on the standalone Ind AS financial statements of Emami Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification of all the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for following 2 number of immovable properties aggregating to ₹16.35 lacs as at March 31, 2021, details of which are set out in note 3.1 to the standalone Ind AS financial statements.

Asset Class	Gross Block As at 31st March 2021 (in ₹ Lacs)	Net Block As at 31st March 2021 (in ₹ Lacs)	No. of cases
Freehold Land	16.35	16.35	2
Grand Total	16.35	16.35	2

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has renewed loans granted to one of its wholly owned subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the renewal of such loans are not prejudicial to the Company's interest.
- (b) The Company has granted loans to two of its wholly owned subsidiaries and one associate covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the receipt of interest is regular, wherever due, however, the principal and interest on loan given to one of the wholly owned subsidiaries has not been received during the year because the terms of the underlying agreement has been renewed during the year and accordingly the payment of interest and principal will now fall due in the next and subsequent years respectively. (Refer note no 3.53 of the standalone

Ind AS financial statements for terms of repayment of the loans)

- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013, which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities except in case of buyback distribution tax, dividend distribution tax and tax deducted at source on certain payments where there have been delays in certain number of cases. (Refer note no 3.27 of the standalone Ind AS financial statements)
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, goods and service tax, duty on custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Sales Tax and Central Sales Tax	Various Sales tax related matters	3,467.57	1989-90, 1993-94 to 2007-08, 2009-10 to 2015-17	Supreme Court/High Court/ Tribunal/ DC(Appeal)/ Jt. Commissioner (Appeals) / Appellate Deputy Commissioner/ AC/ DC
The Central Excise Act, 1994	Excise duty demand	367.29	2008-09 to 2013-14	CESTAT / Assistant Commissioner
MP Entry Tax Act, 1976	Entry Tax demand	9.28	2001-02	Supreme Court
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012.	Entry Tax demand	622.82	2013-14 to 2016-17	High Court
Customs Act, 1962	Custom Duty demand	25.06	2008-09	Commissioner (A)
Service Tax (Finance Act, 1994)	Service tax demand	325.76	2008-09 to 2011-12, 2015-16 to 2017-18	Assistant Commissioner/ Commissioner (A)

(viii) According to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks or financial institution. The Company did not have any outstanding loans or borrowings dues in respect of government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related

parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

UDIN: 21060352AAAAABM7239

Place of Signature: Kolkata

Date: May 25, 2021

Annexure 2 to the Independent Auditor's report of even date on the standalone Ind AS financial statements of Emami Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Emami Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal

financial controls with reference to these standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to these Ind AS Financial Statements

A company's internal financial control with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future

periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone Ind AS financial statements and such internal financial controls with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2021, 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 issued by ICAI.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

UDIN: 21060352AAAABM7239

Place of Signature: Kolkata

Date: May 25, 2021

Balance Sheet

as at 31st March, 2021

₹ in Lacs

	Notes	As at 31.03.2021		As at 31.03.2020	
ASSETS					
1. Non-Current Assets					
(a) Property, Plant and Equipment	3.1	69,530.47		74,667.95	
(b) Capital Work-in-Progress	3.1	569.79		685.78	
(c) Investment Property	3.2	4,369.11		4,462.93	
(d) Intangible Assets	3.3	35,294.50		61,842.42	
(e) Right of Use Assets	3.4	771.85		1,234.84	
(f) Intangible Assets under Development	3.3	61.83		119.21	
(g) Financial Assets					
(i) Investments	3.5	17,541.63		9,262.94	
(ii) Loans	3.6	3,349.57		4,972.55	
(iii) Other Financial assets	3.7	6,210.59		3,936.85	
(h) Non-Current Tax Assets (Net)	3.8	-		1,300.05	
(i) Other Non-Current Assets	3.9	1,480.39	1,39,179.73	2,488.37	1,64,973.89
2. Current Assets					
(a) Inventories	3.10	26,924.87		22,588.88	
(b) Financial Assets					
(i) Investments	3.11	8,890.65		6,832.94	
(ii) Trade Receivables	3.12	9,971.77		18,168.67	
(iii) Cash and Cash Equivalents	3.13	323.85		356.74	
(iv) Bank balance other than (iii) above	3.14	30,469.06		5,373.09	
(v) Loans	3.15	202.15		6,530.59	
(vi) Other Financial Assets	3.16	4,680.06		8,648.81	
(c) Other Current Assets	3.17	9,767.11	91,229.52	10,004.33	78,504.05
TOTAL ASSETS			2,30,409.25		2,43,477.94
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	3.18	4,445.14		4,531.81	
(b) Other Equity	3.19	1,71,487.61	1,75,932.75	1,75,668.12	1,80,199.93
1. Non-Current Liabilities					
(a) Financial Liabilities					
(i) Other Financial Liabilities	3.20	811.12		1,142.16	
(b) Provisions	3.21	1,900.21		1,855.29	
(c) Deferred Tax Liabilities (Net)	3.22	-		-	
(d) Other Non-Current Liabilities	3.23	1,973.33	4,684.66	2,155.69	5,153.14
2. Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	3.24	4,652.93		15,824.50	
(ii) Trade Payables	3.25				
Total outstanding dues of Micro & Small Enterprises		1,213.83		1,356.92	
Total outstanding dues of creditors other than Micro & Small Enterprises		26,705.06		22,555.53	
(iii) Other Financial Liabilities	3.26	9,203.74		9,263.96	
(b) Other Current Liabilities	3.27	2,051.97		4,490.81	
(c) Provisions	3.28	4,133.89		4,633.15	
(d) Current Tax Liabilities (Net)	3.29	1,830.42	49,791.84	-	58,124.87
TOTAL EQUITY AND LIABILITIES			2,30,409.25		2,43,477.94
Summary of Significant Accounting Policies		2			

The accompanying notes are an integral part of these standalone Ind AS financial statements

As per our report of even date

For **S. R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration no: 301003E/E300005

per **Sanjay Kumar Agrawal**

Partner

Membership No: 060352

Kolkata

25th May, 2021

For and on behalf of Board of Directors

R S Agarwal

Chairman

S K Goenka

Managing Director

R S Goenka

Director

N H Bhansali

CEO -Finance, Strategy & Business Development and CFO

S B Ganguly

Director

A K Joshi

Company Secretary & VP-Legal

Statement of Profit and Loss for the year ended 31st March, 2021

₹ in Lacs

	Notes	2020-2021	2019-2020
INCOME			
Revenue from Operations	3.30	2,58,228.69	2,38,992.36
Other Income	3.31	10,404.95	9,408.54
Total Income (A)		2,68,633.64	2,48,400.90
EXPENSES			
Cost of Materials Consumed	3.32	67,981.55	71,044.57
Purchases of Stock-in-Trade		17,429.00	9,935.73
(Increase)/Decrease in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	3.33	(815.63)	(356.00)
Employee Benefits Expense	3.34	26,675.15	25,569.66
Other Expenses	3.36	62,626.09	73,595.45
Total Expenses before Exceptional items, Interest, Depreciation, Amortisation and Tax (B)		1,73,896.16	1,79,789.41
Earnings before Exceptional items, Interest, Depreciation, Amortisation and Tax (A-B)		94,737.48	68,611.49
Finance Costs (C)	3.35	1,201.25	1,889.87
Depreciation & Amortisation Expense: (D)			
a) Amortisation of Intangible Assets	3.3	26,767.30	25,445.70
b) Depreciation of Tangible Assets	3.1 & 3.2	8,819.89	6,884.16
c) Depreciation of Right of Use Assets	3.4	527.46	280.44
Total Expenses before Exceptional items and Tax (B+C+D)=E		2,11,212.06	2,14,289.58
Profit before Exceptional Items and Tax (A-E)=F		57,421.58	34,111.32
Exceptional Items (G)	3.60	-	325.68
Profit Before Tax (F-G)=H		57,421.58	33,785.64
Tax Expense: (I)	3.47		
Current Tax (MAT)		10,033.91	6,427.00
Deferred Tax charge/(credit)		(125.13)	(1,553.33)
Profit for the year (H-I)=J		47,512.80	28,911.97
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Equity Instrument through Other Comprehensive Income		5,813.21	(9,733.86)
Remeasurement of the net defined benefit liability/ asset		151.80	12.82
Income tax relating to remeasurement of the net defined benefit liability/ asset		(26.52)	(4.48)
Total Other Comprehensive Income/(Loss) for the year (net of tax)		5,938.49	(9,725.52)
Total Comprehensive Income for the year		53,451.29	19,186.45
Cash Profit (J+D)		83,627.45	61,522.27
Earnings Per Equity Share	3.61		
(1) Basic (Face Value of Re 1 each)		10.68	6.37
(2) Diluted (Face Value of Re 1 each)		10.68	6.37
(3) Cash (Face Value of Re 1 each)		18.81	13.55
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these standalone Ind AS financial statements

As per our report of even date
For **S. R. BATLIBOI & Co. LLP**

Chartered Accountants
Firm Registration no: 301003E/E300005

per **Sanjay Kumar Agrawal**
Partner
Membership No: 060352

Kolkata
25th May, 2021

For and on behalf of Board of Directors

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary
& VP-Legal.

Cash Flow Statement for the year ended 31st March, 2021

₹ in Lacs

	2020-2021	2019-2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	57,421.58	33,785.64
Adjustments for :		
Profit on Sale / Fair Value of mutual funds and AIF	(2,830.37)	(1,437.53)
Depreciation and Amortisation Expenses	36,114.65	32,610.30
Finance Costs	1,201.25	1,889.87
Interest income on loans & deposits	(1,630.51)	(2,688.13)
Loss / (Profit) on Sale/Disposal of Property, Plant & Equipments (Net)	139.00	(589.18)
Dividend Income from equity investment carried at fair value through OCI	-	(95.35)
Sundry balances written (back) (Net)	(38.51)	(93.11)
Provision for litigation written back	(562.11)	-
Unrealised Foreign Exchange Gain (Net)	(409.75)	(611.47)
Dividend Income from equity investment carried at cost	(2,823.45)	(3,852.55)
(Profit)/ loss on Derivative Instruments	(53.04)	341.87
Provision for doubtful trade receivables	304.00	2,055.66
Provision of financial guarantee obligation	-	4,766.29
Loss on fair value of Loan at FVTPL	-	54.75
Loss on impairment / (Gain) on reversal of impairment of Investments in an Associate & a Subsidiary	(608.88)	188.48
Profit on fair value of investment in CCPS in associate	(1,090.74)	-
Provision for Doubtful Receivables	395.55	124.69
	85,528.67	66,450.23
Adjustments for working capital changes :		
Increase in Trade Payables and Other Liabilities	4513.21	1,419.98
(Increase) in Inventories	(4,335.99)	(1,235.27)
Decrease/ (Increase) in Trade Receivables	8,082.95	(5,696.71)
Decrease/ (Increase) in Loans and Advances and Other Financial Assets	1.66	(2,370.67)
Decrease in Other Non Financial Assets	393.26	770.14
Increase in Provisions	259.57	1,709.30
	8914.66	(5,403.23)
CASH GENERATED FROM OPERATIONS	94,443.33	61,047.00
Less : Direct Taxes Paid (net of refund)	6,603.44	6,467.83
NET CASH FLOW FROM OPERATING ACTIVITIES	87,839.89	54,579.17
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Property, Plant & Equipment	164.15	1,097.00
Interest Received	3,056.12	493.11
Dividend Received	2,823.45	3,947.90
Purchases of Investments	(1,77,870.50)	(1,80,553.84)
Sale of Investments	1,76,724.76	1,74,875.92
Short term loans given	(1,500.00)	(6,000.00)
Proceeds from repayment of loan given	7,500.00	-
Purchase of Property, Plant & Equipment & Intangible Assets	(3,293.61)	(15,405.88)
Investment in CCPS of Associate	(150.00)	(200.00)
Proceeds from alternative investment fund	808.00	-
Loans given to Subsidiary Company	-	(3,269.68)
Proceeds from repayment of loan given to subsidiary company	1,796.27	-
Fixed Deposits made	(59,642.32)	(182.36)
Proceeds from maturity of Fixed Deposit	29,587.87	58.46
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(19,995.81)	(25,139.37)

Cash Flow Statement for the year ended 31st March, 2021

₹ in Lacs

	2020-2021	2019-2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(17,093.08)	(6,142.00)
Buy Back of Shares including Transaction Costs and Taxes	(22,558.95)	(1,245.95)
Proceeds from Borrowings	18,200.00	7,527.98
Transfer from / (to) Escrow Account	5,003.60	(5,003.60)
Interest Paid	(1,162.80)	(1,893.85)
Dividend Paid	(35,561.10)	(36,314.81)
Corporate Dividend Tax paid (including interest)	(1,908.14)	(5,598.08)
Payment Of Principal Portion Of Lease Liabilities	(518.01)	(251.14)
Cash Credit taken /(repaid) (Net)	(12,278.49)	9,004.46
NET CASH USED IN FINANCING ACTIVITIES	(67,876.97)	(39,916.99)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(32.89)	(10,477.19)
Add- CASH & CASH EQUIVALENTS-OPENING BALANCE	356.74	10,833.93
CASH & CASH EQUIVALENTS-CLOSING BALANCE	323.85	356.74
Cash & Cash Equivalents includes:		
Balances with Banks	303.47	343.02
Cash on hand	20.38	13.72
Total Cash & Cash Equivalents (Refer Note No : 3.13)	323.85	356.74

The accompanying notes are an integral part of these standalone Ind AS financial statements

As per our report of even date
For **S. R. BATLIBOI & Co. LLP**
Chartered Accountants
Firm Registration no: 301003E/E300005

per **Sanjay Kumar Agrawal**
Partner
Membership No: 060352

Kolkata
25th May, 2021

For and on behalf of Board of Directors

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary
& VP-Legal

Statement of Changes in Equity

as at & for the year ended 31st March, 2021

₹ in Lacs

Particulars	Equity Share Capital	Other Equity					Total Equity attributable to equity share holders of the Company	
		Reserve & Surplus						Other Comprehensive Income
		Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Capital Redemption Reserve		Investment in Equity shares at Fair value through Other Comprehensive Income
Balance as at 1.04.2019	4,539.35	79.64	30,935.49	69,963.83	87,500.00	-	13,422.12	2,06,440.43
Profit for the Year	-	-	-	28,911.97	-	-	-	28,911.97
Other Comprehensive Income								
Fair value loss on Equity instrument through other comprehensive income	-	-	-	-	-	-	(9,733.86)	(9,733.86)
Remeasurement of the net defined benefit liability/ asset	-	-	-	12.82	-	-	-	12.82
Income Tax Effect	-	-	-	(4.48)	-	-	-	(4.48)
Total Comprehensive Income	-	-	-	28,920.31	-	-	(9,733.86)	19,186.45
Final Dividend Paid#	-	-	-	(18,157.41)	-	-	-	(18,157.41)
Interim Dividend Paid#	-	-	-	(18,157.40)	-	-	-	(18,157.40)
Corporate Dividend Tax#	-	-	-	(7,464.61)	-	-	-	(7,464.61)
Amount transferred to Capital redemption reserve upon Buyback of Equity Shares @	-	-	-	-	(7.54)	7.54	-	-
Buy back of shares@	(7.54)	-	(1,236.69)	-	-	-	-	(1,244.23)
Buyback distribution tax @	-	-	(289.13)	-	-	-	-	(289.13)
Transaction cost towards Buyback of Equity Shares @	-	-	(114.17)	-	-	-	-	(114.17)
Balance as at 31.03.2020	4,531.81	79.64	29,295.50	55,104.72	87,492.46	7.54	3,688.26	1,80,199.93
Balance as at 1.04.2020	4,531.81	79.64	29,295.50	55,104.72	87,492.46	7.54	3,688.26	1,80,199.93
Profit for the Year	-	-	-	47,512.80	-	-	-	47,512.80
Other Comprehensive Income								
Fair value gain on Equity instrument through other comprehensive income	-	-	-	-	-	-	5,813.21	5,813.21
Remeasurement of the net defined benefit liability/ asset	-	-	-	151.80	-	-	-	151.80
Income Tax Effect	-	-	-	(26.52)	-	-	-	(26.52)
Total Comprehensive Income	-	-	-	47,638.08	-	-	5,813.21	53,451.29
Interim Dividend Paid#	-	-	-	(35,561.10)	-	-	-	(35,561.10)
Amount transferred to Capital redemption reserve upon Buyback of Equity Shares @	-	-	-	-	(86.67)	86.67	-	-
Buy back of shares@	(86.67)	-	(17,868.00)	-	-	-	-	(17,954.67)
Buyback distribution tax @	-	-	(4,179.87)	-	-	-	-	(4,179.87)
Transaction cost towards Buyback of Equity Shares @	-	-	(22.83)	-	-	-	-	(22.83)
Balance as at 31.03.2021	4,445.14	79.64	7,224.80	67,181.70	87,405.79	94.21	9,501.47	1,75,932.75

Refer Note No : 3.48

@ Refer Note No : 3.56

Refer Note no 3.19 for nature & purposes of reserve

The accompanying notes are an integral part of these standalone Ind AS financial statements

As per our report of even date

For **S. R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration no: 301003E/E300005

per **Sanjay Kumar Agrawal**

Partner

Membership No: 060352

Kolkata

25th May, 2021

For and on behalf of Board of Directors

R S Agarwal

Chairman

S K Goenka

Managing Director

R S Goenka

Director

N H Bhansali

CEO -Finance, Strategy & Business Development and CFO

S B Ganguly

Director

A K Joshi

Company Secretary & VP-Legal

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

1. Company Overview

Emami Limited ("the Company") is one of India's leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products with an enviable portfolio of household brand names such as Boro Plus, Navratna, Fair and Handsome, Zandu Balm, Kesh King, Zandu Pancharishta, Mentho Plus Balm and others.

The Company is a public limited company domiciled in India and is primarily listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at 687, Anandapur, E.M. Bypass, Kolkata, West Bengal.

2.1. Basis of Preparation

The standalone Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013. These standalone Ind AS financial statements are prepared under the historical cost convention on the accrual basis except for following assets and liabilities which have been measured at fair value amount :

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- c) Defined benefit plans – plan assets

The standalone Ind AS financial statements were approved for issue in accordance with the resolution of the Board of Directors on 25th May, 2021.

2.2. Summary of Significant Accounting Policies

a. Revenue Recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes including goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the Company believes that the control gets transferred to the customer on dispatch of the goods from the factory/depot and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Variable consideration

Volume rebates

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them. To estimate the variable consideration for the expected future rebates, the Company applies the expected value method or most likely method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future rebates.

Rights of return

Certain contracts provide a customer with a right to return the damaged goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises a provision for damage return and net it from revenue.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Advance from customer

Advance from customer is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Advance from customer is recognised as revenue when the Company performs under the contract.

Provision for rebates and damage return

Provision for rebates and damage return is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of Provision for rebates and damage return (and the corresponding change in the transaction price) at the end of each reporting period.

b. Property, Plant & Equipment

Capital work in progress, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013, except certain items of building and plant & machinery as detailed in next paragraph. The estimated useful lives are as follows:

Factory Building	30 Years
Non-factory Buildings (including Roads)	5 - 60 Years
Plant & Machinery*	7-15 Years
Furniture & Fixtures	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

Freehold land is not depreciated.

*Block, Dies & Moulds (other than High-End Moulds) are depreciated @100% on pro rata basis.

The Company, based on assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment over 20 years and 3 - 10 years respectively. These estimated useful lives are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The cost and related accumulated depreciation are eliminated from the financial statements upon derecognition and the resultant gains or losses are recognized in the Statement of Profit & Loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit & Loss as incurred.

The Company depreciates building component of investment property on the straight line method over the estimated useful life of 60 years from the date of original purchase and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed internally by the Company.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d. Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit & Loss. The Company amortises intangible assets over their estimated useful lives using the straight line method.

The estimated useful lives of assets are as follows:

Softwares & Licences (Acquired)	6 Years
Brand & Trademarks (Acquired)	7 Years
Copy Rights (Acquired)	7 Years

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss when the asset is derecognised.

e. Research & Development Cost

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

f. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i) Raw materials, Packing materials and Stores & Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average method.
- ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average method.
- iii) Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

h. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Financial instruments at amortised cost

A 'financial instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

Equity investments

All equity investments (excluding investments in subsidiaries and associates) in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Company makes an irrevocable election to present in Other Comprehensive Income (OCI) subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. These equity shares are designated as Fair Value Through OCI (FVTOCI) as they are not held for trading and disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investments in subsidiaries and associate are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

Investment in mutual funds / alternate investment funds

Investment in mutual funds / alternate investment funds falls within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derivative Instruments

Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Income recognition

Interest Income - Interest income from financial instruments is recognised using the effective interest rate method (EIR). The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend - Dividend is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are financial instrument, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements)

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

i. Fair Value Measurement

The Company measures financial instruments, such as, equity instruments and derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j. Cash & Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

k. Leases

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Building 2 to 5 years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment

ii) Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company's lease liabilities are included in Other Financial Liabilities.

iii) Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

I. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Employee Benefits

Defined Contribution Plan

The Company makes contributions towards provident fund and superannuation fund to the regulatory authorities in a defined contribution retirement benefit plan for qualifying employees, where the Company has no further obligations. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

Defined Benefit Plan

- i) In respect of certain employees, provident fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for.
- ii) The Company operates a defined benefit gratuity plan in India, comprising of Gratuity fund with Life Insurance Corporation of India. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The effect of any plan amendments are recognized in the Statement of Profit & Loss.

The Company recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Other Long Term Employee Benefits

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. This benefit is not funded except in Vapi, Dongari and Masat units, where the Leave Fund is with Life Insurance Corporation of India. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

n. Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities (DTL) are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be

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as at & for the year ended 31st March, 2021

available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Certain units of the Company are entitled to tax holiday under the Income-tax Act, 1961 enacted in India. Accordingly, no deferred tax (asset or liability) relating to such units is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

o. Foreign Currency Transactions & Translations

Functional and presentation currency

The standalone financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on

Notes to Standalone Ind AS Financial Statements

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translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

p. Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

q. Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other operating income in the Statement of profit & loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the statement of profit & loss.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

r. Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Cash earnings per share, a non GAAP measure is calculated by dividing cash profit for the period attributable to the equity shareholders by the weighted average number of shares outstanding during the period. Cash profit is calculated by adding depreciation and amortisation expenses to the net profit for the period.

s. Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

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as at & for the year ended 31st March, 2021

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

t. Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- b) held primarily for the purpose of trading,
- c) expected to be realised within twelve months after the reporting period, or
- d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period,
- e) All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in the normal operating cycle,
- b) it is due to be settled within twelve months after the reporting period, or
- c) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period,
- d) All other liabilities are classified as non-current,
- e) Deferred tax assets and liabilities are classified as noncurrent.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

u. Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

v. Measurement of EBITDA

The Company presents Earnings before Interest expense, Tax, Depreciation and Amortisation (EBITDA) in the statement of profit or loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Accordingly, the Company has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense, but includes other income.

w. Rounding of amounts

All amounts disclosed in the standalone Financial Statements and notes have been rounded off to the nearest Lakhs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

x. Standards issued not yet effective:

There are no standards issued but not yet effective up to the date of issuance of the Company's financial statements.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

y. New and amended Standards

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. This amendment does not have material impact on the standalone financial statements of the Company.

(ii) Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the standalone financial statements of the Company but may impact future periods should the Company enter into any business combinations.

(iii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the standalone financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's standalone financial statements.

(iv) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the standalone financial statements of the Company as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Company's standalone financial statements.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.1 PROPERTY PLANT & EQUIPMENT (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block			Depreciation			Net Block		
	As at 1.4.2020	Additions	Disposals/ Transfer in / (Out)	As at 31.3.2021	As at 1.4.2020	For the year	Disposals/ Transfer in / (Out)	As at 31.3.2021	As at 31.3.2020
Freehold Land	5,611.61	-	-	5,611.61	-	-	-	5,611.61	5,611.61
Building (including roads)	33,954.56	48.66	(85.25)	33,917.97	3,678.08	1,128.02	(10.27)	4,795.83	29,122.14
Plant & Equipment *	54,024.79	3,220.50	(433.39)	56,811.90	19,228.50	6,704.87	(234.88)	25,698.49	31,113.41
Furniture & Fixture	2,319.88	54.63	(3.26)	2,371.25	961.38	256.61	(2.92)	1,215.07	1,156.18
Office Equipment	3,215.87	231.72	(49.92)	3,397.67	1,535.15	377.28	(35.17)	1,877.26	1,520.41
Computers	997.02	226.33	(4.19)	1,219.16	801.34	112.22	(4.11)	909.45	309.71
Motor Vehicles	1,286.44	109.90	(94.61)	1,301.73	537.77	148.55	(81.60)	604.72	697.01
Property, Plant & Equipment Total	101,410.17	3,891.74	(670.62)	104,631.29	26,742.22	8,727.55	(368.95)	35,100.82	69,530.47
Capital Work- In-Progress	685.78	542.08	(658.07)	569.79	-	-	-	569.79	685.78
Total	1,02,095.95	4,433.82	(1,328.69)	1,05,201.08	26,742.22	8,727.55	(368.95)	35,100.82	70,100.26

*Refer Note No. 3.55

Title deeds of immovable properties set out above, where applicable, are in the name of the Company except as set out below:

₹ in Lacs

Asset Class	Gross Block		Net Block		No. of cases	
	As at 31.3.2021	As at 31.3.2020	As at 31.3.2021	As at 31.3.2020	As at 31.3.2021	As at 31.3.2020
Freehold Land	16.35	16.35	16.35	16.35	2	2
Grand Total	16.35	16.35	16.35	16.35	2	2

Management is in the process of getting the above properties transferred in the name of the Company.

3.2 INVESTMENT PROPERTY (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block			Depreciation			Net Block		
	As at 1.4.2020	Additions	Disposals/ Transfer in / (Out)	As at 31.3.2021	As at 1.4.2020	For the year	Disposals/ Transfer in / (Out)	As at 31.3.2021	As at 31.3.2020
Building	5,136.87	-	(1.69)	5,135.18	673.94	92.34	(0.21)	766.07	4,369.11
	5,136.87	-	(1.69)	5,135.18	673.94	92.34	(0.21)	766.07	4,369.11

Refer Note No. 3.44 for disclosure of fair value of investment property.

3.3 INTANGIBLE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block			Amortisation			Net Block		
	As at 1.4.2020	Additions	Disposals/ Transfer in / (Out)	As at 31.3.2021	As at 1.4.2020	For the year	Disposals/ Transfer in / (Out)	As at 31.3.2021	As at 31.3.2020
Goodwill	1,050.00	-	-	1,050.00	1,050.00	-	-	1,050.00	-
Other Intangible Assets									
Software	3,341.83	219.38	-	3,561.21	1,937.35	343.02	-	2,280.37	1,404.48
Brands, Trade Marks & Others*	1,58,760.91	-	-	1,58,760.91	99,129.31	25,617.94	-	1,24,747.25	34,013.66
Copy Rights	20,720.00	-	-	20,720.00	19,913.66	806.34	-	20,720.00	806.34
Other Intangible Assets Total	1,82,822.74	219.38	-	1,83,042.12	1,20,980.32	26,767.30	-	1,47,747.62	35,294.50
Intangible Assets under Development	119.21	91.69	(149.07)	61.83	-	-	-	61.83	119.21
Grand Total	1,83,991.95	311.07	(149.07)	1,84,153.95	1,22,030.32	26,767.30	-	1,48,797.62	61,961.63

*Refer Note No. 3.55

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.4. RIGHT OF USE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Land	Buildings	Total
At 1st April 2020	314.51	1,200.77	1,515.28
Additions	-	64.47	64.47
At 31st March 2021	314.51	1,265.24	1,579.75
Depreciation as at 1st April 2020	5.33	275.11	280.44
Charge for the year	5.33	522.13	527.46
At 31st March 2021	10.66	797.24	807.90
Net Book Value			
At 31st March 2020	309.18	925.66	1,234.84
At 31st March 2021	303.85	468.00	771.85

Refer Note No.3.49 for the related disclosures.

3.1 PROPERTY PLANT & EQUIPMENT (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2019	Additions	Disposals/ Transfer in / (Out)	As at 31.3.2020	As at 1.4.2019	For the year	Disposals/ Transfer in / (Out)	As at 31.3.2020	As at 31.3.2020	As at 31.3.2019
Land										
Leasehold#	334.63	-	(334.63)	-	20.12	-	(20.12)	-	-	314.51
Freehold	5,646.36	110.96	(145.71)	5,611.61	-	-	-	-	5,611.61	5,646.36
Building (including roads)*	30,711.95	3,348.63	(106.02)	33,954.56	2,617.69	1,074.23	(13.84)	3,678.08	30,276.48	28,094.26
Plant & Equipment	49,077.77	5,382.08	(435.06)	54,024.79	14,664.10	4,752.02	(187.62)	19,228.50	34,796.29	34,413.67
Furniture & Fixture	2,132.40	190.80	(3.32)	2,319.88	627.18	336.23	(2.03)	961.38	1,358.50	1,505.22
Office Equipment	2,941.76	291.53	(17.42)	3,215.87	1,188.03	358.02	(10.90)	1,535.15	1,680.72	1,753.73
Computers	876.53	132.54	(12.05)	997.02	687.35	125.84	(11.85)	801.34	195.68	189.18
Motor Vehicles	1,213.15	98.81	(25.52)	1,286.44	411.72	145.91	(19.86)	537.77	748.67	801.43
Property, Plant & Equipment Total	92,934.55	9,555.35	(1,079.73)	1,01,410.17	20,216.19	6,792.25	(266.22)	26,742.22	74,667.95	72,718.36
Capital Work- In-Progress	3,521.61	721.11	(3,556.94)	685.78	-	-	-	-	685.78	3,521.61
Total	96,456.16	10,276.46	(4,636.67)	1,02,095.95	20,216.19	6,792.25	(266.22)	26,742.22	75,353.73	76,239.97

Transfer includes ₹334.63 lacs (accumulated depreciation ₹20.12 lacs) reclassified to Right of Use Assets on account of adoption of IND AS 116

* Transfer includes ₹5.25 lacs (accumulated depreciation ₹0.09 lacs) transferred from Investment property.

Title deeds of immovable properties set out above, where applicable, are in the name of the Company except as set out below:

₹ in Lacs

Asset Class	Gross Block		Net Block		No. of cases	
	As at 31.3.2020	As at 31.3.2019	As at 31.3.2020	As at 31.3.2019	As at 31.3.2020	As at 31.3.2019
Building	-	410.06	-	403.94	-	4
Freehold Land	16.35	140.82	16.35	140.82	2	5
Grand Total	16.35	550.88	16.35	544.76	2	9

Management is in the process of getting the above properties transferred in the name of the Company.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.2 INVESTMENT PROPERTY (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block		
	As at 1.4.2019	Additions	Disposals/ Transfer in / (Out)	As at 31.3.2020	As at 1.4.2019	For the year	Disposals/ Transfer in / (Out)	As at 31.3.2020	As at 31.3.2020	As at 31.3.2019	
Building*	5,142.12	-	(5.25)	5,136.87	582.12	91.91	(0.09)	673.94	4,462.93	4,560.00	
	5,142.12	-	(5.25)	5,136.87	582.12	91.91	(0.09)	673.94	4,462.93	4,560.00	

*Transfer includes ₹5.25 lacs (accumulated depreciation ₹0.09 lacs) transferred to Property, Plant & Equipment.

Refer Note No. 3.44 for disclosure of fair value of investment property.

3.3 INTANGIBLE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Amortisation				Net Block	
	As at 1.4.2019	Additions	Disposals/ Transfer in / (Out)	As at 31.3.2020	As at 1.4.2019	For the year	Disposals/ Transfer in / (Out)	As at 31.3.2020	As at 31.3.2020	As at 31.3.2019
Goodwill	1,050.00	-	-	1,050.00	1,050.00	-	-	1,050.00	-	-
Other Intangible Assets										
Software	3,139.86	201.97	-	3,341.83	1,546.86	390.49	-	1,937.35	1,404.48	1,593.00
Brands, Trade Marks & Others	1,58,730.91	30.00	-	158,760.91	78,219.33	20,909.98	-	99,129.31	59,631.60	80,511.58
Copy Rights	20,720.00	-	-	20,720.00	15,768.43	4,145.23	-	19,913.66	806.34	4,951.57
Other Intangible Assets	1,82,590.77	231.97	-	1,82,822.74	95,534.62	25,445.70	-	1,20,980.32	61,842.42	87,056.15
Total										
Intangible Assets under Development	111.67	228.93	(221.39)	119.21	-	-	-	-	119.21	111.67
Grand Total	1,83,752.44	460.90	(221.39)	183,991.95	96,584.62	25,445.70	-	1,22,030.32	61,961.63	87,167.82

3.4. RIGHT OF USE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Land	Buildings	Total
At 1st April 2019	-	156.30	156.30
Reclassified on account of Ind AS 116	314.51	-	314.51
Additions	-	1,044.47	1,044.47
At 31st March 2020	314.51	1,200.77	1,515.28
Depreciation as at 1st April 2019			
Charge for the year	5.33	275.11	280.44
At 31st March 2020	5.33	275.11	280.44
Net Book Value			
At 31st March 2020	309.18	925.66	1,234.84

Refer Note No. 3.49 for the related disclosures.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.5 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Non Current		
Investments carried at cost (Unquoted, fully paid, unless otherwise stated)		
Equity shares		
In Subsidiaries		
Emami Bangladesh Limited		
37,916 (31.03.2020 - 37,916) Equity Shares of Taka 100 each	27.82	27.82
Emami International FZE		
1 (31.03.2020 - 1) Equity Share of AED 1,50,000 each	-	-
{net of impairment of ₹18.98 lacs (31.03.2020 - ₹18.98 lacs)}		
Emami Indo Lanka (Pvt) Limited	4.79	4.79
1,13,850 (31.03.2020 - 1,13,850) Equity Shares of LKR 10 each		
In Associates		
Helios Lifestyle Private Limited	1,944.18	1,944.18
72,261 (31.03.2020 - 72,261) Equity Shares of ₹10 each		
Brillare Science Private Limited	1,026.38	1,009.50
2,27,973 (31.03.2020 - 2,27,973) Equity shares of ₹10 each		
{net of impairment of ₹152.62 lacs (31.03.2020 - ₹169.50 lacs)}		
Investments carried at amortised cost (Unquoted)		
Government & Trust Securities		
6 Years' National Savings Certificate	-	0.24
(i)	3,003.17	2,986.53
Investments carried at FVTPL (Unquoted, fully paid)		
Preference Shares		
In Associates		
Brillare Science Private Limited { Refer note (b) below }	1,240.74	-
15,00,000 (31.03.2020 - Nil) shares of ₹10 each		
Units of Alternate Investment Fund		
Fireside Ventures Investment Fund - I	3,452.63	2,343.14
1,307.20 (31.03.2020 - 1,307.20) Units of ₹1,00,000 each		
(ii)	4,693.37	2,343.14
Investments Carried at FVTOCI (Quoted, fully Paid)		
Equity Shares		
Emami Paper Mills Limited	9,845.09	3,933.27
79,46,000 (31.03.2020 - 79,46,000) Equity Shares of ₹2 each		
(iii)	9,845.09	3,933.27
Total (i) + (ii) + (iii)	17,541.63	9,262.94
Aggregate Amount of Quoted Investments & Market Value thereof	9,845.09	3,933.27
Aggregate Amount of Unquoted Investments	7,696.54	5,329.67
Aggregate Amount of impairment in value of Investment	171.60	188.48

Notes -

- Refer Note No 3.46 for determination of fair value
- During the year, the Company has invested in 15,00,000 Compulsorily convertible preference shares (CCPS) of Brillare Science private limited (BSPL) amounting to ₹150 lacs under a shareholder's agreement. As per the terms of the CCPS, the Company is entitled to convert such CCPS into fully paid up Equity Shares in April 2022, at a conversion rate to be determined based on formula stipulated in the agreement.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.6 LOANS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At amortised cost		
Unsecured, Considered Good		
Security Deposits to Related Parties (Refer Note No 3.53)	31.35	31.55
Security Deposits to Others	471.96	490.62
Loans to Related Parties (Refer Note No 3.53)	2,421.80	3,998.45
Loans to Employees	41.48	106.68
At FVTPL		
Unsecured, Considered Good		
Loans to Related Parties (Refer Note No 3.53)	382.98	345.25
Total	3,349.57	4,972.55

3.7 OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
At amortised cost				
Unsecured, Considered Good unless otherwise stated				
Incentive Receivable*	5,999.77		3,264.52	
Less: Provision for Doubtful Receivables	(178.67)	5,821.10	(178.67)	3,085.85
Other Receivables **	845.04		911.00	
Less: Provision for Doubtful Receivables	(455.55)	389.49	(60.00)	851.00
Total		6,210.59		3,936.85

* It include Capital & Other Subsidies, GST refund, etc.

** Comprise of advances given to supplier in earlier years, now refundable.

3.8 NON-CURRENT TAX ASSETS (Net)

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Advance Income Tax (Net of Provision)	-	1,300.05
Total	-	1,300.05

3.9 OTHER NON-CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, Considered Good unless otherwise stated		
Capital Advances	993.72	1,845.66
Deposit with Government authorities	350.62	373.96
Prepaid Expenses	136.05	268.75
Total	1,480.39	2,488.37

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.10 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
(At lower of cost and net realisable value)				
Raw materials and Packing materials				
Raw Material	8,280.01		5,138.88	
Packing Material	4,131.89	12,411.90	3,624.69	8,763.57
Work-in-Progress		446.80		407.98
Finished Goods		9,657.74		10,382.26
Stock- in- Trade		3,681.81		2,180.48
Stores and Spares		726.62		854.59
Total		26,924.87		22,588.88

- (a) During the year ended 31st March 2021, ₹ 131.90 lacs (31st March 2020: ₹ 57.51 lacs) was recognised as an expense for inventories carried at net realisable value.
- (b) Above includes Inventories in Transit:
 Raw Materials : ₹ 624.21 lacs (31.03.2020 : ₹ 715.58 lacs)
 Packing Materials : ₹ 68.97 lacs (31.03.2020 : ₹ 78.45 lacs)
 Finished Goods : ₹ 211.69 lacs (31.03.2020 : ₹ 163.72 lacs)
- (c) Refer Note No 3.24 for information on inventories pledged as security

3.11 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Current		
Investments carried at FVTPL (Unquoted)		
Units of Mutual Fund		
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	-	3,012.04
Nil (31.03.2020 - 9,42,561) Units of ₹100 each		
PGIM India Money Market Fund - Direct Plan Growth	-	501.50
Nil (31.03.2020 - 50,000) Units of ₹1,000 each		
Axis Liquid Fund - Direct- Growth	500.03	301.77
21,885 (31.03.2020 - 13,690) Units of ₹1,000 each		
Nippon India Floating Rate Fund - Direct Growth Plan	3,832.57	1,016.75
1,06,49,590 (31.03.2020 - 30,92,127) Units of ₹10 each		
PGIM India Insta Cash Fund - Direct Plan Growth	500.02	2,000.88
1,86,534 (31.03.2020 - 7,74,556) Units of ₹100 each		
Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan	499.98	-
1,74,104 (31.03.2020 - Nil) Units of ₹100 each		
ICICI Money Market Fund - Direct Growth Plan	499.98	-
1,69,323 (31.03.2020 - Nil) Units of ₹100 each		
Mahindra Manulife Short Term Fund - Direct Growth Plan	704.15	-
69,97,971 (31.03.2020 - Nil) Units of ₹10 each		
Nippon India Overnight Fund - Direct Growth Plan	450.53	-
4,07,812 (31.03.2020 - Nil) Units of ₹100 each		
Tata Money Market Fund - Direct Growth Plan	1,903.39	-
51,866 (31.03.2020 - Nil) Units of ₹1,000 each		
Total	8,890.65	6,832.94
Aggregate Amount of Unquoted Investments	8,890.65	6,832.94

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.12 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At amortised cost		
Secured		
Considered Good	955.55	1,006.09
Unsecured		
Considered Good	9,016.22	17,162.58
Trade Receivable - Credit Impaired	2,667.00	2,055.66
Subtotal	12,638.77	20,224.33
Less: Allowance for Credit Impaired	2,667.00	2,055.66
Total	9,971.77	18,168.67

Set out below is the movement in the allowance for expected credit losses of trade receivables:

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
As at 1st April	2,055.66	-
Provision for expected credit losses	611.34	2,055.66
As at 31st March	2,667.00	2,055.66

- (a) Refer Note No 3.24 for information on receivables secured against borrowings.
- (b) No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (c) Refer Note no 3.53 for information on receivables from related parties.
- (d) Refer Note no 3.51 for credit risk and market risk.

3.13 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
Balances with Banks	303.47		343.02	
Cash on hand	20.38	323.85	13.72	356.74
Total		323.85		356.74

Changes in liabilities arising from financing activities

₹ in Lacs

Particulars	1st April 2020	Cash Flow	On Account of Ind AS 116	31st March 2021
Current borrowings (excluding items listed below)	15,824.50	(11,171.57)	-	4,652.93
Current Lease Liabilities	520.22	(518.01)	352.08	354.29
Non-Current Lease Liabilities	429.42	-	(287.61)	141.81
Total	16,774.14	(11,689.58)	64.47	5,149.03

₹ in Lacs

Particulars	1st April 2019	Cash Flow	On Account of Ind AS 116	31st March 2020
Current borrowings (excluding items listed below)	5,434.06	10,390.44	-	15,824.50
Current Lease Liabilities	-	(251.14)	771.36	520.22
Non-Current Lease Liabilities	-	-	429.42	429.42
Total	5,434.06	10,139.30	1,200.78	16,774.14

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.14 OTHER BANK BALANCES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Other Bank Balances		
Unpaid Dividend account #	231.02	187.13
Balance in Escrow account ##	-	5,003.60
Deposits with Original maturity of more than 3 months but less than 12 months*	30,238.04	182.36
Total	30,469.06	5,373.09

Earmarked for payment of Unclaimed Dividend

As at 31st march, 2020, the Company had deposited an amount equivalent to 25% of the maximum Buyback size in the escrow account which includes ₹ 480 lacs i.e. 2.5% total buyback amount kept as deposit.

* Includes deposits amounting to ₹ 55.74 lacs (31.03.2020 : ₹182.36 lacs) under lien.

3.15 LOANS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At amortised cost		
Unsecured, considered good		
Loans to Employees	202.15	255.21
Loans to Others	-	6,000.00
Deposits *	-	275.38
Total	202.15	6,530.59

* amount held as margin money with the broker for buyback of shares.

3.16 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
Unsecured, considered good				
At amortised cost				
Interest Receivable				
– from related parties (Refer Note No 3.53)	305.11		291.97	
– from others	208.14	513.25	1,946.89	2,238.86
Other Receivable				
– from related parties (Refer Note No 3.53)	893.44		921.23	
– from others	53.20	946.64	133.30	1,054.53
Incentive receivable*		3,137.64		5,325.93
At FVTPL				
Derivative assets - Forward & Option **		82.53		29.49
Total		4,680.06		8,648.81

* It include Subsidy, Export Incentives, GST Refund etc.

** Refer Note No. 3.46 for determination of fair value

3.17 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
Unsecured, considered good				
Advances other than Capital Advances				
For goods and services		3,168.21		1,862.25
To employees		21.28		226.94
Balances with Government Authorities		5,122.33		6,155.31
Prepaid Expenses		1,455.29		1,759.83
Unsecured, considered doubtful				
Advances other than Capital Advances				
For goods and services	47.35		47.35	
Less: Provision for Doubtful Advances	(47.35)	-	(47.35)	-
Total		9,767.11		10,004.33

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.18 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised		
50,00,00,000 (31.03.2020-50,00,00,000) Equity Shares of ₹1/- each	5,000.00	5,000.00
Issued		
44,45,13,740 (31.03.2020-45,39,35,238) Equity Shares of ₹1/- each fully paid up	4,445.14	4,539.34
Subscribed & Paid up*		
44,45,13,740 (31.03.2020-45,31,80,768) Equity Shares of ₹1/- each fully paid up	4,445.14	4,531.81
Total Issued, Subscribed and Fully paid up Share Capital	4,445.14	4,531.81

* Of the above, 22,69,67,619 (31.03.2020 : 22,69,67,619) equity shares fully paid up have been issued in consideration other than cash by way of bonus shares in last 5 years.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
Shares outstanding at the beginning of the year	4,53,180,768	4,531.81	4,53,935,238	4,539.35
Less : Shares bought back	8,667,028	86.67	754,470	7.54
Shares outstanding at the end of the year	4,44,513,740	4,445.14	4,53,180,768	4,531.81

Refer Note No. 3.56 for Buy back of equity shares

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares & pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and is accounted for in the year in which it is approved by the shareholders in the general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholders holding more than 5% shares in the Company

Names of the shareholders	As at 31.03.2021		As at 31.03.2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Sneha Gardens Private Limited	1,05,720,226	23.78	-	-
Sneha Enclave Private Limited	98,667,956	22.20	-	-
Diwakar Vinayog Private Limited	-	-	49,533,849	10.91
Suntrack Commerce Private Limited	-	-	49,134,107	10.82
Bhanu Vyapaar Private Limited	-	-	43,765,902	9.64
SBI Consumption Opportunities Fund	-	-	31,486,699	6.94

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.19 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Retained Earnings		
Opening balance	55,104.72	69,963.83
Net Profit for the Year	47,512.80	28,911.97
Remeasurements of the Net Defined Benefit Plans (net of tax)	125.28	8.34
Final Dividend#	-	(18,157.41)
Interim Dividend#	(35,561.10)	(18,157.40)
Corporate Dividend Tax#	-	(7,464.61)
Closing Balance	67,181.70	55,104.72
Other Comprehensive Income		
Opening Balance	3,688.26	13,422.12
Investment in Equity shares at fair value through Other Comprehensive Income	5,813.21	(9,733.86)
Closing Balance	9,501.47	3,688.26
Other Reserves		
Capital Reserves	79.64	79.64
Securities Premium		
Opening balance	29,295.50	30,935.49
Amount paid/payable upon Buy back ##	(17,868.00)	(1,236.69)
Buyback distribution tax ##	(4,179.87)	(289.13)
Transaction costs related to Buyback ##	(22.83)	(114.17)
Closing Balance	7,224.80	29,295.50
Capital Redemption Reserve (CRR)		
Opening balance	7.54	-
Appropriation from general reserve upon Buyback of equity shares ##	86.67	7.54
Closing Balance	94.21	7.54
General Reserve		
Opening Balance	87,492.46	87,500.00
Transfer to capital redemption reserve upon Buyback of equity shares ##	(86.67)	(7.54)
Closing Balance	87,405.79	87,492.46
Total	1,71,487.61	1,75,668.12

Refer Note No : 3.48

Refer Note No : 3.56

Nature and purpose of reserves

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares /buyback of shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.19 OTHER EQUITY (Contd.)

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years.

Retained Earnings

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

Capital Redemption Reserve

Represents the nominal value of Equity shares bought back pursuant to Buyback in accordance with Section 69 of the Companies Act, 2013.

3.20 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At amortised cost		
Unsecured		
Trade Deposits	244.37	287.80
Security Deposits	424.94	424.94
Lease Liabilities #	141.81	429.42
Total	811.12	1,142.16

Refer Note no 3.49

3.21 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits		
Gratuity (Refer Note No: 3.37)	1,900.21	1,855.29
Total	1,900.21	1,855.29

3.22 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in depreciable assets	3,839.00	4,170.83
Tax impact arising on fair value gain on financial instruments	653.00	38.15
Deferred Tax Assets		
Tax Impact of expenses allowable against taxable income in future years	(4,492.00)	(4,208.98)
Total	-	-

Refer Note no 3.47

3.23 OTHER NON-CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Government Grants*	1,973.33	2,155.69
Total	1,973.33	2,155.69

*To be amortised to income over the life of the assets against which such grants are received / receivable.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.24 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
At amortised cost				
Secured				
From Banks				
Cash Credit (including working capital demand loan)	298.49		3,793.00	
Packing Credit	2,226.66	2,525.15	1,500.00	5,293.00
(Both cash credit & packing credit is secured by hypothecation of inventories, book debts on first charge basis ranking pari passu amongst lenders)				
Unsecured				
From Banks				
Cash Credit (including working capital demand loan)	-		8,783.98	
Packing Credit	2,127.78	2,127.78	1,747.52	1,053.50
Total		4,652.93		15,824.50

Notes :

- Cash Credit (including working capital demand loan) is repayable within 7 days & carries interest in the range of 6.60% - 13.96% (31.03.2020 : Interest rate 7.00% - 9.45%)
- Packing credit is repayable within 6 months & carries interest in the range of 1.60% - 5.00% (31.03.2020 : Interest rate 4.00% - 5.00%)

3.25 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At amortised cost		
Total outstanding dues of Micro & Small Enterprises (Refer Note No: 3.40)	1,213.83	1,356.92
Total outstanding dues of creditors other than Micro & Small Enterprises	26,705.06	22,555.53
Total	27,918.89	23,912.45

Refer Note no 3.51 for liquidity risk and market risk

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled between 30 to 60 days term

3.26 OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At amortised cost		
Interest Accrued but not due on Borrowings	22.34	26.21
Interest Accrued and due on Trade Deposits	8.36	8.03
Creditors for Capital Goods	296.96	504.76
Unpaid Dividend ##	231.02	187.13
Employee Benefits	4,405.63	3,059.37
Security Deposit	6.14	79.50
Lease Liabilities #	354.29	520.22
Other Payables	-	112.45
At FVTPL		
Financial Guarantee Obligation (Refer Note No 3.53)	3,879.00	4,766.29
Total	9,203.74	9,263.96

Refer Note No : 3.49

Unpaid dividend does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.27 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Government Grants*	212.28	212.26
Advance from Customers	815.52	530.05
Duties & Taxes	1,024.17	3,748.50
Total	2,051.97	4,490.81

* To be amortised to income over the life of the assets against which such grants are received / receivable.

3.28 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits		
Provident Fund (Refer Note No: 3.38)	400.57	352.05
Leave Encashment	972.61	914.28
Others		
Provision for Litigation (Refer Note No: 3.39)	874.27	1,436.38
Provision for Rebates and Damage return (Refer Note No: 3.64)	1,886.44	1,930.44
Total	4,133.89	4,633.15

3.29 CURRENT TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Direct Taxes (Net of Advance Tax)	1,830.42	-
Total	1,830.42	-

3.30 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2020-2021	2019-2020
Revenue from contracts with customers		
Sale of Products (Refer Note No 3.63)	2,55,173.25	2,34,207.05
Other Operating Revenues*	3,055.44	4,785.31
Total	2,58,228.69	2,38,992.36

* It includes amortisation of Capital Subsidy, Export incentives and GST Refund

3.31 OTHER INCOME

₹ in Lacs

Particulars	2020-2021	2019-2020
Interest Received on financial assets carried at amortised cost		
Loans & Deposits	1,630.51	2,688.13
Dividend Income from equity investment carried at cost	2,823.45	3,852.55
Dividend Income from equity investment carried at fair value through OCI	-	95.35
Provision for impairment of equity investment in associate written back	16.88	-
Provision for financial guarantee / doubtful trade receivable of a subsidiary written back (Refer Note No 3.53)	592.00	-
Provision for litigation written back	562.11	-
Income from financial assets carried at fair value through Profit or Loss		
Profit on fair value of investment in CCPS in associate	1,090.74	-
Profit on Sale / Fair Value of mutual funds and AIF	2,830.37	1,437.53
Profit on fair value of derivatives instruments	53.04	-
Profit on Sale of Property, Plant & Equipments (net)	-	589.18
Rent and Maintenance Charges Received	513.36	536.29
Sundry Balances Written Back	38.51	93.11
Miscellaneous Receipts	253.98	116.40
Total	10,404.95	9,408.54

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.32 COST OF MATERIALS CONSUMED

₹ in Lacs

Particulars	2020-2021		2019-2020	
Raw materials and Packing materials				
Opening Stock	8,763.57		7,942.53	
Add : Purchases during the year	71,629.88		71,865.61	
Less : Closing Stock	12,411.90		8,763.57	
Total		67,981.55		71,044.57

3.33 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK- IN- PROGRESS

₹ in Lacs

Particulars	2020-2021		2019-2020	
(I) Opening Stock				
Work-in-progress	407.98		411.41	
Finished Goods	10,382.26		8,757.59	
Stock-in-Trade	2,180.48	12,970.72	3,445.72	12,614.72
(II) Closing Stock				
Work-in-progress	446.80		407.98	
Finished Goods	9,657.74		10,382.26	
Stock-in-Trade	3,681.81	13,786.35	2,180.48	12,970.72
(I) - (II)		(815.63)		(356.00)

3.34 EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	2020-2021	2019-2020
Salaries and Wages	24,081.05	22,732.15
Staff Contribution to Provident and Other Funds	1,494.43	1,678.68
Gratuity Expenses (Refer Note No 3.37)	547.59	539.74
Welfare Expense	552.08	619.09
Total	26,675.15	25,569.66

3.35 FINANCE COSTS

₹ in Lacs

Particulars	2020-2021	2019-2020
Interest on debts & borrowings	1,144.73	1,842.34
Interest on lease liabilities	56.52	47.53
Total	1,201.25	1,889.87

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.36 OTHER EXPENSES

₹ in Lacs

Particulars	2020-2021		2019-2020	
Consumption of Stores and Spare parts		922.59		578.91
Power and Fuel		2,090.25		2,180.82
Rent (Refer Note No 3.49)		329.49		559.26
Repairs & Maintenance :				
Building	174.41		213.70	
Machinery	731.09		1,071.01	
Others	1,692.27	2,597.77	1,883.82	3,168.54
Insurance		310.48		222.84
Freight & Forwarding		7,082.27		5,912.57
Directors' Fees and Commission		599.55		601.00
Advertisement & Sales Promotion		34,408.72		37,112.81
Packing Charges		5,312.72		5,854.56
Commission		920.93		893.90
Loss on Sale/Disposal of Property, Plant & Equipments (net)		139.00		-
Provision for doubtful receivables		395.55		124.69
Provision for doubtful trade receivables (Refer Note No 3.53)		304.00		2,055.66
Legal and Professional Fees		3,093.94		3,238.75
Travelling and Conveyance		1,063.02		2,418.68
Expenditure on CSR Activities (Refer Note No 3.52)		781.11		564.14
Provision of financial guarantee obligation (Refer Note No 3.53)		-		4,766.29
Loss on fair value of derivatives		-		341.87
Loss on fair value of Loan at FVTPL		-		54.75
Loss on Impairment of Investment in an Associate & a Subsidiary		-		188.48
Foreign exchange loss (net)		34.45		-
Miscellaneous Expenses (Refer Note No 3.43)		2,240.25		2,756.93
Total		62,626.09		73,595.45

3.37 DEFINED BENEFIT PLAN (GRATUITY) :

- (i) The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death. The Company makes contributions to Himani Limited Gratuity Fund, J.B. Marketing and Services Employees Gratuity Fund, Zandu Pharmaceuticals Employees Gratuity Fund & Kemco Chemicals Employees Gratuity Fund, which is funded defined benefit plan for qualifying employees.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.37 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

(ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs

Particulars	Gratuity Funded	
	As at 31.03.2021	As at 31.03.2020
A Expenses Recognised in the Income Statement		
1. Current Service Cost	428.93	412.69
2. Past Service Cost	-	-
3. Loss/(Gain) on settlement	-	-
4. Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	118.66	127.05
5. Total Expenses recognised in the Statement of Profit & Loss	547.59	539.74
B Assets and Liability		
1. Present value of Obligation	4,922.76	4,427.29
2. Fair Value of Plan Assets	3,022.55	2,572.00
3. Funded Status [Surplus/(deficit)]	(1,900.21)	(1,855.29)
4. Net asset/(liability) recognised in balance sheet	(1,900.21)	(1,855.29)
C Change in Present Value of Obligation		
1. Present value of Obligation as at beginning of period	4,427.29	3,899.13
2. Current Service Cost	428.93	412.69
3. Interest Expense or Cost	283.15	296.95
4. Re-measurement (or Actuarial)(gain)/loss arising from :		
– Change in demographic assumptions	-	(61.13)
– Change in financial assumptions	133.45	121.00
– Experience variance (i.e. Actual experience Vs assumptions)	(121.24)	(72.69)
5. Past Service Cost	-	-
6. Benefits Paid	(228.82)	(168.66)
7. Acquisition Adjustment	-	-
8. Effect of business combinations or disposals	-	-
9. Present value of Obligation as at the end of period	4,922.76	4,427.29
D Change in Fair Value of Plan Assets		
1. Fair Value of Plan Assets at beginning of period	2,572.00	2,230.76
2. Investment Income	164.49	169.90
3. Employer's Contribution	350.87	340.00
4. Benefits paid	(228.82)	(168.66)
5. Return on plan assets, excluding amount recognised in net interest expense	164.01	-
6. Acquisition Adjustment	-	-
7. Fair Value of Plan Assets at end of period	3,022.55	2,572.00
E Other Comprehensive Income		
1. Actuarial (gains)/losses		
– Change in demographic assumptions	-	(61.13)
– Change in financial assumptions	133.45	121.00
– Experience variance (i.e. Actual experience Vs assumptions)	(121.24)	(72.69)
2. Return on plan assets, excluding amount recognised in net interest expense	(164.01)	-
3. Components of defined benefit costs recognised in other comprehensive income	(151.80)	(12.82)

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2021	As at 31.03.2020
Funds managed by Insurer	100%	100%

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.37 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

iv) Assumptions

Particulars	As at 31.03.2021	As at 31.03.2020
Financial Assumptions		
Discount Rate (%)	6.20%	6.40%
Salary Growth Rate (per annum)	8.00%	6% for the first two years and 8% thereafter
Demographic Assumptions		
Mortality Rate	100% (% of IALM 12-14)	100% (% of IALM 12-14)
Withdrawal Rate (per annum)	13.00%	13.00%

(v) Sensitivity Analysis :

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at 31.03.2021	As at 31.03.2020
Defined Benefit Obligation (Base)	4,922.76	4,427.29

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (₹ in lacs)	5,150.57	4,715.46	4,629.43	4,243.27
(% change compared to base due to sensitivity)	4.60%	-4.20%	4.60%	-4.20%
Salary Growth Rate (- / + 1%) (₹ in lacs)	4,716.94	5,144.44	4,243.03	4,625.71
(% change compared to base due to sensitivity)	-4.20%	4.50%	-4.20%	4.50%
Attrition Rate (-/+ 50% of present attrition rate) (₹ in lacs)	5,112.21	4,801.54	4,582.23	4,327.58
(% change compared to base due to sensitivity)	3.80%	-2.50%	3.50%	-2.30%
Mortality Rate (- / + 10%) (₹ in lacs)	4,923.26	4,922.27	4,427.67	4,426.93
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(vi) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected Contribution during the next annual reporting period

Particulars	As at 31.03.2021	As at 31.03.2020
The Company's best estimate of Contribution during the next year	300.00	300.00

₹ in Lacs

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.37 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

c) Maturity Profile of Defined Benefit Obligation

Particulars	As at 31.03.2021	As at 31.03.2020
Weighted average duration (based on discounted cashflows)	4 Years	4 Years
₹ in Lacs		
Expected Cash Flows over the next (valued on undiscounted basis)	2020-2021	2019-2020
1 Year	1,700.92	1,591.42
2 to 5 Years	2,056.43	1,820.97
6 to 10 Years	1,684.80	1,387.87
More than 10 Years	1,291.09	1,299.52

(vii) Description of Risk Exposures

Valuations are performed on certain basic set of pre determined assumptions and other regulatory frame work which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions considered for the valuation.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts. (e.g. Increase in the maximum limit on gratuity of ₹20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

3.38 DEFINED BENEFIT PLAN (PROVIDENT FUND)

(i) In respect of certain employees, provident fund contributions are made to a Trust administered by the Company.

The defined benefit obligation arises from the possibility that during any time period in the future, the scheme may earn insufficient investment income to meet the guaranteed interest rate declared by government/EPFO / relevant authorities.

The net defined benefit obligation as at the valuation date, thus, represents the excess of accrued account value plus interest rate guaranteed liability over the fair value of plan assets.

(ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

Particulars	As at 31.03.2021	As at 31.03.2020
Accumulated Account Value of Employee's Fund	14,433.30	11,914.68
Interest Rate Guarantee Liability	435.76	275.50
Present value of benefit obligation at end of the period	14,869.06	12,190.18
Fair Value of Plan Assets	14,468.49	11,838.13
Net Asset / (Liability)	(400.57)	(352.05)

₹ in Lacs

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.38 DEFINED BENEFIT PLAN (PROVIDENT FUND) (Contd.)

	₹ in Lacs	
Interest Rate Guarantee Liability	As at 31.03.2021	As at 31.03.2020
Interest Rate Guarantee Liability	435.76	275.50
Fund Reserve and (Shortfall)/Surpluses	35.19	(76.55)
Net Liability	400.57	352.05

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2021	As at 31.03.2020
Government of India securities	7.75%	11.05%
State Government securities	41.10%	36.49%
High quality corporate bonds	41.99%	42.55%
Equity shares of listed companies	4.72%	3.12%
Special Deposit Scheme	0.20%	0.25%
Bank balance	1.72%	2.29%
Other Investments	2.52%	4.25%
Total	100.00%	100.00%

(iv) Assumptions

Particulars	As at 31.03.2021	As at 31.03.2020
Discount rate	5.30%	5.62%
Expected Guarantee Interest Rate	8.50%	8.50%
Mortality Rate	100% (% of IALM 12-14)	100% (% of IALM 12-14)
Attrition Rate (for all ages; per annum)	13.00%	13.00%

(v) Liability sensitivity analysis

Significant actuarial assumptions for the determination of the guarantee liability are interest rate guarantee and discount rate.

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	₹ in Lacs	
Particulars	As at 31.03.2021	As at 31.03.2020
Defined Benefit Obligation (Base)	14,869.06	12,190.18

	₹ in Lacs			
Particulars	As at 31.03.2021		As at 31.03.2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (₹ in Lacs)	14,878.26	14,860.19	12,199.86	12,174.43
(% change compared to base due to sensitivity)	0.06%	-0.06%	0.08%	-0.13%
Interest rate guarantee (-/+ 1%) (₹ in Lacs)	14,536.56	15,520.03	11,914.68	12,803.38
(% change compared to base due to sensitivity)	-2.24%	4.38%	-2.26%	5.03%

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.39 THE COMPANY HAS MADE A PROVISION OF ₹107.96 LACS (31.03.2020 - ₹662.88 LACS) TOWARDS CASES WHICH ARE UNDER LITIGATION/DISPUTE DURING THE YEAR AS SHOWN BELOW :

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
Opening Balance	1,436.38	773.50
Provisions made during the year	107.96	662.88
Payment/reversals during the year	(670.07)	-
Closing Balance	874.27	1,436.38

3.40 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006:

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	1,213.83	1,356.92
– Interest due on above	-	-
Total	1,213.83	1,356.92
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

3.41 (A) Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulation 2015

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
Loan to Subsidiary : (including interest)		
Emami International FZE	2,043.48	3,647.75
Emami Indo Lanka Private Limited	515.09	492.67
Maximum amount outstanding at any time during the year (including interest)		
Emami International FZE	3,647.75	3,647.75
Emami Indo Lanka Private Limited	515.09	492.67
Loan to Associates : (including interest)		
Helios Lifestyle Private Limited	551.33	495.25
Maximum amount outstanding at any time during the year (including interest)		
Helios Lifestyle Private Limited	551.33	563.82

(B) Disclosures pursuant to Sub-Section (4) of Section 186 of Companies Act, 2013:

- Details regarding investments made are given under Note No. 3.5
- Details regarding Loans and guarantees given are as follows :

Particulars	Note No.	Purpose	₹ in Lacs	
			As at 31.03.2021	As at 31.03.2020
Loan to Subsidiary and Associates	3.53	Working Capital Requirements	2,804.78	4,343.70
Loan to Others		Working Capital Requirements	-	6,000.00
Corporate Guarantee given	3.42 & 3.53	Working Capital Requirements	8,197.05	8,460.53

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

- (C) Security Deposit of ₹5.35 lacs (31.03.2020 - ₹5.45 lacs) given to Directors of the Company against tenancies. (Maximum amount outstanding during the year - ₹5.45 lacs (31.03.2020 - ₹5.55 lacs).

3.42 CONTINGENT LIABILITIES & COMMITMENTS

I) Contingent Liabilities

	₹ in Lacs	
(a) Claims against the Company not acknowledged as debt :	As at 31.03.2021	As at 31.03.2020
i) Excise Duty, GST and Customs demands	294.02	247.29
ii) Sales Tax demands under appeal	178.01	235.86
iii) Others	23.05	23.05

Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary. The timing of outflow of resources is not ascertainable.

	₹ in Lacs	
(b) Guarantees	As at 31.03.2021	As at 31.03.2020
Bank Guarantees	425.91	395.16
Corporate Guarantee issued on behalf of a subsidiary company (Net of Provision - Refer note no. 3.26)	2,341.09	1,665.30
Letter of Comfort issued on behalf of subsidiary company	1,976.96	2,028.94

II) Commitments:

	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
(a) Capital Commitments : Estimated amount of commitments [net of advances of ₹1,249.16 lacs (31.03.2020- ₹1,900.04 lacs)] on capital account not provided for	1,453.38	2,200.99
(b) EPCG Commitments : The Company had procured capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at a concessional rate of customs duty / excise on an undertaking to fulfill quantified export obligation within the specified periods, failing which, the Company has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. Related export obligation to be met is ₹2,408.32 lacs (31.03.2020 - ₹1,427.06 lacs). In addition, the Company needs to maintain the average annual export turnover of ₹3,345.33 lacs to meet the above export obligation. The Company is confident that the above export obligation will be met during the specified period.		
(c) Other Commitments : The Company has ongoing commitment to extend financial support to its wholly-owned subsidiary Emami Indo Lanka (Pvt) Ltd., Srilanka and Step-down subsidiary Pharma Derm SAE Co, Egypt. The future cash flow in respect of the above cannot be ascertained at this stage.		

3.43 PAYMENT TO AUDITORS

	₹ in Lacs	
Particulars	2020-2021	2019-20
As Statutory Auditors :		
Audit Fees	47.50	37.50
Limited Review	45.00	42.50
Other Services	20.00	25.50
Other Reimbursement	3.70	5.50
	116.20	111.00
Payment to Cost Auditors		
Audit Fees	1.50	1.50

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.44 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

Particulars	₹ in Lacs	
	2020-2021	2019-20
Income derived from investment properties	484.11	505.53
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	120.62	113.52
Profit arising from investment properties before depreciation and indirect expenses	363.49	392.01
Less – Depreciation	92.34	91.91
Profit arising from investment properties before indirect expenses	271.15	300.10

Reconciliation of fair value:

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
Fair value of opening balance of Investment Property	5,963.16	7,023.35
Fair value adjustment on opening balance of Investment Property	321.88	(912.19)
Fair value of transfer in/(out)	-	(148.00)
Fair value of closing balance of Investment Property	6,285.04	5,963.16

These valuations are based on valuations performed by the management based on the available market prices of the properties using the level 2 inputs.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

3.45 CATEGORIZATION OF FINANCIAL INSTRUMENTS:

Particulars	₹ in Lacs	
	Carrying value /Fair value As at 31.03.2021	As at 31.03.2020
(i) Financial Assets		
a) Measured at FVTPL		
– Investments in mutual funds / alternate investment fund	12,343.28	9,176.08
– Investments in Preference Shares	1,240.74	-
– Loans	382.98	345.25
– Other Financial Assets (Derivative assets - Forward & Option)	82.53	29.49
b) Measured at FVOCI		
– Investments in Equity Shares	9,845.09	3,933.27
c) Measured at Amortised Cost*		
– Loans	3,168.74	11,157.89
– Other Financial Assets	10,808.12	12,556.17
TOTAL	37,871.48	37,198.15
(ii) Financial Liabilities		
a) Measured at FVTPL		
– Financial Guarantee obligation	3,879.00	4,766.29
b) Measured at Amortised Cost*		
– Borrowings (Secured & Unsecured)	4,652.93	15,824.50
– Other Financial Liabilities	6,135.86	5,639.83
TOTAL	14,667.79	26,230.62

*Fair values of assets / liabilities carried at amortised cost are reasonable approximation of its carrying values.

The Company has not disclosed fair value of financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.46 FAIR VALUE HIERARCHY

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021 :

Particulars	Fair value measurement at end of the reporting year using			₹ in Lacs
	Level 1	Level 2	*Level 3	As at 31.03.2021
				Total
Assets				
Investments in mutual fund units / alternate investment fund	-	12,343.28	-	12,343.28
Investments in Equity	9,845.09	-	-	9,845.09
Investments in Compulsorily Convertible Preference Shares	-	-	1,240.74	1,240.74
Loan	-	-	382.98	382.98
Derivative financial instruments - Derivative assets - Forward & Option	-	-	82.53	82.53
Liability				
Financial Guarantee obligation	-	3,879.00	-	3,879.00

Particulars	Fair value measurement at end of the reporting year using			₹ in Lacs
	Level 1	Level 2	*Level 3	As at 31.03.2020
				Total
Assets				
Investments in mutual fund units / alternate investment fund	-	9,176.08	-	9,176.08
Investments in Equity shares	3,933.27	-	-	3,933.27
Loan	-	-	345.25	345.25
Derivative financial instruments - Derivative assets - Forward & Option	-	-	29.49	29.49
Liability				
Financial Guarantee obligation	-	4,766.29	-	4,766.29

* Refer note below for valuation technique and inputs used.

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Compulsorily Convertible Preference Shares	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will decrease profit before tax by ₹27.66 lacs and 1% decrease will increase profit before tax by ₹28.51 lacs.
Loan	Income Approach Method	Yield to maturity	0.50% increase in Yield to Maturity rate will increase profit before tax by ₹2.49 lacs and 0.50% decrease will decrease profit before tax by ₹1.51 lacs.
Derivative Financial instrument - Options Contract	Income Approach Method using the option pricing model	Volatility Factors	5% increase in Volatility factors will decrease Profit before tax by ₹4.81 lacs and 5% decrease will increase Profit before tax by ₹4.78 lacs.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.46 FAIR VALUE HIERARCHY (Contd.)

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

Reconciliation of fair value measurement of Level 3 assets

Particulars	Amount (₹ in Lacs)
As at 01.04.2019	1,350.36
Purchases /Addition	345.25
Disposal/Deletion	979.00
Fair Value Changes	(341.87)
As at 31.03.2020	374.74
Purchases /Addition	150.00
Disposal/Deletion	-
Fair Value Changes	1,181.51
As at 31.03.2021	1,706.25

3.47 INCOME TAXES

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below :

	₹ in Lacs	
Particulars	2020-2021	2019-2020
Profit before Income Taxes	57,421.58	33,785.64
Enacted Tax Rate in India	34.94%	34.94%
Computed expected tax expenses	20,065.40	11,806.05
Tax Incentives for 80IC/IE units	(13,588.32)	(8,750.48)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	4,329.73	2,886.61
Expenses not allowable	273.09	197.13
Lower tax rate on dividend received from foreign subsidiary	(493.63)	(768.39)
Adjustment to normal tax since MAT utilised	(343.00)	(214.00)
Credit on Dividend received from Foreign subsidiaries as per Income Tax Act	-	(792.00)
Tax on realised gain on fair value of Mutual Fund/AIF set off against Short term carried forward losses	(533.00)	(197.00)
Deferred Tax Asset not Recognised	367.70	559.85
Other Adjustments	(169.19)	145.90
Income Tax expense	9,908.78	4,873.67

Details of current tax (MAT) for the year:

	₹ in Lacs	
Particulars	2020-2021	2019-2020
Current tax / MAT*	10,376.91	6,641.00
Less : MAT credit utilised	(343.00)	(214.00)
Add : Deferred tax charge/(credit)	(125.13)	(1,553.33)
Income Tax expense	9,908.78	4,873.67
Income tax relating to remeasurement of the net defined benefit liability/ asset	26.52	4.48
Total Income Tax Expense	9,935.30	4,878.15

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.47 INCOME TAXES (Contd.)

Deferred Tax Assets for MAT Credit entitlement amounting to ₹27,985.28 lacs (31.03.2020 - ₹28,328.35 lacs) and deferred tax asset on temporary differences amounting to ₹927.55 lacs (31.03.2020 - ₹559.85 lacs) has not been recognised by the Company considering that the availability of taxable profit against which such deductible temporary difference can be utilised cannot be ascertained with required level of certainty. Deferred Tax Credit amounting to ₹125.13 lacs during the year is on account of adjustment related to fair valuation of equity instrument through other comprehensive income.

Table showing assessment years till which unutilised MAT credits can be carried forward:

Assessment Year (A.Y)	Net Balance available (₹ in Lacs)	MAT Credit available till A.Y
2009-10	225.00	2024-25
2010-11	1,698.00	2025-26
2011-12	1,473.75	2026-27
2012-13	1,943.09	2027-28
2013-14	4,285.57	2028-29
2014-15	2,647.87	2029-30
2016-17	6,642.52	2031-32
2017-18	4,793.46	2032-33
2018-19	2,505.27	2033-34
2019-20	1,770.75	2034-35
TOTAL	27,985.28	

The Taxation Laws (Amendment) Ordinance, 2019 was promulgated on 20 September 2019, which amends the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019. The Ordinance provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. Further, CBDT has clarified that the tax credit of MAT paid by the domestic company exercising option under section 115BAA of the Act shall not be available consequent to exercising of such option.

As there is no time line within which option under section 115BAA can be exercised, it may be noted that a domestic company having credit of MAT may, if it so desires, exercise the option after utilising the said credit against the regular tax payable. The management has assessed the impact of the above ordinance and CBDT clarification and in view of the significant amount of MAT credit and a unit having tax holiday, the management has chosen not to opt for lower tax rates and continue with the normal tax rate.

3.48 DISTRIBUTION OF DIVIDEND

Particulars	₹ in Lacs	
	2020-2021	2019-2020
Dividend on equity shares declared and paid :		
Final dividend for the year ended on 31.03.2020 :- ₹ Nil per share (31.03.2019 :- ₹4.00 per share)	-	18,157.41
Dividend Distribution Tax (DDT) on final dividend	-	3,732.31
1st Interim dividend for the year ended 31.03.2021 :- ₹4.00 per share (31.03.2020 :- ₹2.00 per share)	17,780.55	9,078.70
DDT on Interim dividend*	-	1,866.15
2nd Interim dividend for the year ended 31.03.2021 :- ₹4.00 per share (31.03.2020 :- ₹2.00 per share)	17,780.55	9,078.70
DDT on Interim dividend*	-	1,866.15
	35,561.10	43,779.42

* With effect from 1 April 2020, the Dividend Distribution Tax ("DDT") payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.49 LEASES

Company as a Lessee

The Company has lease contracts for Warehouse and office spaces used in its operations. These generally have lease terms between 1 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the year:

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
As at 1st April	1,234.84	470.81
Addition during the year	64.47	1,044.47
Depreciation Expense	527.46	280.44
As at 31st March	771.85	1,234.84

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
As at 1st April	949.64	156.30
Addition during the year	64.47	1,044.47
Accretion of interest	56.52	47.53
Payments	574.53	298.66
As at 31st March	496.10	949.64
Current	354.29	520.22
Non Current	141.81	429.42

The effective interest rate for lease liabilities is 8.0%, with maturity between 2022-2024

The following are the amounts recognised in Statement of Profit and Loss:

Particulars	₹ in Lacs	
	2020-2021	2019-2020
Depreciation expense of right-of use assets	527.46	280.44
Interest expenses on lease liabilities	56.52	47.53
Expense relating to other leases (including in other expenses)	329.49	559.26
Total amount recognised in Statement of Profit and Loss	913.47	887.23

Maturity analysis of lease liabilities are as follows:	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
1 Year	354.29	520.22
2 to 5 Years	141.81	429.42

Company as a Lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

The Company has entered into operating leases on its investment property portfolio consisting of certain office (see Note 3.2). These leases have terms of between 1-5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties. Rental income recognised by the Company during the year is ₹370.12 lacs (31.03.2020: ₹404.29 lacs).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
Within one year	160.76	160.62

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.50 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 0% and 15%. Net debt is defined as current and non-current borrowings (including current maturity of long term debt and interest accrued) less cash and cash equivalents.

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
Net Debt	4,351.42	15,493.97
Total equity	1,75,932.75	1,80,199.93
Net Debt plus Total Equity	1,80,284.17	1,95,693.90
Gearing Ratio	2.41%	7.92%

There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

3.51 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

Foreign Currency risk

The Company operates both in domestic market and internationally and consequently the Company is exposed to foreign exchange risk through its sales in overseas countries, and purchases from overseas suppliers in foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	₹ in Lacs	
	Impact on profit before tax	
	2020-2021	2019-2020
USD Sensitivity		
INR/USD -Increase by 10%*	37.92	(36.65)
INR/USD -Decrease by 10%*	(37.92)	36.65
Euro Sensitivity		
INR/EUR-Increase by 10%*	-	(62.63)
INR/EUR-Decrease by 10%*	-	62.63
GBP Sensitivity		
INR/GBP-Increase by 10%*	(1.40)	-
INR/GBP-Decrease by 10%*	1.40	-
CHF Sensitivity		
INR/CHF-Increase by 10%*	-	(5.68)
INR/CHF-Decrease by 10%*	-	5.68

* Holding all other variables constant

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.51 FINANCIAL RISK MANAGEMENT (Contd.)

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution.

Commodity Price Risk

The Company is affected by the price volatility of its key raw materials. Its operating activities requires a continuous supply of key material for manufacturing of hair oil, talc, balm and other products. The Company's procurement department continuously monitor the fluctuation in price and take necessary action to minimise its price risk exposure.

Security Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company invests its surplus funds in various mutual funds, debt instruments and equity instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments) and certain quoted equity instruments. To manage its price risk arising from investments in mutual funds and equity instruments, the Company diversifies its portfolio. Mutual fund and equity investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

The Company's exposure to securities price risk arises from investments in mutual funds and equity investments held by the Company and classified in the Balance Sheet as fair value through profit or loss / fair value through other comprehensive income is disclosed under Note No.3.5 & 3.11

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹9,971.77 lacs and ₹18,168.67 lacs as at 31.03.2021 and 31.03.2020, respectively. Trade receivables includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses.

No customer individually accounted for more than 10% of the revenues from external customers during the year ended 31st March 2021 and 31st March 2020.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

		₹ in Lacs	
Trade Receivable		As at 31.03.2021	As at 31.03.2020
Less than 30 days		7,965.63	9,535.67
31 - 90 Days		907.05	3,691.00
91 to 180 days		268.35	4,032.00
More than 180 days		830.74	910.00
Total		9,971.77	18,168.67

						₹ in Lacs
		Trade receivables				Total
		1-30 days past due	31-90 days past due	91-180 days past due	More than 180 days past due	
31-Mar-21	Estimated total gross carrying amount at default	9,335.63	1,212.05	1,013.61	1,077.48	12,638.77
	Expected Credit Loss- simplified approach	1,370.00	305.00	745.26	246.74	2,667.00
	Net carrying amount	7,965.63	907.05	268.35	830.74	9,971.77

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.51 FINANCIAL RISK MANAGEMENT (Contd.)

		Trade receivables				₹ in Lacs
		1-30 days past due	31-90 days past due	91-180 days past due	More than 180 days past due	Total
	Estimated total gross carrying amount at default	9,535.67	4,058.38	5,680.73	949.55	20,224.33
31-Mar-20	Expected Credit Loss- simplified approach	-	367.38	1648.73	39.55	2,055.66
	Net carrying amount	9,535.67	3,691.00	4,032.00	910.00	18,168.67

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

		₹ in Lacs	
Particulars	As at 31.03.2021	As at 31.03.2020	
Less than 1 year			
Borrowings	4,652.93	15,824.50	
Interest Payable on Borrowings in future	49.08	111.51	
Trade Payables	27,918.89	23,912.45	
Other financial Liabilities	9,203.74	9,263.96	
	41,824.64	49,112.42	
More than 1 year			
Other financial Liabilities	811.12	1,142.16	
	811.12	1,142.16	
Total	42,635.76	50,254.58	

3.52 DETAILS OF CSR EXPENDITURE

		₹ in Lacs			
Particulars		2020-2021		2019-2020	
		In cash	Yet to paid in cash	In cash	Yet to paid in cash
a)	Gross amount required to be spent by the Company during the year	778.99	-	802.00	-
b)	Amount approved by the Board to be spent during the year	778.99	-	802.00	-
c)	Amount spent during the year				
i)	Construction/Acquisition of any Asset	-	-	-	-
ii)	On Purposes other than (i) above	781.11	-	564.14	-
Total		781.11	-	564.14	-

		₹ in Lacs	
Particulars	2020-2021	2019-2020	
d)	Details related to spent / unspent obligations		
i)	Contribution to Public Trust	-	-
ii)	Contribution to Charitable Trust	739.13	497.25
iii)	On Purposes other than (i) & (ii) above		
—	Ongoing project	-	-
—	Other than ongoing project	41.98	66.89
Total	781.11	564.14	

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.52 DETAILS OF CSR EXPENDITURE (Contd.)

₹ in Lacs

In case of S. 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	778.99	781.11	-

3.53 RELATED PARTY TRANSACTIONS

A. Parties where Control exists /significant influence exist :

		Country of Incorporation	As at 31.03.2021 % of Holding	As at 31.03.2020 % of Holding
ENTITIES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY				
i)	Sneha Gardens Private Limited (w.e.f. 2nd Feb' 2021)	India	23.78%	-
ii)	Sneha Enclave Private Limited (w.e.f. 2nd Feb' 2021).	India	22.20%	-
SUBSIDIARIES				
i)	Emami Bangladesh Limited	Bangladesh	100.00%	100.00%
ii)	Emami International FZE	UAE	100.00%	100.00%
iii)	Emami Indo Lanka (Pvt) Limited	Sri Lanka	100.00%	100.00%
iv)	Emami Overseas FZE - Subsidiary of Emami International FZE	UAE	100.00%	100.00%
v)	Creme 21 GmbH (Formerly known as Fentus 113. GmbH)- Subsidiary of Emami International FZE	Germany	100.00%	100.00%
vi)	Emami RUS (LLC) - Subsidiary of Emami International FZE	Russia	99.99%	99.99%
vii)	Pharmaderm Company SAE.- Subsidiary of Emami Overseas FZE	Egypt	90.60%	90.60%
viii)	Fravin Pty.Ltd, Australia-Subsidiary of Emami International FZE (Ceased w.e.f 16th December, 2020)	Australia	-	85.00%
ix)	Diamond Bio-tech Laboratories Pty Ltd., - Subsidiary of Fravin Pty Ltd. (Ceased w.e.f 16th December, 2020)	Australia	-	85.00%
x)	Abache Pty Ltd, - Subsidiary of Diamond Bio Tech. (Ceased w.e.f 16th December, 2020)	Australia	-	85.00%
Associate				
i)	Helios Lifestyle Private Limited	India	33.09%	33.09%
ii)	Brillare Science Private Limited (w.e.f 22nd April'2019)	India	34.70%	34.70%

B. Other Related Parties with whom transactions have taken place during the period

i) Key Management Personnel

1	Shri R. S. Agarwal	Chairman
2	Shri R. S. Goenka	Executive Director
3	Shri Sushil Kr. Goenka	Managing Director
4	Smt. Priti A. Sureka	Executive Director
5	Shri Mohan Goenka	Executive Director
6	Shri H. V. Agarwal	Executive Director
7	Shri Prashant Goenka	Executive Director
8	Sri N.H.Bhansali	CEO - Finance, Strategy & Business Development and CFO
9	Sri Arun Kumar Joshi	Company Secretary & VP- Legal

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.53 RELATED PARTY TRANSACTIONS (Contd.)

ii) Other Directors

1	Shri Aditya Vardhan Agarwal	Non Executive Director
2	Shri K.N. Memani	Independent Director
3	Shri Amit Kiran Deb	Independent Director
4	Shri Y.P. Trivedi	Independent Director
5	Shri S.B. Ganguly	Independent Director
6	Shri P.K. Khaitan	Independent Director
7	Shri C.K. Dhanuka	Independent Director
8	Smt. Rama Bijapurkar	Independent Director
9	Shri Debabrata Sarkar	Independent Director

iii) Relatives of Key Management Personnel

1	Ms. Usha Agarwal
2	Ms. Saroj Goenka
3	Ms. Indu Goenka
4	Ms. Rachna Bagaria
5	Ms. Laxmi Devi Bajoria
6	Ms. Jyoti Agarwal
7	Ms. Pooja Goenka
8	Ms. Smriti Agarwal
9	Ms. Sobhna Agarwal
10	Ms. Vidisha Agarwal
11	Ms. Avishi Sureka
12	Ms. Jyoti Goenka
13	Ms. Mansi Agarwal
14	Ms. Rachna Goenka
15	Ms. Rashmi Goenka
16	Ms. Richa Agarwal
17	Ms. Shreya Goenka
18	Ms. Vidula Agarwal
19	Shri Raj Kr. Goenka
20	Shri Manish Goenka
21	Shri Jayant Goenka
22	Shri Sachin Goenka
23	Shri Rohin Raj Sureka
24	Shri Vibhash Vardhan Agarwal
25	Shri Yogesh Goenka
26	Shri Saswat Goenka
27	Ms. Chikky Goenka
28	Ms. Vidhishree Agarwal
29	Shri Vihan Vardhan Agarwal

iv) Entities where Key Management Personnel and their relatives have significant influence

1	Suntrack Commerce Private Limited (Upto 1st Feb'2021)
2	Diwakar Viniyog Private Limited (Upto 1st Feb'2021)
3	Bhanu Vyapaar Private Limited (Upto 1st Feb'2021)

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.53 RELATED PARTY TRANSACTIONS (Contd.)

- 4 Suraj Viniyog Private Limited (Upto 1st Feb'2021)
- 5 Emami Paper Mills Limited
- 6 Emami Cement Limited (Upto 21st July'2020)
- 7 Emami Frank Ross Limited
- 8 Pan Emami Cosmed Limited
- 9 Emami Realty Limited
- 10 Emami Agrotech Limited
- 11 CRI Limited
- 12 Aviro Vyapar Private Limited
- 13 AMRI Hospital Limited
- 14 Prabhakar Viniyog Private Limited (Upto 1st Feb'2021)
- 15 Ravi Raj Viniyog Private Limited (Upto 1st Feb'2021)
- 16 Fastgrow Nirman Private Limited (Formerly known as Emami Nirman Private Limited)
- 17 Emami Vriddhi Commercial Private Limited
- 18 Emami Estates Private Limited
- 19 Fastgrow Project Private Limited (Formerly Known as Emami Projects Private Limited)
- 20 Emami Capital Markets Limited
- 21 Emami Group Of Companies Private Limited
- 22 Emami Home Private Limited
- 23 Emami Centre for Creativity Private Limited
- 24 Emami Power Limited (Upto 20th Mar'2020)
- 25 Narcissus Bio-Crops Private Limited (Formerly known as Emami International Private Limited)
- 26 Supervalue Constructions Private Limited (Formerly Known as Emami Constructions Private Limited)
- 27 Supervalue Buildcon Private Limited (Formerly known as Emami Buildcon Private Limited)
- 28 Dev Infracity Private Limited
- 29 Onest Limited (Formerly known as Emta Limited)
- 30 Emami Beverages Limited
- 31 TMT Viniyogan Limited
- 32 EPL Securities Limited
- 33 Pacific Healthcare Pvt. Limited
- 34 Khaitan & Co.
- 35 Khaitan & Co. LLP
- 36 Aditya Vardhan Agarwal HUF
- 37 Manish Goenka HUF
- 38 Mohan Goenka HUF
- 39 Prashant Goenka HUF
- 40 Sushil Kumar Goenka HUF

v) Trust where Key Management Personnel and their relatives have significant influence

- 1 Himani Limited Staff Provident Institution
- 2 Emami Foundation
- 3 Aradhana Trust

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.53 RELATED PARTY TRANSACTIONS (Contd.)

C. Disclosure of Transactions between the Company and Related Parties.

Particulars	Subsidiaries		Associate		Directors, Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Entities having Significant Influence Over the Company		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
₹ in Lacs												
1. Remuneration and Employee Benefits												
i) EXECUTIVE DIRECTORS												
- Short Term Employee benefits	-	-	-	-	1,523.02	1,523.02	-	-	-	-	1,523.02	1,523.02
- Post Employment benefits	-	-	-	-	64.92	64.92	-	-	-	-	64.92	64.92
- Commission	-	-	-	-	500.00	500.00	-	-	-	-	500.00	500.00
ii) OTHER DIRECTORS												
- Sitting Fees	-	-	-	-	31.05	32.50	-	-	-	-	31.05	32.50
- Commission	-	-	-	-	68.50	68.50	-	-	-	-	68.50	68.50
iii) CEO & COMPANY SECRETARY												
- Short Term Employee benefits	-	-	-	-	304.45	294.73	-	-	-	-	304.45	294.73
- Post Employment benefits	-	-	-	-	7.85	18.51	-	-	-	-	7.85	18.51
2. Sales												
- Sale of Goods	9,035.16	7,651.24	-	-	-	-	243.16	309.31	-	-	9,278.32	7,960.55
- Sale of Export Benefit Licence	-	-	-	-	-	-	126.91	74.97	-	-	126.91	74.97
3. Other Income												
- Sale of Property, Plant & Equipment	8.36	25.75	-	-	-	-	-	1.11	-	-	8.36	26.86
- Rent, Maintenance & Other Charges Received	-	-	-	-	-	-	382.57	475.60	-	-	382.57	475.60
- Royalty Received	422.46	331.58	-	-	-	-	85.28	159.13	-	-	507.74	490.71
- Dividend Received	2,823.45	3,852.55	-	-	-	-	-	95.35	-	-	2,823.45	3,947.90
- Guarantee Commission Received	62.20	62.68	-	-	-	-	-	-	-	-	62.20	62.68
- Interest Received	249.74	291.97	21.08	-	-	-	-	-	-	-	270.82	291.97
- Gain on Fairvalue of Loan at FVTPL	-	-	37.74	-	-	-	-	-	-	-	37.74	-
- Profit on reversal of provision for impairment of equity investment in Associate	-	-	16.88	-	-	-	-	-	-	-	16.88	-
- Profit on fair value of equity investment	-	-	-	-	-	-	5,911.82	-	-	-	5,911.82	-
- Profit on fair value of CCPS investment in associate	-	-	1,090.74	-	-	-	-	-	-	-	1,090.74	-
- Reversal of Doubtful Trade receivable*	592.00	-	-	-	-	-	-	-	-	-	592.00	-
4. Purchase												
- Purchase of Property, Plant & Equipment	-	-	-	-	-	-	-	1.13	-	-	-	1.13
- Purchase of Gift and Promotional Items	-	-	-	0.02	-	-	8.12	21.07	-	-	8.12	21.09
- Purchase of Raw Materials	-	-	-	-	-	-	0.74	19.26	-	-	0.74	19.26
5. Other Expenses												
- Rent, Maintenance & Other Charges Paid	-	-	-	-	12.80	12.80	70.68	88.90	5.29	-	88.77	101.70
- Donation Paid	-	-	-	-	-	-	678.63	409.75	-	-	678.63	409.75
- Provision of financial Guarantee obligation*	-	4,766.29	-	-	-	-	-	-	-	-	-	4,766.29
- Provision for Doubtful Trade receivable*	-	2,015.70	-	-	-	-	-	-	-	-	-	2,015.70
- Loss on Fairvalue of Loan at FVTPL	-	-	-	54.75	-	-	-	-	-	-	-	54.75

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.53 RELATED PARTY TRANSACTIONS (Contd.)

₹ in Lacs

Particulars	Subsidiaries		Associate		Directors, Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Entities having Significant Influence Over the Company		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
- Loss on Impairment of Investment	-	18.98	-	169.50	-	-	-	-	-	-	-	188.48
- Loss on fair value of equity investment	-	-	-	-	-	-	-	9,733.85	-	-	-	9,733.85
- Others	-	-	-	-	-	-	65.26	81.77	-	-	65.26	81.77
6. Dividend Paid	-	-	-	-	1,956.54	2,006.14	16,739.88	16,739.89	-	-	18,696.42	18,746.03
7. Loan Given	-	3,119.68	-	550.00	-	-	-	-	-	-	-	3,669.68
8. Investment including Commitments	-	-	150.00	200.00	-	-	-	-	-	-	150.00	200.00
9. Security Deposit Received	-	-	-	-	-	-	-	5.00	-	-	-	5.00
10. Refund against Security Deposit Paid	-	-	-	-	0.20	0.20	-	-	-	-	0.20	0.20
11. Refund against Loan Given	1,373.05	-	-	-	-	-	-	-	-	-	1,373.05	-
12. Refund against Security Deposit Received	-	-	-	-	-	-	5.28	-	-	-	5.28	-
13. Reimbursement of Expenses	-	23.61	-	0.99	-	-	58.88	144.66	-	-	58.88	169.26
14. Reimbursement of Capital Expenditure	-	1,207.48	-	-	-	-	-	-	-	-	-	1,207.48
15. Contribution to Provident Fund	-	-	-	-	-	-	717.95	678.01	-	-	717.95	678.01

D. The details of amount due to or due from related parties as at 31.03.2021 and 31.03.2020 as follows :

₹ in Lacs

Particulars	Related Party	As at 31.03.2021	As at 31.03.2020
Investment	Subsidiaries	32.61	32.61
	Associate (Equity Shares)	2,970.56	2,953.69
	Associate (Compulsorily Convertible Preference Shares)	1,240.74	-
	Entities where Key Management Personnel and their relatives have significant influence	9,845.09	3,933.27
		14,089.00	6,919.57
Trade Receivable	Subsidiaries (net of allowance for doubtful trade receivable ₹2,323 lacs) (31.03.2020 : ₹2,015.70 lacs)	641.39	2,787.34
	Entities where Key Management Personnel and their relatives have significant influence	9.12	26.80
		650.51	2,814.14
Loan Receivable	Subsidiaries	2,271.80	3,848.45
	Associate (net of fair value loss of ₹17.02 lacs) (31.03.2020 : net of fair value loss of ₹54.75 lacs)	532.98	495.25
		2,804.78	4,343.70
Other Receivable	Subsidiaries	1,094.97	896.04
	Associate	18.34	-
	Entities where Key Management Personnel and their relatives have significant influence	85.24	317.16
		1,198.55	1,213.20

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.53 RELATED PARTY TRANSACTIONS (Contd.)

		₹ in Lacs	
Particulars	Related Party	As at 31.03.2021	As at 31.03.2020
Other Payable	Entities where Key Management Personnel and their relatives have significant influence	76.42	32.93
		76.42	32.93
Security Deposit Paid	Key Management Personnel & Relatives	13.85	14.05
	Entities where Key Management Personnel and their relatives have significant influence	17.50	17.50
		31.35	31.55
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	-	12.78
Corporate Guarantee given	Subsidiaries	6,220.09	6,431.59
Letter of Comfort	Subsidiaries	1,976.96	2,028.94
Remuneration, Sitting Fees & Commission Payable	Key Management Personnel & Relatives	568.50	568.50
Advance from Customer	Entities where Key Management Personnel and their relatives have significant influence	5.13	0.39

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Loan given to related parties are made on terms equivalent to those that prevail in arm's length transactions and have following terms:

- Loans to subsidiaries carries interest and has a tenure of 3 year for the date of loan given.
- Loans to associate carries interest and are convertible to equity at the option of issuer / borrower or repayable on happening of certain event.
- Interest and Principal aggregating to ₹36.00 lacs and ₹332.91 lacs respectively, receivable from Emami Indo Lanka was originally stipulated to be repaid in the current year, however, the terms of the underlying agreement has been renewed/ revised and now the interest and principal is payable in next and subsequent years respectively.

* The Company has investments, loans, trade receivables and guarantees given with respect to its wholly owned subsidiary viz. Emami International FZE (Emami FZE). During the previous year, the Company had performed an impairment assessment in connection with the total exposure in Emami FZE by examining its financial position and impaired its investments aggregating ₹18.98 lacs, recorded liability towards financial guarantee aggregating ₹4,766.29 lacs and provided for doubtful trade receivables aggregating ₹2,015.70 lacs. Such provisions are adjusted based on the profit earned / loss incurred by the subsidiary on periodic basis. Accordingly, during the year ended March 31, 2021, there has been a reversal of said provision by ₹592 lacs (net) on the basis of performance of the subsidiary in the current year, which comprises of reversal of liability towards financial guarantee by ₹887 lacs and a further provision for doubtful trade receivable amounting to ₹295 lacs.

3.54 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Company may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

i) Estimation of defined benefit obligations

The liabilities of the Company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions Refer Note no. 3.37 for significant assumption used.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.54 CRITICAL ESTIMATES AND JUDGEMENTS (Contd.)

ii) Estimation of tax expenses, assets and payable

Deferred tax assets are recognised for unused tax credit and on unused losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the company operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities. Refer Note No. 3.22 and 3.47.

iii) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision. Refer Note No. 3.28, 3.39 and 3.42.

iv) Estimation of expected useful lives and residual values of property, plants and equipment and intangible assets.

Property, plant and equipment and intangible assets are depreciated/ amortized at historical cost using straight-line method based on the estimated useful life, taking into account residual value. The asset's residual value and useful life are based on the Company's best estimates and reviewed, and adjusted if required, at each Balance Sheet date. Refer Note No. 3.1, 3.2, 3.3, 3.4 & 3.55.

v) Impairment of intangible assets

The Company has significant intangible assets arising from the acquisition of brand, trademark, know-how etc. in the normal course of its business. In case, there are indicators that the carrying value of the intangibles may not be recovered through its continuing use, the management performs impairment testing in accordance with Ind AS 36. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget over the remaining useful life (including terminal value) and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. Recoverability of these assets is based on forecast of projected cash flows over the remaining useful life of underlying intangible assets and their discounted present value (after considering terminal value), which are inherently highly judgmental and is subject to achieving forecasted results.

vi) Impairment of non financial assets / investment in subsidiaries and associates

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying amounts of the Company's non-financial assets /investment in subsidiaries and associates are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

vii) Fair Value Measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions that may differ from actual developments in the future. For further details refer Note No. 3.46

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

- 3.55** Considering the Dynamic market condition, the management has revised the useful life of the Tangible asset related to Moulds (included in Plant & Machinery) and Intangible asset related to acquired Brands and Trademarks from 10 years to 7 years in the current year resulting in an increase in depreciation by ₹1,506.91 lacs and increase in amortisation by ₹13,221.02 lacs for the year respectively.
- 3.56** The Board of Directors, at its meeting held on 19th March, 2020, approved Buyback of the Company's fully paid-up equity shares of face value of ₹1 each from the eligible equity shareholders of the Company other than promoters, promoter Company and persons who are in control of the company, for an aggregate amount not exceeding ₹19,199.43 lacs (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Companies Act, 2013 and SEBI Buyback Regulations. The Buyback commenced on 29th March, 2020 and got completed on 9th July 2020.
- The Company has bought back 94,21,498 equity shares under the buy Back by utilising ₹19,198.73 lacs (excluding brokerage, transactions cost and taxes). All the shares bought back have been extinguished as per the records of the depositories.
- 3.57** With effect from 16th December, 2020 "Fravin Pty Ltd." and its step down subsidiary companies, Diamond Bio Tech Laboratories Pty Ltd. and Abache Pty Ltd. ceased to be subsidiaries companies. The aforesaid subsidiary companies were inoperative.
- 3.58** Recently, there has been a spike in the covid-19 cases again across the Country and as a result all the states are currently closely monitoring the situation. Some of the states have imposed restrictions on the free flow of public in their respective states in varied manner. The management is monitoring the situation closely and is operating its plants and depots with the required workforce as permitted by the Government. The management has made an initial assessment, based on the current situation, of the likely impact of the covid-19 on overall economic environment and on the Company, in particular, based on which it expects the demand to remain stable; and further, does not anticipate any challenge in the Company's ability to continue as a going concern or meeting its financial obligations. The Company has additionally assessed its property, plant and equipment and intangible assets for impairment as on March 31, 2021. Based on projections, future outlook and carrying value of property, plant and equipment and intangible assets, there is no impairment charge that needs to be recognised. However, the above evaluations are based on internal and external information available upto the date of approval of these financial statements, which are very dynamic and subject to uncertainties that COVID-19 outbreak might pose on economic recovery.
- 3.59** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 3.60** Pursuant to Early Exit Scheme for Kolkata Manufacturing Unit, the Company has paid compensation amounting to ₹325.68 lacs to its temporary workers for the year ended 31st March, 2020.
- 3.61** Information for Earnings Per Share as per Ind AS 33

Particulars	As at 31.03.2021	As at 31.03.2020
Net Profit (₹ in lacs)	47,512.80	28,911.97
Cash Profit (₹ in lacs)	83,627.45	61,522.27
Weighted average number of shares (in lacs) (Refer Note no. 3.56)	4,446.82	4,539.32
Earnings Per Share - Basic & Diluted (₹)	10.68	6.37
Earnings Per Share - Cash (₹)	18.81	13.55

- 3.62** The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 4 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements. The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators considering a single business segment. The CODM reviews revenue and profit from operations as the performance indicator considering a single business segment. The CEO & CFO and Managing Director are the CODM of the Company.

Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.63 REVENUE FROM CONTRACTS WITH CUSTOMERS:

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	₹ in Lacs	
Particulars	2020-2021	2019-2020
India	2,40,490.55	2,21,013.15
Outside India	14,682.70	13,193.90
Total revenue from contracts with customers	2,55,173.25	2,34,207.05

	₹ in Lacs	
Timing of revenue recognition	2020-2021	2019-2020
Goods transferred at a point in time	2,55,173.25	2,34,207.05

	₹ in Lacs	
Contract balances		
Particulars	As at 31.03.2021	As at 31.03.2020
Trade receivables	9,971.77	18,168.67
Contract liabilities		
Advance from customers	815.52	530.05

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract liabilities includes advance from customers received for supply of goods.

Set out below is the amount of revenue recognised from:

	₹ in Lacs	
Particulars	2020-2021	2019-2020
Amounts included in contract liabilities at the beginning of the year	530.05	1,012.30
Amount received during the year	815.52	530.05
Amount adjusted during the year	530.05	1,012.30
Amounts included in contract liabilities at the end of the year	815.52	530.05

Performance obligation

Sale of products

The performance obligation is satisfied upon delivery/dispatch of the goods based on contractual terms. Sales are made generally after receipt of advance except for certain customers where payment is due within 30 to 90 days from day of sales.

3.64 The Company has made a provision of ₹1,886.44 lacs (31.03.2020 - ₹1,930.44 lacs) towards rebates and damage return:

	₹ in Lacs	
Particulars	As at 31.03.2021	As at 31.03.2020
Opening Balance	1,930.44	1,475.99
Provisions made during the year	1,886.44	1,930.44
Payment/reversals during the year	1,930.44	1,475.99
Closing Balance	1,886.44	1,930.44

The accompanying notes are an integral part of these standalone Ind AS financial statements.

As per our report of even date
For **S. R. BATLIBOI & Co. LLP**
Chartered Accountants
Firm Registration no: 301003E/E300005

per **Sanjay Kumar Agrawal**
Partner
Membership No: 060352

Kolkata
25th May, 2021

For and on behalf of Board of Directors

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary
& VP Legal

Consolidated Financial Statements

Independent Auditor's Report

To
the Members of
Emami Limited

Report on the Audit of the consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Emami Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our

responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements' section of our report. We are independent of the Group and associates in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to note 3.61 to the consolidated Ind AS financial statements, which describes the uncertainties and potential impact of the covid-19 pandemic on the Group's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the

Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of

audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>a) Non-recognition of Unused Minimum Alternate Tax ("MAT") Credit (as described in note 3.48 of the consolidated Ind AS financial statements)</p> <p>As at March 31, 2021, the Holding Company has unused MAT credit balance of ₹27,985.28 lacs which has not been recognized in the books.</p> <p>One of the manufacturing facilities of the Holding Company is availing tax benefits under section 80IE of Income Tax Act, 1961 (IT Act) as a result of which the Holding Company is paying taxes under MAT to the government basis book profits. The credit of such taxes paid under MAT shall be allowed to be utilized by the Holding Company in subsequent years when tax becomes payable on the total income in accordance with the normal provisions of the IT Act.</p> <p>In order to determine the utilization of such credit in future years, the management has projected its book profits and tax profits; and based on such projections after considering the potential impact of the pandemic, MAT credit has not been recognized.</p> <p>Significant management judgement is required to determine the forecasted profits, expected future market scenario, economic conditions, tax laws and the management's expansion plans, and these factors impact the timing of utilization of MAT credit.</p> <p>Accordingly, the non-recognition of MAT credit basis the forecasted profits is determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Understood the income tax computation process for normal tax and minimum alternate tax and reviewed controls around recognition of MAT credit. Evaluated the design and tested the effectiveness of relevant controls in this regard. Assessed management's assumptions that substantiate the probability that the unused MAT credit will not be recovered through taxable income under normal provision in future years and also assessed the tax planning strategies, budgets and the plans prepared by the management and the relevant tax legislations. Evaluated the adequacy of the disclosures made by the Group in this regard in the consolidated Ind AS financial statements.
<p>b) Revenue from sale of goods (as described in note 2.3.c, 3.31 and 3.65 to the consolidated Ind AS financial statements)</p> <p>The Group recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. In determining the sales price, the Group considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.</p> <p>The risk is, therefore, that revenue is not recognised in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition. Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized in accordance with Ind AS 115. Selected sample of sales transactions made pre- and post-year end and tested the period of revenue recognition based on underlying documents. Selected samples of rebates and discounts during the year, compared them with the supporting documents and performed re-calculation of those variable considerations as per scheme documents. Assessed the relevant disclosures made in the consolidated Ind AS financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing

the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other

financial information, in respect of five (5) subsidiaries (direct and stepdown), whose financial statements include total assets of ₹32,335 lacs as at March 31, 2021, total revenues of ₹40,055 lacs and net cash inflows of ₹983 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹418 lacs for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of two (2) associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors.

The aforesaid subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of five (5) stepdown subsidiaries, whose financial statements and other financial information reflect total assets of ₹811 lacs as at March 31, 2021, total revenues of ₹1,808 lacs and net cash outflows of ₹52 lacs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been approved and furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to

us by the management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraphs we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its associate companies, none of the directors of the Holding Company and its associates incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with

reference to these consolidated Ind AS financial statements of the Holding Company and its associate companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company in accordance with the provisions of section 197 read with Schedule V to the Act. Based on the consideration of reports of other statutory auditors of associates incorporated in India, the provisions of section 197 read with Schedule V of the Act are not applicable to associates incorporated in India for the year ended March 31, 2021;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraphs:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated Ind AS financial statements – Refer note 3.29, note 3.41 and note 3.44 to the consolidated Ind AS financial statements;
 - ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2021. Based on the consideration of reports of other statutory auditors of the associates there were no amounts which were required to be transferred to Investor Education and Protection Fund during the year ended March 31, 2021.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

UDIN: 21060352AAAAABN1199

Place of Signature: Kolkata

Date: May 25, 2021

Annexure 1 to the Independent Auditor's report of even date on the consolidated Ind AS financial statements of Emami Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Emami Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of Emami Limited (hereinafter referred to as the "Holding Company") and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of

internal financial controls with reference to these consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these consolidated Ind AS Financial Statements

A company's internal financial control with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to these consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the

internal financial control with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its associate companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to these consolidated Ind AS financial statements and such internal financial controls with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls

with reference to these consolidated Ind AS financial statements of the Holding Company, in so far as it relates to its associate companies, which are companies incorporated in India, is based on the corresponding report of the auditors of such associate companies incorporated in India.

For **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

UDIN: 21060352AAAABN1199

Place of Signature: Kolkata

Date: May 25, 2021

Consolidated Balance Sheet as at 31st March, 2021

₹ in Lacs

	Notes	As at 31.03.2021	As at 31.03.2020
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	3.1	71,426.68	76,846.77
(b) Capital Work-in-Progress	3.1	581.54	685.78
(c) Investment Property	3.2	5,304.07	5,444.93
(d) Other Intangible Assets	3.3	35,343.51	61,908.33
(e) Right of Use Assets	3.4	1,109.06	1,717.16
(f) Intangible Assets under Development	3.3	61.83	119.21
(g) Financial Assets			
(i) Investments	3.5		
a) Investment in Associates		1,762.78	2,124.18
b) Others		14,879.15	6,684.66
(ii) Loans	3.6	1,080.35	1,173.19
(iii) Other Financial assets	3.7	6,210.59	3,936.85
(h) Deferred Tax Assets (Net)	3.8	-	0.50
(i) Non-Current Tax Assets (Net)	3.9	37.99	1,348.50
(j) Other Non-Current Assets	3.10	1,492.35	2,526.30
2. Current Assets			
(a) Inventories	3.11	30,044.65	24,464.74
(b) Financial Assets			
(i) Investments	3.12	8,890.65	6,832.94
(ii) Trade Receivables	3.13	23,175.31	30,800.83
(iii) Cash and Cash Equivalents	3.14	1,981.15	1,083.94
(iv) Bank Balance other than (iii) above	3.15	34,056.15	10,821.98
(v) Loans	3.16	302.88	6,634.53
(vi) Other Financial Assets	3.17	3,625.45	7,853.76
(c) Other Current Assets	3.18	10,602.75	14,839.34
TOTAL ASSETS		2,51,968.89	2,67,848.42
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	3.19	4,445.14	4,531.81
(b) Other Equity	3.20	1,71,819.86	1,77,843.23
Total Equity attributable to owners of the Parent		1,76,265.00	1,82,375.04
(c) Non-Controlling Interest		(88.71)	(86.27)
Total Equity		1,76,176.29	1,82,288.77
LIABILITIES			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	3.21	1,089.18	1,543.29
(b) Provisions	3.22	2,296.58	2,310.20
(c) Deferred Tax Liabilities (Net)	3.23	416.35	346.18
(d) Other Non-Current Liabilities	3.24	1,973.33	2,155.69
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3.25	9,190.93	21,023.44
(ii) Trade Payables	3.26		
Total outstanding dues of Micro & Small Enterprises		1,213.83	1,356.92
Total outstanding dues of creditors other than Micro & Small Enterprises		33,853.72	31,088.99
(iii) Other Financial Liabilities	3.27	6,096.09	5,198.51
(b) Other Current Liabilities	3.28	3,008.24	4,863.46
(c) Provisions	3.29	14,284.79	14,548.58
(d) Current Tax Liabilities (Net)	3.30	2,369.56	1,124.39
TOTAL EQUITY AND LIABILITIES		2,51,968.89	2,67,848.42
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these consolidated Ind AS financial statements

As per our report of even date

For **S. R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration no: 301003E/E300005

per **Sanjay Kumar Agrawal**

Partner

Membership No: 060352

Kolkata

25th May, 2021

For and on behalf of Board of Directors

R S Agarwal

Chairman

S K Goenka

Managing Director

R S Goenka

Director

N H Bhansali

CEO -Finance, Strategy &
Business Development and CFO

S B Ganguly

Director

A K Joshi

Company Secretary
& VP Legal

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

₹ in Lacs

	Notes	2020-2021	2019-2020
INCOME			
Revenue from Operations	3.31	2,88,052.65	2,65,488.17
Other Income	3.32	7,027.16	5,706.58
Total Income (A)		2,95,079.81	2,71,194.75
EXPENSES			
Cost of Materials Consumed	3.33	70,854.08	74,328.89
Purchases of Stock-in-Trade		24,008.82	14,127.46
(Increase)/ Decrease in Inventories of Finished Goods, Stock in trade and Work-in-Progress	3.34	(1,940.38)	(846.66)
Employee Benefits Expense	3.35	30,917.33	29,950.98
Other Expenses	3.37	75,907.43	78,872.49
Total Expenses before Exceptional items, Interest, Depreciation, Amortisation and Tax (B)		1,99,747.28	1,96,433.16
Earnings before Share of loss of Associates, Exceptional Items, Interest, Depreciation, Amortisation and Tax (A-B) (C)		95,332.53	74,761.59
Finance Costs	3.36	1,327.13	2,101.15
Depreciation & Amortisation Expense: (D)			
a) Amortisation of Intangible Assets	3.3	26,785.45	25,889.85
b) Depreciation of Tangible Assets	3.1 & 3.2	9,247.63	7,346.91
c) Depreciation of Right of Use Assets	3.4	662.40	395.96
Total Expenses before Exceptional items and Tax (B+C+D)=E (F)		2,37,769.89	2,32,167.03
Share of loss of Associates (A-E-F)=G (H)		(417.78)	(602.00)
Profit Before Exceptional Items and Tax (G-H)=I (J)		56,892.14	38,425.72
Exceptional Items	3.63	-	1,068.38
Profit Before Tax (G-H)=I (J)		56,892.14	37,357.34
Tax Expense: (J)	3.48		
Current Tax (Including MAT)		11,474.34	7,983.79
Deferred Tax charge/(credit)		(53.08)	(856.81)
Profit for the year (I-J)=K		45,470.88	30,230.36
Other Comprehensive Income			
A. Items that will not be reclassified to Profit or Loss in subsequent periods			
Equity instrument through other comprehensive income		5,758.43	(9,751.78)
Remeasurement of the net defined benefit liability/ asset		146.33	(11.07)
Income tax relating to remeasurement of the net defined benefit liability/ asset		(26.52)	(4.48)
B. Items that will be reclassified to Profit or Loss in subsequent periods			
Exchange difference on translation of foreign operations		256.87	(333.55)
Total Other Comprehensive Income/(Loss) for the year (net of tax)		6,135.11	(10,100.88)
Total Comprehensive Income for the year		51,605.99	20,129.48
Profit attributable to:			
Equityholders of the parent (L)		45,469.91	30,291.42
Non-Controlling Interests		0.97	(61.06)
Total Comprehensive Income attributable to:			
Equityholders of the parent		51,608.46	20,195.71
Non-Controlling Interests		(2.44)	(66.23)
Cash Profit (L+D)		82,165.39	63,924.14
Earnings Per Equity Share	3.64		
(1) Basic (Face value of ₹1 each)		10.23	6.67
(2) Diluted (Face value of ₹1 each)		10.23	6.67
(3) Cash (Face value of ₹1 each)		18.48	14.08
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of these consolidated Ind AS financial statements

As per our report of even date
For **S. R. BATLIBOI & Co. LLP**
Chartered Accountants
Firm Registration no: 301003E/E300005

per **Sanjay Kumar Agrawal**
Partner
Membership No: 060352

Kolkata
25th May, 2021

For and on behalf of Board of Directors

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary
& VP Legal

Consolidated Cash Flow Statement for the year ended 31st March, 2021

₹ in Lacs

	2020-2021	2019-2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	56,892.14	37,357.34
Adjustments for :		
Profit on Sale/Fair Value of mutual funds and AIF	(2,830.38)	(1,437.53)
Depreciation and Amortisation Expenses	36,695.48	33,632.72
Finance Costs	1,327.13	2,101.15
Interest income on loans & deposits	(1,708.09)	(2,832.23)
Loss / (Profit) on Sale/Disposal of Property, Plant & Equipments (Net)	138.37	(589.18)
Dividend Income from equity investment carried at fair value through OCI	-	(95.35)
Share of loss of Associates	417.78	602.00
Unrealised Foreign Exchange Gain (Net)	(4.83)	(651.47)
Sundry balances written (back) (Net)	(38.51)	(93.11)
Provision for litigation written back	(562.11)	-
(Profit) / Loss on fair value of Derivatives	(1.47)	341.87
Provision for doubtful trade receivables	304.00	103.13
Provision for doubtful receivables	395.89	124.69
Loss on fair value of Loan at FVTPL	-	54.75
Loss on impairment / (Gain) on reversal of impairment of Investments in an Associate	(16.88)	56.50
Profit on fair value of investment in CCPS in associate	(1,090.74)	-
	89,917.78	68,675.28
Adjustments for working capital changes		
Increase in Trade Payables and Other Liabilities	4,027.09	3,109.31
(Increase) in Inventories	(5,579.91)	(2,291.55)
Decrease/ (Increase) in Trade Receivables	7,330.10	(9,268.52)
Decrease / (Increase) in Loans and Advances and Other Financial Assets	651.06	(854.23)
Decrease / (Increase) in Other Non Financial Assets	4,022.71	(2,017.20)
Increase in Provisions	431.03	3,319.82
	10,882.08	(8,002.37)
CASH GENERATED FROM OPERATIONS	1,00,799.86	60,672.91
Less : Direct Taxes Paid (net of refund)	8,647.03	7,598.08
NET CASH FLOW FROM OPERATING ACTIVITIES	92,152.83	53,074.83
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from Sale of Property, Plant & Equipment	165.69	1,097.56
Interest Received	3,189.13	936.64
Dividend Received	-	95.35
Purchases of Investments	(1,77,870.00)	(1,80,553.85)
Sale of Investments	1,76,724.76	1,74,875.92
Short term loans given	(1,500.00)	(6,000.00)
Proceeds from repayment of loan given	7,500.00	-
Purchase of Property, Plant & Equipment & Intangible Assets	(3,369.02)	(15,907.79)
Proceeds from alternative investment fund	808.41	-
Investment in CCPS of Associate	(150.00)	(200.00)
Fixed Deposits made	(61,308.57)	(182.36)
Proceeds from maturity of Fixed Deposit	33,114.69	3,070.01
NET CASH USED IN INVESTING ACTIVITIES	(22,694.91)	(22,768.52)

Consolidated Cash Flow Statement for the year ended 31st March, 2021

₹ in Lacs

	2020-2021	2019-2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(17,350.74)	(6,142.00)
Buy Back of Shares including Transaction Costs and Taxes	(22,558.95)	(1,245.95)
Proceeds from Borrowings	18,739.10	7,877.61
Transfer from / (to) Escrow Account	5,003.60	(5,003.60)
Interest Paid	(1,326.80)	(2,074.11)
Dividend Paid	(35,561.10)	(36,314.81)
Corporate Dividend Tax paid (including interest)	(1,908.14)	(5,598.08)
Payment Of Principal Portion Of Lease Liabilities	(633.68)	(335.48)
Cash Credit taken / (repaid) (net)	(13,220.87)	8,300.90
NET CASH USED IN FINANCING ACTIVITIES	(68,817.58)	(40,535.52)
D. EFFECT OF FOREIGN EXCHANGE FLUCTUATION	256.87	(333.43)
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C+D)	897.21	(10,562.64)
Add - CASH & CASH EQUIVALENTS - OPENING BALANCE	1,083.94	11,646.58
CASH & CASH EQUIVALENTS - CLOSING BALANCE	1,981.15	1,083.94
Cash & Cash Equivalents includes:		
Balances with banks	1395.16	923.94
Cheque-in-hand	561.21	141.50
Cash on hand	24.78	18.50
Total Cash & Cash Equivalents (Refer Note No : 3.14)	1,981.15	1,083.94

The accompanying notes are an integral part of these consolidated Ind AS financial statements

As per our report of even date
For **S. R. BATLIBOI & Co. LLP**
Chartered Accountants
Firm Registration no: 301003E/E300005

per **Sanjay Kumar Agrawal**
Partner
Membership No: 060352

Kolkata
25th May, 2021

For and on behalf of Board of Directors

R S Agarwal
Chairman

S K Goenka
Managing Director

R S Goenka
Director

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

S B Ganguly
Director

A K Joshi
Company Secretary
& VP Legal

Consolidated Statement of Changes in Equity

as at & for the year ended 31st March, 2021

₹ in Lacs

Particulars	Equity Share Capital	Other Equity							Total Equity attributable to equity-holders of the parent	Non-Controlling Interests (NCI)
		Reserve & Surplus					Other Comprehensive Income			
		Capital Reserve	Securities Premium	Retained Earnings	General Reserve	Capital Redemption Reserve	Investment in Equity shares at Fair value through Other Comprehensive Income	Foreign Currency Translation Reserve		
Balance as at 1.04.2019	4,539.35	79.64	30,935.49	71,121.16	87,500.00	-	13,422.12	8.52	207,606.28	(20.04)
Profit for the Year	-	-	-	30,291.42	-	-	-	-	30,291.42	(61.06)
Other Comprehensive Income										
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	(328.38)	(328.38)	(5.17)
Fair value loss on Equity instrument through other comprehensive income	-	-	-	-	-	-	(9,751.78)	-	(9,751.78)	-
Remeasurement of the net defined benefit liability/ asset	-	-	-	(11.07)	-	-	-	-	(11.07)	-
Income Tax Effect	-	-	-	(4.48)	-	-	-	-	(4.48)	-
Total Comprehensive Income	-	-	-	30,275.87	-	-	(9,751.78)	(328.38)	20,195.71	(66.23)
Final Dividend Paid#	-	-	-	(18,157.41)	-	-	-	-	(18,157.41)	-
Interim Dividend Tax#	-	-	-	(18,157.40)	-	-	-	-	(18,157.40)	-
Corporate Dividend Tax#	-	-	-	(7,464.61)	-	-	-	-	(7,464.61)	-
Buy back of shares@	(7.54)	-	(1,236.69)	-	-	-	-	-	(1,244.23)	-
Buyback distribution tax @	-	-	(289.13)	-	-	-	-	-	(289.13)	-
Transaction cost towards Buyback of Equity Shares @	-	-	(114.17)	-	-	-	-	-	(114.17)	-
Amount transferred to Capital redemption reserve upon Buyback of Equity Shares @	-	-	-	-	(7.54)	7.54	-	-	-	-
Balance as at 31.03.2020	4,531.81	79.64	29,295.50	57,617.61	87,492.46	7.54	3,670.34	(319.86)	182,375.04	(86.27)
Balance as at 1.04.2020	4,531.81	79.64	29,295.50	57,617.61	87,492.46	7.54	3,670.34	(319.86)	182,375.04	(86.27)
Profit for the Year	-	-	-	45,469.91	-	-	-	-	45,469.91	0.97
Other Comprehensive Income										
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	260.28	260.28	(3.41)
Fair value gain on Equity instrument through other comprehensive income	-	-	-	-	-	-	5,758.43	-	5,758.43	-
Remeasurement of the net defined benefit liability/ asset	-	-	-	146.33	-	-	-	-	146.33	-
Income Tax Effect	-	-	-	(26.52)	-	-	-	-	(26.52)	-
Total Comprehensive Income	-	-	-	45,589.72	-	-	5,758.43	260.28	51,608.43	(2.44)
Interim Dividend Paid#	-	-	-	(35,561.10)	-	-	-	-	(35,561.10)	-
Amount transferred to Capital redemption reserve upon Buyback of Equity Shares @	-	-	-	-	(86.67)	86.67	-	-	-	-
Buy back of shares@	(86.67)	-	(17,868.00)	-	-	-	-	-	(17,954.67)	-
Buyback distribution tax @	-	-	(4,179.87)	-	-	-	-	-	(4,179.87)	-
Transaction cost towards Buyback of Equity Shares @	-	-	(22.83)	-	-	-	-	-	(22.83)	-
Balance as at 31.03.2021	4,445.14	79.64	7,224.80	67,646.23	87,405.79	94.21	9,428.77	(59.58)	176,265.00	(88.71)

Refer Note No : 3.49

@ Refer Note No 3.59

Refer Note no 3.20 for nature & purposes of reserve

The accompanying notes are an integral part of these consolidated Ind AS financial statements

As per our report of even date

For and on behalf of Board of Directors

For **S. R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration no: 301003E/E300005

R S Agarwal

Chairman

R S Goenka

Director

S B Ganguly

Director

per **Sanjay Kumar Agrawal**

Partner

Membership No: 060352

S K Goenka

Managing Director

N H Bhansali

CEO -Finance, Strategy & Business Development and CFO

A K Joshi

Company Secretary & VP Legal

Kolkata

25th May, 2021

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

1. Company Overview

The consolidated Ind AS financial statements comprise financial statements of Emami Limited (the Company) and its subsidiaries (collectively, the Group) and associates for the year ended March 31, 2021. The Company is one of India's leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products with an enviable portfolio of household brand names such as BoroPlus, Navratna, Fair and Handsome, Zandu Balm, Kesh King, Zandu Pancharishta, Mentho Plus Balm and others.

The Company is a public limited company domiciled in India and is primarily listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is located at 687, Anandapur, E.M. Bypass, Kolkata, West Bengal.

2.1. Basis of Preparation

The consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013. These Consolidated Ind AS financial statements are prepared under the historical cost convention on the accrual basis except for following assets and liabilities which have been measured at fair value or revalued amount :

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- c) Defined benefit plans – plan assets

The consolidated Ind AS financial statements were approved for issue in accordance with the resolution of the Board of Directors on 25th May, 2021.

2.2. Basis of Consolidation

The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries and associates as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2021.

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

as inventory and property, plant & equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated Ind AS financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit and Loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.3. Summary of Significant Accounting Policies

a. Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in Profit and Loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

b. Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence is similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of Profit and Loss of an associate is shown on the face of the Statement of Profit and Loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the Statement of Profit and Loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in Profit and Loss.

c. Revenue Recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, outgoing sales taxes including goods and service tax. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from sale of products is recognized when the Group transfers the control of goods to the customer as per the terms of contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the Group believes that the control gets transferred to the customer on dispatch of the goods from the factory/depot and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Volume rebates

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method or most likely method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future rebates.

Rights of return

Certain contracts provide a customer with a right to return the damaged goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Group recognises a provision for damage return and net it from revenue.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Advance from customers

Advance from customer is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Advance from customer is recognised as revenue when the Group performs under the contract.

Provision for rebates and damage return

Provision for rebates and damage return is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of Provision for rebates and damage return (and the corresponding change in the transaction price) at the end of each reporting period.

d. Property, Plant & Equipment

Capital work in progress, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment loss, if any. The cost of Property, Plant & Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalised till the start of commercial production.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation is provided on the straight line method over the estimated useful lives of assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013, except certain items of building and plant & machinery as detailed in next paragraph. The estimated useful lives are as follows:

Factory Building	10-30 Years
Non-factory Buildings (including Roads)	5 - 60 Years
Plant & Machinery*	7-15 Years
Furniture & Fixtures	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

Freehold land is not depreciated.

*Block, Dies & Moulds (other than High-End Moulds) are depreciated @100% on pro rata basis.

The Group, based on assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment over 10 years and 3 - 10 years respectively. These estimated useful lives are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date is classified as 'Capital Advances' under 'Other Non-Current Assets'.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The cost and related accumulated depreciation are eliminated from the financial statements upon derecognition and the resultant gains or losses are recognized in the Statement of Profit & Loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Statement of Profit & Loss as incurred.

The Group depreciates building component of investment property on the straight line method over the estimated useful life of 60 years from the date of original purchase and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed internally by the Group.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss in the period of derecognition.

f. Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Intangible Assets acquired in a business combination is valued at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit & Loss. The Group amortises intangible assets over their estimated useful lives using the straight line method.

The estimated useful lives of assets are as follows:

Softwares & Licences (Acquired)	6 Years
Brand & Trademarks (Acquired)	7 Years
Copy Rights (Acquired)	7 Years

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss when the asset is derecognised.

g. Research & Development Cost

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale,
- Its intention to complete and its ability and intention to use or sell the asset,
- How the asset will generate future economic benefits,
- The availability of resources to complete the asset,
- The ability to measure reliably the expenditure during development,

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

h. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i) Raw materials, Packing materials and Stores & Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average method.
- ii) Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on moving weighted average method.
- iii) Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

j. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Financial instruments at amortised cost

A 'financial instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Profit and Loss.

Equity investments

All equity investments (excluding investments in associates) in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Group makes an irrevocable election to present in Other Comprehensive Income (OCI) subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. These equity shares are designated as FVTOCI as they are not held for trading and disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding.

If the Group decides to classify an equity instrument as at Fair Value Through OCI (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investment in mutual funds / alternate investment funds

Investment in mutual funds / alternate investment funds falls within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derivative Instruments

Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

Income recognition

Interest Income- Interest income from financial instruments is recognised using the effective interest rate method (EIR). The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend - Dividend is recognised in Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- ii) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'contractual revenue receivables' in these financial statements)

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or Contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective Interest Rate (EIR). Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' (or 'other income') in the Statement of Profit and Loss.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Profit and Loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

k. Fair value measurement

The Group measures financial instruments, such as, equity instruments and derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

l. Cash & Cash Equivalents

Cash and Cash Equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

m. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & Building 2 to 10 years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Other Financial Liabilities.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

o. Employee Benefits

Defined Contribution Plan

The Group makes contributions towards provident fund and superannuation fund to the regulatory authorities in a defined contribution retirement benefit plan for qualifying employees, where the Group has no further obligations. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

Defined Benefit Plan

- i) In respect of certain employees, provident fund contributions are made to a Trust administered by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Group is additionally provided for.
- ii) The Group operates a defined benefit gratuity plan in India, comprising of Gratuity fund with Life Insurance Corporation of India. The Group's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to Profit and Loss in subsequent periods. The effect of any plan amendments are recognized in the Statement of Profit and Loss.

The Group recognises the changes in the net defined benefit obligation like service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income, as an expense in the Statement of Profit and Loss.

Other Long Term Employee Benefits

The Group treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the Projected Unit Credit Method at the end of each financial year. This benefit is not funded except in Vapi, Dongari and Masat units, where the Leave Fund is with Life Insurance Corporation of India. The Group presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Group has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

p. Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities (DTL) are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit and Loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

neither the accounting profit nor taxable Profit and Loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and Deferred tax relating to items recognised outside Profit and Loss is recognised outside Profit and Loss (either in other comprehensive income or in equity). Current and Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Certain units of Parent Company are entitled to tax holiday under the Income-tax Act, 1961 enacted in India. Accordingly, no deferred tax (asset or liability) relating to such units is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

q. Foreign Currency Transactions & Translations

Functional and presentation currency

The consolidated financial statements are presented in INR, the functional currency of the Group. Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

Transaction and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

r. Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

s. Government Grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit and Loss.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and are released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

t. Earnings per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Cash earnings per share, a non GAAP measure is calculated by dividing cash profit for the period attributable to the equity shareholders by the weighted average number of shares outstanding during the period. Cash profit is calculated by adding depreciation and amortisation expenses to the profits attributable to the equityholders of the Parent.

u. Current and non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Notes to Consolidated Ind AS Financial Statements

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A liability is classified as current when:

- a) it is expected to be settled in the normal operating cycle,
- b) it is due to be settled within twelve months after the reporting period, or
- c) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle

v. Dividend:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

w. Measurement of EBITDA

The Group presents Earnings before Interest expense, Tax, Depreciation and Amortisation (EBITDA) in the Statement of Profit and Loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the Group's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Accordingly, the Group has elected to present earnings before interest expense, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Group measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, finance costs, share of profit/loss from associate and tax expense, but includes other income.

x. Rounding of amounts

All amounts disclosed in the consolidated financial Statements and notes have been rounded off to the nearest lacs (with two places of decimal) as per the requirement of Schedule III, unless otherwise stated.

y. Standards issued not yet effective:

There are no standards issued but not yet effective up to the date of issuance of the Consolidated financial statements of the Group.

z. New and amended Standards

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. This amendment does not have material impact on the Consolidated financial statements of the Group.

(ii) Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

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(iii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Group's consolidated financial statements.

(iv) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Group's consolidated financial statements.

3.1 PROPERTY PLANT & EQUIPMENT (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	Balance as at 1.4.2020	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2021	Balance as at 1.4.2020	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2021	Balance as at 31.3.2021	Balance as at 31.03.2020
Freehold Land	5,669.95	-	-	(1.62)	5,668.33	-	-	-	-	-	5,668.33	5,669.95
Building (including roads)	35,759.17	65.57	(85.25)	(24.37)	35,715.12	4,724.34	1,259.39	(10.27)	(7.17)	5,966.29	29,748.83	31,034.83
Plant & Equipment*	56,163.77	3,324.85	(437.02)	(40.49)	59,011.11	20,481.01	6,853.26	(238.51)	(19.82)	27,075.94	31,935.17	35,682.76
Furniture & Fixture	2,561.57	66.10	(3.90)	(4.72)	2,619.05	1,060.25	295.35	(3.56)	(0.98)	1,351.06	1,267.99	1,501.32
Computers	1,176.65	249.46	(4.70)	(4.36)	1,417.05	893.78	170.15	(4.13)	(2.96)	1,056.84	360.21	282.87
Office Equipment	3,587.10	253.18	(49.92)	(8.91)	3,781.45	1,705.52	399.42	(35.17)	(4.63)	2,065.14	1,716.31	1,881.58
Motor Vehicles	1,381.98	109.90	(94.61)	(2.72)	1,394.55	588.52	159.34	(81.59)	(1.56)	664.71	729.84	793.46
Property, Plant and Equipment Total	1,06,300.19	4,069.06	(675.40)	(87.19)	1,09,606.66	29,453.42	9,136.91	(373.23)	(37.12)	38,179.98	71,426.68	76,846.77
Capital Work- In-Progress	685.78	553.93	(658.06)	(0.11)	581.54	-	-	-	-	-	581.54	685.78
Total	1,06,985.97	4,622.99	(1,333.46)	(87.30)	1,10,188.20	29,453.42	9,136.91	(373.23)	(37.12)	38,179.98	72,008.22	77,532.55

* Refer Note No 3.58

Title deeds of immovable properties set out above, where applicable, are in the name of the Holding Company except as set out below:

Asset Class	Gross Block		Net Block		No. of cases	
	As at 31.3.2021	As at 31.3.2020	As at 31.3.2021	As at 31.3.2020	As at 31.3.2021	As at 31.3.2020
Freehold Land	16.35	16.35	16.35	16.35	2	2
Grand Total	16.35	16.35	16.35	16.35	2	2

Management is in the process of getting the above properties transferred in the name of the Holding Company.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.2 INVESTMENT PROPERTY (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	Balance as at 1.4.2020	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2021	Balance as at 1.4.2020	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2021	Balance as at 31.3.2021	Balance as at 31.03.2020
Investment Property												
Building	6,255.94	-	(1.69)	(32.95)	6,221.30	811.01	110.72	(0.21)	(4.29)	917.23	5,304.07	5,444.93
Investment Property Total	6,255.94	-	(1.69)	(32.95)	6,221.30	811.01	110.72	(0.21)	(4.29)	917.23	5,304.07	5,444.93

Refer Note No. 3.45 for disclosure of fair value of investment property.

3.3 INTANGIBLE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Amortisation					Net Block		
	Balance as at 1.4.2020	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2021	Balance as at 1.4.2020	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2021	Balance as at 31.3.2021	Balance as at 31.03.2020	
Goodwill	1,458.05	-	-	-	1,458.05	1,458.05	-	-	-	1,458.05	-	-	
Other Intangible Assets													
Software	3,345.38	219.38	-	1.92	3,566.68	1,938.32	346.33	-	(0.01)	2,284.64	1,282.04	1,407.06	
Brands, Trade Marks & others*	159,009.43	-	(169.56)	(1.12)	1,58,838.75	99,314.50	25,632.78	(169.57)	(0.43)	1,24,777.28	34,061.47	59,694.93	
Copyright	20,720.00	-	-	-	20,720.00	19,913.66	806.34	-	-	20,720.00	-	806.34	
Other Intangible Assets Total	1,83,074.81	219.38	(169.56)	0.80	1,83,125.43	1,21,166.48	26,785.45	(169.57)	(0.44)	1,47,781.92	35,343.51	61,908.33	
Intangible Assets under Development	119.21	91.69	(149.07)	-	61.83	-	-	-	-	-	61.83	119.21	
Grand Total	1,84,652.07	311.07	(318.63)	0.80	1,84,645.31	1,22,624.53	26,785.45	(169.57)	(0.44)	1,49,239.97	35,405.34	62,027.54	

* Refer Note No 3.58

3.4 RIGHT OF USE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Land	Buildings	Total
At 1st April 2020	314.51	1,804.79	2,119.30
Additions	-	64.47	64.47
At 31st March 2021	314.51	1,869.26	2,183.77
Depreciation as at 1st April 2020	5.33	396.81	402.14
Charge for the year	5.33	657.07	662.40
Exchange Fluctuation on Consolidation	-	10.17	10.17
At 31st March 2021	10.66	1,064.05	1,074.71
Net Book Value			
At 31st March 2020	309.18	1,407.98	1,717.16
At 31st March 2021	303.85	805.21	1,109.06

Refer Note No.3.50 for the related disclosures.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.1 PROPERTY, PLANT & EQUIPMENT (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation				Net Block		
	Balance as at 1.4.2019	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2020	Balance as at 1.4.2019	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2020	Balance as at 31.3.2020	Balance as at 31.03.2019
Land												
Leasehold	334.63	-	(334.63)	-	-	20.12	-	(20.12)	-	-	-	314.51
Freehold	5,695.03	110.96	(145.71)	9.67	5,669.95	-	-	-	-	-	5,669.95	5,695.03
Building (including roads)*	32,366.49	3,368.02	(106.02)	130.68	35,759.17	3,428.41	1,239.20	(13.84)	70.57	4,724.34	31,034.84	28,938.08
Plant & Equipment	50,934.57	5,526.85	(435.06)	137.41	56,163.77	15,633.18	4,953.01	(187.62)	82.44	20,481.01	35,682.76	35,301.38
Furniture & Fixture	2,319.06	236.05	(7.81)	14.27	2,561.57	707.81	353.39	(6.03)	5.08	1,060.25	1,501.32	1,611.25
Computers	1,021.40	188.30	(48.33)	15.28	1,176.65	780.88	147.84	(18.93)	(16.01)	893.78	282.87	240.52
Office Equipment	3,265.67	317.60	(19.71)	23.54	3,587.10	1,318.26	388.88	(13.13)	11.51	1,705.52	1,881.58	1,947.41
Motor Vehicles	1,301.05	98.81	(25.52)	7.64	1,381.98	449.22	155.29	(19.86)	3.87	588.52	793.46	851.84
Property, Plant and Equipment Total	97,237.90	9,846.59	(1,122.79)	338.49	1,06,300.19	22,337.88	7,237.61	(279.53)	157.46	29,453.42	76,846.77	74,900.02
Capital Work- In-Progress	3,521.61	721.11	(3,556.94)	-	685.78	-	-	-	-	-	685.78	3,521.61
Total	1,00,759.51	10,567.70	(4,679.73)	338.49	1,06,985.97	22,337.88	7,237.61	(279.53)	157.46	29,453.42	77,532.55	78,421.63

* Transfer includes ₹5.25 lacs (accumulated depreciation ₹0.09 lacs) transferred from Investment property.

Transfer includes ₹334.63 lacs (accumulated depreciation ₹20.12 lacs) reclassified to Right of Use Assets on account of adoption of IND AS 116

Title deeds of immovable properties set out above, where applicable, are in the name of the Company except as set out below:

₹ in Lacs

Asset Class	Gross Block		Net Block		No. of cases	
	As at 31.3.2020	As at 31.3.2019	As at 31.3.2020	As at 31.3.2019	As at 31.3.2020	As at 31.3.2019
Building	-	410.06	-	403.94	-	4
Freehold Land	16.35	140.82	16.35	140.82	2	5
Grand Total	16.35	550.88	16.35	544.76	2	9

Management is in the process of getting the above properties transferred in the name of the Company.

3.2 INVESTMENT PROPERTY (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	Balance as at 1.4.2019	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2020	Balance as at 1.4.2019	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2020	Balance as at 31.3.2020	Balance as at 31.3.2019
Investment Property												
Building	6,168.94	-	(5.25)	92.25	6,255.94	690.76	109.30	(0.09)	11.05	811.01	5,444.93	5,478.18
Investment Property Total	6,168.94	-	(5.25)	92.25	6,255.94	690.76	109.30	(0.09)	11.05	811.01	5,444.93	5,478.18

*Transfer includes ₹5.25 lacs (accumulated depreciation ₹0.09 lacs) transferred to Property, Plant & Equipment.

Refer Note No. 3.45 for disclosure of fair value of investment property.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.3 INTANGIBLE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block					Amortisation					Net Block	
	Balance as at 1.4.2019	Additions	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2020	Balance as at 1.4.2019	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	Balance as at 31.3.2020	Balance as at 31.3.2020	Balance as at 31.3.2019
Goodwill	1,458.05	-	-	-	1,458.05	1,050.00	408.05	-	-	1,458.05	-	408.05
Other Intangible Assets												
Software	3,140.26	204.90	-	0.22	3,345.38	1,546.94	391.34	-	0.04	1,938.32	1,407.06	1,593.32
Brands, Trade Marks & others	1,58,951.09	69.98	-	(11.64)	1,59,009.43	78,275.32	20,945.23	101.97	(8.04)	99,314.50	59,694.93	80,675.77
Copyright	20,720.00	-	-	-	20,720.00	15,768.43	4,145.23	-	-	19,913.66	806.34	4,951.57
Other Intangible Assets Total	1,82,811.35	274.88	-	(11.42)	1,83,074.81	95,590.69	25,481.80	101.97	(7.98)	1,21,166.48	61,908.33	87,220.66
Intangible Assets under Development	111.67	228.93	(221.39)	-	119.21	-	-	-	-	-	119.21	111.67
Grand Total	1,84,381.07	503.81	(221.39)	(11.42)	1,84,652.07	96,640.69	25,889.85	101.97	(7.98)	1,22,624.53	62,027.54	87,740.38

3.4 RIGHT OF USE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Land	Buildings	Total
At 1st April 2019	-	695.85	695.85
Reclassified on account of Ind AS 116	314.51	-	314.51
Additions	-	1,108.94	1,108.94
At 31st March 2020	314.51	1,804.79	2,119.30
Depreciation as at 1st April 2019	-	-	-
Charge for the year	5.33	390.63	395.96
Exchange Fluctuation on Consolidation	-	6.18	6.18
At 31st March 2020	5.33	396.81	402.14
Net Book Value			
At 31st March 2020	309.18	1,407.98	1,717.16

Refer Note No. 3.50 for the related disclosures.

3.5 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Non Current		
Investments carried at amount determined using equity method of accounting (Unquoted, fully paid, unless otherwise stated)		
Equity shares		
In Associates		
Helios Lifestyle Private Limited	768.40	1,114.68
72,261 (31.03.2020 - 72,261) Equity Shares of ₹10 each [net of share of loss during the year amounting to ₹346.78 lacs (31.03.2020 - ₹488.61 lacs)]		
Brillare Science Private Limited	994.38	1,009.50
2,27,973 (31.03.2020 - 2,27,973) Equity shares of ₹10 each [net of share of loss during the year amounting to ₹71 lacs (31.03.2020 - ₹113 lacs)] [net of impairment of NIL (31.03.2020 - ₹56.50 lacs)]		
(a)	1,762.78	2,124.18
Investments carried at amortised cost (Unquoted)		
Government & Trust Securities		
6 Years' National Savings Certificate	-	0.24
(i)	-	0.24

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.5 INVESTMENTS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Investments carried at FVTPL (Unquoted, fully paid)		
Preference Shares		
In Associates		
Brillare Science Private Limited { Refer note (b) below }		
15,00,000 (31.03.2020 - Nil) shares of ₹10 each	1,240.74	-
Units of Alternate Investment Fund		
Fireside Ventures Investment Fund - I		
1,307.20 (31.03.2020 - 1,307.20) Units of ₹1,00,000 each	3,452.63	2,343.14
	4,693.37	2,343.14
	(ii)	
Investments Carried at FVTOCI		
Equity Shares (Quoted, fully Paid)		
Emami Paper Mills Limited		
79,46,000 (31.03.2020 - 79,46,000) Equity Shares of ₹2 each	9,845.09	3,933.27
Securities (Unquoted, fully Paid)		
LOLI Beauty Inc.	340.69	408.01
12,28,261 (31.03.2020 - 12,28,261) Securities		
	10,185.78	4,341.28
	(iii)	
(b)= (i) + (ii) + (iii)	14,879.15	6,684.66
Total (a) + (b)	16,641.93	8,808.84
Aggregate Amount of Quoted Investments & Market Value thereof	9,845.09	3,933.27
Aggregate Amount of Unquoted Investments	6,796.84	4,875.57
Aggregate Amount of impairment in value of Investment	-	56.50

Notes -

- (a) Refer Note No 3.47 for determination of fair value
- (b) During the year, the Company has invested in 15,00,000 Compulsorily convertible preference shares (CCPS) of Brillare Science private limited (BSPL) amounting to ₹150 lacs under a shareholder's agreement. As per the terms of the CCPS, the Holding Company is entitled to convert such CCPS into fully paid up Equity Shares in April 2022, at a conversion rate to be determined based on formula stipulated in the agreement.

3.6 LOANS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At Amortised Cost		
Unsecured, Considered Good		
Security Deposits to Related Parties (Refer Note No 3.55)	31.35	31.55
Security Deposits to Others	474.54	539.71
Loans to Related Parties (Refer Note No 3.55)	150.00	150.00
Loans to Employees	41.48	106.68
At FVTPL		
Unsecured, Considered Good		
Loans to Related Parties (Refer Note No 3.55)	382.98	345.25
Total	1,080.35	1,173.19

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.7 OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
At amortised cost				
Unsecured, Considered Good unless otherwise stated				
Incentive Receivable *	5,999.77		3,264.52	
Less: Provision for Doubtful Receivables	(178.67)	5,821.10	(178.67)	3,085.85
Other Receivables **	845.04		911.00	
Less: Provision for Doubtful Receivables	(455.55)	389.49	(60.00)	851.00
Total		6,210.59		3,936.85

* It include Capital & Other Subsidies, GST refund, etc.

** Comprise of advances given to supplier in earlier years, now refundable.

3.8 DEFERRED TAX ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in depreciable assets	-	(1.31)
Deferred Tax Assets		
Tax impact of expenses allowable against taxable income in future years	-	1.81
Total	-	0.50

Refer Note No. 3.48

3.9 NON-CURRENT TAX ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Advance Income Tax (Net of Provision)	37.99	1,348.50
Total	37.99	1,348.50

3.10 OTHER NON- CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, Considered Good unless otherwise stated		
Capital Advances	993.72	1,845.66
Deposits with Government Authorities	362.58	411.89
Prepaid Expenses	136.05	268.75
Total	1,492.35	2,526.30

3.11 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
(At lower of cost and net realisable value)				
Raw materials and Packing materials				
Raw Materials	9,026.42		5,751.28	
Packing Materials	4,464.97	13,491.39	3,927.27	9,678.55
Work-in-Progress		446.80		407.98
Finished Goods		9,873.60		10,675.52
Stock-in-Trade		5,506.24		2,848.10
Stores and Spares		726.62		854.59
Total		30,044.65		24,464.74

(a) During the year ended 31st March 2021, ₹131.90 lacs (31st March 2020: ₹43.71 lacs) was recognised as an expense for inventories carried at net realisable value.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.11 INVENTORIES (Contd.)

(b) Above includes Inventories in Transit:

Raw Materials : ₹624.21 lacs (31.03.2020 : ₹715.58 lacs)

Packing Materials : ₹100.72 lacs (31.03.2020 : ₹78.45 lacs)

Finished Goods : ₹302.84 lacs (31.03.2020 : ₹163.72 lacs)

Stock-in-Trade : ₹238.23 lacs (31.03.2020 : Nil)

(c) Above includes Stock-in-Trade lying with third parties ₹1,050.51 lacs (31.03.2020 : Nil)

(d) Refer Note No 3.25 for information on inventories pledged as security

3.12 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Current		
Investments carried at FVTPL (Unquoted)		
Units of Mutual Fund		
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	-	3,012.04
Nil (31.03.2020 - 9,42,561) Units of ₹100 each		
PGIM India Money Market Fund - Direct Plan Growth	-	501.50
Nil (31.03.2020 - 50,000) Units of ₹1,000 each		
Axis Liquid Fund - Direct- Growth	500.03	301.77
21,885 (31.03.2020 - 13,690) Units of ₹1,000 each		
Nippon India Floating Rate Fund - Direct Growth Plan	3,832.57	1,016.75
1,06,49,590 (31.03.2020 - 30,92,127) Units of ₹10 each		
PGIM India Insta Cash Fund - Direct Plan Growth	500.02	2,000.88
1,86,534 (31.03.2020 - 7,74,556) Units of ₹100 each		
Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan	499.98	-
1,74,104 (31.03.2020 - Nil) Units of ₹100 each		
ICICI Money Market Fund - Direct Growth Plan	499.98	-
1,69,323 (31.03.2020 - Nil) Units of ₹100 each		
Mahindra Manulife Short Term Fund - Direct Growth Plan	704.15	-
69,97,971 (31.03.2020 - Nil) Units of ₹10 each		
Nippon India Overnight Fund - Direct Growth Plan	450.53	-
4,07,812 (31.03.2020 - Nil) Units of ₹100 each		
Tata Money Market Fund - Direct Growth Plan	1,903.39	-
51,866 (31.03.2020 - Nil) Units of ₹1,000 each		
Total	8,890.65	6,832.94
Aggregate Amount of Unquoted Investments	8,890.65	6,832.94

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.13 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At Amortised cost		
Secured		
Considered Good	11,538.17	7,363.20
Unsecured		
Considered Good	11,637.14	23,437.63
Trade Receivable - Credit Impaired	357.80	103.46
Subtotal	23,533.11	30,904.29
Less : Allowance for Credit Impaired	357.80	103.46
Total	23,175.31	30,800.83

Set out below is the movement in the allowance for expected credit losses of trade receivables:

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
As at 1st April	103.46	-
Provision for expected credit losses	254.34	103.46
As at 31st March	357.80	103.46

- (a) Refer Note No 3.25 for information on receivables secured against borrowings.
- (b) No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (c) Refer note no 3.55 for information on receivables from related parties.
- (d) Refer Note no 3.52 for credit risk and market risk

3.14 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
Balances with banks	1,395.16		923.94	
Cheque-in-hand	561.21		141.50	
Cash on hand	24.78	1,981.15	18.50	1,083.94
Total		1,981.15		1,083.94

Changes in liabilities arising from financing activities

₹ in Lacs

Particulars	1st April 2020	Cash Flow*	On Account of Ind AS 116	31st March 2021
Current borrowings (excluding items listed below)	21,023.44	(11,832.51)	-	9,190.93
Current Lease Liabilities	634.25	(633.68)	419.60	420.17
Non-Current Lease Liabilities	830.55	12.09	(355.13)	463.33
Total	22,488.24	(12,454.10)	64.47	10,074.43

*It includes Foreign currency translation adjustment of ₹12.09 lacs

₹ in Lacs

Particulars	1st April 2019	Cash Flow	On Account of Ind AS 116	31st March 2020
Current borrowings (excluding items listed below)	10,986.93	10,036.51	-	21,023.44
Current Lease Liabilities	-	(335.48)	969.73	634.25
Non-Current Lease Liabilities	-	-	830.55	830.55
Total	10,986.93	9,701.03	1,800.28	22,488.24

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.15 OTHER BANK BALANCES

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
Other Bank Balances				
Unpaid Dividend Account #	231.02		187.13	
Balance in Escrow account ##	-		5,003.60	
Deposits with Original maturity of more than 3 months but less than 12 months *	33,825.13	34,056.15	5,631.25	10,821.98
Total		34,056.15		10,821.98

Earmarked for payment of Unclaimed Dividend

As at 31st march, 2020, the Company has deposited an amount equivalent to 25% of the maximum Buyback size in the escrow account which includes ₹480 lacs i.e. 2.5% total buyback amount kept as deposit.

* Includes deposits amounting to ₹55.74 lacs (31.03.2020 : ₹182.36 lacs) under lien.

3.16 LOANS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
At amortised cost				
Unsecured, considered good				
Loans to Employees		302.88		359.15
Loans to Others		-		6,000.00
Deposits *		-		275.38
Total		302.88		6,634.53

* amount held as margin money with the broker for buyback of shares.

3.17 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
Unsecured, considered good				
At amortised cost				
Interest Receivable				
– from related parties (Refer Note No 3.55)	18.34		-	
– from others	248.50	266.84	2047.88	2,047.88
Other Receivable				
– from related parties (Refer Note No 3.55)	85.24		317.16	
– from others	53.20	138.44	133.30	450.46
Incentive Receivable*		3,137.64		5,325.93
At FVTPL				
Derivative assets - Forward & Option #		82.53		29.49
Total		3,625.45		7,853.76

* It include Subsidy, Export Incentives, GST Refund etc.

Refer Note No. 3.47 for determination of fair value

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.18 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
Unsecured, considered good				
Advances other than Capital Advances				
– For goods and services	3,421.87		5,963.80	
– To employees	21.28	3,443.15	227.54	6,191.34
Balances with Government Authorities		5,620.59		6,792.16
Prepaid Expenses		1,539.01		1,855.84
Unsecured, considered doubtful				
Advances other than Capital Advances				
– for goods and services	47.35		47.35	
– Less Provision for doubtful advance	(47.35)	-	(47.35)	-
Total		10,602.75		14,839.34

3.19 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised		
50,00,00,000 (31.03.2020-50,00,00,000) Equity Shares of ₹1/- each	5,000.00	5,000.00
Issued		
44,45,13,740 (31.03.2020-45,39,35,238) Equity Shares of ₹1/- each fully paid up	4,445.14	4,539.35
Subscribed & Paid up*		
44,45,13,740 (31.03.2020-45,31,80,768) Equity Shares of ₹1/- each fully paid up	4,445.14	4,531.81
Total issued, subscribed and fully paid up share capital	4,445.14	4,531.81

*Of the above 22,69,67,619 (31.03.2020 : 22,69,67,619) equity shares fully paid up have been issued in consideration other than cash by way of bonus shares in last 5 years.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
Shares outstanding at the beginning of the year	4,53,180,768	4,531.81	4,53,935,238	4,539.35
Less : Shares bought back	8,667,028	86.67	754,470	7.54
Shares outstanding at the end of the year	4,44,513,740	4,445.14	4,53,180,768	4,531.81

Refer Note no. : 3.59 for Buy Back of equity shares

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The company declares & pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting and is accounted for in the year in which it is approved by the shareholders in the general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

(c) Shareholders holding more than 5% shares in the Holding Company

Names of the shareholders	As at 31.03.2021		As at 31.03.2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Sneha Gardens Private Limited	1,05,720,226	23.78	-	-
Sneha Enclave Private Limited	98,667,956	22.20	-	-
Diwakar Viniyog Private Limited	-	-	49,533,849	10.91
Suntrack Commerce Private Limited	-	-	49,134,107	10.82
Bhanu Vyapaar Private Limited	-	-	43,765,902	9.64
SBI Consumption Opportunities Fund	-	-	31,486,699	6.94

3.20 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
Retained Earnings				
Opening balance	57,617.61		71,121.16	
Net Profit for the year	45,469.91		30,291.42	
Remeasurements of the Net Defined Benefit Plans (net of tax)	119.81		(15.55)	
Final Dividend#	-		(18,157.41)	
Interim Dividend#	(35,561.10)		(18,157.40)	
Corporate Dividend Tax#	-		(7,464.61)	
Closing Balance		67,646.23		57,617.61
Other Comprehensive Income				
Investment in Equity shares at fair value through Other Comprehensive Income				
Opening Balance	3,670.34		13,422.12	
Change during the year	5,758.43		(9,751.78)	
Closing balance		9,428.77		3,670.34
Foreign Currency Translation Reserve				
Opening Balance	(319.86)		8.52	
Addition during the year	260.28		(328.38)	
Closing Balance		(59.58)		(319.86)
Other Reserves				
Capital Reserves		79.64		79.64
Securities Premium				
Opening balance	29,295.50		30,935.49	
Amount paid/payable upon Buy back ##	(17,868.00)		(1,236.69)	
Buyback distribution tax ##	(4,179.87)		(289.13)	
Transaction costs related to Buyback ##	(22.83)		(114.17)	
Closing Balance		7,224.80		29,295.50
Capital Redemption Reserve (CRR)				
Opening balance	7.54		-	
Appropriation from general reserve upon Buyback of equity shares ##	86.67		7.54	
Closing Balance		94.21		7.54
General Reserve				
Opening Balance	87,492.46		87,500.00	
Transfer to capital redemption reserve upon Buyback of equity shares ##	(86.67)		(7.54)	
Closing Balance		87,405.79		87,492.46
Total		1,71,819.86		1,77,843.23

Refer Note No : 3.49

Refer Note No : 3.59

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

Nature and purpose of reserves

Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares /buyback of shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital Reserve

Capital Reserve has been primarily created on amalgamation in earlier years.

Retained Earnings

This Reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

This Reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in the accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Capital Redemption Reserve

Represents the nominal value of Equity shares bought back pursuant to Buyback in accordance with Section 69 of the Companies Act, 2013.

3.21 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At amortised cost		
Unsecured		
Trade Deposits	244.37	287.80
Security Deposits	424.64	424.94
Lease Liabilities #	420.17	830.55
Total	1,089.18	1,543.29

Refer Note no 3.50

3.22 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits		
Gratuity (Refer Note No : 3.39)	2,296.58	2,310.20
Total	2,296.58	2,310.20

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.23 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in depreciable assets	3,900.13	4,246.71
Tax impact arising on fair value gain on financial instruments	653.00	38.15
Deferred Tax Assets		
Tax Impact of expenses allowable against taxable income in future years	(4,120.46)	(3,927.18)
Deferred Tax Asset on lease	(16.32)	11.50
Total	416.35	346.18

Refer Note no 3.48

3.24 OTHER NON-CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Government grants *	1,973.33	2,155.69
Total	1,973.33	2,155.69

* To be amortised to income over the life of the assets against which such grants are received/receivable.

3.25 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
At amortised cost				
Secured				
From Banks				
Cash Credit (including working capital demand loan)	4,177.75		8,614.64	
Packing Credit	2,226.66	6,404.41	1,500.00	10,114.64
(Cash Credit amounting to ₹298.49 lacs (31.03.2020: ₹3,848.35 lacs) and Packing Credit are secured by hypothecation of inventories, book debts on first charge basis ranking pari passu amongst lenders.)				
(Cash Credit amounting to ₹3,879.26 lacs (31.03.2020: ₹4,766.29 lacs) is secured by the corporate guarantee of the Holding Company.)				
Unsecured				
From Banks				
Cash Credit (including working capital demand loan)	-		8,783.98	
Packing Credit	2,127.78	2,127.78	1,747.52	10,531.50
Loan from Director		658.74		377.30
Total		9,190.93		21,023.44

Notes :

- Cash credit amounting to ₹3,879.26 lacs (31.03.2020: ₹4,766.29 lacs) carries an interest rate of LIBOR plus 1.5% (31.03.2020: LIBOR plus 1.5%) and for balance Cash credit amounting to ₹298.49 lacs (31.03.2020: ₹3,848.35 lacs) interest ranges between 6.60% - 13.96% (31.03.2020 : Interest rate 7% - 9.45%)
- Packing credit is repayable within 6 months & carries interest in the range of 1.60% - 5.00% (31.03.2020 : Interest rate 4.00%-5.00%)
- Loan from directors are repayable on demand & carries an interest rate of 2.75% (31.03.2020 : Interest rate 2.75%)

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.26 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At amortised cost		
Total outstanding dues of Micro & Small Enterprises (Refer Note No 3.42)	1,213.83	1,356.92
Total outstanding dues of creditors Other than Micro & Small Enterprises	33,853.72	31,088.99
Total	35,067.55	32,445.91

Refer Note no 3.52 for liquidity risk and market risk

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled between 30 to 60 days term

3.27 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
At amortised cost		
Interest Accrued but not due on Borrowings	29.11	27.06
Interest Accrued and due on Trade Deposits	8.36	8.03
Creditors for Capital Goods	296.96	504.77
Unpaid Dividends##	231.02	187.13
Employee Benefits	5,009.60	3,645.32
Security Deposit	6.14	79.50
Lease Liabilities #	463.33	634.25
Payable towards Buyback of Shares	-	112.45
At FVTPL		
Derivative liabilities - Forward & Option	51.57	-
Total	6,096.09	5,198.51

Refer Note No : 3.50

Unpaid dividend does not include amount due and outstanding, to be credited to Investor Education and Protection Fund.

3.28 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Government Grant*	212.28	212.26
Advance from Customers	1,678.42	540.49
Duties & Taxes	1,117.54	4,110.71
Total	3,008.24	4,863.46

* To be amortised to income over the life of the assets against which such grants are received/receivable.

3.29 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits		
Provident Fund (Refer Note No 3.40)	400.57	352.05
Gratuity (Refer Note No 3.39)	58.32	52.62
Leave Encashment	1,184.84	1,243.88
Others		
Provision for Litigations (Refer Note No 3.41)	9,102.20	9,105.85
Provision for Rebates and Damage return (Refer Note 3.66)	3,538.86	3,794.18
Total	14,284.79	14,548.58

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.30 CURRENT TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Direct Taxes (Net of Advances)	2,369.56	1,124.39
Total	2,369.56	1,124.39

3.31 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2020-2021	2019-2020
Revenue from contracts with customers		
Sale of Products (Refer Note No 3.65)	2,85,425.19	2,61,324.35
Other Operating Revenues*	2,627.46	4,163.82
Total	2,88,052.65	2,65,488.17

* It includes amortisation of Capital Subsidy, Export incentives and GST Refund

3.32 OTHER INCOME

₹ in Lacs

Particulars	2020-2021	2019-2020
Interest Received on financial assets carried at amortised cost		
Loans & Deposits	1,708.09	2,832.23
Dividend Income from equity investment carried at fair value through OCI	-	95.35
Provision for impairment of equity investment in associate written back	16.88	-
Provision for litigation written back	562.11	-
Income from financial assets carried at fair value through Profit or Loss		
Profit on fair value of investment in CCPS in associate	1,090.74	-
Profit on Sale / Fair Value of mutual funds and AIF	2,830.38	1,437.53
Profit on Derivative Instruments (net)	1.47	-
Profit on Sale of Property, Plant & Equipments (net)	-	589.18
Rent and Maintenance Charges Received	535.09	562.85
Sundry Balances Written Back	38.51	93.11
Miscellaneous Receipts	243.89	96.33
Total	7,027.16	5,706.58

3.33 COST OF MATERIALS CONSUMED

₹ in Lacs

Particulars	2020-2021	2019-2020
Raw materials and Packing materials		
Opening Stock	9,678.55	8,291.89
Add : Purchases during the year	74,666.92	75,715.55
Less : Closing Stock	13,491.39	9,678.55
Total	70,854.08	74,328.89

3.34 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Lacs

Particulars	2020-2021	2019-2020
(I) Opening Stock		
Work-in-progress	407.98	411.41
Finished Goods	10,675.52	9,115.76
Stock in trade	2,848.10	3,557.77
(II) Closing Stock		
Work-in-progress	446.80	407.98
Finished Goods	9,873.60	10,675.52
Stock in trade	5,506.24	2,848.10
(I) - (II)	(1,895.04)	(846.66)
Add: Foreign Currency Translation Adjustment	(45.34)	-
Total	(1,940.38)	(846.66)

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.35 EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	2020-2021	2019-2020
Salaries and Wages	27,964.82	26,924.79
Staff Contribution to Provident and Other Funds	1,529.18	1,684.37
Gratuity Expenses (Refer Note No 3.39)	656.49	668.92
Welfare expenses	766.84	672.90
Total	30,917.33	29,950.98

3.36 FINANCE COSTS

₹ in Lacs

Particulars	2020-2021	2019-2020
Interest on debts & borrowings	1,224.74	2,003.18
Interest on lease liabilities	102.39	97.97
Total	1,327.13	2,101.15

3.37 OTHER EXPENSES

₹ in Lacs

Particulars	2020-2021	2019-2020
Consumption of Stores and Spare parts	944.91	601.44
Power and Fuel	2,149.51	2,246.73
Rent (Refer Note No. 3.50)	467.33	729.23
Repairs & Maintenance :		
Building	177.23	216.93
Machinery	742.44	1,085.18
Others	1,747.82	3,220.70
Insurance	462.79	328.80
Freight & Forwarding	7,190.30	6,027.33
Directors' Fees and Commission	599.55	601.00
Advertisement & Sales Promotion	45,813.27	47,113.99
Packing Charges	5,312.72	5,854.56
Commission	984.59	952.57
Loss on Sale/Disposal of Property, Plant & Equipments (net)	138.37	-
Provision for doubtful receivables	395.89	124.69
Provision for doubtful trade receivables (Refer Note No 3.52)	304.00	103.13
Legal and Professional Fees	3,505.67	3,760.02
Travelling and Conveyance	1,265.77	2,840.28
Expenditure on CSR Activities	781.11	564.14
Loss on fair value of derivatives	-	341.87
Loss on fair value of Loan at FVTPL	-	54.75
Loss on Impairment of Investment in an Associate	-	56.50
Foreign Exchange Loss (net)	45.68	-
Miscellaneous Expenses	2,878.48	3,350.76
Total	75,907.43	78,872.49

3.38 SEGMENT INFORMATION

The management has considered that the Group has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further the Group is engaged in single business line, viz, "Personal and Health Care". The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators considering a single business segment. The CODM reviews revenue and profit from operations as the performance indicator considering a single business segment. The CEO & CFO and Managing Director are the CODM of the Group.

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.38 SEGMENT INFORMATION (Contd.)

The Group 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	2020-2021	2019-2020
India	2,42,743.19	2,24,070.75
Overseas *	45,309.46	41,417.42
Total	2,88,052.65	2,65,488.17

The following table shows the carrying amount of segment Non current assets* by geographical area to which these assets are attributable:

Carrying amount of Non Current Assets (excluding Financial assets, and Deferred Tax assets (Net) and Non-Current Tax Assets (Net))		₹ in Lacs
	As at 31.03.2021	As at 31.03.2020
India	112,077.94	145,501.50
Overseas *	3,241.10	3,746.98
Total	1,15,319.04	1,49,248.48

* Revenue and carrying amount of Non Current Assets from no individual country is material.

Non-current assets for this purpose consist of property, plant and equipment, intangible assets, investment properties and other non current assets.

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues.

3.39 DEFINED BENEFIT PLAN (GRATUITY):

- The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death. The Holding Company makes contributions to Himani Limited Gratuity Fund, J.B. Marketing and Services Employees Gratuity Fund, Zandu Pharmaceuticals Employees Gratuity Fund & Kemco Chemicals Employees Gratuity Fund, which is funded defined benefit plan for qualifying employees in India.
- Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme for the group.

Particulars	Gratuity Funded	
	As at 31.03.2021	As at 31.03.2020
A Expenses Recognised in the Income Statement		
1. Current Service Cost	515.81	525.28
2. Past Service Cost	-	-
3. Loss/(Gain) on Settlement	-	-
4. Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	140.68	143.64
5. Total Expenses recognised in the Statement of Profit and Loss	656.49	668.92
B Assets and Liability		
1. Present value of Obligation	5,377.75	4,934.82
2. Fair Value of Plan Assets	3,022.55	2,572.00
3. Funded Status [Surplus/(Deficit)]	(2,355.20)	(2,362.82)
4. Net Asset/(Liability) recognised in Balance Sheet	(2,355.20)	(2,362.82)

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.39 DEFINED BENEFIT PLAN (GRATUITY): (Contd.)

₹ in Lacs

Particulars	Gratuity Funded	
	As at 31.03.2021	As at 31.03.2020
C Change in Present Value of Obligation		
1. Present value of Obligation as at beginning of period	4,934.82	4,264.14
2. Current Service Cost	515.81	525.28
3. Interest Expense or Cost	305.17	313.54
4. Re-measurement (or Actuarial) (gain)/loss arising from :	-	-
— Change in demographic assumptions	-	(61.13)
— Change in financial assumptions	40.08	178.92
— Experience variance (i.e. Actual experience vs assumptions)	(22.40)	(106.11)
5. Past Service Cost	-	-
6. Benefits Paid	(395.73)	(179.82)
7. Acquisition Adjustment	-	-
8. Present value of Obligation as at the end of period	5,377.75	4,934.82
D Change in Fair Value of Plan Assets		
1. Fair Value of Plan Assets at beginning of period	2,572.00	2,230.76
2. Investment Income	164.49	169.90
3. Employer's Contribution	350.87	340.00
4. Benefits paid	(228.82)	(168.66)
5. Return on plan assets, excluding amount recognised in net interest expense	164.01	-
6. Acquisition Adjustment	-	-
7. Fair Value of Plan Assets at end of period	3,022.55	2,572.00
E Other Comprehensive Income		
1. Actuarial (gains)/losses		
— Change in demographic assumptions	-	(61.13)
— Change in financial assumptions	40.08	178.92
— Experience variance (i.e. Actual experience vs assumptions)	(22.40)	(106.72)
2. Return on plan assets, excluding amount recognised in net interest expense	(164.01)	-
3. Components of defined benefit costs recognised in other comprehensive income	(146.33)	11.07

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2021	As at 31.03.2020
Funds managed by Insurer	100.00%	100.00%

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.39 DEFINED BENEFIT PLAN (GRATUITY): (Contd.)

(iv) Assumptions

Particulars	As at 31.03.2021	As at 31.03.2020
Financial Assumptions		
Discount Rate (%)	4.25% to 6.78%	4.00% to 6.99%
Salary Growth Rate (per annum)	4.00% to 8.00%	2.30% to 13.40%
Demographic Assumptions		
Mortality Rate	100% (% of IALM 12-14)	100% (% of IALM 12-14)
Withdrawal Rate (per annum)	12.77% to 13.20%	13% to 21%

(v) Sensitivity Analysis :

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at 31.03.2021	As at 31.03.2020
Defined Benefit Obligation (Base)	5,377.75	4,934.82

₹ in Lacs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.50% - 1%) (₹ in lacs)	5,630.16	5,143.68	5,171.48	4,717.39
(% change compared to base due to sensitivity)	4.69%	-4.35%	4.82%	-4.39%
Salary Growth Rate (- / + 0.50% - 1%) (₹ in lacs)	5,148.32	5,620.33	4,717.77	5,166.66
(% change compared to base due to sensitivity)	-4.27%	4.51%	-4.32%	4.72%
Attrition Rate (- / + 50% of present attrition rate) (₹ in lacs)	5,565.13	5,254.29	5,087.31	4,835.46
(% change compared to base due to sensitivity)	3.48%	-2.30%	3.11%	1.99%
Mortality Rate (- / + 10%) (₹ in lacs)	5,375.99	5,375.21	4,932.86	4,934.70
(% change compared to base due to sensitivity)	-0.03%	-0.05%	-0.02%	0.02%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(vi) Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees in India. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Expected Contribution during the next annual reporting period

Particulars	As at 31.03.2021	As at 31.03.2020
The Company's best estimate of Contribution during the next year	300.00	300.00

₹ in Lacs

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.39 DEFINED BENEFIT PLAN (GRATUITY): (Contd.)

c) Maturity Profile of Defined Benefit Obligation

Particulars	2020-2021	2019-2020
Weighted average duration (based on discounted cashflows)	4 Years	4 Years

₹ in Lacs		
Expected cash flows over the next (valued on undiscounted basis):	2020-2021	2019-2020
1 Year	1,760.48	1,645.11
2 to 5 Years	2,108.84	1,875.22
6 to 10 Years	1,764.56	1,507.22
More than 10 Years	2,004.19	2,370.43

(vii) Description of Risk Exposures

Valuations are performed on certain basic set of pre determined assumptions and other regulatory frame work which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Group to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short-term gratuity pay outs. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions considered for the valuation.

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time) or relevant applicable statute of respective foreign subsidiaries. There is a risk of change in regulations requiring higher gratuity payouts.(e.g. Increase in the maximum limit on gratuity of ₹20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

3.40 DEFINED BENEFIT PLAN (PROVIDENT FUND):

- (i) In respect of certain employees in India, provident fund contributions are made to a Trust administered by the Group.

The defined benefit obligation arises from the possibility that during any time period in the future, the scheme may earn insufficient investment income to meet the guaranteed interest rate declared by government/EPFO/relevant authorities.

The net defined benefit obligation as at the valuation date, thus, represents the excess of accrued account value plus interest rate guaranteed liability over the fair value of plan assets.

- (ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs		
Particulars	As at 31.03.2021	As at 31.03.2020
Accumulated Account Value of Employee's Fund	14,433.30	11,914.68
Interest Rate Guarantee Liability	435.76	275.50
Present value of benefit obligation at end of the period	14,869.06	12,190.18
Fair Value of Plan Assets	14,468.49	11,838.13
Net Asset / (Liability)	(400.57)	(352.05)

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.40 DEFINED BENEFIT PLAN (PROVIDENT FUND): (Contd.)

Interest Rate Guarantee Liability	As at 31.03.2021	As at 31.03.2020
Interest Rate Guarantee Liability	435.76	275.50
Fund Reserve and Surpluses	35.19	(76.55)
Net Liability	400.57	352.05

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2021	As at 31.03.2020
Government of India securities	7.75%	11.05%
State Government securities	41.10%	36.49%
High quality corporate bonds	41.99%	42.55%
Equity shares of listed companies	4.72%	3.12%
Special Deposit Scheme	0.20%	0.25%
Bank balance	1.72%	2.29%
Other Investments	2.52%	4.25%
Total	100.00%	100.00%

(iv) Assumptions

Particulars	As at 31.03.2021	As at 31.03.2020
Discount Rate	5.30%	5.62%
Expected Guarantee Interest Rate	8.50%	8.50%
Mortality Rate	100% (% of IALM 12-14)	100% (% of IALM 12-14)
Attrition Rate (for all ages; per annum)	13.00%	13.00%

(v) Liability sensitivity analysis

Significant actuarial assumptions for the determination of the guarantee liability are interest rate guarantee and discount rate.

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ in Lacs		
Particulars	As at 31.03.2021	As at 31.03.2020
Defined Benefit Obligation (Base)	14,869.06	12,190.18

₹ in Lacs				
Particulars	As at 31.03.2021		As at 31.03.2020	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%) (₹ in lacs)	14,878.26	14,860.19	12,199.86	12,174.43
(% change compared to base due to sensitivity)	0.06%	-0.06%	0.08%	-0.13%
Interest rate guarantee (-/+ 1%) (₹ in lacs)	14,536.56	15,520.03	11,914.68	12,803.38
(% change compared to base due to sensitivity)	-2.24%	4.38%	-2.26%	5.03%

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as at & for the year ended 31st March, 2021

3.41 THE GROUP HAS MADE A PROVISION OF ₹666.42 LACS (31.03.2020 - ₹2,590.62 LACS) TOWARDS CASES WHICH ARE UNDER LITIGATION/DISPUTE DURING THE YEAR AS SHOWN BELOW:

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
Opening Balance	9,105.85	6,515.23
Provisions made during the year	666.42	2,590.62
Payment/reversals during the year	(670.07)	-
Closing Balance	9,102.20	9,105.85

3.42 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006 :

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	1,213.83	1,356.92
– Interest due on above	-	-
Total	1,213.83	1,356.92
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

3.43 SECURITY DEPOSIT OF ₹5.35 LACS (31.03.2020 - ₹5.45 LACS) GIVEN TO DIRECTORS OF THE HOLDING COMPANY AGAINST TENANCIES. (MAXIMUM AMOUNT OUTSTANDING DURING THE YEAR - ₹5.45 LACS (31.03.2020 - ₹5.55 LACS).

3.44 CONTINGENT LIABILITIES & COMMITMENTS

I) Contingent Liabilities

(a) Claims against the Company not acknowledged as debt :	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
i) Excise Duty, GST and Customs demands	294.02	247.29
ii) Sales Tax demands under appeal	178.01	235.86
iii) Others	23.05	23.05

Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Group, the management believes that the Group has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary. The timing of outflow of resources is not ascertainable.

(b) Guarantees	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
Bank Guarantees	455.27	416.53

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3.44 CONTINGENT LIABILITIES & COMMITMENTS (Contd.)

II) Commitments:

	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
(a) Capital Commitments : Estimated amount of commitments [net of advances of ₹1,249.16 lacs (31.03.2020 - ₹1,900.04 lacs)] on capital account not provided for	1,453.38	2,200.99
(b) EPCG Commitments : The Group had procured capital goods under the Export Promotion Capital Goods Scheme of the Government of India, at a concessional rate of customs duty / excise on an undertaking to fulfil quantified export obligation within the specified periods, failing which, the Group has to make payment to the Government of India equivalent to the duty benefit enjoyed along with interest. Related export obligation to be met is ₹2,408.32 lacs (P.Y. - ₹1,427.06 lacs). In addition, the Group needs to maintain the average annual export turnover of ₹3,345.33 lacs to meet the above export obligation. The Group is confident that the above export obligation will be met during the specified period.		

3.45 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

	₹ in Lacs	
Particulars	2020-2021	2019-2020
Income derived from investment properties	505.84	532.09
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	127.91	119.98
Profit arising from investment properties before depreciation and indirect expenses	377.93	412.11
Less: Depreciation	110.72	109.30
Profit arising from investment properties before indirect expenses	267.21	302.81
Reconciliation of fair value:	₹ in Lacs	
Particulars	2020-2021	2019-2020
Fair value of opening balance of Investment property	6,811.78	7,802.02
Fair value adjustment on opening balance of Investment property	408.22	(842.24)
Fair value of transfer in/(out)	-	(148.00)
Fair value of closing balance of Investment property	7,220.00	6,811.78

These valuations are based on valuations performed by the management based on the available market prices of the properties using the level 2 inputs. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

3.46 CATEGORIZATION OF FINANCIAL INSTRUMENTS:

	₹ in Lacs	
Particulars	Carrying value /Fair value	
	As at 31.03.2021	As at 31.03.2020
(i) Financial Assets		
a) Measured at FVTPL		
– Investments in mutual funds / alternate investment fund	12,343.28	9,176.08
– Investments in Preference Shares	1,240.74	-
– Loans	382.98	345.25
– Other Financial Assets (Derivative assets - Forward & Option)	82.53	29.49
b) Measured at FVTOCI		
– Investments in Equity Shares	10,185.78	4,341.28
c) Measured at Amortised Cost*		
– Loans	1,000.25	7,462.47
– Other Financial Assets	9,753.51	11,761.12
TOTAL	34,989.07	33,115.69

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3.46 CATEGORIZATION OF FINANCIAL INSTRUMENTS: (Contd.)

Particulars	₹ in Lacs	
	Carrying value /Fair value	
	As at 31.03.2021	As at 31.03.2020
(ii) Financial Liabilities		
a) Measured at Amortised Cost*		
— Borrowings (Secured & Unsecured)	9,190.93	21,023.44
— Other Financial Liabilities	7,133.70	6,741.80
b) Measured at FVTPL		
— Other Financial Liabilities (Derivative Liabilities - Forward & Option)	51.57	-
TOTAL	16,376.20	27,765.24

*Fair values of assets / liabilities carried at amortised cost are reasonable approximation of its carrying values.

The Group has not disclosed fair value of financial instruments such as cash and cash equivalents, other bank balances, trade receivables and trade payables because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

3.47 FAIR VALUE HIERARCHY

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021:

Particulars	₹ in Lacs		
	Fair value measurement at end of the reporting year using		
	Level 1	Level 2	*Level 3
Assets			
Investments in mutual fund units / alternate investment fund	-	12,343.28	-
Investments in Equity	9,845.09	-	340.69
Investments in Compulsorily Convertible Preference Shares	-	-	1,240.74
Loans	-	-	382.98
Derivative financial instruments - Derivative assets - Forward & Option	-	-	82.53
Liability			
Derivative financial instruments - Derivative liability - Forward & Option	51.57	-	-

Particulars	₹ in Lacs		
	Fair value measurement at end of the reporting year using		
	Level 1	Level 2	*Level 3
Assets			
Investments in mutual fund units / alternate investment fund	-	9,176.08	-
Investments in Equity Shares	3,933.27	-	408.01
Loans	-	-	345.25
Derivative financial instruments - Derivative assets - Forward & Option	-	-	29.49

* Refer note below for valuation technique and inputs used.

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3.47 FAIR VALUE HIERARCHY (Contd.)

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Compulsorily Convertible Preference Shares	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will decrease profit before tax by ₹27.66 lacs and 1% decrease will increase profit before tax by ₹28.51 lacs.
Loan	Income Approach Method	Yield to maturity	0.50% increase in Yield to Maturity rate will increase profit before tax by ₹2.49 lacs and 0.50% decrease will decrease profit before tax by ₹1.51 lacs.
Derivative Financial instrument - Options Contract	Income Approach Method using the option pricing model	Volatility Factors	5% increase in Volatility factors will decrease Profit before tax by ₹4.81 lacs and 5% decrease will increase Profit before tax by ₹4.78 lacs.
Unquoted Securities in Loli Beauty	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will decrease profit before tax by ₹8.31 lacs and 1% decrease will increase profit before tax by ₹7.35 lacs.

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

Reconciliation of fair value measurement of Level 3 assets.

Particulars	Amount (₹ in Lacs)
As at 01.04.2019	1,737.81
Purchases / Addition	345.25
Disposal/Deletion	979.00
Fair Value Changes	(321.31)
As at 31.03.2020	782.75
Purchases / Addition	150.00
Disposal/Deletion	-
Fair Value Changes	1,114.19
As at 31.03.2021	2,046.94

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3.48 INCOME TAXES

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below:

	₹ in Lacs	
Particulars	2020-2021	2019-2020
Profit before Income Taxes	56,892.14	37,357.34
Enacted Tax Rate in India	34.94%	34.94%
Computed expected tax expenses	19,880.39	13,054.15
Tax Incentives under 80IE units	(13,588.32)	(8,750.48)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	4,329.73	2,886.61
Expenses not allowable	722.09	197.13
Tax impact of dividend received and undistributed profits of foreign subsidiary	585.37	(768.39)
Effect of differential tax rates applicable to Foreign Subsidiaries	(358.00)	1,071.41
Tax on realised gain on fair value of Mutual Fund/AIF set off against Short term carried forward losses	(533.00)	(197.00)
Tax Incentive for Dividend Received from Foreign Subsidiary	-	(792.00)
Deferred Tax Asset not Recognised	367.70	559.85
Adjustment to normal tax since MAT utilised	(343.00)	(214.00)
Impact of share of results of associates	146.00	210.26
Others	212.30	(130.56)
Income Tax Expense	11,421.26	7,126.98

Details of current tax (MAT) for the year:

	₹ in Lacs	
Particulars	2020-2021	2019-2020
Current tax / MAT	11,817.34	8,197.79
Less : MAT credit utilised	(343.00)	(214.00)
Add : Deferred tax charge/(credit)	(53.08)	(856.81)
Income Tax expense	11,421.26	7,126.98
Income tax relating to remeasurement of the net defined benefit liability/ asset	26.52	4.48
Total Income Tax Expense	11,447.78	7,131.46

Deferred Tax Assets for MAT Credit entitlement amounting to ₹27,985.28 lacs (31.03.2020 - ₹28,328.35 lacs) and deferred tax asset on temporary differences amounting to ₹927.55 lacs (31.03.2020 - ₹559.85 lacs) has not been recognised by the Parent Company considering that the availability of taxable profit against which such deductible temporary difference can be utilised cannot be ascertained with required level of certainty. Deferred Tax Credit amounting to ₹125.13 lacs during the year is on account of adjustment related to fair valuation of equity instrument through other comprehensive income

Table showing assessment years till which unutilised MAT credits can be carried forward:

Assessment Year (A.Y)	Net Balance available (₹ in Lacs)	MAT Credit available till A.Y
2009-10	225.00	2024-25
2010-11	1,698.00	2025-26
2011-12	1,473.75	2026-27
2012-13	1,943.09	2027-28
2013-14	4,285.57	2028-29
2014-15	2,647.87	2029-30
2016-17	6,642.52	2031-32
2017-18	4,793.46	2032-33
2018-19	2,505.27	2033-34
2019-20	1,770.75	2034-35
TOTAL	27,985.28	

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3.48 INCOME TAXES (Contd.)

The Taxation Laws (Amendment) Ordinance, 2019 was promulgated on 20 September 2019, which amends the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019. The Ordinance provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. Further, CBDT has clarified that the tax credit of MAT paid by the domestic company exercising option under section 115BAA of the Act shall not be available consequent to exercising of such option.

As there is no time line within which option under section 115BAA can be exercised, it may be noted that a domestic company having credit of MAT may, if it so desires, exercise the option after utilising the said credit against the regular tax payable. The management of Parent Company has assessed the impact of the above ordinance and CBDT clarification and in view of the significant amount of MAT credit and a unit having tax holiday, the management has chosen not to opt for lower tax rates and continue with the normal tax rate.

3.49 DISTRIBUTION OF DIVIDEND

	₹ in Lacs	
Particulars	2020-2021	2019-2020
Dividend on equity shares declared and paid :		
Final dividend for the year ended on 31.03.2020 :- ₹ Nil per share (31.03.2019 :- ₹4.00 per share)	-	18,157.41
Dividend Distribution Tax (DDT) on final dividend	-	3,732.31
1st Interim dividend for the year ended 31.03.2021 :- ₹4.00 per share (31.03.2020 :- ₹2.00 per share)	17,780.55	9,078.70
DDT on Interim dividend*	-	1,866.15
2nd Interim dividend for the year ended 31.03.2021 :- ₹4.00 per share (31.03.2020 :- ₹2.00 per share)	17,780.55	9,078.70
DDT on Interim dividend*	-	1,866.15
	35,561.10	43,779.42

* With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the Group under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient

3.50 LEASES

Group as a Lessee

The Group has lease contracts for warehouse, factory land and office spaces used in its operations. These generally have lease terms between 2-10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the year:

	₹ in Lacs	
Particulars	As at 31.03.2021	As at 31.03.2020
As at 1st April	1,717.16	1,010.36
Addition during the year	64.47	1,108.94
Depreciation Expense	662.40	395.96
Foreign Currency Translation Reserve	(10.17)	(6.18)
As at 31st March 2021	1,109.06	1,717.16

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	₹ in Lacs	
Particulars	As at 31.03.2021	As at 31.03.2020
As at 1st April	1,464.80	695.85
Addition during the year	64.47	1,108.94
Accretion of interest	102.39	97.98
Foreign Currency Translation Reserve	(12.09)	(4.51)
Payments	736.07	433.46
As at 31st March	883.50	1,464.80
Current	463.33	634.25
Non Current	420.17	830.55

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3.50 LEASES (Contd.)

The effective interest rate for lease liabilities is 8% to 10%, with maturity between 2022-2025

The following are the amounts recognised in Statement of Profit and Loss:

Particulars	₹ in Lacs	
	2020-21	2019-20
Depreciation expense of right-of use assets	662.40	395.96
Interest expenses on lease liabilities	102.39	97.98
Expense relating to other leases (including in other expenses)	467.33	729.23
Total amount recognised in Statement of Profit and Loss	1,232.12	1223.17

Maturity analysis of lease liabilities are as follows:	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
1 Year	463.33	634.25
2 to 5 Years	420.17	830.55

Group as a Lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

The Group has entered into operating leases on its investment property portfolio consisting of certain office (see Note 3.2). These leases have terms of between 1-5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties. Rental income recognised by the Group during the year is ₹391.85 lacs (31.03.2020: ₹430.85 lacs).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
Within one year	160.76	160.62

3.51 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 0% and 15%. Net debt is defined as current and non-current borrowings (including current maturity of long term debt and interest accrued) less cash and cash equivalents.

Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
Net Debt	7,238.89	19,966.56
Total equity attributable to owners of Parent	1,76,265.00	1,82,375.04
Net Debt plus Total Equity	1,83,503.89	2,02,341.60
Gearing Ratio	3.94%	9.87%

There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

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3.52 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

Foreign Currency risk

The Group operates both in domestic market and internationally and consequently the Group is exposed to foreign exchange risk through its sales in overseas countries, and purchases from overseas suppliers in foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	₹ in Lacs	
	Impact on profit before tax	
	2020-2021	2019-2020
USD Sensitivity		
INR/USD -Increase by 10%*	(527.94)	(1.03)
INR/USD -Decrease by 10%*	527.94	1.03
Euro Sensitivity		
INR/EUR-Increase by 10%*	-	(63.48)
INR/EUR-Decrease by 10%*	-	63.48
GBP Sensitivity		
INR/GBP-Increase by 10%*	(1.40)	-
INR/GBP-Decrease by 10%*	1.40	-
CHF Sensitivity		
INR/CHF-Increase by 10%*	-	(5.68)
INR/CHF-Decrease by 10%*	-	5.68

* Holding all other variables constant

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution.

Commodity Price Risk

The Group is affected by the price volatility of its key raw materials. Its operating activities requires a continuous supply of key material for manufacturing of hair oil, talc, balm and other products. The Group's procurement department continuously monitor the fluctuation in price and take necessary action to minimise its price risk exposure.

Security Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Group invests its surplus funds in various mutual funds, debt instruments and equity instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments) and certain quoted equity instruments. To manage its price risk arising from investments in mutual funds and equity instruments, the Group diversifies its portfolio. Mutual fund and equity investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

The Group's exposure to securities price risk arises from investments in mutual funds and equity investments held by the Group and classified in the Balance Sheet as fair value through profit or loss / fair value through other comprehensive income is disclosed under Note no. 3.5 & 3.12

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3.52 FINANCIAL RISK MANAGEMENT (Contd.)

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹23,175.31 lacs and ₹30,800.83 lacs as at 31.03.2021 and 31.03.2020, respectively. Trade receivables includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses.

No customer individually accounted for more than 10% of the revenues from external customers during the year ended 31st March 2021 and 31st March 2020.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

Trade Receivable			₹ in Lacs
	As at 31.03.2021	As at 31.03.2020	
Less than 30 days	15,840.00	15,162.42	
31 - 90 days	4,708.21	8,594.89	
91 to 180 days	733.15	4,604.33	
More than 180 days	1,893.95	2,439.19	
Total	23,175.31	30,800.83	

		Trade receivables				₹ in Lacs
		1-30 days past due	31-90 days past due	91-180 days past due	More than 180 days past due	Total
31-Mar-21	Estimated total gross carrying amount at default	15,840.00	4,708.21	829.41	2,155.49	23,533.11
	Expected Credit Loss- simplified approach	-	-	96.26	261.54	357.80
	Net carrying amount	15,840.00	4,708.21	733.15	1,893.95	23,175.31

		Trade receivables				₹ in Lacs
		1-30 days past due	31-90 days past due	91-180 days past due	More than 180 days past due	Total
31-Mar-20	Estimated total gross carrying amount at default	15,162.42	8,594.89	4,604.33	2,542.65	30,904.29
	Expected Credit Loss- simplified approach	-	-	-	103.46	103.46
	Net carrying amount	15,162.42	8,594.89	4,604.33	2,439.19	30,800.83

Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars			₹ in Lacs
	As at 31.03.2021	As at 31.03.2020	
Less than 1 year			
Borrowings	9,190.93	21,023.44	
Interest Payable on Borrowings in future	49.08	111.51	
Trade Payables	35,067.55	32,445.91	
Other financial Liabilities	6,096.09	5,198.51	

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Particulars	₹ in Lacs	
	As at 31.03.2021	As at 31.03.2020
	50,403.65	58,779.37
More than 1 year		
Other financial Liabilities	1,089.18	1,543.29
	1,089.18	1,543.29
Total	51,492.83	60,322.66

3.53 GROUP INFORMATION

	Country of Incorporation	As at 31.03.2021	As at 31.03.2020
ENTITIES HAVING SIGNIFICANT INFLUENCE OVER THE GROUP			
Sneha Gardens Private Limited (w.e.f. 2nd Feb' 2021)	India	23.78%	-
Sneha Enclave Private Limited (w.e.f. 2nd Feb' 2021)	India	22.20%	-
Subsidiaries			
Emami Bangladesh Limited	Bangladesh	100.00%	100.00%
Emami International FZE	UAE	100.00%	100.00%
Emami Indo Lanka (Pvt) Limited	Sri Lanka	100.00%	100.00%
Emami Overseas FZE - Subsidiary of Emami International FZE	UAE	100.00%	100.00%
Creme 21 GmbH (Formerly known as Fentus 113. GmbH)- Subsidiary of Emami International FZE	Germany	100.00%	100.00%
Emami RUS (LLC) - Subsidiary of Emami International FZE	Russia	99.99%	99.99%
Pharmaderm Company SAE.- Subsidiary of Emami Overseas FZE	Egypt	90.60%	90.60%
Fravin Pty.Ltd, Australia-Subsidiary of Emami International FZE (Ceased w.e.f 16th December, 2020)	Australia	-	85.00%
Diamond Bio-tech Laboratories Pty Ltd., - Subsidiary of Fravin Pty Ltd. (Ceased w.e.f 16th December, 2020)	Australia	-	85.00%
Abache Pty Ltd, - Subsidiary of Diamond Bio Tech. (Ceased w.e.f 16th December, 2020)	Australia	-	85.00%
Associate			
Helios Lifestyle Private Limited	India	33.09%	33.09%
Brillare Science Private Limited (w.e.f 22nd April'2019)	India	34.70%	34.70%

As at the balance sheet date, there are no subsidiaries that have non-controlling interests that are material to the Group.

3.54 The Group has identified that its only reportable segment and Cash generating unit (CGU) is "Personal and Healthcare", to which the goodwill and brand (with indefinite life) acquired through investment in associate, has been entirely allocated. The Group's share of carrying amount of goodwill and brand as at 31st March, 2021 is ₹549.21 lacs and ₹2,105.33 lacs (31st March, 2020 ₹549.21 lacs and ₹2,105.33 lacs) respectively.

3.55 RELATED PARTY TRANSACTIONS

A. Related Parties with whom transactions have taken place during the period

i) Associate

Helios Lifestyle Private Limited
Brillare Science Private Limited

ii) Key Management Personnel

1	Shri R. S. Agarwal	Chairman
2	Shri R. S. Goenka	Executive Director
3	Shri Sushil Kr. Goenka	Managing Director
4	Smt. Priti A. Sureka	Executive Director
5	Shri Mohan Goenka	Executive Director

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as at & for the year ended 31st March, 2021

3.55 RELATED PARTY TRANSACTIONS (Contd.)

6	Shri H. V. Agarwal	Executive Director
7	Shri Prashant Goenka	Executive Director
8	Sri N.H.Bhansali	CEO - Finance, Strategy & Business Development and CFO
9	Sri Arun Kumar Joshi	Company Secretary & VP- Legal
iii) Other Directors		
1	Shri Aditya Vardhan Agarwal	Non Executive Director
2	Shri Ashish Goenka	Non Executive Director of Emami Bangladesh Limited
3	Shri K.N.Memani	Independent Director
4	Shri Amit Kiran Deb	Independent Director
5	Shri Y.P.Trivedi	Independent Director
6	Shri S.B.Ganguly	Independent Director
7	Shri P.K.Khaitan	Independent Director
8	Shri C.K.Dhanuka	Independent Director
9	Smt. Rama Bijapurkar	Independent Director
10	Shri Debabrata Sarkar	Independent Director
iv) Relatives of Key Management Personnel		
1	Smt. Usha Agarwal	16 Ms. Richa Agarwal
2	Smt. Saroj Goenka	17 Ms. Shreya Goenka
3	Smt. Indu Goenka	18 Ms. Vidula Agarwal
4	Smt. Rachna Bagaria	19 Shri Raj Kr. Goenka
5	Smt. Laxmi Devi Bajoria	20 Shri Manish Goenka
6	Ms. Jyoti Agarwal	21 Shri Jayant Goenka
7	Ms. Pooja Goenka	22 Shri Sachin Goenka
8	Ms. Smriti Agarwal	23 Shri Rohin Raj Sureka
9	Ms. Sobhna Agarwal	24 Shri Vibhash Vardhan Agarwal
10	Ms. Vidisha Agarwal	25 Shri Yogesh Goenka
11	Ms. Avishi Sureka	26 Shri Saswat Goenka
12	Ms. Jyoti Goenka	27 Ms. Chikky Goenka
13	Ms. Mansi Agarwal	28 Ms. Vidhishree Agarwal
14	Ms. Rachna Goenka	29 Shri Vihan Vardhan Agarwal
15	Ms. Rashmi Goenka	
v) Entities where Key Management Personnel and their relatives have significant influence		
1	Suntrack Commerce Private Limited (Upto 1st Feb'2021)	22 Emami Home Private Limited
2	Diwakar Viniyog Private Limited (Upto 1st Feb'2021)	23 Emami Centre for Creativity Private Limited
3	Bhanu Vyapaar Private Limited (Upto 1st Feb'2021)	24 Emami Power Limited (Upto 20th Mar'2020)
4	Suraj Viniyog Private Limited (Upto 1st Feb'2021)	25 Narcissus Bio-Crops Private Limited (Formerly known as Emami International Private Limited)
5	Emami Paper Mills Limited	26 Supervalue Constructions Private Limited (Formerly Known as Emami Constructions Private Limited)
6	Emami Cement Limited (Upto 21st July'2020)	27 Supervalue Buildcon Private Limited (Formerly known as Emami Buildcon Private Limited)
7	Emami Frank Ross Limited	28 Dev Infracity Private Limited
8	Pan Emami Cosmed Limited	29 Onest Limited (Formerly known as Emita Limited)
9	Emami Realty Limited	30 Emami Beverages Limited
10	Emami Agrotech Limited	31 TMT Viniyogan Limited
11	CRI Limited	32 EPL Securities Limited
12	Aviro Vyapar Private Limited	33 Pacific Healthcare Pvt. Limited
13	AMRI Hospitals Limited	34 Khaitan & Co.
14	Prabhakar Viniyog Private Limited (Upto 1st Feb'2021)	35 Khaitan & Co. LLP
15	Ravi Raj Viniyog Private Limited	36 Aditya Vardhan Agarwal HUF

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.55 RELATED PARTY TRANSACTIONS (Contd.)

(Upto 1st Feb'2021)		
16	Fastgrow Nirman Private Limited (Formerly known as Emami Nirman Private Limited)	37 Manish Goenka HUF
17	Emami Vriddhi Commercial Private Limited	38 Mohan Goenka HUF
18	Emami Estates Private Limited	39 Prashant Goenka HUF
19	Fastgrow Project Private Limited (Formerly Known as Emami Projects Private Limited)	40 Sushil Kumar Goenka HUF
20	Emami Capital Markets Limited	
21	Emami Group of Companies Private Limited	

vi) Trust where Key Management Personnel and their relatives have significant influence

- 1 Himani Limited Staff Provident Institution
- 2 Emami Foundation
- 3 Aradhana Trust

B. Disclosure of Transactions between the Company and Related Parties.

Particulars	Associate		Directors, Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Entities having Significant Influence Over the Company		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1. Remuneration and Employee Benefits										
i) EXECUTIVE DIRECTORS										
- Short Term Employee benefits	-	-	1,523.02	1,523.02	-	-	-	-	1,523.02	1,523.02
- Post Employment benefits	-	-	64.92	64.92	-	-	-	-	64.92	64.92
- Commission	-	-	500.00	500.00	-	-	-	-	500.00	500.00
ii) OTHER DIRECTORS										
- Sitting Fees	-	-	31.05	32.50	-	-	-	-	31.05	32.50
- Commission	-	-	68.50	68.50	-	-	-	-	68.50	68.50
iii) CEO & COMPANY SECRETARY										
- Short Term Employee benefits	-	-	304.45	294.73	-	-	-	-	304.45	294.73
- Post Employment benefits	-	-	7.85	18.51	-	-	-	-	7.85	18.51
2. Sales										
- Sale of Goods	-	-	-	-	243.16	309.31	-	-	243.16	309.31
- Sale of Export Benefit Licence	-	-	-	-	126.91	74.97	-	-	126.91	74.97
3. Other Income										
- Sale of Property, Plant & Equipment	-	-	-	-	-	1.11	-	-	-	1.11
- Rent, Maintenance & Other Charges Received	-	-	-	-	382.57	475.60	-	-	382.57	475.60
- Royalty Received	-	-	-	-	85.28	159.13	-	-	85.28	159.13
- Dividend Received	-	-	-	-	-	95.35	-	-	-	95.35
- Interest Received	21.08	-	-	-	-	-	-	-	21.08	-
- Gain on Fair value of Loan at FVTPL	37.74	-	-	-	-	-	-	-	37.74	-
- Profit on reversal of provision for impairment of equity investment in Associate	16.88	-	-	-	-	-	-	-	16.88	-
- Profit on fair value of equity investment	-	-	-	-	5,911.82	-	-	-	5,911.82	-
- Profit on fair value of CCPS investment in associate	1,090.74	-	-	-	-	-	-	-	1,090.74	-
4. Purchase										
- Purchase of Property, Plant & Equipment	-	-	-	-	-	1.13	-	-	-	1.13

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.55 RELATED PARTY TRANSACTIONS (Contd.)

Particulars	Associate		Directors, Key Management Personnel & Relatives		Entities / Trust where Key Management Personnel and their relatives have significant influence		Entities having Significant Influence Over the Company		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
- Purchase of Gift and Promotional Items	-	0.02	-	-	8.12	21.07	-	-	8.12	21.09
- Purchase of Stock in Trade	-	-	-	-	79.76	6.91	-	-	79.76	6.91
- Purchase of Raw Materials	-	-	-	-	0.74	19.26	-	-	0.74	19.26
5. Other Expenses										
- Rent, Maintenance & Other Charges Paid	-	-	12.80	12.80	70.68	88.90	5.29	-	88.77	101.70
- Donation Paid	-	-	-	-	678.63	409.75	-	-	678.63	409.75
- Loss on Fair value of Loan at FVTPL	-	54.75	-	-	-	-	-	-	-	54.75
- Loss on Impairment of Investment	-	56.50	-	-	-	-	-	-	-	56.50
- Loss on fair value of equity investment	-	-	-	-	-	9,733.85	-	-	-	9,733.85
- Others	-	-	-	-	65.26	81.77	-	-	65.26	81.77
6. Dividend Paid	-	-	1,956.54	2,071.00	16,739.88	16,675.87	-	-	18,696.42	18,746.87
7. Loan Given	-	550.00	-	-	-	-	-	-	-	550.00
8. Investment including Commitments	150.00	200.00	-	-	-	-	-	-	150.00	200.00
9. Security Deposit Received	-	-	-	-	-	5.00	-	-	-	5.00
10. Refund against Security Deposit Paid	-	-	0.20	0.20	-	-	-	-	0.20	0.20
11. Refund against Security Deposit Received	-	-	-	-	5.28	-	-	-	5.28	-
12. Reimbursement of Expenses	-	0.99	-	-	58.88	144.66	-	-	58.88	145.65
13. Contribution to Provident Fund	-	-	-	-	717.95	678.01	-	-	717.95	678.01

C. The details of amount due to or due from related parties as at March 31, 2021 and March 31, 2020 as follows:

Particulars	Related Party	₹ in Lacs	
		As at 31.03.2021	As at 31.03.2020
Investment	Associate Equity Shares (Net of Share of Loss)	1,762.78	2,124.18
	Associate Compulsorily Convertible Preference Shares	1,240.74	-
	Entities where Key Management Personnel and their relatives have significant influence	9,845.09	3,933.27
		12,848.61	6,057.45
Trade Receivable	Entities where Key Management Personnel and their relatives have significant influence	9.12	26.80
Loan Receivable	Associate (net of fair value loss of ₹17.02 lacs) (31.03.2020 : net of fair value loss ₹54.75 lacs)	532.98	495.25
Other Receivable	Associate	18.34	-
	Entities where Key Management Personnel and their relatives have significant influence	85.24	317.16
		103.58	317.16
Trade Payable	Entities where Key Management Personnel and their relatives have significant influence	12.77	2.54
Other Payable	Entities where Key Management Personnel and their relatives have significant influence	76.42	34.11
Security Deposit Paid	Key Management Personnel & Relatives	13.85	14.05

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.55 RELATED PARTY TRANSACTIONS (Contd.)

		₹ in Lacs	
Particulars	Related Party	As at 31.03.2021	As at 31.03.2020
	Entities where Key Management Personnel and their relatives have significant influence	17.50	17.50
		31.35	31.55
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	-	12.78
Remuneration ,Sitting Fees & Commission Payable	Key Management Personnel & Relatives	568.50	568.50
Advance from Customer	Entities where Key Management Personnel and their relatives have significant influence	5.13	0.39

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Loan given to associate are made on terms equivalent to those that prevail in arm's length transactions and carries interest and are convertible to equity at the option of issuer / borrower or repayable on happening of certain event.

3.56 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Group may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

i) Estimation of defined benefit obligations

The liabilities of the Group arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions Refer Note No. 3.39 for significant assumption used.

ii) Estimation of tax expenses, assets and payable

Deferred tax assets are recognised for unused tax credit and on unused losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the group operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities. Refer Note No. 3.8, 3.23, 3.30 and 3.48

iii) Estimation of provisions and contingencies

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the group. The Group exercises judgement and estimates

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.56 CRITICAL ESTIMATES AND JUDGEMENTS (Contd.)

in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision. Refer Note No. 3.22, 3.29 & 3.44.

iv) Estimation of expected useful lives and residual values of property, plants and equipment

Property, Plant and Equipment are depreciated at historical cost using straight-line method based on the estimated useful life, taken into account at residual value. The asset's residual value and useful life are based on the Group's best estimates and reviewed, and adjusted if required, at each Balance Sheet date. Refer Note No. 3.1, 3.2, 3.3, 3.4 & 3.58.

v) Impairment of intangible assets

The Group has significant intangible assets arising from the acquisition of brand, trademark, know-how etc. in the normal course of its business. In case, there are indicators that the carrying value of the intangibles may not be recovered through its continuing use, the management performs impairment testing in accordance with Ind AS 36. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget over the remaining useful life (including terminal value) and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. Recoverability of these assets is based on forecast of projected cash flows over the remaining useful life of underlying intangible assets and their discounted present value (after considering terminal value), which are inherently highly judgmental and is subject to achieving forecasted results.

vi) Impairment of non financial assets / investment in associates

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying amounts of the Group's non-financial assets /investment in associates are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

vii) Fair Value Measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions that may differ from actual developments in the future. For further details Refer Note No. 3.47

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.57 ADDITIONAL INFORMATION

a) Information as at and for the year ended 31st March 2021

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent:								
Emami Limited	99.86%	1,75,932.75	104.49%	47,512.80	96.80%	5,938.49	103.58%	53,451.29
Subsidiaries :								
Emami Indo Lanka (Pvt) Limited	-0.05%	(84.75)	0.03%	12.51	-	-	0.02%	12.51
Emami Bangladesh Limited	1.30%	2,297.74	3.58%	1,630.01	0.02	99.20	3.35%	1,729.21
Emami International FZE	-2.47%	(4,358.00)	1.91%	869.00	-2.60%	(159.46)	1.37%	709.54
Emami Overseas FZE	-0.24%	(415.00)	-0.02%	(7.24)	-	-	-0.01%	(7.24)
PharmaDerm Company SAE	-0.64%	(1,135.00)	0.02%	10.50	-	-	0.02%	10.50
Fravin Pty.Ltd.	0.00%	-	0.00%	-	-	-	0.00%	-
Diamond Bio-tech Laboratories Pty. Ltd.	0.00%	-	0.00%	-	-	-	0.00%	-
Abache Pty Ltd.	0.00%	-	0.00%	-	-	-	0.00%	-
Emami Rus LLC	-0.09%	(154.90)	-0.46%	(207.58)	-	-	-0.40%	(207.58)
Creme 21 GmbH	0.03%	46.94	0.15%	66.99	-	-	0.13%	66.99
Intra-group eliminations	2.30%	4,046.51	-8.78%	(3,998.33)	4.18%	256.88	-7.25%	(3,741.45)
Associate:								
Helios Lifestyle Private Limited			-0.76%	(346.78)		-	-0.67%	(346.78)
Brillare Science Private Limited			-0.16%	(71.00)		-	-0.14%	(71.00)
Total	100.00%	1,76,176.29	100.00%	45,470.88	100.00%	6,135.11	100.00%	51,605.99

b) Information as at and for the year ended 31st March 2020

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent:								
Emami Limited	98.85%	1,80,199.93	95.64%	28,911.97	96.28%	(9,725.52)	95.32%	19,186.45
Subsidiaries :								
Emami Indo Lanka (Pvt) Limited	-0.06%	(104.50)	-0.06%	(18.73)	-	-	-0.09%	(18.73)
Emami Bangladesh Limited	1.87%	3,415.98	8.71%	2,633.83	0.01	(54.75)	12.81%	2,579.08
Emami International FZE	-2.83%	(5,160.67)	-14.06%	(4,249.86)	-0.13%	12.94	-21.05%	(4,236.92)
Emami Overseas FZE	-0.23%	(420.10)	-0.03%	(8.61)	-	-	-0.04%	(8.61)
PharmaDerm Company SAE	-0.65%	(1,178.33)	0.09%	27.10	-	-	0.13%	27.10
Fravin Pty.Ltd.	0.00%	0.14	-2.01%	(607.55)	-	-	-3.02%	(607.55)
Greenlab Organics Ltd.	0.00%	-	-	-	-	-	-	-
Diamond Bio-tech Laboratories Pty. Ltd.	0.00%	0.00	0.24%	71.14	-	-	0.35%	71.14
Abache Pty Ltd.	0.00%	0.00	0.20%	59.18	-	-	0.29%	59.18
Emami Rus LLC	0.01%	19.43	0.07%	22.36	-	-	0.11%	22.36
Creme 21 GmbH	-0.01%	(18.12)	-0.12%	(37.57)	-	-	-0.19%	(37.57)
Intra-group eliminations	3.04%	5,535.01	13.33%	4,029.10	3.30%	(333.55)	18.36%	3,695.55
Associate:								
Helios Lifestyle Private Limited			-1.62%	(489.00)		-	-2.43%	(489.00)
Brillare Science Private Limited			(0.00)	(113.00)		-	-0.01	(113.00)
Total	100.00%	1,82,288.77	100.00%	30,230.36	100.00%	(10,100.88)	100.00%	20,129.48

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- 3.58** Considering the Dynamic market condition, the management has revised the useful life of the Tangible asset related to Moulds (included in Plant & Machinery) and Intangible asset related to acquired Brands and Trademarks from 10 years to 7 years in the current year resulting in an increase in depreciation by ₹1,506.91 lacs and increase in amortisation by ₹13,221.02 lacs for the year respectively.
- 3.59** The Board of Directors, at its meeting held on 19th March, 2020, approved Buyback of the Holding Company fully paid-up equity shares of face value of ₹1 each from the eligible equity shareholders of the Holding Company other than promoters, promoter group and persons who are in control of the Holding Company, for an aggregate amount not exceeding ₹19,199.43 lacs (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Companies Act, 2013 and SEBI Buyback Regulations. The Buyback commenced on 29th March, 2020 and got completed on 9th July 2020.
- The Holding Company has bought back 94,21,498 equity shares under the buy Back by utilising ₹19,198.73 lacs (excluding brokerage, transactions cost and taxes). All the shares bought back have been extinguished as per the records of the depositories.
- 3.60** With effect from 16th December, 2020 "Fravin Pty Ltd." and its step down subsidiary companies, Diamond Bio Tech Laboratories Pty Ltd. and Abache Pty Ltd. ceased to be subsidiaries companies. The aforesaid subsidiary companies were inoperative and there was no contribution in the consolidated revenue / turnover of the Group.
- 3.61** Recently, there has been a spike in the covid-19 cases again in some of the countries and as a result all these countries are currently closely monitoring the situation. Some of the countries have imposed restrictions on the free flow of public in varied manner. The management is monitoring the situation closely and is operating its plants and depots with the required workforce as permitted by the respective Governments. The management has made an initial assessment, based on the current situation, of the likely impact of the covid-19 on overall economic environment and on the Group, in particular, based on which it expects the demand to remain stable; and further, does not anticipate any challenge in the Group's ability to continue as a going concern or meeting its financial obligations. The Group has additionally assessed its property, plant and equipment and intangible assets for impairment as on March 31, 2021. Based on projections, future outlook and carrying value of property, plant and equipment and intangible assets, there is no impairment charge that needs to be recognised. However, the above evaluations are based on internal and external information available upto the date of approval of these financial results, which are very dynamic and subject to uncertainties that COVID-19 outbreak might pose on economic recovery.
- 3.62** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 3.63** a) Pursuant to Early Exit Scheme for Kolkata Manufacturing Unit, the Company has paid compensation amounting to ₹325.68 lacs to its temporary workers for the year ended 31st March, 2020.
- b) "Fravin Pty Ltd", a step-down subsidiary of the Company has closed its operations and has accounted for unrecoverable assets of ₹742.70 lacs in the quarter & year ended 31st March, 2020.

3.64 Information for Earnings Per Share as per Ind AS 33

Particulars	2020-2021	2019-2020
Net Profit attributable to equityholders of the Parent (₹ in lacs)	45,469.91	30,291.42
Cash Profit (₹ in lacs)	82,165.39	63,924.13
Weighted average number of shares (in lacs) (Refer Note no. 3.59)	4,446.82	4,539.32
Earnings Per Share - Basic & Diluted (₹)	10.23	6.67
Earnings Per Share - Cash (₹)	18.48	14.08

Notes to Consolidated Ind AS Financial Statements

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3.65 REVENUE FROM CONTRACTS WITH CUSTOMERS:

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

₹ in Lacs		
Particulars	2020-2021	2019-2020
India	2,40,490.59	2,21,287.93
Outside India	44,934.60	40,036.42
Total revenue from contracts with customers	2,85,425.19	2,61,324.35

₹ in Lacs		
Timing of revenue recognition	2020-2021	2019-2020
Goods transferred at a point in time	2,85,425.19	2,61,324.35

Contract balances

₹ in Lacs		
Particulars	As at 31.03.2021	As at 31.03.2020
Trade receivables	23,175.31	30,800.83
Contract liabilities		
Advance from customers	1,678.42	540.49

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract liabilities includes advance from customers received for supply of goods.

Set out below is the amount of revenue recognised from:

₹ in Lacs		
Particulars	2020-2021	2019-2020
Amounts included in contract liabilities at the beginning of the year	540.49	1021.88
Amount received during the year	1,678.42	540.49
Amount adjusted during the year	540.49	1021.88
Amounts included in contract liabilities at the end of the year	1,678.42	540.49

Performance obligation

Sale of products

The performance obligation is satisfied upon delivery/dispatch of the goods based on contractual terms. Sales are made generally after receipt of advance except for certain customers where payment is due within 30 to 90 days from day of sales.

3.66 The Group has made a provision of ₹3,538.86 lacs (31.03.2020 - ₹3,794.18 lacs) towards rebates and damage return:

₹ in Lacs		
Particulars	As at 31.03.2021	As at 31.03.2020
Opening Balance	3,794.18	4,056.22
Provisions made during the year	3,538.86	3,794.18
Payment/reversals during the year	3,794.18	4,056.22
Closing Balance	3,538.86	3,794.18

Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2021

3.67 The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of five (5) stepdown subsidiaries, whose financial statements and other financial information reflect total assets of ₹811 lacs as at March 31, 2021, total revenues of ₹1,808 lacs and net cash outflows of ₹52 lacs for the year ended on that date. The management believes that there would not be any significant impact, had these financial statements been subjected to audit by the auditors.

The accompanying notes are an integral part of these consolidated Ind AS financial statements.

As per our report of even date

For and on behalf of Board of Directors

For **S. R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration no: 301003E/E300005

R S Agarwal

Chairman

R S Goenka

Director

S B Ganguly

Director

per **Sanjay Kumar Agrawal**

Partner

Membership No: 060352

S K Goenka

Managing Director

N H Bhansali

CEO -Finance, Strategy &
Business Development and CFO

A K Joshi

Company Secretary
& VP Legal

Kolkata

25th May, 2021

FORM NO. AOC 1

Statement containing salient features of the financial statement of Subsidiaries/ Associate companies/ Joint ventures

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

PART A:-SUBSIDIARIES

1	2	3	4	5	6	7	8	9	10
Sl. No.	Name of the Subsidiary Company	Emami Bangladesh Limited	Emami Lanka (Pvt) Ltd	Emami International FZE	Emami Overseas FZE	Emami International FZE	Emami Overseas FZE	Emami International FZE	Emami International FZE
1	Emami Bangladesh Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
2	Emami Lanka (Pvt) Ltd	100%	100%	100%	100%	100%	85.00%	100%	100%
3	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
4	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
5	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
6	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
7	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
8	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
9	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
10	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
11	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
12	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
13	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
14	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
15	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%
16	Emami Limited	100%	100%	100%	100%	100%	85.00%	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations - Emami Overseas FZE and Pharmaderm Company S.A.E
- Names of subsidiaries which have been liquidated or sold during the year - Fravin Pty Limited, Diamond Bio-Tech Laboratories Pty Ltd and Abache Pty Ltd

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

PART B: ASSOCIATES AND JOINT VENTURES

Name of Associate	Helios Lifestyle Private Limited	Brillare Science Private Limited
1 Last Audited Balance Sheet Date	31.03.2021	31.03.2021
2 Shares of Associate held by the Company on the year end		
Number	72,261	2,27,973
Amount of Investment in Associate (₹ in lacs)	1,944.18	1,026.38
Extent of Holding (%)	33.98%	34.70%
3 Description of how there is significant influence	Associate	Associate
4 Reason why the Associate is not consolidated	Consolidated	Consolidated
5 Net worth attributable to Shareholding as per last Audited Balance Sheet (₹ in lacs)	(523.14)	(209.35)
6 Profit/(Loss) for the year (₹ in lacs)	(1,048.02)	(202.05)
i. Considered in Consolidation (₹ in lacs)	(347.67)	(70.11)
i. Not Considered in Consolidation (₹ in lacs)	(700.35)	(131.94)

For and on behalf of Board of Directors

R S Agarwal
Chairman

R S Goenka
Director

S B Ganguly
Director

S K Goenka
Managing Director

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

A K Joshi
Company Secretary
& VP Legal

Kolkata
25th May, 2021

Emami in the news

BusinessLine

Covid fast-forwarded demand for Emami's ayurvedic products'

ANIRBHEK LAW

Hyderabad, February 21

Home-grown FMCG company Emami Ltd is looking at new offerings in the healthcare segment, which is witnessing increased demand. Immunity boosting has emerged as a major category among ayurvedic products, says Harsha V Agarwal, Director, Emami Ltd. According to him, margins are set to improve with the on-going cost-cutting measures, while advertising spends are back to pre-Covid levels. In an interview to BusinessLine, he talks about the change in consumer trends over the last nine months, growing focus on e-commerce channels, and margin improvement, besides.

In the last nine months, how have consumer demand changed? Considering the earlier

period of unlocking, when sanitiser, handrub and personal hygiene offerings were in demand, the intensity has gone down quite a bit. The panic over non-availability of such products is also down. Alternatively, people have become more conscious about their health. Offerings in ayurvedic or natural solutions are doing well.

The pandemic has accelerated the acceptance of these products. With growing consciousness, ayurvedic products were previously gaining popularity. The pandemic fast-forwarded the demand by three-to-four years. For instance, offerings like chawanprash are no longer seen as seasonal products; immunity boosting 'kudus' are popular, and so on.

So are these trends going to hold on?

In personal hygiene, sales are expected to be much higher than what they were at pre-Covid levels. But the intensity of purchase may go down. This means that there will be some slowdown in demand and sales, but since the overall market size of these offerings has increased, the numbers will be higher on a comparative basis. Habits like washing hands or using sanitiser will stay, even if people panic less.

Healthcare though is the segment with tremendous potential, especially ayurveda-based solutions in wellness and immunity-boosting categories. As lifestyles change, people will be more conscious about health, lifestyle diseases and the natural solutions (ones without side-effects) surrounding these ailments or issues.

Emami entered the home hygiene category through Emami brand in November. It

Healthcare is the segment with tremendous potential, especially ayurveda-based solutions in wellness and immunity-boosting categories.

HARSHA V AGARWAL, Director, Emami Ltd

is early days and pan-India launches are happening. Home hygiene is a growing market that will see increased acceptance in the coming months.

Since you sound bullish about healthcare, what are Emami's plans in the category? In the healthcare segment, the near 100-year-old Zandu brand has created a name in ayurvedic products and we



have extended it to different categories (within ayurveda) in the last few years. In fact, between April and September, there were 18-19 launches in the healthcare vertical; some of them being digital first ones.

Our plan is to expand the healthcare portfolio, including the Zandu brand. More offerings in wellness and immunity-boosting offerings will be launched soon. We are also looking at overseas mar-

kets where ayurvedic offerings are now gaining popularity.

How have online channels performed in the new normal?

Our e-commerce sales have more than doubled and the trend continues in this segment. There have been digital first launches across categories too. In 2021, we will continue with the momentum (on digital channels) and focus on e-commerce.

Most offerings here will be through our mother brands - which already have a good traction in the market. There could be online specific sub-branding or new category specific branding depending on customer needs.

Are discretionary category items witnessing traction? There has been a month-on-month increase in discretionary

any category item sales like premium and value-added hair oils and deodorants. In the initial period (post-unlocking), sales were low. But over the last four-odd months they picked up.

Emami is known for its ad-spends. How are they playing out? As we enter new categories, there will be advertising and branding initiatives. At present, ad-spends are at pre-Covid levels.

What is the impact on margins? Margins are expected to expand over last fiscal. We witnessed margin improvement in both Q3'21 (June quarter) and in Q2'21 (September quarter). Cost-cutting measures adopted over the last few quarters will help (improve margins) further.

THE ECONOMIC TIMES

Emami expects to turn e-commerce store profitable in 3-4 quarters

Looking to analytics in the recently filed investor call, Emami director Mohan Goenka said in the last 48-49 days of the month, there has been good sales and almost all sales volumes have reached the Zandu portfolio.

Investment highlights: ₹7.5 billion | November 10, 2021 07:45 AM

THE ECONOMIC TIMES

'Emami Scouting for Acquisitions in India, Abroad'

New Delhi: FMCG major Emami is looking out for acquisitions both in India and international markets to strengthen its footprint, while also tapping at opportunities arising out of the coronavirus pandemic, according to a senior company official. The company, which is seeking to enhance the contribution of sales from e-commerce channel to 6-7% in the next one to two years from the current 2.5-3% of total sales, is scouting for opportunities to invest or buy majority stakes in digital first brands and companies.

"Of course. To grow inorganically has been one of the strategies for Emami since the last decade or more," Emami Director Harsha Vardhan Agarwal told PTI when asked if the company is seeking to tap acquisition opportunities arising out of the Covid-19 pandemic. —PTI

Point-of-Purchase

BRAND TALK

'TRUST IS BUILT THROUGH THE BRAND COMMUNICATION'

There was one positive fallout of the sudden shift in consumer buying behavior post Covid-19, and that was the rise in demand for immunity building and hygiene products of good quality. As per a Nielsen report, the hand wash segment expanded 60% in March 2020 compared to 7% in the preceding three months. As a result, more innovative products and newer brands are entering the personal hygiene space.

FMCG major Emami Limited, after making a successful foray into the hygiene space with Boroplus Advanced Anti-Germ Hand Sanitizer in April 2020, recently expanded its Boroplus Hygiene Range in a special conversation with Point of Purchase, Priti A Sureka, Director, Emami Limited, shares more details about this expansion, the biggest challenge for the FMCG industry today, key tips for retailers to navigate the crisis, and more.



Business Standard

Emami: All-weather products get Street's thumbs up

Strong presence in rural, wholesale markets has boosted prospects

RAMI PRASAD SANKU

Hyderabad, February 21

In a robust second quarter (Q2) performance, steady outlook, and entry into the home hygiene segment helped Emami gain over 1 per cent this month.

The most recent trigger has been the firm's entry into the ₹3,500-crore home hygiene segment under the Emami brand, which includes disinfectants, sanitizers, and dish wash gels.

Analysts at Centrum think believe that embracing the firm's presence in all-weather categories and attempting to cut the seasonality impact on revenue

is the right strategy. The home hygiene segment was growing in double digits prior to Covid-19 and is expected to grow at a faster rate in the future, with reports indicating 40 per cent growth in some categories such as floor cleaners. Emami's health and home hygiene portfolio is expected to contribute 5 per cent to the firm's revenue.

The company has been underperforming its peers over the past five years, with average operating profit and revenue in the 6-8 per cent

range. Phillip Capital Research believes that Covid-19 has helped the company gain market share as local and unorganised players find it difficult to sustain in the current situation. Further, its strong presence in rural and wholesale markets has added to its advantage. Its Keshi King (hair oil, shampoo) brand sales were up 45 per cent year-on-year (YoY) in the quarter, led by market share gains, primarily from local players and to a smaller extent, from bigger brands. Led by the rural market and healthy sales performance across segments, the company posted a 11 per cent growth in revenue in the September quarter.

Operating profit grew 31 per cent because of limited input costs, lower advertising expenses, and cost-cutting measures. The company expects to expand margins in the second half on the back of improving product mix, benign input costs, and lower staff costs. How sales in its high-margin winter portfolio pan out will also have an impact on its revenue in the December and March quarters. Given the lack of consistent revenue growth, investors should wait for the Q2 sales trend to sustain. Further, stock gains depend on reduction of promoter pledging, which stands at 46 per cent, along with increase in the dividend ratio.



"The pandemic taught us many lessons and presented opportunities to accelerate growth. We believe that the pandemic will stay not only relevant, but emerge stronger as an organisation"

HARSHA V. AGARWAL, Director, Emami

FINANCIAL EXPRESS

Emami units get GMP certification

TWO PLANTS OF home-grown FMCG company Emami have got WHO-GMP certification for its units at Vapi and Masat in Gujarat which manufactures Ayurveda healthcare products under the 'Zandu' brand for a period of three years. The two units have also obtained Certificate of Pharmaceutical Products, the company said in a statement.



We're committed to contributing to the global fight against COVID-19: Priti Sureka

MARKETING

MINUTES TO READ

APR 27, 2020

GANAPATHY VISWANATHAN

@anaguly

News in the domain of Advertising, Marketing, Media and Business of Entertainment



Increased hygiene awareness has accelerated the global demand for hand sanitizers, following the COVID-19 pandemic. With health hygiene becoming more critical than ever before, timely accessibility to affordable yet efficacious products is the need of the hour. As demand for hand sanitizers reaches new peak amidst the recent spread of COVID-19, FMCG major Emami

BEST MEDIA INFO

Renewed interest for Made in India products has thrown up better opportunities: Harsha V. Agarwal of Emami

Agarwal, Director at Emami, tells BestMediaInfo.com that the company is well placed to achieve its 2020 goals while betting on print, TV and digital. It is also readying a product portfolio to respond to new market demands and needs

BusinessLine

Promoters' pledge: Emami group to raise ₹500-600 crore via asset monetisation

ANIRBHEK LAW

Hyderabad, February 21

Promoters of Emami Group - the Goenka and Agarwal families - are likely to bring down pledge in FMCG arm, Emami Ltd, to zero by March 2021. This would entail an additional fund-raise of ₹500-600 crore which the group is likely to do through "monetisation of existing assets".

Information available with the stock market says promoters hold 52.73 per cent of



Mohan Goenka, Director, Emami Group and Emami Ltd

per cent security guarantee (of promoters shares) for a legal case against the cement company regarding some mines.

"We aim to bring down promoters' pledge to zero by March 2021. So post the deal with Navuko Vistas, there will be need for some more money which can be raised through monetising existing assets in power or real estate," he told BusinessLine.

"Debt at a group level will come down to ₹500-600 crore."



DARD SE TUM NA RUKO CHALE CHALO



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*World's No.1 Balm - As per Nicholas Hall Global OTC Database (DB6), 2017.



Corporate Identification Number: L63993WB1983PLC036030

Registered Office: Emami Tower, 687, Anandapur,

E.M. Bypass, Kolkata-700107, West Bengal, India.

Phone No. +91 33 66136264, tele fax: 91 33 6613 6600

website: www.emamiltd.in, e-mail: investors@emamigroup.com

Notice

NOTICE is hereby given that the 38th Annual General Meeting of the Members of Emami Limited will be held on Wednesday, September 29, 2021 at 11:30 a.m. IST through Video Conferencing / Other Audio Visual Means ("VC/OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon and the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2021.
2. To confirm the payment of two Interim Dividends aggregating to ₹8 per equity share for the financial year 2020-21.
3. To appoint a Director in place of Shri H. V. Agarwal (DIN 00150089) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A. V. Agarwal (DIN00149717) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri R. S. Goenka (DIN 00152880) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the articles of association of the Company, applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the recommendations of Nomination

& Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Shri Mohan Goenka (DIN00150034) as a Whole-time Director of the Company for the period of five years with effect from January 15, 2021 on the term and conditions as set out in the Explanatory Statement annexed to this Notice convening this meeting and as enumerated in the Agreement dated December 28, 2020, which has been submitted to this meeting and is also hereby specifically approved."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable in this respect."

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the articles of association of the Company, applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Shri Harsha Vardhan Agarwal (DIN00150089) as a Whole-time Director of the Company for the period of five years with effect from January 15, 2021 on the term and conditions as set out in the Explanatory Statement annexed to this Notice convening this meeting and as enumerated in the Agreement dated December 28, 2020, which has been submitted to this meeting and is also hereby specifically approved."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable in this respect."

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the articles of association of the Company, applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Shri Sushil Kumar Goenka (DIN 00149916) as Managing Director of the Company for the period of five years with effect from June 1, 2021 on the term and conditions as set out in the Explanatory Statement annexed to this Notice convening this meeting and as enumerated in the Agreement dated March 3, 2021, which has been submitted to this meeting and is also hereby specifically approved."

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable in this respect."

9. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the consent of the Company be and is hereby accorded for payment of remuneration of ₹1,65,000/- (Rupees One lac sixty five thousand only) plus applicable taxes and out of pocket expenses for conducting audit of the cost accounting records of the Company for the financial year 2021-22 as may be applicable to the Company to M/s. V. K. Jain & Co., Cost Accountants (Firm Registration No 00049) who were re-appointed as Cost Auditors of the Company by the Board of Directors of the Company at its meeting held on 25th May 2021.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable for giving effect to this resolution."

Registered Office:

Emami Tower,
687, Anandapur
E.M. Bypass
Kolkata 700107
Date: 2nd August 2021

By Order of the Board

A.K. Joshi
Company Secretary & VP-Legal
FCS No. 4976

Notes:

1. In view of the Covid-19 pandemic, social distancing norms and restrictions imposed on movement of people at several places in the country, the Ministry of Corporate Affairs ("MCA") vide its circular dated January 13, 2021 read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020 (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India vide its circulars dated May 12, 2020 and January 15, 2021 have permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip including Route map are not annexed to this Notice.
3. The Company will conduct the AGM through VC/ OAVM from its Registered Office, i.e., Emami Tower, 687, Anandapur, E.M. Bypass, Kolkata - 700107, which shall be deemed to be venue of the meeting.
4. Institutional/Corporate members (i.e. other than individual / HUF, NRI, etc.) intending to send their authorized representatives to attend and vote at the Meeting pursuant to Section 113 of The Companies Act, 2013 are requested to send, scanned certified true copy (PDF/JPEG Format) of the Board or Governing body Resolution/Authorization etc. authorizing their representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format on the CDSL e-voting platform for the scrutinizer to verify the same. Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at scrutinizermkb@gmail.com and to the Company investors@emamigroup.com or to M/s Maheshwari Datamatics Pvt. Ltd., Registrar & Share Transfer Agent of the company at mdpldc@yahoo.com with a copy marked to helpdesk.evoting@cdslindia.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
5. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote electronically during the AGM.
6. Pursuant to the provisions of Section 91 of The Companies Act, 2013 the Register of Members and Share Transfer Book of the Company shall remain closed from Thursday, September 23, 2021 to Wednesday, September 29, 2021 (both days inclusive) for the purpose of this Annual General Meeting.
7. The related Explanatory Statement pursuant to Section 102(1) of The Companies Act, 2013 ("The Act"), in respect of the business under item no. 6 to 9 as set out above is annexed hereto.
8. M/s. S. R.Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No 301003E/E300005), have been appointed as the Statutory Auditors from the conclusion of 34th Annual General Meeting of the Company held on 02 August, 2017 for a period of five years upto the conclusion of 39th Annual General Meeting. As per The Companies (Amendment) Act, 2017 (Section 139 of the Companies Act, 2013), notified on 07 May, 2018, the requirement of ratification of appointment of the Statutory Auditor at every Annual General Meeting has been done away with. As such, resolution for ratification of appointment of Auditor is no longer required to be passed at the Annual General Meeting.
9. **DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDS**
 - ♦ In view of the prevailing situation and pursuant to the aforesaid MCA and SEBI Circulars, Notice of the 38th AGM along with the Integrated Annual Report 2020-21 is being sent only through electronic mode to the members whose email addresses are registered with the Company/Depository. Members may also note that the Notice of the 38th AGM and the Integrated Annual Report for the Financial Year 2020-21 including therein the Audited Financial Statements will be available on the Company's website at www.emamilttd.in, websites of BSE and NSE at <https://www.bseindia.com> and <https://www.nseindia.com>, respectively and website of CDSL at <https://www.evotingindia.com> for viewing/ downloading.
 - ♦ Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at investors@emamigroup.com along with the copy of the signed request letter mentioning the folio no., name and address of the Member along with scanned copy of the share certificate (front/back), self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity

Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. For any further clarification, the members may send requests to the Company's investor email id: investors@emamigroup.com

10. PROCEDURE & INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM THROUGH VC/OAVM ARE AS FOLLOWS:

A. VOTING THROUGH ELECTRONIC MEANS

- (a) Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and other relevant rule made thereunder, as amended, Regulation 44 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and MCA Circular read with SEBI Circular, the Company has provided e-voting facility to the members using Central Depository Services (India) Limited (CDSL) platform. All the business to be transacted at the Annual General Meeting can be transacted through electronic voting system.
- (b) The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	End of remote e-voting
From 9.00 A.M. (IST) on Saturday, September 25, 2021	Up to 5.00 P.M. (IST) on Tuesday, September 28, 2021

- (c) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Wednesday, September 22, 2021 only shall be entitled to avail the facility of remote e-voting at the Meeting. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- (d) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of aforesaid period.
- (e) Demat account holders can now cast their votes electronically by way of a single login credential, through their demat accounts/ websites of Depositories / Depository Participants, without having to register again with the E-voting Service Provider (ESP), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (f) The details of the process and manner for remote e-voting and joining virtual meeting for Individual shareholders holding securities in Demat mode are explained herein below :

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use "Forgot User ID" and "Forgot Password" option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 1800 1020 990 and 1800 22 44 30

(g) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- (i) The members should log on to the e-voting website <https://www.evotingindia.com>
- (ii) Click on "Shareholders" module.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form - other than individual members	
PAN	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for EMAMI LIMITED to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Additional Facility for Non-Individual Members and Custodians – for Remote E-Voting:**

- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "CORPORATES" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at scrutinizermkb@gmail.com and to the Company investors@emamigroup.com or to M/s Maheshwari Datamatics Pvt. Ltd., Registrar & Share Transfer Agent of the company at mdpldc@yahoo.com with a copy marked to helpdesk.evoting@cdslindia.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

B. INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS FOLLOWS:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- Only those members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

C. PROCEDURE FOR ATTENDING THE AGM THROUGHVC / OAVM:

- Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.
- Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- For convenience of the members and proper conduct of AGM, Members can login and join at least 15 (fifteen) minutes before and after the scheduled time of the commencement of the Meeting.
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

D. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

- As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, members are encouraged to send their queries by 5.00 p.m. on Monday, September 20, 2021 from their registered email ID mentioning their name, demat account number / folio number, mobile number at investors@emamigroup.com so as to enable the management to keep the information ready at the AGM.
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending email from their registered email ID mentioning their name demat account number / folio number, mobile

number to investors@emamigroup.com from Thursday, September 23, 2021 to Monday, September 27, 2021. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM.

- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

E. PROCEDURE FOR INSPECTION OF DOCUMENTS

- All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection and shall be made available over email on making a request to the Company through your registered Email ID oninvestors@emamigroup.com, quoting your name, demat account number / folio number, mobile number
- Scanned copies of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of The Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of The Companies Act, 2013 shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the meeting upon log-in to CDSL e-voting system at www.evotingindia.com.

F. GENERAL INFORMATION FOR MEMBERS:

- Members are informed that the final dividend amount for the Financial year ended 2013-14 and Interim Dividend for the Financial Year 2014-15 remaining unclaimed shall become due for transfer on September 12, 2021 and October 17, 2021 respectively to the Investor Education and Protection Fund [IEPF] established by the Central Government in terms of the Companies Act, 2013.
- Any member, who has not claimed the dividend in respect of the financial year ended 2013-14 onwards, is requested to approach the Company/the Registrar and Share Transfer Agents of the Company in this respect.
- The Company has been sending reminders to those members who have the unpaid/unclaimed dividends for 7 consecutive years before transfer of their shares to Investor Education and Protection Fund (IEPF). Details of the unpaid/unclaimed dividend are also uploaded as per the requirements, on the Company's website www.emamilttd.in
- Members, who have not encashed their dividend, are advised to write to the Company

immediately claiming dividends declared by the Company.

- The Company has already transferred all shares (in respect of which dividend has not been claimed for seven consecutive years or more) to designated DEMAT Account of the IEPF maintained with CDSL.
- Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares from the Investor Education and Protection Fund, by submitting an application in the prescribed form.
- SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to the Depository participant with whom they are maintaining the DEMAT account. Members holding shares in physical form can submit their copy of PAN to the Company.
- Disclosure pursuant to Section 196 (4) of The Companies Act, 2013, Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard- 2 of ICSI, with respect to Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting is annexed.
- Pursuant to section 72 of The Companies Act, 2013, members holding shares in physical form are advised to file nomination in prescribed form SH-13 with the Registrar and Share Transfer Agents (RTA). In respect of shares held in Electronic/Demat form, members may please contact their respective Depository Participants.
- SEBI and Ministry of Corporate Affairs encourages paperless communication as a contribution to Green environment. Members holding shares in physical mode are requested to register their e-mail id to the RTA for receiving all communications including annual reports, notices, circulars etc. from the company electronically. Members who wish to register their e-mail id can download the green initiative form from the company's website www.emamilttd.in
- The Company has appointed Mr. Manoj Kumar Banthia, Practicing Company Secretary (Membership no-A11470/CP-7596) of M/s. MKB & Associates, Company Secretaries, Kolkata to act as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.

- The Scrutinizer shall after the conclusion of Annual General Meeting, first count the votes cast at the AGM and then unblock the votes cast through remote e-voting. The Scrutinizer shall submit the consolidated scrutinizer's report to the Managing Director or any other person authorized by the Board and the same will be communicated, within two working days of the conclusion of the meeting, to the Stock Exchanges where the Company's shares are listed.
- The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.emamiltd.in and on the notice board of the Company at its registered office and on the website of CDSL www.evotingindia.com immediately after the results are declared. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting i.e. Wednesday, September 29, 2021.
- Pursuant to the provisions of Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities can be transferred only in dematerialised form w.e.f. 1 April 2019. Members are requested to convert their physical holdings into demat form to avoid any possibility of loss, mutilation etc., of physical share certificates. Any shareholder who is desirous of dematerializing their securities may write to our Registrar and Share Transfer Agent at mdpldc@yahoo.com.

Registered Office:
Emami Tower,
687, Anandapur
E.M. Bypass
Kolkata 700107
Date: 2nd August 2021

By Order of the Board

A.K. Joshi
Company Secretary & VP-Legal
FCS No. 4976

Explanatory Statement pursuant to Section 102 of The Companies Act, 2013 in respect of resolution at item no. 6 to 9

Item No. 6 & 7

The Board of Directors at its meeting held on 5th November, 2020 re-appointed Shri Mohan Goenka (DIN 00150034) and Shri Harsha Vardhan Agarwal (DIN 00150089) as a Whole-time Directors of the Company with effect from 15th January, 2021 for the period of five years on the basis of recommendation of Nomination and Remuneration Committee and subject to approval of shareholders in ensuing Annual General Meeting.

For the purpose, an agreement has been entered into by the Company with each of the Whole-time Directors on December 28, 2020.

The main terms and conditions of their re-appointment as a Whole-time Directors, as contained in the said agreements dated 28th December 2020 are furnished below:

- Term of appointment: - Five years with effect from January 15, 2021
- Salary: ₹9.00 lacs (₹ Nine Lacs only) per month, (in the range of ₹9.00 Lacs to ₹14.00 Lacs as approved by the Board of Directors).
- Perquisites:
 - Leave travel allowance for self and family once in a year as per rules of the Company.
 - Medical expenses actually incurred by his and his family subject to maximum of one month salary.
 - Club Fees.

- Provision for use of car with driver for official business- personal use of the car will be billed to him.
- Payment / Re-imbursement of telephone including mobile expenses.
- Medical & personal accident insurance.
- The Company will provide rent free accommodation to Shri Mohan Goenka, Wholetime director.
- The Company will make suitable contribution towards Provident Fund, Superannuation Fund and Annuity fund as per Rules of the Company.
- Gratuity will be payable as per Rules of the Company.
- Leave as per Rules of the Company including encashment of unavailed leave at the end of the tenure.

The Board recommends both the resolutions for your approval.

In respect of Resolution No. 6 except Shri Mohan Goenka (the appointee) and Shri R. S. Goenka (his relative), none of other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in said Resolution.

In respect of Resolution No. 7 except Shri Harsha Vardhan Agarwal (the appointee), Shri Radhe Shyam Agarwal, Shri Aditya Vardhan Agarwal and Smt Priti A Sureka (relatives) none of the other Directors or Key Managerial personnels of

the Company or their relatives are, in any way, concerned or interested, financially or otherwise in said Resolution.

Copy of the both the agreements dated December 28, 2020 referred above shall be open for inspection by the Members in electronic mode. Members can inspect the same by sending an email to investors@emamigroup.com on or before September 22, 2021.

Item No 8

The Board of Directors at its meeting held on 27th January, 2021 re-appointed Shri Sushil Kumar Goenka (DIN 00149916) as the Managing Director of the Company with effect from 1st June, 2021 for the period of five years on the basis of recommendation of Nomination and Remuneration Committee and subject to approval of shareholders in ensuing Annual General Meeting.

The Nomination and Remuneration Committee has approved his terms of re-appointment and remuneration in its meeting held on 25th January, 2021. For the purpose, an agreement has been entered into by the Company with the Managing Director on 3rd March, 2021. The main terms and conditions of his re-appointment as the Managing Director, as contained in the said agreement dated 3rd March, 2021 are furnished below:

- a. Term of appointment: - Five years with effect from June 1, 2021
- b. Salary: ₹10.50 lacs (₹ Ten Lacs Fifty thousand only) per month, (in the range of ₹10.50 Lacs to ₹16.00 Lacs as approved by the Board of Directors).
- c. Perquisites:
 1. Leave travel allowance for self and family once in a year as per rules of the Company.
 2. Medical expenses actually incurred by his and his family subject to maximum of one month salary.
 3. Club Fees.
 4. Provision for use of car with driver for official business- personal use of the car will be billed to him.
 5. Provision for telephone at residence including payment of local calls and long distance calls, mobile phone, internet and other communication facilities.
 6. Medical & personal accident insurance.
- d. The Company will make suitable contribution towards Provident Fund, Superannuation Fund and Annuity fund as per Rules of the Company.
- e. Gratuity will be payable as per Rules of the Company.
- f. Leave as per Rules of the Company including encashment of unavailed leave at the end of the tenure.

The Board recommends the resolutions for your approval.

Except Shri Sushil Kumar Goenka (the appointee) and Shri Radhe Shyam Goenka (relative) none of other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in said Resolution.

Copy of the agreement dated March 3, 2021 referred above shall be open for inspection by the Members in electronic mode. Members can inspect the same by sending an email to investors@emamigroup.com on or before September 22, 2021.

Item No 9

Upon the recommendation of the Audit Committee, the Board of Directors in its meeting held on May 25, 2021, has re-appointed M/s. V. K. Jain & Co., Cost Accountants at a remuneration of ₹1,65,000/- (Rupees One lac sixty five thousand only) plus applicable taxes and out of pocket expenses for conducting audit of the cost records of the Company as applicable to the Company for the financial year 2021-22. As per the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, the remuneration to be paid to the cost auditors is subject to ratification by the members of the Company.

The Board therefore recommends the resolution under Section 148 of the Companies Act, 2013 as an ordinary resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives, are concerned or interested, financially or otherwise in this Resolution.

Registered Office:

Emami Tower,
687, Anandapur
E.M. Bypass
Kolkata 700107
Date: 2nd August 2021

By Order of the Board

A.K. Joshi
Company Secretary & VP-Legal
FCS No. 4976

ANNEXURE TO THE NOTICE

Disclosure required under Section 196 (4) of The Companies Act, 2013, Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI

Name	Shri H. V. Agarwal	Shri A. V. Agarwal	Shri R. S. Goenka	Shri Mohan Goenka	Shri S. K. Goenka
Category	Executive Director	Non-Executive Director	Executive Director	Executive Director	Managing Director
Director Identification Number	00150089	00149717	00152880	00150034	00149916
Date of Birth/ Age	12-07-1976 / 45 years	06-01-1975 / 46 years	06-01-1947/ 74 years	21-01-1973 / 48 years	06-05-1956 / 65 years
Date of first Appointment on the Board	15-01-2005	15-01-2005	03-05-1994	15-01-2005	17-05-1995
Experience in Specific Functional Area	Extensive knowledge and experience in marketing and brand development	Extensive knowledge and experience in marketing and brand development	Extensive knowledge and experience in Financial planning, corporate affairs, taxation and accounting	Extensive knowledge and experience / supervises brand development, marketing, Sales and Investors Relations	Extensive knowledge and experience / supervises production, factory operations, procurement and packaging
Qualifications	Commerce Graduate	Commerce Graduate	Master of Commerce & LLB	MBA from Cardiff University, UK	Commerce Graduate
Terms and Conditions of Appointment / Re-appointment	As mentioned in explanatory statement to item no. 7 of the Notice	Re-appointment on retiring by rotation	Re-appointment on retiring by rotation	As mentioned in explanatory statement to item no. 6 of the Notice	As mentioned in explanatory statement to item no. 8 of the Notice
Details of remuneration sought to be paid	As mentioned in explanatory statement to item no. 7 of the Notice	Not applicable	Not applicable	As mentioned in explanatory statement to item no. 6 of the Notice	As mentioned in explanatory statement to item no. 8 of the Notice
Last drawn remuneration	₹121.36 lacs	Not applicable	Not applicable	₹129.76 lacs	₹141.33 lacs.
Relationship with other Directors and Key Managerial Personnel	Son of Shri R.S. Agarwal Brother of Shri A. V. Agarwal and Smt. Priti A Sureka	Son of Shri R.S. Agarwal Brother of Shri H. V. Agarwal and Smt. Priti A Sureka	Brother of Shri S. K. Goenka Father of Shri Mohan Goenka	Son of Shri R.S. Goenka	Brother of Shri R. S. Goenka

Name	Shri H. V. Agarwal	Shri A. V. Agarwal	Shri R. S. Goenka	Shri Mohan Goenka	Shri S. K. Goenka
Directorship in Companies	Emami Limited, TMT Viniyogan Ltd, Indian Chamber of Commerce Calcutta, Aviro Vyapaar Pvt Ltd, Ajanta Suppliers Pvt Ltd, Sneha Enclave Pvt Ltd	Emami Limited, TMT Viniyogan Ltd, Emami Paper Mills Ltd, Ajanta Suppliers Pvt Ltd, Emami Group of Companies Pvt Ltd, Sneha Enclave Pvt Ltd	Emami Limited, Emami Education & Research Foundation, Emami Group of Companies Pvt Ltd, Ajanta Suppliers Pvt Ltd, Maa Gou Products Pvt Ltd, Sneha Gardens Pvt Ltd	Emami Limited, Sneha Gardens Pvt Ltd	Emami Limited, Emami Education & Research Foundation, Sneha Gardens Pvt Ltd
Chairman / Member in the Committees of the Boards of companies	Chairman : None Member: <ol style="list-style-type: none"> 1. Stakeholders Relationship Committee- Emami Limited 2. Share Transfer Committee- Emami Limited 3. Risk Management Committee- Emami Limited 4. Corporate Social Responsibility Committee- Emami Limited. 5. Finance Committee- Emami Limited 	Chairman: <ol style="list-style-type: none"> 1. Corporate Social Responsibility Committee – Emami Paper Mills Limited Member: <ol style="list-style-type: none"> 1. Share Transfer Committee – Emami Limited 2. Finance Committee – Emami Limited 	Chairman: <ol style="list-style-type: none"> 1. Risk Management Committee - Emami Limited Member: <ol style="list-style-type: none"> 1. Audit Committee- Emami Limited 2. Corporate Governance Committee- Emami Limited 3. Finance Committee – Emami Limited 	Chairman: <ol style="list-style-type: none"> 1. Share Transfer Committee - Emami Limited Member: <ol style="list-style-type: none"> 1. Stakeholders Relationship Committee- Emami Limited 2. Risk Management Committee- Emami Limited 3. Corporate Social Responsibility Committee- Emami Limited 4. Finance Committee- Emami Limited 	Chairman: <ol style="list-style-type: none"> 1. Corporate Social Responsibility Committee – Emami Limited Member: <ol style="list-style-type: none"> 1. Finance Committee – Emami Limited 2. Risk Management Committee – Emami Limited
No. of Shares held in the Company as on 31st March, 2021	1,10,266	1,34,668	3,92,076	61,900	1,09,900
Number of meetings of the Board attended during the year	4	4	4	4	4