



**emami\* limited**

Date: 11<sup>th</sup> August, 2022

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

The Secretary  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai: 400001  
Scrip Code: 531162

Dear Sirs,

**Sub: Notice of the 39<sup>th</sup> Annual General Meeting and Integrated Annual Report & Book Closure**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Integrated Annual Report of the Company for the Financial Year 2021-22 along with the Notice convening the 39<sup>th</sup> Annual General Meeting scheduled to be held on Friday, 9<sup>th</sup> September, 2022 at 11:30 a.m. IST through Video Conference / Other Audio Visual Means (OAVM). The same is also available on the website of the company [www.emamiltd.in](http://www.emamiltd.in).

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 Saturday, September 3, 2022 to Friday, September 9, 2022 (both days inclusive) for the purpose of this Annual General Meeting.

This is for your information & record.

Thanking You,  
Yours Sincerely,  
**For Emami Limited**

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

The Emami of today is poised to climb into a higher orbit tomorrow, enhancing value in the hands of all those associated with our company.

# accelerating growth



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



# Corporate Information

**Chairman Emeritus and Non Executive Director**  
R.S. Agarwal

**Non-Executive Chairman**  
R.S. Goenka

**Vice Chairman and Managing Director**  
Harsha V. Agarwal

**Vice Chairman and Whole Time Director**  
Mohan Goenka

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

**Company Secretary & VP-Legal**  
A.K. Joshi

## Directors

K.N. Memani  
Y.P. Trivedi  
P.K. Khaitan  
C.K. Dhanuka  
S.B. Ganguly  
Amit Kiran Deb  
Debabrata Sarkar  
Mamta Binani  
Sushil K. Goenka  
Aditya V. Agarwal  
Priti A Sureka  
Prashant Goenka

## Auditors

S.R. Batliboi & Co. LLP  
Chartered Accountants

## Audit Committee

S.B. Ganguly, Chairman  
R.S. Goenka  
C.K. Dhanuka  
Amit Kiran Deb  
Debabrata Sarkar

## 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  
Mamta Binani  
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  
Mamta Binani

## Share Transfer Committee

Mohan Goenka, Chairman  
Aditya V. Agarwal  
Harsha V. Agarwal  
Priti A Sureka

## Buyback Committee

R.S. Goenka, Chairman  
Sushil K. Goenka  
Mohan Goenka  
Harsha V. Agarwal

## 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. | IndusInd 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.emamilttd.in

CIN: L63993WB1983PLC036030

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## About this report

### Introduction to the integrated report

This is Emami Limited's third Integrated Report, reflecting our performance and strategy aligned to the current business context. It encompasses both qualitative and quantitative disclosures regarding our financial performance, critical sustainability impact and socially inclusive endeavours conducted during the year.

The report is aimed at transparently communicating to our stakeholders, our business progress as well as reflecting our ongoing efforts to assess our most significant environmental, social and governance (ESG) impacts, risks and opportunities to further enhance our practices in the future.

### 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.**

### Editorial Board

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

### Reporting frameworks

The financial statements and statutory disclosures including the Board's Report, Corporate Governance Report and Business Responsibility Report are presented in conformance to the requirements of the Companies Act, 2013 (and the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (SEBI) – Listing Obligations and Disclosure Requirements, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India.

The non-financial section is guided by the International Integrated Reporting <IR> framework (including January 2021 amendments) published by the International Integrated Reporting Council (IIRC) (now the Value Reporting Foundation).

### Reporting boundary and period

The FY 2021-22 Integrated Report covers financial and non-financial performance of the Company from 1st April 2021 to 31st March 2022. All financial figures and growth data are based on our consolidated financials, unless otherwise stated.

### Materiality

This report provides information on all those realities that could have a significant influence on our ability to create and sustain value over the short, medium and long-term tenures.

### Assurance

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 a part of the report.

### Editor's note

We are pleased to present this Annual Report. This edition encapsulates the story of a transitioning and transforming Emami in response to rapidly changing external realities. Today's Emami is a mix of conventional and modern functions; the conventional functions are being addressed through new processes; the modern functions are being driven for differentiated outcomes. The result is an Emami that continues to be driven by the prospect of consumer delight – if only to make it larger and more frequent. We hope you will find the report insightful, generating a deeper perspective into our Company.



Emami Tower, Emami's corporate headquarters in Kolkata



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



Production line at Emami's manufacturing unit at Abhoypur, Guwahati



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

## OUR VISION

### Making people healthy and beautiful, naturally



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



Emami's overseas manufacturing unit in Gazipur, Bangladesh

### Background

- The Company, promoted and founded by two childhood friends R S Agarwal and R S Goenka, went into commercial operations in 1974.
- The Company is led by the founders and second-generation promoters, supported by a team of professionals.

### Presence

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

### Products

- The Company is engaged in the manufacturing and distribution of Ayurvedic healthcare and personal care products
- The Company's prominent brands include Navratna, Zandu, BoroPlus, Kesh King, Fair and Handsome, Mentho Plus, 7 Oils in One and Dermicool, among others.
- >150 Emami products are sold every second across the world

- The Company has 26 product storage depots across India
- The Company's omni-channel presence ensures that products are available across major Modern Trade chains and e-commerce platforms

### We strive...

- To be a part of every household in the country
- To be a key player in every product category we venture into
- To be one of the most respected and admired FMCG companies in the country
- To be acknowledged as a global brand

- 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 good being made better ”

*Dear shareowners,*

If we had to encapsulate this entire annual report in three sentences, these would be:

**One**, the Indian economy is poised at its most exciting point in decades.

**Two**, the India consumer has access to the highest disposable income ever.

**Three**, Emami is at an attractive point, marked by a convergence of a range of future-facing initiatives.

### **The India story**

The Indian economy grew 8.7% during the year under review following a decline of 7.3% during the previous financial year. The growth would have been stronger but for increased inflation and the outbreak of the Russia-Ukraine

war in the last quarter of the year under review. The India of today is more confident than ever, marked by a transformation in incomes, aspirations and willingness to spend.

### **An evolving consumer**

In a post-pandemic world, a new India is emerging, marked by an increased propensity to spend on healthcare and natural products. There is a willingness to try the new, there is a lower price-sensitivity and, in a number of cases, there is an inclination to have purchases financed. Interestingly, the Indian consumer is buying more from the internet, helping shift the needle from conventional downstore retail outlets to e-marketplaces.



RS Agarwal (left) and RS Goenka



The market of today is marked by fleeting consumer preferences, willingness to attempt the new, growing appetite for brands that keep wowing consumers and FMCG industry aligned to the millennial mindset.



R S Agarwal

**Emami at a cusp**

Emami is completely relevant to this evolving world; its research-led products have always been benign, ayurveda-centric, providing a superior value proposition and offering a basket of products ranging from healthcare to personal care. The Emami of today combines scale with scope; it is among the largest and yet one of the most agile; it continues to reinvent itself and continues to stay relevant; it emphasises its core spirit of innovation through products and yet extends across categories; it draws on deep Indian roots and yet has emerged as a global Indian.

**Building a new Emami**

Even as we have been in business for more than four decades, we are engaged in building a new Emami in response to the rapidly transforming marketplace.

The market of today is marked by fleeting consumer preferences, willingness to attempt the new, growing appetite for brands that keep wowing consumers and an FMCG industry aligned to the millennial mindset.

At Emami, we are millennialising through a number of concurrent initiatives. Seldom in its existence has Emami been engaged in as many contemporary initiatives as it is now. The ferment of these initiatives is transforming its personality faster than ever, laying the ground for a reinvented corporation.

The Emami of the past invested sequentially in initiatives; the Emami of today is re-imagining the business across levels (research, product development, supply chain, distribution and marketing communication).

The Emami of the past trusted ground-level feedback; the Emami of today is driven by informed decision making derived from analytics.

The Emami of the past reached products to consumers through the conventional wholesaler route; the Emami of today is investing deeper in digital initiatives that are translating into a direct-to-customer access, circumventing intermediaries.

The Emami of the past conceived products marketed through brick-and-mortar stores; the Emami of today is not only marketing more

products through stores and e-commerce but also creating specific products exclusively for online sales.

The Emami of the past conducted its business with responsibility; the Emami of today has architected its business model around ESG, marked by socially inclusive growth, environmental stewardship, eco-consciousness and best-in-class governance standards.

The Emami of the past built patiently through reinvestments; the Emami of today seeks inorganic opportunities with the objective of profitable cash deployment and fast-track organisational growth. During the year under review, the Company acquired Dermicool in the prickly heat and cool talc category, which will generate incremental revenues under the Emami stable and an attractive payback.

The Emami of the past focused on deepening the relevance of its core brands; the Emami of today is leveraging Power Brands,

entering new categories and introducing new products - the good being made better.

**Taking the newness ahead**

It is only fitting that the newness in direction and speed be stewarded by new leaders. There is an executive leadership transition at the Company; we are moving from Executive to Non-Executive mentor roles, passing on additional responsibilities to Harsha V Agarwal and Mohan Goenka.

**Acknowledgements**

We take this opportunity to thank our Board of Directors, investors, consumers, associates, employees, frontline sales force and other stakeholders.

Our overarching message is that the new Emami is confident of accelerating growth, enhancing value for all stakeholders.

**R S Agarwal and R S Goenka**  
Founders



The Emami of the past built patiently through reinvestments; the Emami of today seeks inorganic opportunities with the objective of profitable cash deployment and fast-track organisational growth.



R S Goenka

# Board of Directors



**R S Agarwal**  
Chairman Emeritus & Non Executive Director



**R.S. Goenka**  
Non-Executive Chairman



**Harsha V Agarwal**  
Vice Chairman & Managing Director



**Mohan Goenka**  
Vice Chairman & Whole Time Director



**K N Memani**  
Independent Director



**Y P Trivedi**  
Independent Director



**P K Khaitan**  
Independent Director



**C K Dhanuka**  
Independent Director



**S B Ganguly**  
Independent Director



**Amit Kiran Deb**  
Independent Director



**Debabrata Sarkar**  
Independent Director



**Mamta Binani**  
Independent Director



**S K Goenka**  
Whole Time Director



**Aditya V Agarwal**  
Non Executive Director



**Priti A Sureka**  
Whole Time Director



**Prashant Goenka**  
Whole Time Director

- Ⓒ Chairman
- Ⓜ Member
- Audit Committee
- CSR Committee
- Nomination & Remuneration Committee
- Share Transfer Committee
- Risk Management Committee
- Corporate Governance Committee
- Stakeholders' Relationship Committee
- Finance Committee

# 10-year performance highlights

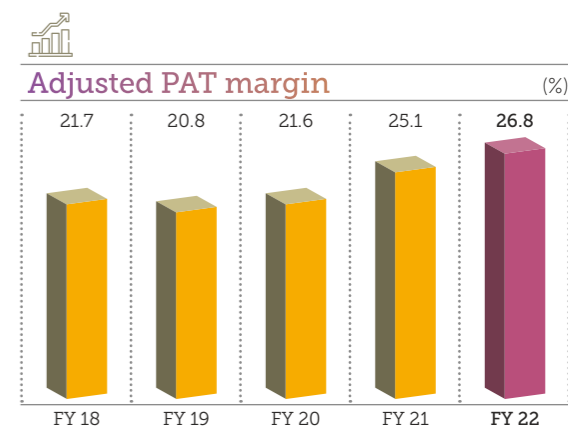
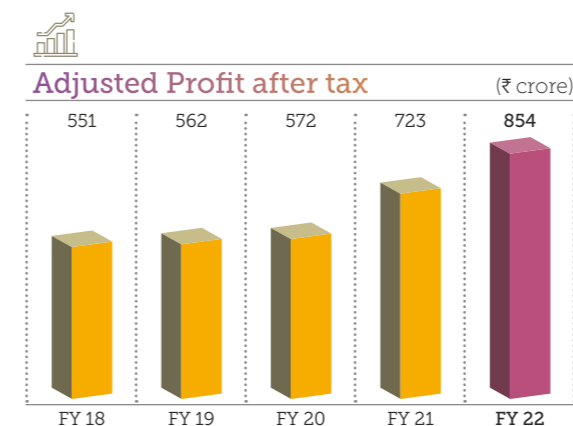
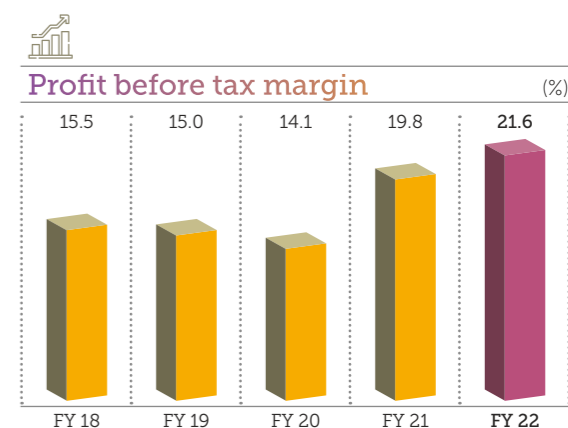
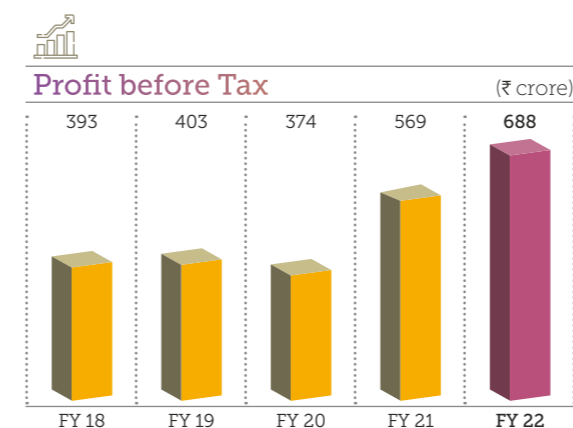
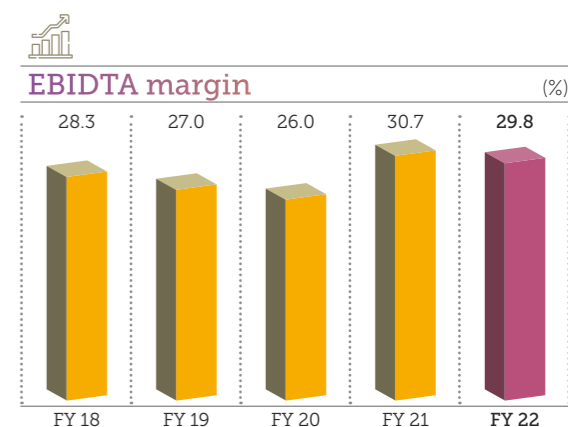
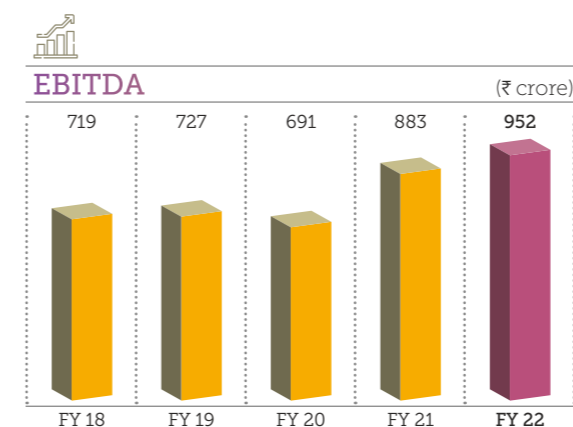
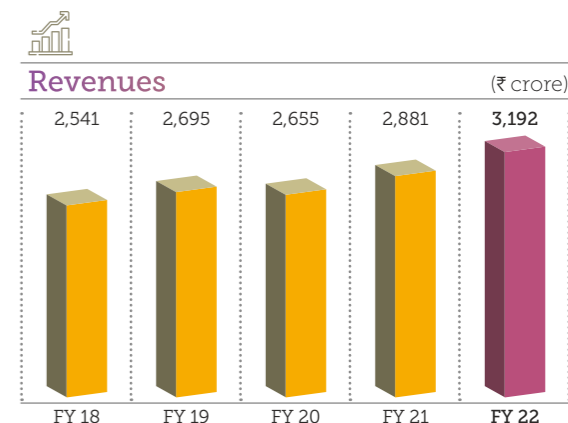
	₹ crore									
PARTICULARS**	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13
<b>A. OPERATING RESULTS :</b>										
Revenue from operations	3,192.03	2,880.53	2,654.88	2,694.63	2,540.83	2,527.74	2,397.55	2,067.67	1,727.65	1,609.96
EBITDA	952.37	883.05	690.55	727.22	719.44	759.13	687.27	543.12	447.04	349.68
PBT (after exceptional items & loss of associate)	688.01	568.92	373.58	403.41	392.56	423.62	422.77	588.99	467.53	374.61
PAT (attributable to owners)	838.99	454.70	302.92	303.23	307.14	340.42	363.53	482.15	412.87	320.67
Adjusted PAT#	854.41	722.55	572.50	561.53	550.72	602.12	576.19	488.10	423.49	321.98
<b>B FINANCIAL POSITION :</b>										
Fixed Assets (Net Block)	1,347.00	1,138.27	1,467.22	1,712.32	1,828.45	2,011.22	2,037.05	477.59	407.77	439.65
Liquid investments	39.52	88.91	68.33	7.86	128.06	33.32	11.93	496.57	289.22	156.34
Other assets	1,670.96	1,292.52	1,142.93	1,102.19	844.23	558.62	643.24	734.55	605.30	620.18
Total assets	3,057.48	2,519.69	2,678.48	2,822.37	2,800.74	2,603.16	2,692.22	1,708.71	1,302.29	1,216.17
Equity share capital	44.12	44.45	45.32	45.39	22.70	22.70	22.70	22.70	22.70	15.13
Reserves & surplus	1,802.15	1,718.20	1,778.43	2,030.67	1,990.91	1,732.00	1,588.91	1,289.34	874.01	763.48
Net worth	1,846.27	1,762.65	1,823.75	2,076.06	2,013.61	1,754.70	1,611.61	1,312.04	896.71	778.61
Minority interest	(2.30)	(0.89)	(0.86)	(0.20)	0.57	1.41	4.10	4.56	0.01	0.05
LOAN FUNDS	263.71	91.91	210.23	109.87	325.91	472.95	671.44	35.88	45.02	120.10
Deferred tax (Net)	11.82	4.16	3.46	16.04	14.67	28.16	9.04	22.12	4.79	13.68
CAPITAL EMPLOYED	2,119.50	1,857.84	2,036.58	2,201.77	2,354.77	2,257.22	2,296.18	1,374.60	946.53	912.44
<b>C. KEY RATIOS</b>										
ROE (%) (on Adjusted PAT)#	46.28	40.99	31.39	27.05	27.35	34.31	35.75	37.20	47.23	41.35
ROCE (%) (on Adjusted PAT)#	40.31	38.89	28.11	25.50	23.39	26.68	25.09	35.51	44.74	35.29
Debt - equity ratio	0.15	0.06	0.12	0.05	0.16	0.27	0.42	0.03	0.05	0.15
EBIDTA margin (%)	29.84	30.66	26.01	26.94	28.32	30.03	28.67	26.27	25.88	21.72
Adjusted PAT margin (%)	26.77	25.08	21.56	20.84	21.67	23.82	24.03	23.61	24.51	20.00
Interest cover	137.72	43.87	18.78	19.85	12.44	8.30	8.82	115.57	87.85	58.02
<b>D. EQUITY SHARE DATA*</b>										
Earnings per share (₹)	18.88	10.23	6.68	6.68	6.77	7.50	8.01	10.62	9.10	7.06
Adjusted PAT per share (₹) #	19.23	16.26	12.63	12.37	12.13	13.26	12.69	10.75	9.33	7.09
Dividend per share (₹)	8.00	8.00	4.82	4.19	4.21	4.21	4.21	4.15	4.09	3.12
Book Value per share (₹)	41.56	39.65	40.24	45.74	44.36	38.66	35.50	28.90	19.75	17.15

\* 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

#Adjusted PAT = Reported PAT - MAT Credit Entitlement of earlier years + Exceptional Items + Amortisation of Kesh King & other brand related intangible assets

## How we transformed in the last few years







**From the desk of S K Goenka**  
Managing Director (FY 2021-22)

**Q: How would you describe the Company's performance during the year under review?**

A: It would be important to present the operating landscape first to get our shareholders to appreciate the nature of our performance. The business environment of the last two years affected the performance of the country's FMCG sector more than most people would be able to appreciate. There were direct and indirect impacts that manifested in a range of outcomes – logistics impairment, resource inflation, export delays and periodic consumer hesitation in discretionary spending. Despite these realities the Company reported a superior performance – growth remained profitable as revenues increased 11% while adjusted PAT grew by 18%.

**Q: What was the fine print of this performance?**

A: The Company's domestic business grew 11%. We believe that this outperformance has been credible in view of the

challenges we encountered. Within our domestic business segment, major brands like Pain Management grew by 18%, Kesh King grew by 11%, Healthcare grew by 9%, Male Grooming grew by 16% and 7 Oils in One grew by 29%. Besides, our BoroPlus brand grew by only 5% due to a higher incidence of hygiene-related offtake in the previous year while the Navratna range grew only 5% following sales loss as its peak season coincided with the second pandemic wave.

The reason I am mentioning these brand-wise growth numbers is to showcase the reality that your Company's growth was not derived out of the disproportionate success of a couple of brands but a broadbased performance during the year, a validation of the Company's responsible focus on each. The message that we wish to send out is that each of these brands outperformed their respective spaces and held on or improved their ranks within. We believe we have

created a number of growing properties within the Company, which should keep delivering sustainable year-on-year growth. I am pleased to communicate that these attributes of the Company delivered successfully during a challenging year as the last one.

**Q: How else did the Company build its business in a distinctive manner during the last financial year?**

A: At Emami, we believe that growth in our business can be derived through three initiatives – organic growth through existing products, introduction of new products and the acquisition of new brands. We focused on all three initiatives, validating our commitment to explore all possibilities to grow our business in a sustainable way.

Let us start with the organic growth of our domestic business. During the year under review, we are pleased to communicate that all our domestic sales channels posted attractive growth. Our conventional business was driven by a wider and deeper distribution coverage.

We believe that the world is moving towards convenience-driven platforms. Your Company was nimble enough to capitalise on this consumer transition. In this respect, our Modern Trade revenues grew 17%; our e-commerce focus doubled revenues and contributed 5.5% to our domestic business (2.8% in the previous year).

**Q: What about the Company's decision to introduce new brands?**

A: At Emami, we recognise that disproportionate revenue increases happen when we introduce new products. The objective behind these launches is to address unmet needs and build attractive offtake within months or initial years of launch. Our objective is not merely to

introduce products that compete in a crowded marketplace; our objective is to create new consumption habits and markets.

The Company did well in this regard during the last financial year. We introduced products like BoroPlus Soft Ayurvedic Antiseptic Cream, HE Active range of Deodorants, Kesh King Anti Dandruff Shampoo and e-commerce-specific launches like Creme 21 range, Navratna Therapy range, Fair and Handsome Hexapro Professional Range and more than 20 products under the Zanducare web portal. Besides, the Company launched campaigns featuring prominent actors like Ajay Devgn, Shilpa Shetty, Sonu Sood, Ayushmann Khurrana, Nushratt Bharuccha and Khali, enhancing consumer recall and brand association. I am pleased to communicate that the Company's new and recent product launches accounted for 3% of the Company's domestic revenues during the year; we are optimistic that these launches will be followed by higher year-on-year growth as consumer habits deepen and our marketing spends increase.

**Q: This brings us to the third initiative of FY 2021-22 that needs to be discussed – the Company's decision to acquire a new brand.**

A: At Emami, we have always invested in brand acquisitions from various perspectives. Such acquisitions are intended to drive revenue growth, suitably utilise our spare cash and plug gaps within our products profile. In March 2022, we responded to one such opportunity through the acquisition of 'Dermicool', a leading national brand in the Prickly Heat and Cool Talc segment. The brand was acquired from Reckitt Benckiser Healthcare India Pvt Ltd for ₹432 crore (excluding taxes & duties). We believe that this acquisition will prove value-accretive for

good reasons – it was funded through our accruals so that we were not loading the Company's Balance Sheet for this acquisition. Besides, the acquisition will empower the Company to emerge as a leader in this niche category. The acquisition will help the Company optimise procurement costs, broadbase its category presence and leverage the Company's branding competence. The result is that we are optimistic of generating a superior return on the acquisition, enhancing value for our shareholders.

**Q: What is that one decision that you feel will translate into a sustained improvement in the Company's performance?**

A: At Emami, we continue to prioritise the role of distribution. In a country as vast and as populous as India, the challenge is not as much in branding and manufacturing as much as in placing the product just where the consumer needs it. Despite being in this business for more than four decades, we find that distribution continues to our last frontier – partly because consumption points are beginning to change with new prosperity pockets emerging; besides, there are locations in the interiors where Emami products are being distributed by resellers and where we need to establish a direct presence.

It is with this priority that the Company continued to emphasise Project Khoj during the last financial year, an initiative marked by the addition of 8000 rural towns to our direct distribution network, taking the total tally to 40,000 towns. The result is that we not only sold quicker but also sold more profitably. We intend to double our rural coverage to 60,000 towns in 13 States in three years, broadbasing coverage and seeding locations with Emami products for the first time.

The Company recognised that the key to long-term sales sustainability would be derived from relationship-driven sales engagements. The result is that the Company launched outlets for healthcare products, focusing on Ayurvedic bhandars and *chikitsalayas*. The Company also rolled out Project Sirius as a pilot project in select cities wherein the Company launched an upsell and cross-sell application for the frontline sales team, which empowers our sales representatives through app-driven suggestions. The Company will introduce more such technology-based distribution initiatives to accelerate offtake.

**Q: How did the Company build on this conventional distribution footprint?**

A: At Emami, we believe that it is imperative to enhance convenience in the consumer's access to our products. The days of consumers going from shop to shop to buy are over; all our products need to be conveniently available in one place. We created a separate structure and activation programs for around 12000 Standalone Modern Trade stores and expanded our reach to 40 cities and more than 3,300 outlets.

As India's consumer profile is driven by millennials, we see our products being purchased more off the shelves in large stores of malls where consumers can inspect them closely and comprehensively. We also believe that a growing percentage of Emami products will be sold online, circumventing bazaar visits. The Company launched D2C websites for Zandu, BoroPlus and Kesh King; its products are widely available on major eB2B platforms like Udaan and JioMart.

The interesting feature of our approach was that we didn't just launch products that

were later marketed online; we launched and marketed ecommerce-specific products (Onion Range under Kesh King, Gold and Therapy range under Navratna and various healthcare products under Zandu). The proportion of our online sales increased from 2.8% to 5.5% and I repeat: the numbers appear low today but we are investing disproportionately in enhancing our online visibility and we believe that a growing percentage of our offtake will be sold through e-commerce marketplaces. We are optimistic that the superior consumer experience will translate into our brand upside, inspiring the recall for a holistically superior experience – from purchase to product use.

**Q: The one area at Emami that is attracting attention is the international business.**

A: A few years ago, Emami recognised the need to rethink its international approach to enhance effectiveness. The conventional approach was to allocate a certain part of the production of India to the global markets on the basis of the marginal costing approach. I wish to communicate with clarity that this approach is now over.

**One**, the Company continued to service global markets with products that they need, enhancing our product relevance.

**Two**, we research global trends and manufacture selectively in the global markets – an international product for an international need derived from an international location.

**Three**, the Company acquired global brands for global markets, deepening our international orientation.

**Four**, we deepened our focus on top 15 countries (~85% of global revenues) where key brands like Navratna, 7 Oils in One, Fair and Handsome, BoroPlus, Creme21, Kesh King etc. have achieved leadership positions in their respective segments.

**Five**, we created an effective federal structure where we empowered teams across countries, making it possible for decisions to be taken quicker and closer to the ground.

**Six**, we localised our supply chains instead of sourcing all products from India, entering into proprietary as well as third party manufacturing arrangements in Bangladesh, Germany, Sri Lanka, Thailand and UAE.

**Seven**, we address this global footprint with a widening portfolio, launching an entire oils range in Bangladesh.

I am pleased to communicate that these various strategies have begun to pay off. The Company's international business grew 5% during the year under review despite geopolitical challenges and a larger base of hygiene products sold in the previous year. This growth in our International business was catalysed by geographies like Bangladesh in the SAARC region and Africa and South East Asia.

**Q: One of the biggest threats to business growth is inflation. There is a threat that periodic price increases could affect the price-value proposition of the Company's brands.**

A: I have no hesitation in accepting that resource inflation is not just our corporate challenge but a global problem. Inflation corrodes disposable incomes, resulting in consumers downtrading at best or deferring purchases at worst, both

affecting our prospects.

In such a challenging environment, the only way we could effectively counter the price increase was by looking within – optimising spends and reducing costs through value engineering. The result was that some cost increase was absorbed by the Company during the last financial year; a part of the increase was passed to consumers through calibrated price increases. There was a corresponding impact on our operational numbers: EBITDA margin declined 90 bps to 29.8% and raw material cost as a proportion of our revenues increased 150 bps to 33.8%.

**Q: How is the Company building for the future?**

A: During the year under review, Emami made a significant decision: The Board of Directors respected the desire of our founders Mr R S Agarwal and Mr R S Goenka to step down from their executive positions and hand over business responsibilities to the next generation, while continuing to stay on the Board. This was done to empower the next generation to take the business ahead.

In line with this decision, the Board unanimously appointed Mr. R S Goenka as Non-Executive Chairman while re-designating Mr. R S Agarwal as Chairman Emeritus from 1st April 2022. The Board also acceded to my desire to step down as the Managing Director. The Board re-designated Mr. Harsha V Agarwal and Mr. Mohan Goenka as Vice Chairman cum-Managing Director and Vice Chairman-cum Whole Time Director respectively from 1st April 2022. We expect the young leadership to drive the Company's growth from this point onwards.

## Leadership team with the founders



**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

Cover story

# Accelerating Growth

## Overview

In a challenging economic scenario, the Company is faced with a basic challenge: consumers do not increase their consumption of a specific product because they earn more. The hair oil that one uses will not change over time; the quantum of cream applied on the face will generally not increase only because an individual climbs into another economic station. In this reality lies the sceptre of static sales; in this reality also lies the seed of insecurity that makes Emami work harder.

The Company has been driven

by this insecurity. The result is that when Emami sells a product to an individual, what it asks itself is: Are there more people at home who can use the same product? Can the individual buy larger SKUs that translates into superior family value? Can the Company inspire the consumer to feel good or better that makes that individual reach out to more such products? Can the Company provide that individual with a range of Emami products from a single location? Can the Company inspire that individual to attempt new products that it may have launched? Can that individual have a positive opinion

when someone asks why his/her skin is looking fresh or why he or she is feeling good about herself?

The Company believes that if it never loses sight of the fact that it still possesses the spirit of a 'start-up' within the size of a titan, it will not be as much worried about where growth will come from; it will always go out and generate growth from the humdrum of the marketplace.

This is what Emami has always done; this is what it did in a challenging FY 2021-22 as well; this is what the Company expects to do across the foreseeable future.

## Performance of the last year

Emami Limited reported 11% growth in revenues to ₹3,192 crore in the last financial year. The Company delivered 8% EBIDTA growth and a 21% increase in profit before tax, though it must be remembered that the improvement came on higher percentage growth reported in the last financial year (especially in the last three quarters when growth more than made up for the lockdown-induced sluggishness of the first quarter). Even as the compounded EBIDTA growth of the last two years was 17%, compounded PBT growth during the same period was an attractive 36%. Besides, the Company reported an EBIDTA margin that

was virtually around the level of the previous year; the PBT margin strengthened 180 bps to 22% despite the challenges of the year.

The performance of the Company was creditable for the following reasons: the second wave of the pandemic resurged in the first quarter, there was a sharp increase in resource costs in the third and the fourth quarters that could not be immediately passed on to consumers; there was a disruption in our supply chain following a decline in the availability of shipping containers that affected inter-country movements of resources and end products; there was an increase

in freight that affected budgets.

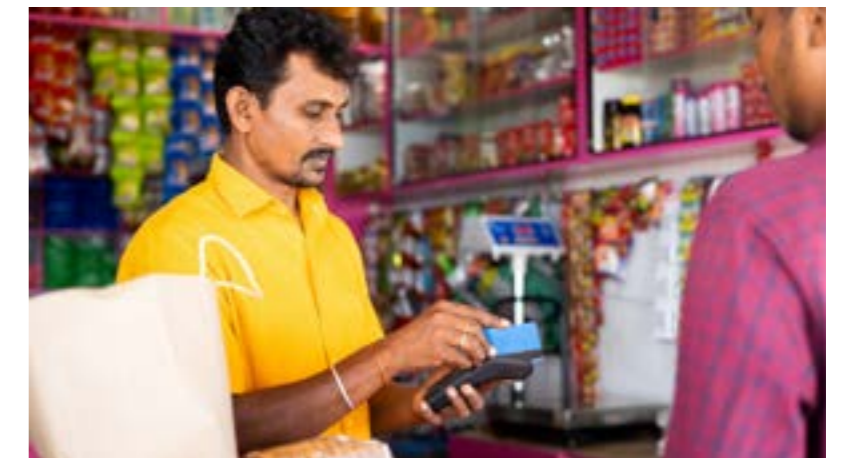
The Company recognised that even as much of these factors lay outside its control – and could be at best moderated with some value-engineering – the only decisive way to counter these unprecedented realities was by going out and selling more. In fact, the most decisive initiative that the Company successfully implemented in the last few years was the capacity to find new ways to sell in new places to sell with new products to sell. This approach has driven its growth in the past and did so again during a challenging FY 2021-22 and is expected to sustain across the foreseeable future.

## Selling more

In the Company's business where products enjoy a virtually universal application – there is no one for whom it does not have something to sell – there is a premium on reaching consumers widest, quickest and at the lowest cost.

This approach provides the Company with a scalable platform where its focus is to enhance wallet share per customer and find more customers. The key to achieving both lies in accessing India wider and deeper. The country is an attractive market with a multi-year sales growth possibility. India is the seventh largest land mass in the world populated by the second largest cluster of individuals and by far the largest nation of rural under-consumed people.

In this attractive market, success is derived from the ability to go deeper into relatively under-consumed territories, build robust sales lines, push a larger number of products through the sales pipeline and build long-term sales platforms to graduate



the Company to another level.

Some broad strategic drivers have the ability to prospect these markets through low unit packs (LUPs), vernacular promotion, communication of product attributes around memorable catchlines and engagement of brand ambassadors with pan-India appeal. In a rural India driven increasingly by internet access – there are more internet consumers in rural India than urban – there is a premium on promoting products through the social media that can be accessed

through the smartphone and providing aspiring consumers with the means to look and feel better.

India's rural landscape is the last consumer frontier, marked by various economic layers and product preferences. It is this landscape that provides a company like Emami with prospects of sustainable growth from this point onwards. The Company has been engaged in various initiatives in the last few years to deepen this presence and sustain its growth spirit.

Increased direct reach



The Company moved its distribution model from wholesalers to direct reach. The advantages were evident: if the Company accessed consumers directly, it would be quicker, lower in cost, enjoying a superior insight into ground realities. This would enhance its direct understanding of consumer preferences, helping it to productise better in line with evolving preferences. Between 2016 and 2022, the Company increased its direct access by 47% to 9.4 Lac outlets, making it possible to use its data analytics to comprehend the pockets in which its products were moving faster, the sales outlets that were driving offtake better and its capacity to understand the reasons why consumers were preferring to buy Emami over competing alternatives.

The Company strengthened its rural coverage through Project Khoj that made it possible to

enumerate the various towns of the country where it was only moderately present or not present at all. The Company ensured a presence in these towns and then embarked on the second round where it drilled down across distributors and retail outlets, providing a transparent first-hand presence and familiarity that was aggregated into its database for a deeper understanding of consumer preferences.

The Company selected to enhance its presence in health care outlets. This decision was based on the fact that Emami products have consistently been prepared for therapeutic impact; a presence, positioning and visibility in these outlets would only deepen its brand as a personal and healthcare solutions provider.

The result of its consistent focus was that revenues from the

wholesale channel declined from 50% to 42% in the last six years, shifting our needle in terms of profitability, market access and informed decision making.

Strengthened rural coverage through Project Khoj (towns)



Increased direct reach (outlets in Lac)



Healthcare outlet expansion (outlets in Lac)



Focus on modern trade and eCommerce



Even as Emami will continue to penetrate India's vast, growing and under-consumed rural landmass, it will seek to address the shifts transpiring in its urban markets as well. These Modern Trade and eCommerce spaces are not insignificant; they accounted for nearly 13% of the Company's revenues during the last financial year, growing 46% over the previous year. Besides, the Company's urban offtake was marked by larger SKUs and an excellent platform for the launch of new products.

Emami resisted the temptation to attempt to sell more of the same using the same strategy. The Company responded with a differentiated approach, seeking to understand how modern urban consumers purchased products.

The one word that is transforming urban purchase

patterns is convenience. The buyers of the past are no longer content with the purchase of products following long commutes; they seek to buy a number of products in one location or buy from the convenience of their homes with products delivered to them. Emami believes that this need for convenience is not a fleeting response in a pandemic-affected world; it is a tectonic shift that is inducing the Company to shift its erstwhile strategy and respond to what appears to be a long-term consumer phenomenon.

Emami created a separate marketing and distribution network that addressed the needs of Standalone Modern Trade (SAMT) outlets, recognising that this format warranted a distinctive focus. In doing so, the Company addressed a cluster of around 12,000 SAMT stores across the country. This focus extended the Company's points

of sale and strengthened supply chain collaboration and analytics through Project MIDAS that enhanced on-shelf availability and order-fill rates.

This focus on modern trade extended to e-commerce as well, promoted by a growing reality that more consumers prefer to buy through their smartphones or computers than walk out to stores. A website or marketplace is considered an advantage, empowering a company like Emami to showcase wider number of products with non-negotiable prices, a credible way to engage with consumers anywhere in the world.

Today, Emami products are available across all major online marketplaces as well as grocery, beauty and pharmaceutical platforms, a manifestation of the need to go direct to consumers. As an extension of this commitment, the Company

launched websites for Zandu, Kesh King and BoroPlus; besides, the Company's products are available on prominent eB2B platforms like Udaan and Jio Mart. The Company implemented an unusual initiative; it launched digital-first products across the Zandu, Navratna and Kesh King brands, which is against the convention of launching products initially for the physical markets and then (on an afterthought) extending

their presence to online platforms as well. In doing so, the Company addressed more than 17,000 pin codes, which accounted for 94% of the national products delivery universe. These initiatives generated a positive outcome: revenues from e-commerce (domestic sales) increased from 0.5% in FY 2018-19 to 5.5% in FY 2021-22 to a high of 7.1% during the last quarter of FY 2021-22.

**Our digital-first brand launches in domestic markets**

- Navratna Gold Ayurvedic Cool Oil
- Navratna Therapy Range
- Kesh King Onion Range
- Creme 21
- 20+ launches on Zanducare portal

The digitalisation was not merely touched at the cosmetic level; it was extended to a number of brands. For instance, the Company created a digital healthcare ecosystem, launching an e-commerce portal 'Zanducare'. This represented a refreshing new direction at the Company where we believe that an entirely different e-commerce platform will service e-commerce focused consumers (who are different in their preferences from the ones serviced through conventional stores). This initiative is growing and the Company is pleased to report that unique visitors crossed ~10 million in FY 2021-22, strengthening offtake.

**Technology-driven insights**

At Emami, the focus is not just to sell more on digital marketplaces or platforms; the focus is to derive insights into who is buying what, when, in what volume and at what price. This growing role of analytics is likely to prompt the Company into the development of products customised around consumer preferences, resulting in quicker offtake and superior holistic profitability.

The reinvented Emami is deepening technology investments to emerge nimbler. There is a growing focus on sales through e-B2B and D2C, as has been explained. The Company is increasing strategic investments in start-ups to explore emerging ideas faster and enhance proprietary digital competencies. Emami's stake increased to 49.53% in The Man Company, 57.36% stake in Brillaire and it acquired 20.65% stake in Trunativ to accelerate competence aggregation and market penetration.

The Company developed a retail multi-brand digital ordering app called 'Distiman' (in partnership



with Bizom). The Company's technology-driven approach helped optimise beats to improve salesperson efficiency, optimising coverage and person productivity by geotagging outlets. The Company's Project Sirius rolled out an app to upsell and cross-sell. The Company's CDMS graduated its legacy distributor management system

to a cloud-based distributor system, strengthening data management. The Company's newly implemented sales force automation enhanced productivity. The cumulative impact of distribution-driven initiatives and technology investments strengthened growth across the Company's brands.

**International business**

At Emami, even as we derived 85% of our consolidated revenues from within India, there is a growing focus to extend our presence across international geographies. This extension is based on our conviction that international sales help us defray an excessive dependence on the Indian market. Besides, a wider spread across country markets makes it possible to broadbase our international risks across diverse markets, draw insights from one or few markets for onward replication in others, and draw on emerging trends to design and launch new products. In view of this, our global footprint is not merely intended to sell what we design and conceive in India; it is also intended to draw on global trends to conceive and launch products in the global markets that provide the parent company in India with precious product development leads for the domestic market.

In the international business, the Company focused on 15 leading countries, accounting for more than 85% of the Company's global revenues where key brands already attained leadership positions. The Company extended beyond the 'source out of India and supply abroad' model; it localised the supply chain with its proprietary manufacturing facility in Bangladesh and third-party engagements in Germany,

Sri Lanka, UAE and Thailand.

The Company introduced new projects for discerning international customers; it extended the prominent Creme 21 brand to SAARC and South East Asia and graduated the brand into a multi-category platform. The success of the Company's international growth was derived from the robustness of its federal structure, empowering teams based in different countries to recognise terrain realities and respond with timely decisions.

**Acquisitions**

At Emami, we have demonstrated our commitment to acquire complementary brands with two objectives: allocate investable surpluses profitably and leapfrog our overall business profile within a compressed period. The Company enjoys a successful track record in the acquisition of brands, integrating them, enhancing revenues over their erstwhile benchmarks and transforming them into stable platforms of the Company's visibility, respect and revenues.

During the year under review, Emami acquired Dermicool, a leading brand in the Prickly Heat and Cool Talc Segment from Reckitt Benckiser for ₹432 crore (excluding taxes and duties). Dermicool comprises a strong and enduring brand equity (its

popular jingle 'Aaya Mausam Thande Thande Dermicool Ka' enjoys a strong consumer recall) that would consolidate Emami's number one category position at 45%+ market share. Our optimism is also based on the reality that even as this category continues to grow attractively (pre-COVID four-year CAGR of 11%) it is still modestly penetrated (~12%). The profitable brand comprises high gross and EBIDTA margins, would be EPS-accretive from the first year of acquisition and has a high potential to grow in a sustainable manner following support from a robust Emami eco-system.

**Conclusion**

The complement of these initiatives – some transpiring for the first time in the Company's existence – augur well for Emami. The ferment derived out of these initiatives will enhance organisational vitality, translating into revenue accretion. A number of these initiatives have already been implemented; some are still work-in-progress and should translate into incremental growth across the foreseeable future.

We believe that, as a result of these initiatives, the Emami of today is poised to climb into a higher orbit tomorrow, enhancing value in the hands of all those associated with our Company.

**How we are reinventing our Company**

<p><b>Analytics</b></p> <ul style="list-style-type: none"> <li>• Handheld devices for the sales force</li> <li>• Designing algorithms for cross-sell and up-sell analytics</li> <li>• Beat optimisation and geo tagging</li> <li>• E-retailing app for digital ordering</li> </ul>	<p><b>E-commerce &amp; digital-first brands</b></p> <ul style="list-style-type: none"> <li>• Presence across all major e-commerce sites</li> <li>• Focus on D2C and eB2B</li> <li>• Launched digital-first brands</li> </ul>	<p><b>NPD's &amp; acquisitions</b></p> <ul style="list-style-type: none"> <li>• Dermicool acquisition to propel growth</li> <li>• Rich NPD pipeline to address unmet consumer needs</li> </ul>
<p><b>Distribution expansion</b></p> <ul style="list-style-type: none"> <li>• Rural expansion through Project Khoj</li> <li>• Focus on SAMT outlets</li> <li>• Focus on top chemist outlets</li> </ul>	<p><b>Zandu healthcare and digital ecosystem</b></p> <ul style="list-style-type: none"> <li>• Enhanced need for Ayurvedic healthcare</li> <li>• Zanducare portal catering to existing products &amp; e-commerce specific launches.</li> <li>• Free doctor consultation</li> </ul>	<p><b>Investments in emerging high growth start-up business</b></p> <ul style="list-style-type: none"> <li>• Successfully invested in a few start-up companies to nurture them to aggressive growth</li> <li>• Seeking similar growth opportunities</li> </ul>


# Emami's Integrated Value-Creation report

## The value-creation journey at Emami


The Emami business model represents the backbone of its value-creation commitment. This value is sought to be created not for one or a limited section of stakeholders but for all stakeholders.


The Company focuses on creating long-term value through the achievement of goals relating to profitability, efficiency, operational excellence and business risk mitigation. The foundation of the Company's ability to enhance value in a sustainable way is derived from positive national and sectorial realities.


### Our resources


 **Financial capital:** The financial resources that we seek are based on the funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

 **Manufactured capital:** Our manufacturing assets, technologies and equipment constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.

 **Human capital:** Our management, employees and contract workers form a part of our workforce, their experience and competence enhancing value.


 **Natural capital:** We consume raw materials sourced from nature, indicating a moderate impact on the natural environment.

 **Intellectual capital:** We possess proprietary knowledge that enhances our operational excellence and competitive advantage.


 **Social and Relationship capital:** Our relationships with communities and partners (vendors, suppliers and customers) define our role as a responsible corporate citizen.

### The beneficiaries of Emami's value creation


At Emami, we believe that the interplay of value for our various stakeholders has translated into our business profitability and sustainability.

 **Employees:** Our employees represent the aggregate knowledge of how to grow the business across a range of functions (R&D, Sales, Procurement, Manufacturing, Marketing, Technology, Finance etc.).


**Focus:** Our focus is to provide an exciting workplace, generate stable employment and enhance productivity.

 **Shareholders:** Our shareholders provided capital when we went into business.


**Focus:** Our focus is to generate cashflow, growing RoCE and enhanced investment value.

 **Vendors:** Our vendors provide credible and a continuous supply of resources (raw materials).


**Focus:** Our focus is to maximise quality procurement at declining average costs with the objective to widen our markets, strengthening sustainability.

 **Customers:** Our customers keep us in business through a consistent purchase of products, generating the financial resources to sustain our operations.

**Focus:** Our focus is to provide a diversified range of products (perfect blend of quality, affordability and hygiene) to our customers.

 **Communities:** Our communities provide the social capital (education, livelihood development culture etc.).

**Focus:** Our focus is to support and grow communities through consistent engagement.

 **Governments:** Our governments provide us with a stable structural framework that ensures law, order, policies etc.

**Focus:** Our focus is to play the role of a responsible citizen by paying taxes on time.

Economy & Sector Overview

# Emami's value-creation framework has a positive sectorial context

Global economic overview

The global economy grew an estimated 6.1% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The prominent feature of the global economic activity during

the year under review was a sharp revival in commodity prices to record levels following a sharp decline at the time of pandemic outbreak. The commodities that reported a sharp increase in prices comprised steel, coal, oil, copper, foodgrains, fertilisers and gold.

The global economy is projected to grow at a modest 3.2% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth (%)	2021	2020
World output	6.1	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

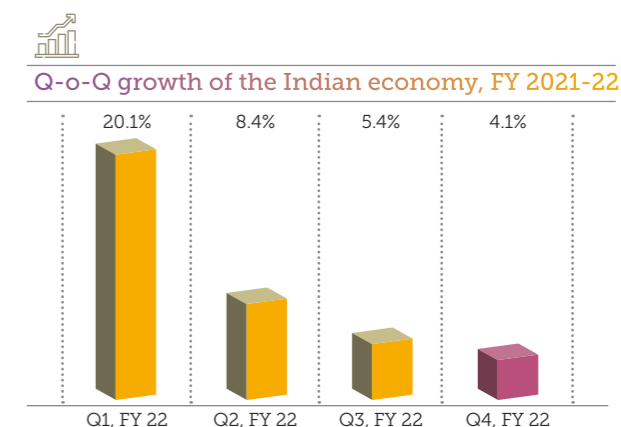
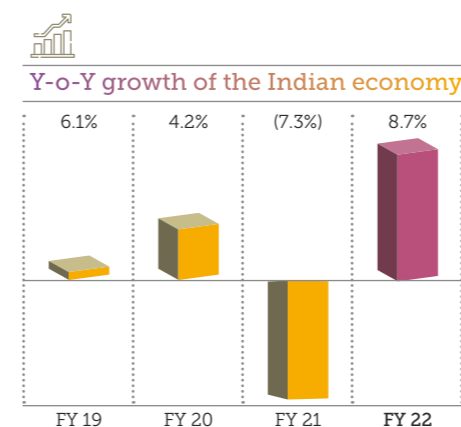
(Source: IMF, World Bank, UNCTAD)

Indian economic overview

The Indian economy reported a recovery in FY 2021-22, its GDP rebounding from a de-growth of 7.3% in FY 2020-21 to an estimated growth of 8.7% in FY 2021-22. By the close of FY

2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 billion the second

most populous in the world and its rural under-consumed population arguably the largest in the world.



The Indian economy was affected by the second wave of the pandemic that affected economic growth towards the fag end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6% in the last quarter of FY 2020-21, the Indian economy grew 20.1% in the first quarter of FY 2021-22 due to the relatively small economic base during the corresponding period of the previous year.

India's monsoon was abundant in 2021 as the country received 99.32% of a normal monsoon. The estimated production of rice and pulses recorded volumes of 127.93 million tonnes and 26.96 million tonnes respectively. The total oilseeds production of the country recorded a volume of 371.47 million tonnes. Moreover, based on the spatial and temporal distribution of the 2021 monsoon rainfall, the agricultural gross value added (GVA) growth in FY 2021-22 is anticipated to be 3-3.5%. There were other positive features of the Indian economy as well during the year under review.

Foreign direct investments (FDI) in India increased from US\$ 74.01 billion in 2021 to US\$ 87 billion in 2022, a validation of the global investing confidence in India's growth story. The government approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49% to 74% in Union Budget FY 2021-22.

In 2021, India was the largest recipient of global remittances. The country received US\$ 87 billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of US\$ 642.45 billion as on 3rd September 2021, crossing US\$ 600 billion in forex reserves for the first time.

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 at ₹1.42 Lac crore,

which was 15% higher than the corresponding period in 2021.

India ranked 62 in the 2020 World Bank's Ease of Doing Business ranking. The country received positive FPIs worth ₹51,000 crore in 2021 as the country ranked fifth among the world's top leading stock markets with a market capitalisation of US\$ 3.21 trillion in March 2022.

The fiscal deficit was estimated at ~₹15.91 trillion for the year ending 31st March 2022 on account of a higher government expenditure during the year under review.

India's per capita income was estimated to have increased 16.28% from ₹1.27 Lac in FY 2020-21 to ₹1.50 Lac in FY 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record ₹27.07 Lac crore in FY 2021-22 compared with a Budget estimate of ₹22.17 Lac crore. While direct taxes increased 49%, indirect tax collections increased 30%. The tax-to-GDP ratio jumped from 10.3% in FY 2020-21 to 11.7% in FY

2021-22, highest since 1999.

Retail inflation in March at 6.95% was above the RBI's tolerance level of 6% but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month.

The Indian economy is projected to grow by 8% in FY 2022-23 (World Bank estimate), buoyed

by tailwinds of consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity.

Across the next three years, capital expenditure in core sectors - cement, metal, oil refining and power - should

be about ₹5 trillion. Besides, the government's production-linked incentives (PLI)-led capex should generate an incremental ₹1.4 trillion in sectors like consumer durables, pharmaceuticals and automobiles.

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

## India's FMCG sector overview

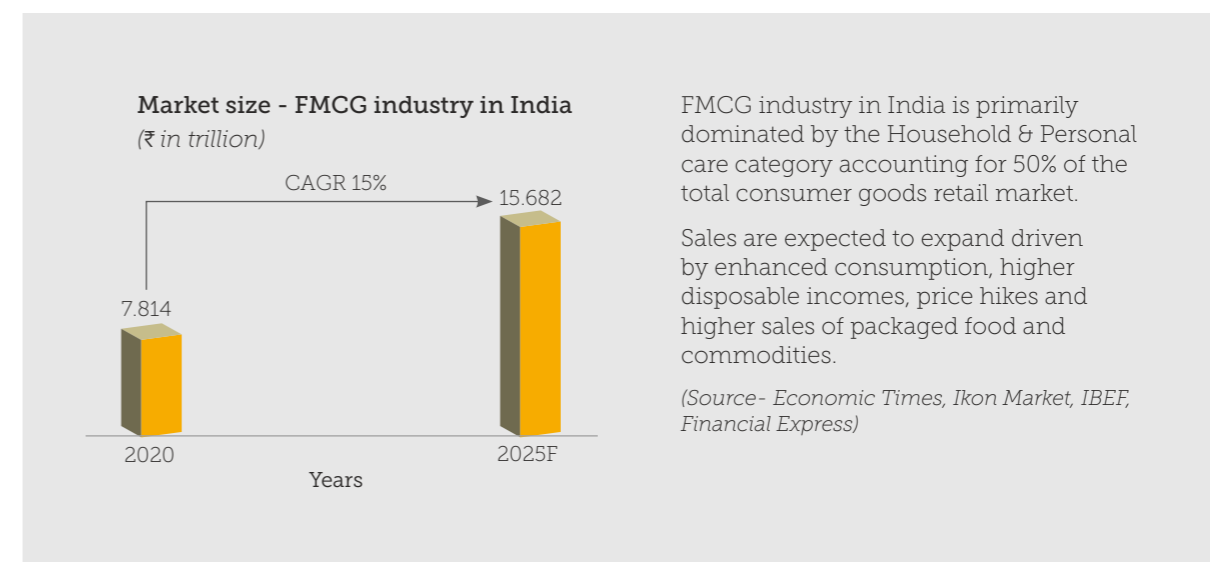


India's FMCG market was expected to grow 10-12% in FY 2021-22. The key growth drivers for the sector were growing awareness, easier access and changing lifestyle. The largest contributor to the overall revenue generated by the FMCG sector in India was the urban

segment, which accounts for a revenue share of around 55%. There was a faster growth of the FMCG market in rural India compared to urban India, rural consumption of FMCG increased 58.2% YoY; this is 2x more than the urban consumption (27.7%). Semi-urban and rural segments

were growing at a rapid pace and FMCG products accounted for 50% of the total rural spending.

The FMCG market in India is expected to reach ₹15.62 trillion by 2025 from ₹7.814 trillion in 2020.



FMCG industry in India is primarily dominated by the Household & Personal care category accounting for 50% of the total consumer goods retail market.

Sales are expected to expand driven by enhanced consumption, higher disposable incomes, price hikes and higher sales of packaged food and commodities.

(Source- Economic Times, Ikon Market, IBEF, Financial Express)

## Growth drivers

**Branded products:** Due to the rising income and changing lifestyle of consumers, the trend towards premiumisation in the country accelerated. Consumers are well-informed about products and willing to pay more to buy branded and hygienic products that suit their lifestyles and social status.

**Demographic dividend:** India is among the youngest in the world in terms of population. The median age in India is 28 years as against 38 in China and United States. A larger workforce will reinforce domestic demand in a sustainable way.

**Increasing population:** By 2027, India is expected to surpass China as the most populous country in the world as it is expected to add nearly 273 million people to its population by 2050. India's population has grown from 715.4 million in 1981 to 1.39 billion in 2021.

**Increasing health awareness:** People are becoming health conscious with increasing awareness of ayurvedic products that could catalyse demand.

**Rising income levels:** India's per capita income is expected to reach around US\$ 1850 in 2022 and US\$ 1920 in 2023. The access to higher disposable income will lead to more frequent discretionary spends.

**Urban population:** In 2021, the urban population for India was 35.4% of the national population. Over the last 50 years, the urban population of India grew substantially from 20.3% to 35.4%, rising at an increasing annual rate that reached a maximum of 1.64% in 1974 and then decreased to 1.34% in 2021.

**Consumer spending:** In 2022, real household spending is expected to reach a total of ₹77.7 Lac crore. This is 5.8% larger than the total spending in 2019, indicating that a full consumer spending recovery could take place in India in 2022.

**Growth of e-commerce platforms:** The E-commerce market is expected to grow by 21.5% to reach US\$ 74.8 billion in 2022. E-commerce platforms are utilised by FMCG companies as a way to test their new product innovation and

new concept to reach a larger audience. Since e-commerce provides the convenience of ordering products using a mobile device or a computer, consumer preference towards online shopping is on the rise.

**Value expansion:** The retail market in rural India and rise in rural consumption is also driving the FMCG market. Retail market contributes 36% of the overall FMCG spending. The processed food market of India is expected to reach US\$ 470 billion by 2025 from US\$ 263 billion in FY 2020-21. The Indian FMCG industry grew with the support of consumption-led growth and value expansion from higher product prices, particularly for staples.

**Role of technology:** FMCG sector is further planning to improve operational efficiency, identify new opportunities and manage multifaceted supply chain requirements with the help of technology. FMCG relies on market research as it helps the sector map consumer behaviour and field sales professionals. With the use of modern field



service management software, enterprises leverage the power of cloud, business intelligence and data analysis to improve sales performance.

**Digitisation:** Consumers are adopting new technologies. Increasing smartphone and internet penetration will help rural consumers access online shopping on e-commerce websites.

**Brand community:** Consumers can interact easily with others who have bought the same

product. As a result, brands are coming up with marketing strategies to build a brand community where they target consumers interested in their products and with similar social, political and cultural factors. Making the interaction more personal has helped private and prominent brands in the FMCG sector report sales in the past year that could continue this year as well.

**Direct doorstep delivery:** The profit margin associated in

direct selling to consumers has prompted bigger brands to set up a direct sales channel on multiple digital marketplaces and even set up standalone websites and stores. Most brands have started delivering their products directly to consumer doorsteps capitalising on the online marketplace. Brands with dedicated websites for consumer sales reported an 88% rise in year-on-year consumer demand in the past year.

(Source: Ikon Market, The Industry Outlook, Financial Express)

## Government initiatives

- Under the Universal Service Obligation Fund, the Government announced that 5% of the annual collections will be allocated to enhance broadband and mobile service in rural India, allowing Fast Moving Consumer Goods (FMCG) brands and all businesses to cast their net wider in rural areas via mobile services.

- The Government launched the Gati Shakti Plan to

expand the National Highway network by 25,000 KM to strengthen seven engines of infrastructure. The launch of 100 new cargo terminals will further open up new roads for brands and improve the functions of logistics. It will also create new job opportunities in rural areas, improving consumption and demand.

- The Government intends to pay ₹2.7 Lac crore worth

of minimum support price (MSP) direct payments to wheat and paddy farmers. The Government is also looking to install drones for agriculture monitoring, crop assessment, digitisation of land records and spraying of insect pesticides. These initiatives could improve rural incomes and catalyse the growth of FMCG companies.

(Source: Business Insider)

## Outlook

The household goods and personal care products accounts for 50% of FMCG sales in the country, the FMCG sector has proven to be India's fourth-largest income-generating sector. The development in the lifestyle of Indians across the semi-urban and rural segment is primarily

the reason behind the flow in revenues generated by the FMCG sector in the country. While the urban segment of India contributes to almost 55% of FMCG sales, there has been a faster and broader growth for the FMCG sector in rural India. As a result, almost 50% of the money expected in rural India is spent on an FMCG product.

The FMCG sector is expected to grow to a market size of almost ₹15.62 trillion by 2025 increasing at a CAGR of 15%. Additionally, with the sudden change in the corporate world, where work from home has become a reality, the FMCG sector is also undergoing a change.



The Emami management has invested in professionalisation comprising the engagement of subject matter experts.

- 01 **N. H. Bhansali**, CEO - Finance, Strategy & Business Development and CFO
- 02 **Punita Kalra**, CEO - Research & Innovation Strategy and CQA, CADE
- 03 **Dr. C.K. Katiyar**, CEO - Technical (Healthcare)
- 04 **Vivek Dhir**, CEO - International Business
- 05 **Dhiraj Agarwal**, Head Advisor - 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
- 12 **Tuhin Biswas**, Chief Human Resource Officer

# Emami's key metrics, FY 2021-22

- Modern trade sales grew 17% in FY 2021-22 with contribution increasing to 7.3% of domestic sales (7.0% in the previous year)
  - Created a separate structure and activation programmes for 10-12,000 standalone Modern Trade stores. In FY 2021-22, reach across standalone Modern Trade stores expanded to 40 cities and 3,300+ outlets
  - As a part of Project Khoj, the target to double rural coverage in three years from 32,000 towns (in FY 2020-21) to 60,000 towns (FY 2023-24). More than 8,000 towns were added in FY 2021-22, widening the rural coverage to 40,000 towns as on 31st March 2022. Additional business of ₹31 crore was generated from new towns in FY 2021-22.
- As a part of Healthcare business outlet expansion, the Company increased reach by 31,700 outlets in FY 2021-22 (overall reach 1.09 Lac outlets).
  - The Company appointed a special team to focus on 20,000 prominent chemist outlets.
  - The Company rolled out up-sell and cross-sell enablers for the frontline sales force (Project Sirius). The app prompts medical representatives to cross-sell and up-sell across retail outlets; information on suggested SKUs and quantities are provided by the app.
- The Company initiated a pilot project for beat optimisation to improve sales person efficiency, optimising coverage and manpower by geotagging outlets.
- The Company's retail digital ordering app called Distiman was rolled-out as a pilot project in partnership with Bizom, permitting a retailer to order after navigating through product images, prices and schemes.

## Distribution



Products available in 4.9 million retail outlets across India



Direct reach across 9.4 Lac retail outlets (nearly half of rural India)



Frontline sales force of more than 3700 personnel



E-commerce sales (including D2C websites and eB2B) more than doubled in FY 2021-22 with contribution increasing to 5.5% of domestic sales (2.8% in the previous year); Q4 FY 2021-22 contribution stood at 7.1%



**Focus on e-commerce:** Products available in all major online marketplaces, grocery, beauty and pharmaceutical platforms; launched e-commerce-specific products




**Focus on D2C:** Launched D2C websites for Zandu, Kesh King and BoroPlus. Zanducare catered to existing products as well as newly launched e-commerce-specific products with ~1 million unique users visiting the portal monthly; commenced free doctor consultation for consumers




**Focus on eB2B:** Products were available on major eB2B platforms like Udaan and Jio Mart






**Branding**

- Deepened focus on core brands and extensions
- Launched four products and more than 20 e-commerce-specific launches
- Focused on R&D around enhanced product efficacy
- Launched multiple SKUs and low unit packs (LPUs)
- Brand spending was ₹523 crore (16.4% of revenues)



**Manufacturing**

- Manufactured throughput comprised more than 300 products
- Manufactured value stood at ₹1,078 crore
- Seven manufacturing units operated in India and one in Bangladesh
- Sustained 30 third-party manufacturing units in India; four were overseas

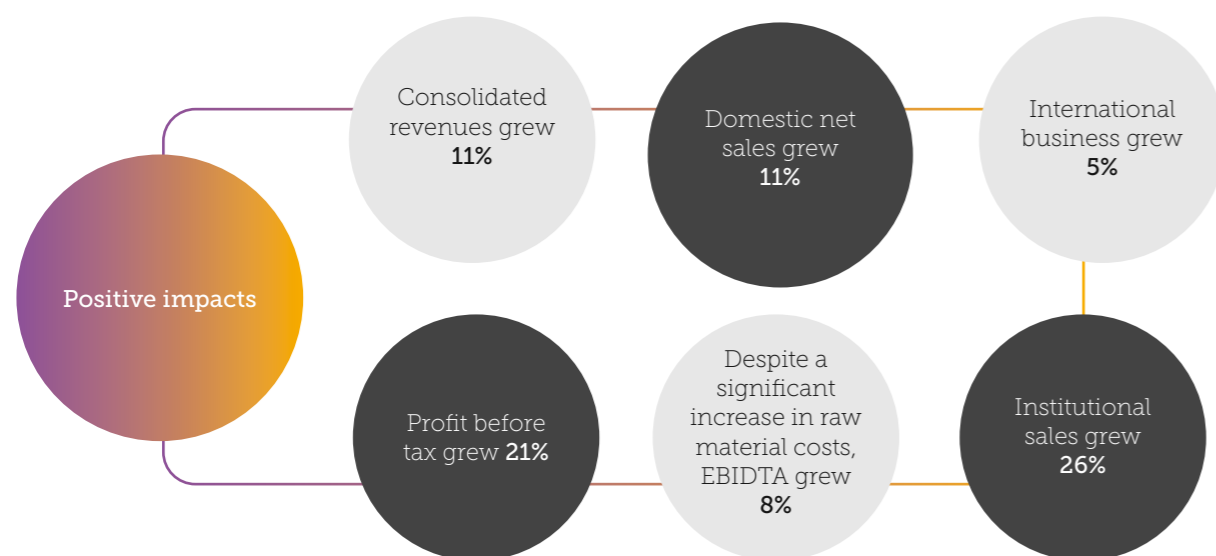


**International business**

- Extended Emami's presence to 60+ countries
- Started third party local manufacturing in UAE (under GAFTA Treaty) and in Thailand to respond to local demand; other third party manufacturing units were in Sri Lanka and Germany

**Acquisitions and strategic Investments**

- **Acquisition of Dermicool brand:** Acquired Dermicool, one of the leading brands in the Prickly Heat and Cool Talc Segment from Reckitt Benckiser Healthcare India Pvt Ltd for ₹432 crore (excluding taxes and duties), funded through accruals. With this acquisition, the Company could become a leader in this niche category
- **Investment in TruNativ:** Acquired a 20.65% equity stake in Tru Native F&B Pvt. Ltd., a D2C business that markets nutrition products under the TruNativ brand.
- **Increased stake in Brillare and The Man Company:** Converted compulsorily convertible preference shares of Brillare Science Private Limited into equity shares, which resulted in an increase in Emami's stake in Brillare from 34.70% to 57.36% (making it a subsidiary). Increased its stake in the associate company Helios Lifestyle Pvt. Ltd (The Man Company) from 33.09% to 49.53%



## Stakeholder engagement

### How we engage with our stakeholders

At Emami, we have invested in deepening relationships with our key stakeholders through transparent, sincere and effective engagement.

Stakeholder group	Emami's considerations	Stakeholder interests	How we engage	Capitals impacted
Customers	It is imperative that we provide consumers superior quality (taste, relief, health, hygiene and impact) after examining their expectations	<ul style="list-style-type: none"> <li>• Quality and affordability</li> <li>• Consistent, reliable and on-time products delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Engage with distributors and retailers</li> <li>• Transparent communication through commercial discussions and meetings</li> </ul>	Intellectual Manufacturing
Government and competent authorities	Our ability to produce, market and distribute products is dependent on the marketing authorisations and regulatory approvals issued by the authorities	<ul style="list-style-type: none"> <li>• Legal and regulatory compliance</li> <li>• Social and environmental impact of operations</li> <li>• Tax revenues and investments</li> </ul>	<ul style="list-style-type: none"> <li>• Audits of manufacturing sites by regulatory authorities</li> <li>• Reports and interactions aimed at confirming legislative and regulatory compliance policies and processes</li> <li>• Involvement in government programmes aimed at creating jobs and uplifting communities</li> </ul>	Social Natural
Employees and workers	Employees play a critical role in ensuring that we achieve our strategic objectives. We need to understand the needs, challenges and aspirations of this important stakeholder group	<ul style="list-style-type: none"> <li>• Job security</li> <li>• Equitable remuneration, performance incentives and benefits</li> <li>• Diversity and inclusivity</li> <li>• Performance management, skills development and career planning</li> <li>• Reputation as an ethical employer</li> <li>• Employee health, safety and wellness</li> </ul>	<ul style="list-style-type: none"> <li>• Direct engagements by supervisors and business management</li> <li>• Conferences and town hall meetings</li> <li>• Induction and internal training</li> <li>• Outbound exercises</li> <li>• Employee wellness campaigns</li> </ul>	Human
Suppliers and consultants	These stakeholders play an important role in enabling us to meet our commitments to customers	<ul style="list-style-type: none"> <li>• Fair engagement terms and timely settlement</li> <li>• Communication of our expectations and service levels</li> <li>• Fair selection processes</li> </ul>	<ul style="list-style-type: none"> <li>• One-on-one meetings to discuss service levels or other commercial aspects</li> <li>• Interactions regarding quality of raw materials, technology benefits, safety, health, environmental and ethical compliance</li> </ul>	Social Financial
Investors and funders	To be kept informed of developments impacting the Company and its prospects	<ul style="list-style-type: none"> <li>• Growth in revenue, EBITDA and returns on investment</li> <li>• Appropriate management of capital expenditure, working capital and expenses</li> <li>• Gearing, solvency and liquidity</li> <li>• Dividends</li> <li>• Security over assets, ethical stewardship of investments and good corporate governance</li> <li>• Fair executive remuneration</li> </ul>	<ul style="list-style-type: none"> <li>• Investor and analyst presentations; one-on-one meetings</li> <li>• Media releases, quarterly presentations and published results</li> <li>• Annual General Meetings</li> <li>• Investor relations section of Emami's website</li> <li>• Engagement with the financial media</li> </ul>	Financial

# The value outcome that we generated

## Financial capital

**3,192**

Revenues (₹ crore)

Growth of 11% in FY 2021-22

**952**

EBIDTA (₹ crore)

Growth of 8% in FY 2021-22

**688**

Profits before Tax (₹ crore)

Growth of 21% in FY 2021-22

## Human capital

**3,205**

Number of employees

Growth of 2% in FY 2021-22

**318**

₹ crore, Total remuneration paid, 2021-22

Growth of 3% in FY 2021-22

## Natural capital

**5**

%, Reduction in specific energy consumption (vis-a-vis production) over the previous year

**5**

%, Increase in renewable energy use in FY 2021-22 compared to 1% in FY 2019-20

**23**

%, of the consumed water recycled in FY 2021-22

**145**

Metric tonnes, Reduction in plastic consumption

**75**

Metric tonnes, Reduction in paper consumption

## Intellectual capital

**104**

R&D team strength

**4**

Research observations accepted for publishing in peer review journals

**36**

Number of new method development/method optimisation undertaken across categories

**3,168**

Number of claim studies undertaken

## Social and relationship capital

**5,270**

Number of vendors

**9.1**

₹ crore, CSR spending, FY 2021-22

**800+**

Number of farmers whose registration was facilitated by Emami under the State Government Cultivation Programmes

**1,200+**

Farmers were provided technical guidance, training on cultivation and post-harvest management

Risk management

# Our robust risk management system

**Overview**

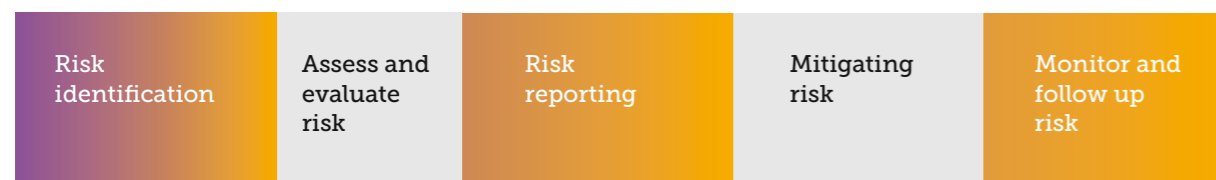
Emami has established a comprehensive risk management system to facilitate its objectives, ensuring that risks that could have an impact on them are identified, analysed, assessed, managed and controlled. Risk Management is a process driven by the Company's Board of Directors, assisted

by the Audit Committee and Risk Management Committee, which reviews and monitors risk management processes in accordance with governance requirements.

Our risk management process aims to support the delivery of the Company's strategy by managing the risk of failing to

achieve business objectives. By focusing our risk management system on the early identification of key risks, it enables us to conduct a detailed consideration of the existing level of mitigation and the management actions required to either reduce or eliminate the risk.

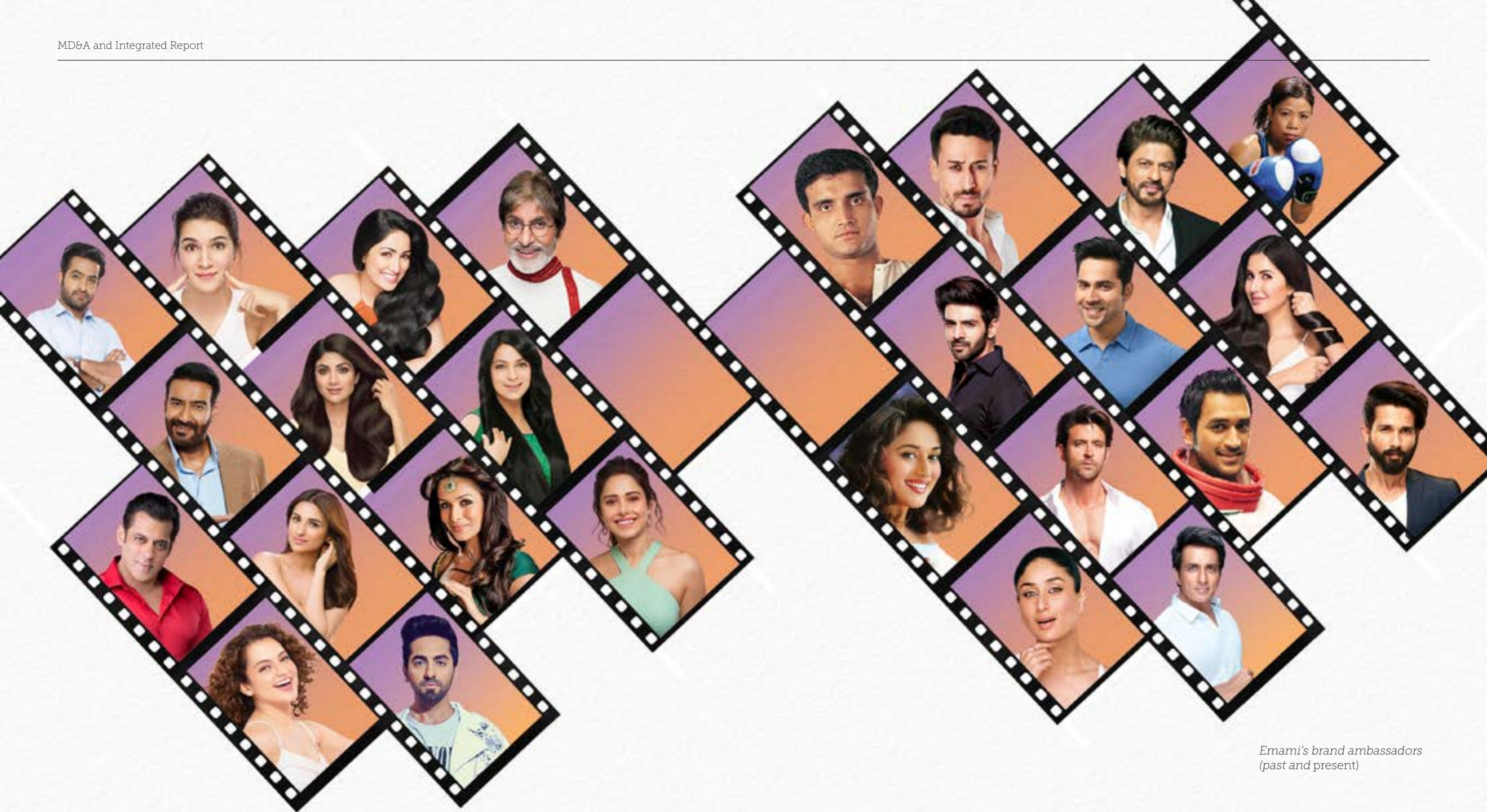
**Risk management process**



**Our principal risks and mitigation measures**

Key risks	Explanation	Mitigation measures
<b>Macro-economy risk</b>	Slowdown in economic activity and slowdown in the FMCG industry	The Indian economy reported an attractive recovery in FY 2021-22, its GDP rebounding from a de-growth of 7.3% in FY 2020-21 to a growth of 8.7% in FY 2021-22. By the close of FY 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 billion the second most populous in the world and its rural under-consumed population arguably the largest in the world.
<b>Raw material &amp; packing material risk</b>	Significant increase in the cost or shortage of raw materials could impact margins	The Company's purchase department monitors the market closely. Based on market intelligence, effective hedging measures are undertaken to offset increases in raw material costs, besides making strategic purchases in the case of supply constraints.  Besides, the Company also develops multiple vendor bases for raw material procurement and uses the reverse auction method to moderate costs.

Key risks	Explanation	Mitigation measures
<b>Regulatory &amp; compliance risk</b>	Non-compliance with laws and regulations could result in penalties being levied	Emami has built a high-governance culture with appropriate policies, processes and controls. The Company established internal controls by making respective departments accountable.  The Company executed compliance system and management tools to ensure that all its functions and units were aware of regulations.
<b>Climate risk</b>	Unfavourable climate conditions could impact off take	Since brands like Navratna and BoroPlus are seasonal, growth becomes a challenge in the event of unfavourable seasonality. Overall, we created a balanced portfolio of summer, winter and round the year brands.  Apart from seasonal products, brands like Zandu, Kesh King, Fair and Handsome and 7 Oils in One are largely perennial with no seasonal impact.
<b>Foreign currency risk</b>	Volatile forex movement could reduce profitability	The Company protects receivables through timely and effective hedging measures.
<b>Acquisition risk</b>	Failure to deliver value from acquisitions could impact long-term growth.	Emami had acquired Zandu, Kesh King and Creme 21 in the past. During the year under review, it acquired Dermicool from Reckitt Benckiser for ₹432 crore (excluding taxes & duties) – a leading brand in the Prickly Heat and Cool Talc Segment. The acquisition will consolidate Emami's leadership position within the category with a 45%+ market share.
<b>Human capital risk</b>	Inability to attract and retain talent could adversely impact growth	Emami invests in hiring right, talent development and employee engagement. This helps provide fulfilling careers at Emami.  The Company enhanced a robust talent value proposition as one of the transformational areas to drive sustainable growth.
<b>Finance and liquidity risk</b>	High cost financing could impact business sustainability	Emami's cash-and-carry business model enhanced cash flows. Emami enjoyed a comfortable debt-equity ratio of 0.15.
<b>Technology risk</b>	Outdated technology could impact productivity	Emami has prudently invested in automation and contemporary technologies.  A comprehensive Information Security Management System was created.



*Emami's brand ambassadors (past and present)*

## Emami's Brand Capital

### Brand-driven growth

At Emami, we are driven by brands. The growth in our Company is the direct result of the growth of our brands. The more sustainably we can grow these brands, the more sustainable our Company.

The sustainable nature of our brands has graduated them into 'properties' that generate long-term revenues and profits for the Company. This is evident in the longevity of our prominent brands. Our Power Brands (Zandu, Navratna, BoroPlus, Kesh King King, Fair and Handsome and

Mentho Plus) accounted for ~84% of the domestic revenues during the year under review.

### Annuity revenues

At Emami, the strength of our brands is reflected in the manner that we lead the segments where we are present. Five Emami brands were decisive market

leaders as on 31st March 2022, respected for their ability to lead for years and establish a significant difference in market share over the nearest competing brand. Four Emami brands had been market leaders for ten years or more as on 31st March 2022. Eight Emami brands figured in the top three of their operating

segment as on 31st March 2022. This sustained leadership has helped these brands emerge as annuity revenue drivers, strengthening business sustainability and enhancing corporate stability.

### Decisive market share leadership

Brand	Year of Launch/Acquisition	Category	Category size (₹ in crore)	Category penetration (HHP Dec'21)	Market share (MAT Dec'21)	Leadership position	Market share of the next highest competing brand
BoroPlus Antiseptic Cream	1982	Antiseptic (Boro) Cream	681	26%	68%	1	30%
Navratna Cool Oil	1989	Cool Oils	965	13%	66%	1	28%
Fair and Handsome Cream	2005	Men's Fairness Cream	256	2%	64%	1	27%
Zandu & MenthoPlus Balms	2008/ 1987	Balms	1,515	39%	55%	1	19%
Kesh King Ayurvedic Oil	2015	Ayurvedic Medicinal Oil	922	7%	29%	1	19%

### Emami's brand stethoscope



### Profit drivers

At Emami, we sustain our brands with aggressive annual investments even as they continue to generate sizable revenues year-on-year. Even after aggressive promotional investments, our profit margins are one of the highest in the industry. This empowers the Company to allocate the surplus funds into new product launches or brands that are still in their

gestation curve. The capacity of the Company to sustain portfolio growth through accruals represents the Company's most effective financial foundation for profitable growth.

The ability to service our growing brands with adequate liquidity helps mature the brands towards growing influence. Our Balance Sheet makes it possible to draw on resources in response to emerging opportunities; we possess the competence to build

a critical mass of demand at the time of launch that makes the launch viable; we possess a dispersed distribution network to seed newly-launched products; we invest in various media platforms (conventional print, digital and social media) to build visibility; we benchmark our new products around the highest quality and certification standards; we employ celebrity endorsements wherever required to catalyse offtake.

### The strengths of the Emami brand

**Habit:** The Emami brand is not a logo or a product; the brand is a multi-decade habit across generations

**Peace of mind:** The Emami brand stands for reliability on account of its product attributes and corporate integrity

**Availability:** The Emami brand is available across more than 49 Lac retail points in India

**Accessibility:** The Emami brand is adequately stocked across retail outlets, enhancing sales predictability

**Affordability:** The Emami brand provides a superior price-value proposition, ideally positioned for India's vast and growing middle-income bulge

**Range:** The Emami brand provides a wide choice across products,

making it a one-stop family solution provider

**Growing the market:** The Emami brand focuses on innovation and solutions evangelism to grow the category



## Financial Capital

# Emami's Financial Capital

Marked by a robust Balance Sheet, attractive operating margins and offtake visibility from long-standing customers

## Strengths

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

The Company has been consistently paying a

dividend of ~40% on adjusted PAT. It engaged in a share buyback, acquiring 33.63 Lac shares amounting to ₹ 162 crore (excluding tax) in FY 2021-22.

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

## Highlights, FY 2021-22

The business environment in the last two years remained challenging due to the pandemic, high cost of raw materials, loss of jobs, sluggish rural demand, and reduction in discretionary spending etc, affecting business across the sector.

The second wave of the pandemic impacted the momentum of industry recovery in the first quarter of FY 2021-22. While the initial weeks of April witnessed a sustained momentum of growth; May proved to be a challenging month with the subsequent

increase in COVID cases. The second wave of the pandemic hit during the peak summer months, which resulted in impacting the performance of the Company's summer portfolio. Moreover, unlike the first wave, the rural markets were severely impacted due to the high incidence of COVID cases in rural areas. Even the demand for immunity and hygiene products were muted compared to the first wave.

With an overall reduction in COVID positive cases, there was an improvement in demand during the second quarter as mobility levels increased. While discretionary categories

showed revival, demand trends remained steady for most of the brands despite a high base of the previous year.

The third and the fourth quarters were characterised by high inflationary levels leading to a deceleration in consumer demand. The industry witnessed an all-time high rise in input costs due to political tensions in various geographies across the world. Despite these challenges, your Company posted profit-led growth in FY 2021-22 with revenues growing by 11%, EBIDTA growth of 8%, PBT growth of 21% and adjusted PAT\* growth of 18% over previous year.

## Financial review

Particulars	Revenue growth	EBIDTA growth	PAT growth	APAT* growth
Q1FY 22	37%	38%	96%	45%
Q2FY 22	7%	8%	56%	16%
Q3FY 22	4%	0%	5%	4%
Q4FY 22	5%	1%	304%^	30%
<b>FY 22</b>	<b>11%</b>	<b>8%</b>	<b>84%^</b>	<b>18%</b>

^MAT Credit entitlement amounting to ₹ 288 crore recognised in Q4 FY 2021-22

\*Adjusted PAT = Reported PAT – MAT Credit Entitlement of earlier years + Exceptional Items + Amortisation of Kesh King & other brand related intangible assets

## Margins

Particulars	Gross margin	EBIDTA margin	PAT margin	APAT* margin
Q1FY 22	66.0% (-50 bps)	25.7% (+20 bps)	11.8% (+350 bps)	20.8% (+110 bps)
Q2FY 22	68.8% (-150bps)	35.1% (+10 bps)	23.5% (+740 bps)	31.1% (+230 bps)
Q3FY 22	67.4% (-300 bps)	35.1% (-130 bps)	22.6% (+20 bps)	28.8% (+0 bps)
Q4FY 22	62.3% (-40 bps)	21.3% (-100 bps)	46.0% (+3400 bps)^	24.8% (+450 bps)
<b>FY 22</b>	<b>66.2% (-150 bps)</b>	<b>29.8% (-90 bps)</b>	<b>26.2% (+1040 bps)^</b>	<b>26.7% (+160 bps)</b>

## Key ratios

Parameters	FY 22	FY 21	Reasons for variance
ROE (on Adjusted PAT)	46.3%	41.0%	
ROCE (on Adjusted PAT)	40.3%	38.9%	
Debt Equity Ratio	0.15	0.06	Due to an increase in working capital loans
Interest Cover (x)	137.7	43.9	Due to a reduction in interest costs and increase in EBIDTA
Current Ratio (x)	1.5	1.3	

## Notes

Debt Equity Ratio = (Borrowings + Interest + Lease Liabilities) / Total Equity

Current Assets = Total Current Assets - Cash and cash Equivalents - Other Bank Balances

Current Liability = Total Current Liability - Current Borrowings

## Working capital

Parameters (days)	FY 22	FY 21	Reasons for variance
Trade receivables	37	29	Due to increase in Domestic & international receivables
Inventory	41	38	
Trade payables	47	44	
Other receivables	27	18	Due to increase in GST Input Credit on account of Dermicool acquisition
Net working capital	58	41	

## 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.

## Outlook, FY 2022-23

Going forward, the Company intends to maintain strong margins on the back of stringent cost control and volume-led growth. Absolute increase in raw material costs could be absorbed through higher operational efficiency and judicious price increases. The Company would like to invest aggressively in new launches as well as its core brands for growth opportunities. However, such investments would be need-based.



Human Capital

# Emami's Human Capital

*Emami has invested in talent with the objective to drive innovation, growth and resilience*

## Overview

At Emami, a prudent focus on talent has generated attractive growth. This focus has been marked by empowerment, resilience, accountability and a structured performance-oriented appraisal system.

Over the decades, Emami lived a people culture (knowledge sharing, training & development

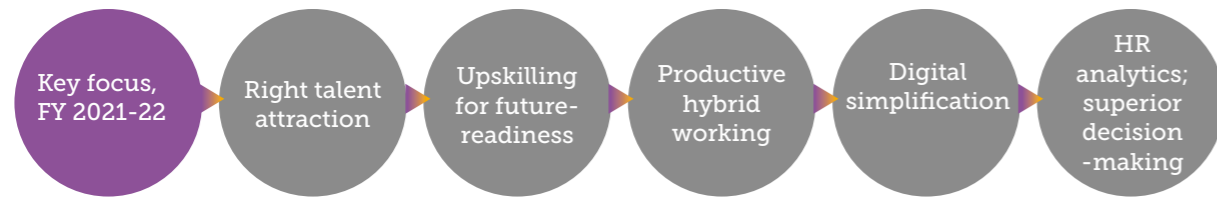
and invigorating workspace, among others) that translated into an extension beyond the box and outperformance.

What makes the Company's talent management different is a Human Capital policy centred around professional and cultural development. The Company's people-centric practices have been aligned with its business

objectives, enhancing strategic clarity.

The Company's talent practices have been benchmarked with the standards recommended by national and international labour regulations. The Company's core values have been woven around its Group Code of Conduct, resulting in a safe, challenging and rewarding workspace.





HR strategies, FY 2021-22

Process excellence

- Automated HR processes to enhance digital interface and user-friendliness
- Promoted inter-connectivity (network team) through interactive tools
- Used various digital media

Thriving workplace

- Enhanced people engagement; various people connect programmes
- Introduced employee-friendly practices/benefits
- Enhanced a culture of recognition and appreciation
- Prepared an employer value proposition around values and cultural attributes

Individual and organisational growth

- **Create:** Quality talent assessment and acquisition
  - Defined a structured talent acquisition process
  - Intensified talent assessor's capabilities
  - Introduced advanced talent assessment tools
- **Build:** People capability
  - Identified individual and team capability gaps
  - Identified competencies across functions
  - Curated learning experiences
- **Perform:** Unleashing potential
  - Aligned individual and organisational goals
  - Implemented monitoring, review and feedback mechanism
  - Engaged in a dialogue to

understand, recognise and support drivers

- Built a programme to fast-track career growth

Diversity and inclusion

At Emami, we believe that the basis of outperformance is a diverse and inclusive workplace. A diverse workplace draws different perspectives, enriching outcomes.

The Company provides equal merit-based opportunity to all new joinees and existing employees regardless of their race, religion, linguistic and geographic origin. The Company fosters gender-neutral policies and benefits. The Company fosters knowledge sharing and responsiveness to employee feedback. The Company's demographic profile reflects heterogeneity.

Our HR priorities, FY 2021-22

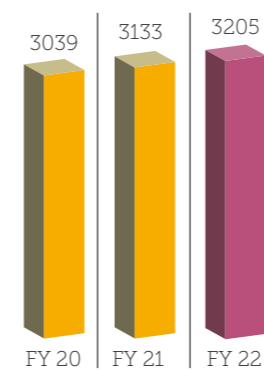


Outcomes, FY 2021-22

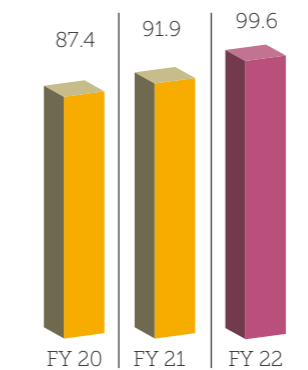


- Alignment between corporate, functional and individual goals
- HR automation; seamless employee experience
- People capability development; enhanced employee skillsets
- Uniform framework for talent decisions
- Effective programmes to address pandemic challenges
- Employee adaptability through upskilling

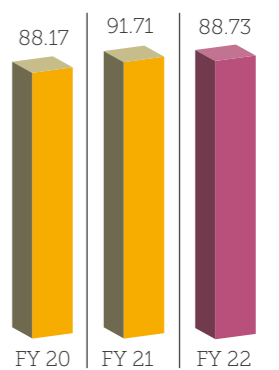
Number of employees



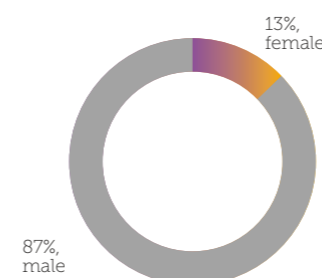
Revenue per employee (₹ in Lac)



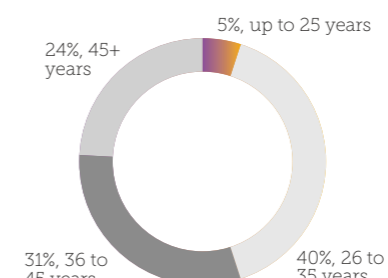
Talent retention (%)



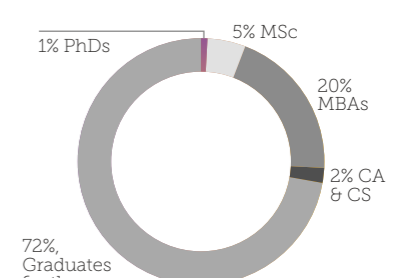
Gender mix (%) FY 2021-22



Average employee age (%) FY 2021-22



Emami employees by qualification (%)\*



Intellectual Capital

# Emami's Intellectual Capital: Research & Development

*Increased focus on R&D through investments in equipment, infrastructure, projects and people*

**Overview**

In a world where preferences keep evolving, where modern technologies keep emerging and there is a progressively better understanding of the human condition (and corresponding unmet needs), there is a priority in seeking a better way of living.

At Emami, research & development represents the arrow-head of our growth and brand personality. Over the decades, the Company has established a respect for seeking and delivering the new. The result has not only been an emphasis on more effective ayurveda-based products but also on cost and manufacturing efficiency.

These emphases have been validated

for the following reasons:

**One**, Emami remains committed to widen the relevance of affordably-priced ayurveda-based products to a vast population within India and similar geographies

**Two**, Emami seeks superior cost economies from within its operations at a time of unprecedented inflation where it is becoming difficult to pass costs to consumers.

**Three**, Emami recognises that business sustainability is derived from the lowest cost structure and value-added productisation derived from process improvements.

The result is an ongoing commitment at Emami to seek a better way.

**R&D : Healthcare Business**

Emami brings a rich knowledge base and experience of more than a century to the ayurveda healthcare space (through its enduring brand Zandu). Following acquisition, Emami extended its validated scientific competence to Zandu products, transforming their quality and value proposition.

Emami's R&D healthcare function seeks new opportunities and direction, while improving upon existing functions, strengthening its responsiveness to market realities. This thrust has been reinforced through scientific collaborations; for instance, Emami undertook a pharmacological efficacy project with NSHM in Kolkata (West Bengal) to conduct claim support studies; the Company conducted Herb Drug Interaction studies on new drugs addressing lifestyle disorders; Emami is the only Indian company to have conducted a herb-to-drug interaction study prior to product introduction.

The Company is presently engaged in the development two new phytopharmaceutical drugs within a new category – with the 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. The Company focused on quality outcomes and safe product manufacture as per the guidelines of World Health Organisation (Good Manufacturing Practices).

To enhance its safety assurance, Emami tests four contaminants – heavy metals (mercury, cadmium, arsenic and lead), aflatoxin (metabolite of fungus and its trace in finished products), pesticide residue (ensuring pesticides below standards) and microbial load (bacterial test) across its health care products. Emami was among the first Indian companies to test across parameters and production batches (as opposed to sample testing).

At Emami, this research function also extends to attractive cost-efficiency, which warranted the review of processes and parameters related to the cost-effective procurement of quality herbs.

Strengths



**Facility**

The Company invested in a state-of-the-art research facility to develop innovative or effective healthcare and personal care products across dosage forms.



**Bioassay lab**

The Company added a new Bioassay laboratory facility to accelerate efficacy studies in line with the latest scientific parameters, assisting in claiming substantiation. The Company incorporated herb-drug interaction studies for healthcare products, a relatively untried (but effective) capability.



**Human resources**

The Company invested in multi-discipline talent acquisition covering ayurveda to chemistry, pharmaceuticals, pharmacognosy, microbiology, molecular pharmacology and biotechnology, a unique knowledge platform to enhance a science-tradition effectiveness.



**Quality assurance**

The Company's testing facilities are equipped with sophisticated testing equipment approved by the Ministry of AYUSH and accredited for NABL.



**Phytochemical compounds**

The Company developed a specialised facility for the isolation and characterisation of pure phytochemical compounds, enhancing quality control. The Company had aggregated a library of around 150 phytochemical compounds from medicinal plants to serve as marker compounds.



**Bio-resources development**

The Company played an active role in the cultivation of medicinal plants (captive and contract farming). The Company engaged in a sustainable supply of quality herbs and resources despite pandemic-related challenges. The result was that the Company secured its continuous access to herbs like tulsi, ginger, guduchi and others.

**Key developments, FY 2021-22**

Following a manufacturing process review of Zandu Chyavanprash, the Company moderated costs through process modification.

New products were developed; improvements were made in the research and development function; the e-commerce business was serviced through in-house product development or through licensing from others.

The Company developed new in-house bioassay methods to conduct efficacy studies on new and existing products as a part of its claim substantiation activity.

The Company collaborated with ICMR to develop a herbal remedy for sleep disorder, currently under clinical trials at reputed institutions like All India

Institute of Medical Sciences, PGI - Chandigarh, NIMHANS - Bengaluru and Sree Chitra Tirunal Institute for Medical Sciences and Technology, Trivandrum.

The Company introduced more products for Certificate of Pharmaceutical Products, following an approval from WHO GMP, which will help the Company report higher export in addition to improvements in process-induced quality.

The Company embraced new processes to fast-track product development.

The Company responded to emerging opportunities. When Ministry of AYUSH introduced AYUSH Kaadha during the pandemic, Emami introduced two convenient forms – ready-

to-use with extracts and dissolvable tablets – through the prudent interplay of scientific tools and patient needs.

The Company was the first to collaborate with the Indian Council of Medical Research (ICMR) to develop its maiden phytopharmaceutical pre-diabetes product following the announcement of a new phytopharmaceutical drug category by The Ministry of Health and Family Welfare. The Company completed all preclinical studies (including Pharmacokinetic) and extended to Phase I human trials. The Company applied similar science in the development of herbal-derived products as it has done in the area of new drug development for pharmaceuticals.

**Key highlights, FY 2021-22**

Emami launched Chyavanprash with jaggery, introducing a sense of innovation following a hiatus in the category of classical ayurvedic products.

The Company developed various new products, a number of them in the immunity-centric categories relevant for a pandemic environment. The Company developed Ayush Kwath across three dosage forms (including dispersible tablets), enhancing consumer convenience.

The Company launched innovative products like value-added honey as an extension to its portfolio.

The Company upgraded the quality of products and raw materials, an example being Senna leaf, a key ingredient in Nityam. To protect the finished product quality, the Company emphasised multi-stage sennosides testing to protect product strength and efficacy.

**R&D: Consumer Care business**

At Emami, we introduced and developed aspirational products that enhance life quality. During the pandemic, the Company developed personal care products, launching multiple categories. The Company remained committed to enhance the consumer experience through next-generation, eco-friendly and sustainable technology-based products.

**Challenges and its counter measures**

During the financial year 2021-22, there was a slowdown in the global economy, narrowing margins.

Cost moderation became a priority, reflected in an extensive process review. The result: The Company saved costs despite market limitations and constrained working conditions on account of the pandemic.

**Competitive strengths**

**Aspirational products:** The research and development vision in the Company's consumer care business is 'Developing aspirational products for the consumers of today and the world of tomorrow'. In line with this commitment, the Company accessed consumer insights, comprising idea pool creation processes, innovative product technology design and development workstreams supported by best-in-class analytical development and validation teams (Corporate Analytical Design Excellence).

The Company formalised its 'Insights to Ideas' process around a new product development programme, which connected seamlessly with the NABL/AYUSH/DSIR-accredited analytical design group within the programme. The result

was that the Company created relevant products for the global market and a shelf-ready product box for tomorrow's consumers.

**R&D centre:** The Company invested in its state-of-the-art research and development centre with world-class infrastructure required for formulation, design & development, performance assessment, processing technologies and scale-up processes in addition to perfume development, assessment and validation goals. Three functions - Research & Development (R&D), Corporate Analytical Design Excellence (CADE) and Corporate Quality Assurance (CQA) – engaged throughout the NPD program to ensure that the new products co-developed with consumers were launched On Time in Full (OTIF) and First Time Right (FTR).

**'Before' and 'After' at Emami**

**Consumer insight and product innovation**

**Before:** Consumers sought healthy alternatives of refined sugar in Chyavanprash

**After:** Emami launched Zandu Chyavanprash with jaggery, a superior option to help consumers replace sugar with a healthy unrefined equivalent.

**Bioassay studies**

**Before:** The product development process took a longer time.

**After:** Emami conducted

bioassay studies to ascertain product efficacy coupled with claims support, which helped develop over 50 new products with efficacy data in just over a year.

**Bioresources development department**

**Before:** Critical herbs like Tulsi and Sunthi were unavailable in early FY 2021-22.

**After:** The Company's bio-resource department identified farmers and collectors, strengthening timely resource availability.

**Knowledge team:** The Company's teams possessed an understanding of emerging sciences and advancements in pharmacognosy, dermatology, phytochemistry, pharmaceutical analytical

technologies, physiology, chemical engineering and safety & toxicology (animal and cruelty-free testing methods) as well as advanced and targeted technology delivery systems for the progress of disruptive

products with high relevance and credibility. The team is engaged in product conceptualisation, design, development and deployment.

**A futuristic approach**

The Company will continue to create robust processes to decode global trends, evolving consumer preferences and emerging technologies. This will comprise the creation of a ready-to-deploy databank to develop solutions emerging from the I3 Programme ('Insights to Ideas to Innovation' programme).

of time-tested ayurvedic actives and herbs, resulting in efficacious offerings across the beauty and personal care spaces.

The Company seeks to create a nature-based organic and/or ayurvedic formularies with Ecocert, Cosmos and NPOP certifications; it seeks to create formularies with 100% natural and vegan possibilities.

The Company seeks to collaborate with best-in-class contract product designers to infuse new technologies and address turnkey projects.

The Company will expand its accreditation programme to include additional national and global certifications like BIS and ISO for CADE, CQA and R&D workstreams.

The Company will seek to widen a global exposure of its talent to enhance their effectiveness in the area of methods, processes and technologies across every innovation program (R&D, CADE and CQA) in existing or emerging categories.

**Key developments, FY 2021-22**

The last couple of years were marked by the pandemic's impact on the business, workforce, statutory and developmental limitations. It is creditable that the Company's teams (R&D, CADE and CQA) engaged seamlessly with each other. The departments delivered the highest number of products designed, validated and launched in a short time.

consumer needs through brands like BoroPlus, Navratna, HE, Zandu and Kesh King etc. The Company delivered a record number of new variants in the shortest time.

and present a COVID product portfolio. This allowed the Company to remotely control deployment and roll out various products across the national and international landscapes despite lockdown restrictions. This commitment enhanced speed-to-market without a quality compromise.

The Company's R&D function leveraged knowledge aggregated across a thousand person-years of experience to develop a portfolio range, coupled with a timely introduction of innovative products for the e-commerce-centric D2C businesses.

The Company's CADE (Corporate Analytical Design Excellence) function navigated a path-breaking program of fragrance decodes through analytical gas chromatography technology; this technology helped the team decode and create a library of signature fragrances, protecting cost dynamics in a volatile world.

The R&D team developed capabilities that accelerated product extensions at overseas manufacturing sites (Sri Lanka, Bangladesh, Thailand and Dubai).

The R&D function facilitated the accelerated launch/relaunch of products to address unmet

The Company's Quality Assurance team developed an innovative virtual audit tool, which helped the business ringfence third-party manufacturing partners

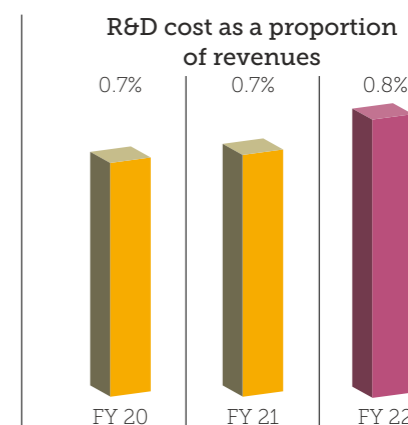
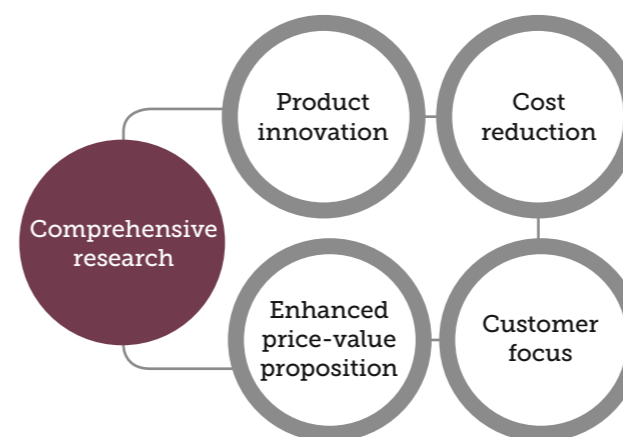
The R&D and CADE teams continued to lead the value enhancement and cost saving programme (design to value). In FY 2021-22, the program was launched with swifter streamlined milestones, leveraging a scientific approach, efficient utilities management, higher productivity and effective multi-functional collaboration.



During the year under review, raw materials manufacture underwent plant shutdowns across the world, enhancing resource shortages. New global regulatory changes in crude derivatives and waxes affected the Company's portfolios (balms, creams and oils). Through CADE, the R&D team shortlisted alternative resources.

The corporate analytical design excellence centre developed breakthrough analytical methodologies to support product efficacy and claims.

The Company qualified new products that were ready-to-launch, strengthening brands, platforms and categories.



Social and Relationship Capital: Governance

# Emami's commitment to good governance

**Overview**

At Emami, we believe that our governance commitment represents an insurance in an increasingly unpredictable world.

This governance ethic comprises practices through which the Company is managed, balancing the interests of all stakeholders (shareholders, management, customers, suppliers, financiers, government and community). Our governance commitment comprises the following features that have contributed to our competitive advantage.

**Brands:** Emami strengthened its brands through periodic spending and perception management around ayurveda, trust, dependability, affordability, convenience, accessibility and wellness.

**Long-term approach:** At Emami, we believe in investing in initiatives with long-term relevance, extending around selections made in assets, technologies, brands, people, locations, products and partners.

**Controlled growth:** At Emami, we believe in the relevance of controlled growth as opposed to one-off profitability spikes, making it possible to grow without compromising Balance Sheet integrity and bringing sustainability into play.

**Board of Directors:** At Emami, we place a premium on Board composition. The Board comprises professionals and industrialists of standing, enriching our values, experience, multi-sectoral business understanding and strategic quality.

**Data-driven:** At Emami, we invest in aggregating data and analytics, especially relevant in a country marked by diverse terrains and consumption patterns.

**Technology:** Emami invests in cutting-edge technologies that enhance operational efficiencies on the one hand and enhance purchase convenience on the other (through e-commerce platforms).

**Code and values**

- Code of Conduct
- Whistle-blower Policy
- Business Responsibility Policies
- Nomination & Remuneration Policy
- Prevention of Sexual Harassment (POSH)
- Code of Practices for Fair Disclosure
- Code of Internal Procedures and Conduct for Insiders

**Structure and oversight**

- Board with strong independence
- Majorly Independent Audit Committee
- Risk Management Policy

**Transparency and reporting**

- Related party transactions
- Governance in subsidiary companies
- Transparent & timely disclosures on Stock Exchanges and the Company's website

**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, FY 2021-22**

Aligned with the SEBI Corporate Governance norms

based on Kotak Committee Recommendations (Non-Executive Chairman not related to the Managing Director) from 1st April 2022. The Board appointed Mr. R S Goenka as Non-Executive Chairman while re-designating Mr. R S Agarwal as Chairman Emeritus effective 1st April 2022. The Board elevated Mr. Harsha V Agarwal and Mr Mohan Goenka, Whole-Time Directors of Emami Limited as Vice Chairman cum-Managing Director and Vice Chairman-cum-Whole Time Director, respectively, effective from 1st April 2022 to steer the

organisation.

- 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

**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

**Composition of the Board: 16 Directors**

8 Independent Directors  
5 Executive Directors  
3 Non-Executive Directors  
13% of the Board comprised women

**Special Board committees**

Corporate Governance Committee

Share Transfer Committee  
Finance Committee  
Buy-back Committee

**Statutory Board Committees**

Audit Committee  
CSR Committee  
Nomination and Remuneration Committee  
Risk management Committee

**Our stakeholder engagement**

**Employees:** Direct engagements by supervisors and business management; induction and internal training; outbound exercises and employee wellness programmes.

**Communities:** Contribution to society through engagements with civil society; investment in social and economic

development

**Customers:** Effective products and solutions addressing consumer requirements

**Regulators:** Compliance with all applicable rules and regulations

**Investors:** Rewarding through periodic interim dividends, buyback, bonus issues and capital appreciation

**Suppliers:** Timely procurement and payment

**Distribution partners:** Timely supply of products and the right SKUs

**Government:** Contribution through taxes and employment generation

**Media:** Transparent information sharing

**Sector-specific skills of Directors**

Financial planning, domestic and international taxation, strategic planning, corporate affairs, commercial and

corporate law, arbitration, foreign collaborations, banking, mergers and acquisitions, corporate restructuring, production, factory operations, distribution, procurement, packaging, human resource management,

information technology, corporate communication, media and advertising functions, marketing, brand development, understanding of consumer behaviours, risk management and stakeholder management.

Social and Relationship Capital: Sales and distribution

# Emami reinforcing sustainability through its sales and distribution

At Emami, we recognise that the wider and deeper our distribution coverage, the quicker we can move products from our factories or warehousing points to consumers, enhancing accessibility and availability – the basis of any sustainable retail-facing company.

### Overview

The varied distribution needs of each geography makes it important to achieve geographic clustering, economising route distances, optimising load and reducing non value-adding time. These initiatives help moderate costs and supply chain inefficiency.

Given the complexity of the Indian distribution network, Emami focused proactively in enhancing related efficiency. In the past, every product was routed through distributors before reaching retailers or consumers, increasing costs and inefficiency. The Company set out to market products

directly through e-commerce platforms, with the objective to increase visibility, consumer pull and accelerate new products introduction without significant investment. The result is that the Company's distribution mix comprises traditional, modern and digital channels.

### Emami's strategic approach

Emami prudently invested in sourcing the right information using concentration curves to plug gaps and increase sales through automation-led tools. Across rural India, the use of mapping based on available data of consumption potential, transportation network proximity and townwise retail density

facilitated accurate market potential assessment, influencing coverage planning. Following the use of portable sales force automation applications by the entire team, geocoding the Emami rural universe is under way.

Across its urban circuit,

geocoding the retail store network has been completed; optimisation of last mile coverage is in progress using geospatial analysis of the robust coverage data. The urban sales personnel have been equipped with an AI-driven predictive sales algorithm helping improve market responsiveness.

### Challenges and its counter measures

During the pandemic, product availability to consumers and managing omni-channel interactions became difficult.

The Company managed end-to-end inventory planning, addressing demand surges and

COVID-led supply chain outages. It deployed predictive forecasting tools to strengthen demand fulfilment. The Company invested in automation and analytics. For the urban channel, the Company's existing digitised

footprint was integrated using predictive tools. For the rural channel, the Company increased coverage through a mapping of villages and van markets in prominent sales clusters.

### Going digital

The Company deepened digitisation in urban and rural markets. In the urban markets, the Company leveraged data analytics to address opportunities by driving distribution efficiencies and brands assortment. The Company invested in the advancing in-store execution by deploying trained manpower, supplemented with digital capabilities to analyse and course-correct in key retail and standalone formats. In rural markets, the Company strengthened direct coverage by digitising the frontline and direct footprints. The Company used proven methods and solution providers to outsource key automation tools.

### Key developments, FY 2021-22

**Tech savvy:** The Company invested in digital initiatives to widen its footprint and manpower utilisation across channels. This data-led approach helped drive geographic expansion, digital-led suggested selling and orders fulfilment. The Company deployed tools coupled with team inputs leading to better planning and execution; it sought external subject matter experts to build efficient demand forecasting and replenishment processes leading to positive outcomes.

**Rural integration:** The Company expanded its rural distribution footprint through Project Khoj, based on a potential-led coverage expansion model using spatial tools to identify prospective hinterland towns and villages. The Company empowered

its rural field force through digitisation tools. Project Khoj widened the Company's direct rural reach through the addition of more than 8000 villages in FY 2021-22, taking the total rural town tally to 40,000 villages.

**Future-ready:** The Company's distributor management system and efficient field force hand-held device has helped capture retailerwise sales to measure and enhance distribution efficiency and field force productivity. The Company developed an algorithm based on the historic buying pattern of retailers to predict high potential and the most probable SKUs that could be sold to every retailer through the upsell and cross-sell tool.

The entire direct retail outlet footprint was digitised and geo-coded, which is likely to facilitate better beat designing with optimisation and resource utilisation. The Company built capabilities in the analytics space to address a transforming market environment.

**Project Sirius:** Through Project Sirius, the Company partnered industry experts and jointly developed solutions to digitise sales and distribution efficiencies.

### Key highlights, FY 2021-22

New and recent launches contributed ~3% of domestic sales.

The distribution channel effectiveness improved to pre-Covid levels.

The Company invested and grew its D2C channel, moderating time and cost.

The Company strengthened its

### Key numbers

**3800+**  
Total sales force

**4,600+**  
Total distributors (including super stockists)

**11,900+**  
Total sub-stockists

**9.4**  
(Lac) outlets directly serviced

**4.9**  
(million), outlets indirectly serviced

front-end supply chain through defined standard operating protocols. This strengthened execution, efficient fulfilment and demand replenishment. Its digital platforms helped monitor trade reach and availability.

The Company reached around 9.4 Lac pan-India outlets (nearly half rural) through a multi-layered network of direct distributors, super stockists, sub distributors and wholesalers.

### Outlook, FY 2022-23

The Company will drill deeper into existing geographies by strengthening its rural Project Khoj initiative and urban Project Sirius commitment, while extending into existing pharmacies and prominent retail formats.



Social and Relationship Capital: Modern Trade & ecommerce

# Modern Trade & e-commerce

*How we focused increasingly on the Modern Trade format with the objective to graduate towards futuristic distribution channels*

India's FMCG sector has transformed through the interplay of online sales. Following influences of consumer behaviour, urbanisation, disposable incomes and internet penetration, e-commerce has grown exponentially; the contribution of e-commerce

to total FMCG sales is expected to increase to 11% by 2030 (Source: Nielsen).

The Company's focus on the e-commerce channel generated strong growth. The advantages of shorter timelines and lower costs made the channel a laboratory for new launches.

Over time, the Company also re-defined its modern trade strategies to harmonise its relationship with the general trade channel. Emami invested in improved efficiencies in modern trade-heavy geographies and product-specific strategies.

**Key initiatives, FY 2021-22**

**SAMT project:** This project aims to enhance the quality of the Company's presence across 6000+ Standalone Modern Trade stores in 50 prominent towns. Following this project, the Company added 3300+ Standalone Modern Trade stores in 40 cities through specialist distributors in FY 2021-22.

**Project Midas:** This project helped increase on-shelf availability by 16% and fill rate by 12% through supply chain collaboration, electronic data interchange, robotic process automation and big data analytics. This project will build an imagery of new brands through multi-touch point visibility.

**Key highlights, FY 2021-22**

The Company doubled e-commerce revenues, increasing its share of overall revenues from 2.8% to 5.5%.

Modern trade revenues grew 17%, the overall revenues from this segment accounting for ~7.3% of domestic revenues.

The Company introduced online portals like www.zanducare.com that directly address consumers, while growing the Company's e-commerce business.

The Company automated order generation using cutting-edge technologies like Electronic Data Interchange and Robotic Process Automation to improve delivery timeliness and execution accuracy. The Company segregated supply chain functions addressing Modern Trade and e-commerce, strengthening focus.

The Company's e-commerce presence addressed more than 17,000 pin codes (94% of the national universe). Emami marketed pack sizes across

brands catering to different classes - 35% low unit packs (LUPs) and small packs in addition to SKUs addressing e-commerce and Modern Trade needs.

**Outlook, FY 2022-23**

The Company's Modern Trade and e-Commerce channels are expected to report robust growth. Emami products are expected to be available across all key formats (including ePharma and quick commerce accounts apart from marketplaces like eGrocers). The Company plans to strengthen its digital-first portfolio across all key brands.

The Company's Modern Trade business will launch digital-first brands through omni-channels, increasing the contribution of Zandu Ayurvedic Healthcare's portfolio to 10% of the total modern trade business.



**Benefits of Emami's D2C model**

**Better monitoring:** It becomes difficult for companies to monitor their products once they reach shelves. While retailers remain aware of how a brand is perceived by customers, manufacturers often remain oblivious. Through the D2C model, the gap is bridged and companies generate superior insights into what customers perceive.

**Quicker consumer reach:**

Companies reach consumers quicker with products over the traditional approach, circumventing the role of intermediaries. D2C helps businesses reach customers with initial small quantities, making adjustments as they go along.

**Building trust:** With consumers seeking brand websites, companies gather precious insights leading to product customisation.

Our online shopping journey



Login



Shopping



Payment



Shipment



Order tracking



On-time doorstep delivery



24x7 support



Social and Relationship Capital: International business

# How our international business fared in a challenging year

Emami. Kenyan in Nairobi. Arab in the Middle East.

**Overview**

Emami is more than an Indian brand seeking a presence in these markets. It stands out as a confident international brand in the global market. Emami is a confident global Indian, validating its presence in the international market through the growing sale of products manufactured in India and abroad while

launching geography-specific products customised around the needs of those markets.

The Company has gradually extended beyond the limited servicing of an Indian diaspora in these markets; it is now an intrinsic part of the lives of the citizens of those markets.

Besides, the Company has extended from its original

intent to carve out a small share of these markets to a point where it now generates an attractive slice of revenues. The Company has also evolved from a point where it was always known as an Indian company seeking to find a foothold in the global market to a point where it is being seen as a global company of Indian origin.

**Our geographic focus**

Over the recent years, Emami widened its geographic footprint across SAARC, the Gulf, South East Asia, Russia/CIS, East Africa and Arab countries. This helped broadbase the Company's revenues from an excessive dependence on India to one where a growing proportion of its revenues was sourced from a range of countries, strengthening its risk profile. As a matter of prudence, the Company selected to be present in developing countries with rising population and demographic profiles similar to India, a familiar foundation on which to grow the business.

**Our differentiated international business model**

At Emami, we graduated the word 'international' to a mindset over a geographic reference.

We addressed large geographic clusters rather than a random collection of countries.

We marketed brands from the existing Emami portfolio in addition to demonstrating the courage to acquire a global brand.

We acquired a prominent global brand and gradually evolved it into a platform that supported similar products and became a full-fledged portfolio.

We allocated executives from Emami India along with executives from multiple geographies to grow our international business and strengthen our multi cultural personality.

We extended beyond the simplistic approach of pushing Emami brands into global markets but customised them around an understanding of global customer preferences (fragrance, packaging and therapeutic impact).

We did not just enhance our global presence to generate incremental revenues (beyond India) but to utilise our presence to absorb new trends, research and technologies.

We supplemented global revenues from products manufactured in India with revenues from products manufactured abroad and sold in the international markets.

**Our performance, FY 2021-22**

The year under review was marked by complete/partial lockdowns in SAARC, ASEAN and parts of GCC, among others. There was a Myanmar military coup followed by import restrictions and an import license regime. Following the exit of US armed forces from Afghanistan, there was a trade shutdown in the latter country that affected sales. A war continued in Yemen. Nepal faced a banking crisis leading to liquidity challenges. The Russia-Ukraine war posed trade bottlenecks. An economic downturn in Sri Lanka affected trade. The pandemic lockdown in Bhutan was extended.

Despite these challenges, the Company's international business grew by 5% in FY 2021-22; Emami reinforced front-end sales structures in Russia and Sri Lanka, and back-end supply chains in the Middle East and Thailand. The Company launched products under the Creme21, BoroPlus and Navratna brands, deepening market presence.

**New launches**

- 7 Oils in One extensions of almond, coconut and aloe vera
- Creme 21 extensions (soaps, handwashes and body washes)
- Kesh King Onion Oil, Shampoo & Conditioner

**Big numbers**

**10+**  
Major brands in the international portfolio

**60+**  
Countries of presence



Emami's advertisement campaigns in the international markets

Manufacturing Capital

# Emami's culture of manufacturing excellence has strengthened its competitiveness



**Snapshot**

A sustainable driver of the Company's competitiveness through a culture of continuous improvement

A robust multi-dimensional manufacturing strategy for the widening diversity of the Company's product basket

A prudent selection of location, scale, technology and environment integrity driving a long-term edge

**Overview**

In the FMCG sector, there is a premium on manufacturing excellence for a number of reasons.

Various resources go into the manufacture of FMCG products, with long and complex supply chains.

Multiple manufacturing locations necessitated by the market dynamics or logistic reasons add to the complexity.

Manufacturing excellence is a continuous improvement in operations focused on reduction of waste, increased production profitability, providing a quality and safety

innovation.

Emami's consistent growth can be attributed to the overarching culture of manufacturing excellence resulting in quality uniformity leading to brand consistency and market competitiveness.

**Emphasis**

Emami's manufacturing excellence model draws on the best practices from TPM, WCM, KAIZEN and other established excellence models.

The Company invested in advanced manufacturing equipment drawn from marquee capital equipment providers from across the globe.

Digitisation and automation are an intrinsic part of our manufacturing excellence, resulting in a high productivity, low waste, enhanced quality standards and moderated

tolerance limits, strengthening consumer traction.

The Company's manufacturing equipment supported the delivery of consumer-centric innovation, strengthening its brand.

The Company's large and efficient manufacturing capacities enhanced its capability to deliver on-time and in-full, reinforcing its network engagement and strengthening economies of scale.

The Company's modern manufacturing facilities

empower it to make products using environment-friendly processes, strengthening the Company's position as a responsible corporate citizen.

The Company embraced robotics and Industry 4.0 principles to emerge faster, more efficient, and customer-centric while extending beyond automation and optimisation to discover new business opportunities and models, enhancing people productivity, systemic flexibility and corporate agility.

**Competitive strengths**

**Strategic presence:** The Company's facilities are strategically proximate to resource points, consumption markets and locations, enjoying multi-year fiscal incentives. The Company has its own overseas manufacturing facility in Bangladesh and manufacturing tie-ups with contract manufacturing units in Sri Lanka, Germany, Thailand and UAE. The extension of manufacturing partnerships in UAE and Thailand has widened its flexibility to supply global

pockets of emerging demand.

**Tax efficiency:** The Company invested in tax-efficient locations; its flagship Pacharia unit in Guwahati, Assam enjoys fiscal benefits till FY 2026-27.

**Experienced management:** The Company's manufacturing team is led by industry stalwarts who possess decades of rich experience in various manufacturing aspects. All plants and functions are manned by qualified and competent personnel across levels.

**State-of-the-art technology:**

The Company invested in automated equipment across plant locations, enhancing manufacturing utilisation, efficiency, consistency and profitability.

**Certifications:** Most of the Company's facilities have been cGMP and IMS-certified, covering ISO 9001 / ISO 14001 / ISO 45001 / OHSAS 18001 standards and ensuring the highest standards of quality, hygiene, safety and environment integrity.

**Key developments, FY 2021-22**

The Company responded to a competitive marketplace through a deeper interplay of technology in manufacturing practices.

The Company employed the SCOPE scorecard to monitor operational parameters coupled with a culture of excellence and continuous improvement.

The Company operated within pandemic protocols of social distancing and safety, ensuring the health of the workforce without compromising output.

The Company expanded its global footprint by entering manufacturing partnerships in UAE and Thailand.

The Company emphasised its positioning as a responsible manufacturer by monitoring the environmental impact

of all activities, expanding its renewable energy use by captive solar plants and bio-fuels, reducing use and recharging groundwater through rainwater harvesting and other sustainability initiatives.

**Our manufacturing excellence was recognised in FY 2021-22**

**Emami's** Pacharia plant won the Greentech Safety Award for outstanding achievement in the field of environmental protection.

**Emami** units won 6 Golds and 1 Silver Award from Quality Circle Forum of India for successful improvement projects.

**Emami's** Pantnagar plant won the Silver Award in a CII Kaizen competition.

**Emami's** quality projects and small group activities won multiple awards in industry forums like CII and OCFL.

**Outcomes**

All manufacturing parameters were monitored using the SCOPE scorecard, resulting in timely corrections and consistent improvement. There was a significant decline in process

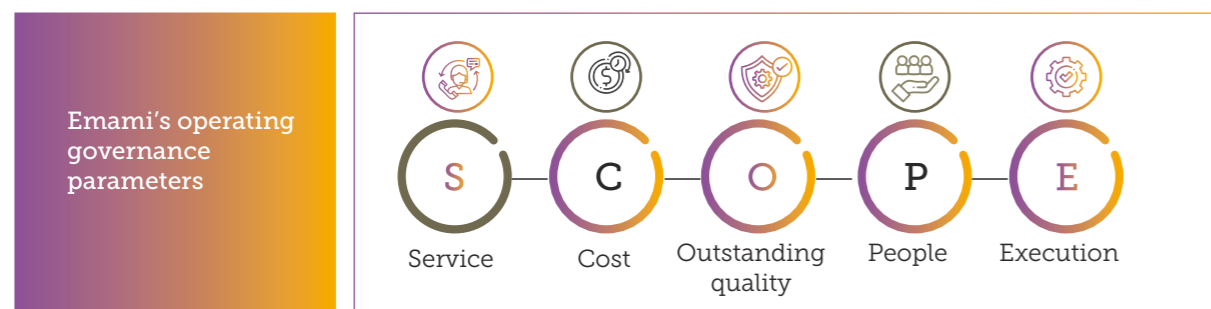
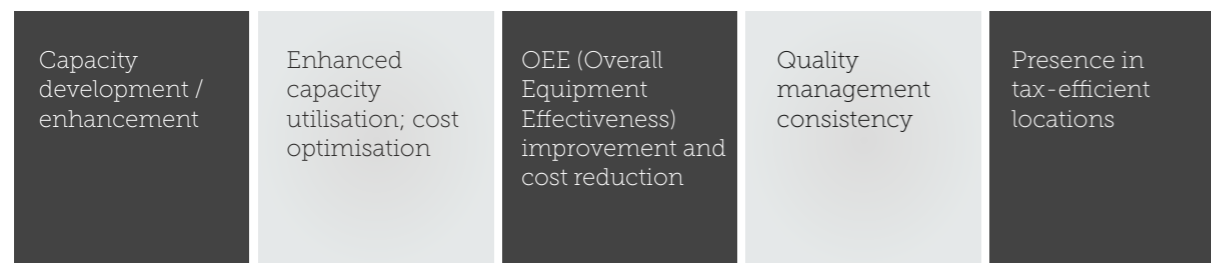
waste and the consumption of raw and packing materials. Further, the operational cost management plan generated significant savings during the year under review.

**Outlook, FY 2022-23**

The financial year 2022-23 appears to be challenging in view of geopolitical uncertainties, coupled with inflationary pressures and new COVID strains. Emami remains committed to enhance operating

efficiencies across parameters through the interplay of passion, advanced technologies, process innovation, renewable energy and minimised waste ingrained in the Emami Excellence Model.

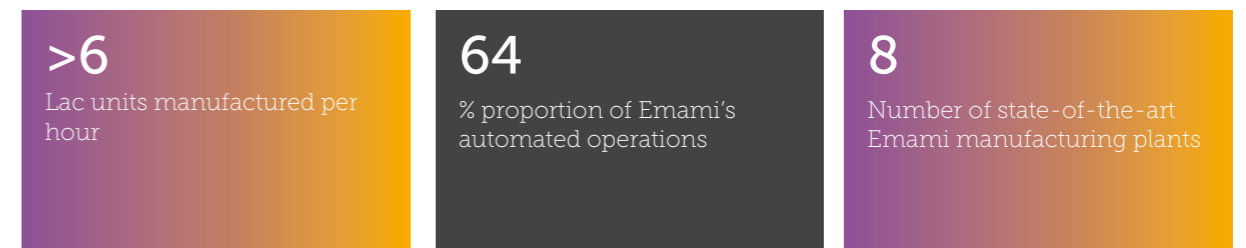
**Our key focus areas**



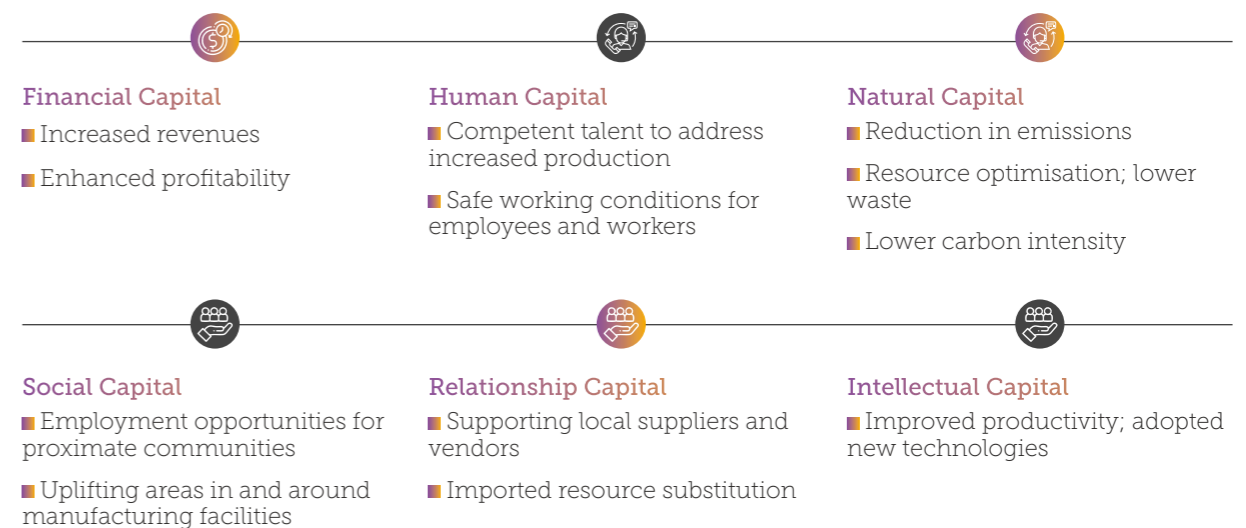
**Our manufacturing competence**



**Key numbers**



**Manufacturing Capital influence on other Capitals**



Manufacturing Capital: Packaging

# Packaging

How we strengthened our culture of innovation by engaging members to contribute towards packaging innovation



85

% of packaging materials sourced locally and proximate to manufacturing sites by Emami, supporting livelihoods.

**Overview**

There is a greater recognition of the role of modern packaging standards in brand endurance.

For one, in a world driven by impulse buying, attractive

packaging, perception, expectation, impulse and purchase.

Superior packaging is not only about vanity and presentation; it influences content protection and product durability (for the

benefit of the trade partner and consumer).

Over the years, Emami evolved its packaging following investment in cutting-edge technologies, enhancing utility and aesthetics.

**Key strategies**

**Capacity:** Emami scaled its packaging requirements to address the timely launch of new product launches and digital-first products in FY 2021-22.

**Consumer convenience:** Emami enhanced the appeal and utility of its products through packaging improvements (conceptualisation to implementation).

**Cost sustainability:** Emami optimised packaging costs

through dependable strategic partners, specifications optimisation, identification of alternative suppliers and automation to enhance operational efficiency and localisation.

**Advanced technology:** Emami invested in new packaging technologies, reconciling quantity scalability with quality consistency.

**Journey:** Emami upgraded packaging design to enhance content integrity and consumer delight.

**Procurement:** Emami engaged with leading material suppliers to ensure that only the best quality packaging was produced.

**Automation:** Emami digitised and automated functions to graduate to a higher packaging standard.

**Key developments, FY 2021-22**

The Company successfully completed multiple packaging development projects addressing the conventional and e-commerce supply chain platforms. Over 20 products, with superior packaging, were launched on the Zandu Care e-commerce portal.

The Company intensified technical and competence-based training for talent development. The Company mentored students of premier management institutions on packaging projects.

The Company exceeded its internal targets on the cost saving design-to-value platform.

Emami worked with pioneer plastic recycling organisations to reinforce Extended Producer Responsibility as per the new guidelines issued by the Government on plastic waste management.

The Company attracted industry recognitions for its packaging excellence (India Star Award for BoroPlus 8 ml ready pack - International Business).

**Outlook, FY 2022-23**

The Company intends to innovate around quicker delivery through the Direct-to-Consumer platform. It will continue to invest in technologies that optimise cost and resource utilisation. It will improve processes through a better leverage of digitisation, knowledge library, project portfolio management, innovative process standardization and effective monitoring process. It will broadbase its packaging competence through capability building across subject matter experts.

Emami is committed to enhance packaging sustainability building on its position as a respected corporate citizen

**REDUCE:** In FY 2021-22, Emami reduced approximately 145 MT of plastic and 75MT of paper consumption through optimisation initiatives. In five years, Emami reduced ~1500MT of plastic and ~1300MT of paper consumption without compromising product quality or consumer experience.

**REUSE:** Emami embarked on the reuse of plastics for rigid and flexible products. The Company qualified the use of 25-30% in primary packaging and post-consumer resin and up to 60% in secondary packaging. The Company is promoting recycled plastic resin over virgin plastic. It used PCR for flexibles and qualified upto 50% in film for secondary packaging.

**RECYCLE:** Emami deployed recyclable multi-layer laminates for FAH 8g flow wrap; collaborated with industry and technology experts to develop quality recyclable multi-layer plastic. For other applications, the Company completed a technical feasibility study, working on stability and commercial aspects leading to timely commercialisation. It implemented Extended Producer's Responsibility following the announcement of Plastic Waste Management guidelines.

Manufacturing Capital: Supply chain management

# Supply chain management efficiency

How we strengthened our supply chain and protected our cost structure to address the possibility of high raw material and packaging costs



<b>7</b> Domestic manufacturing facilities	<b>900</b> ₹ crore, procurement of materials, FY 2021-22	<b>708</b> ₹ crore, procurement of materials, FY 2020-21	<b>2.5</b> %, logistics costs as a proportion of revenues
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**Overview**

One of the biggest challenges for a successful multi-product FMCG company is the capacity to aggregate diverse and adequate raw materials to feed its manufacturing lines.

There is also the added challenge of customising the supply chain to address evolving preferences and demand patterns across different seasons while

accommodating supply side challenges comprising raw material availability, price volatility and widening substitutes. This warrants an ongoing ability to sustain production lines and explore alternative or additional resources at optimal costs.

At Emami, this subject is more challenging than one may care to appreciate. The Company manufactures

~300 products including brand extensions, warranting the timely aggregation of a few thousand resources around an optimal cost. Add to this the complexity of adequate inventory needing to be maintained across seven manufacturing facilities and 27 third party manufacturing facilities in India.

**Key initiatives**

During the year under review, the Company worked extensively to digitalise its production and supply chain to enhance manufacturing efficiency, product quality and timely delivery.

The Company introduced digital tools across every point of the production and distribution line; it digitalised demand planning using a Statistical Forecasting Tool.

The Rough Cut Capacity Planning tool's recommendations enabled the Company to strengthen supplies. The integrated S&OP (Sales and Operations Planning) Process identified constraints that offered counter-initiatives aligned with primary corporate goals. The Company's products addressed benchmarked quality standards through a dashboard with key performance indicators. With the help of Order Generating

Tools (OGT), the Company will devise a distribution strategy to competently service its distribution network.

The Company periodically reviewed its supply management to de-bottleneck, de-risk and streamline operations. The Company's Primary Transport Management digitised its transportation system to seamlessly enhance last mile delivery.

**Highlights, FY 2021-22**

The Company streamlined its supply management with the following outcomes:

- Improved service through the supply chain digitalisation (covering production, distribution, billing and transportation etc.)
- Achieved a ~1% Primary Freight

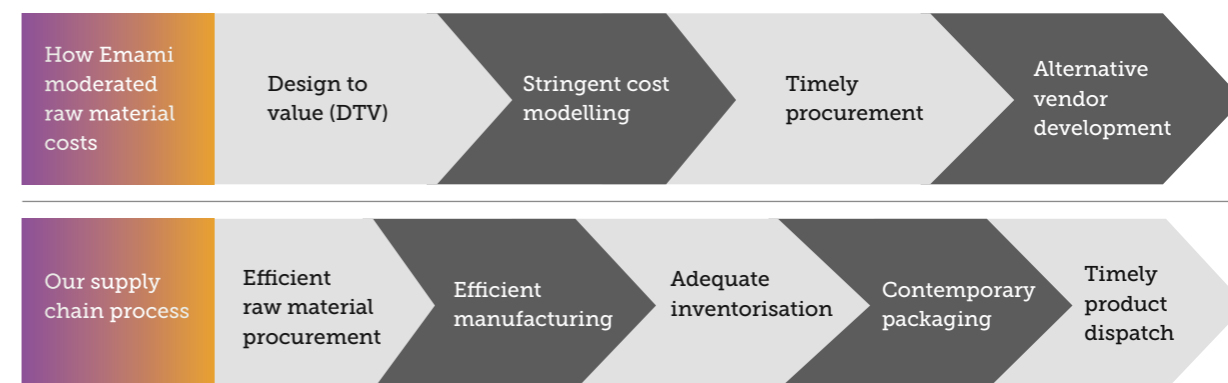
Sales ratio Indian, the best-in-class in the Indian FMCG industry

- Conducted an Online Reverse Auction to derive the lowest freight rate (attracted 37 transporters)

initiatives in its supply chain. The Company will enhance supply chain visibility while boosting demand growth and minimising inventory. The Company intends to introduce digitalisation in its secondary freight movement to moderate its freight sales ratio.

**Outlook**

Emami plans to introduce 'green'



Manufacturing Capital: Quality

# Quality assurance

How we enhanced stakeholder assurance through credible certifications and rigorous quality checks



Quality management system

Process and production control	Design and control	Production and surveillance	Corrective and preventive action	Management control
Customer requirement	Risk management	Complaint management	Eliminate non-conformities	Management review
Superior quality	Inputs/ output	Risks monitoring	QMS improvement	Inspection readiness
Identification and traceability	Verification/ validation	Vigilance	Effectiveness verification	Internal audit

Overview

Quality consistency represents the bedrock of brand success in the FMCG sector. The importance of this factor cannot be over-emphasised: resources are diverse, resources may need to be substituted and the same product may be manufactured in different facilities,

warranting process uniformity and consistency.

At Emami, quality consistency has been derived from a meticulous attention to detail, standards and selectivity. This has been coupled with automated and formalised process controls, resulting in a predictability of outcomes.

The Company engages

in an ongoing interaction with primary and secondary customers to access product quality feedback, complaint management, complaints analyses and structured improvements.

The result is that the Company enhanced consumer delight, inspiring the recall that 'If it is Emami, then it must be right.'

Strengths

**Knowledge:** Deep knowledge pool related to best practices in the area of product manufacture, quality standards and

certifications.

**Quality laboratory:** The Company invested in advanced laboratories across

its manufacturing facilities, ensuring immediate appraisals and testing.

Key highlights, FY 2021-22

The Company embarked on a decisive initiative to strengthen quality standards through the integration of Consumer Care and Health Care businesses into a consolidated Emami Corporate Quality Assurance department. This integration harmonised quality management processes and simpler workflows.

The Company received CoPP approval from Central Drugs Standard Control Organisation, New Delhi, for four new ayurvedic products manufactured in WHO GMP-compliant factories, preparing the base for the export of ayurvedic products to various international geographies.

Under the Zandu Care portal, the Company developed D2C e-commerce-focused health care innovations. The Company created a product query and complaint resolution mechanism for the D2C channel.

Our quality assurance fundamentals

- The Company's proactive approach ensures that processes and products are aligned with the demanding Emami standard and applicable regulations, marked by continuous improvement and deviation elimination.
- The Company develops, implements, monitors and reviews quality compliance processes across its sourcing, manufacturing and distribution functions.
- The Company enhances quality through pre-emptive risk mitigation as a part of its Quality Risk Management.
- The Company conducts comprehensive product testing for contaminants (heavy metals, pesticides, aflatoxins and microbiology), delivering a product that is high on efficacy and safety.

Manufacturing Capital: Information technology

# Emami deepened technology capabilities to enhance operational seamlessness

*Emami reinforced its IT capabilities to drive business growth*

**Overview**

As technologies evolve, a quicker adoption by companies enhances competitiveness. Following the pandemic, this priority has become more important to enhance workflow seamlessness, customer penetration and service.

As competitive difference between FMCG players decline, the embracing of digital technologies plays a bigger role. The use of digital technologies has resulted in a broad-based understanding of a large consumer market (divided into smaller markets marked by different

consumption patterns). Relevantly, digital technology has graduated beyond automation to data simulation and manipulation to derive superior outcomes.

**Emami and Information Technology**

Emami is a technology-driven organisation that recognises the increased role of technology in its operations. Over the years, the Company made prudent technology investments to moderate costs, acquire & process updated information in real time, facilitate quicker decision-making, accelerate workflows, reinforce Information Security and offer employees the option of secure remote working.

The Company, in partnerships with SAP, Microsoft and others,

is establishing Information Technology as the cornerstone of the Company's futuristic strategy. A continuous upgradation in the IT architecture enhanced business process efficiency and fulfilled market requirements.

The result is that the Company increased its competitiveness through industry-best practices with the adoption of advanced technologies (Robotic Process Automation, Artificial Intelligence and Machine Learning). The Company implemented technology-driven projects around shorter

timelines, enhancing outcomes.

**Technology investments, FY 2021-22**

The Company invested in cutting-edge digital technologies like Robotic Process Automation and Predictive Analytics. The Company facilitated the working-from-anywhere option for employees without compromising its information security. The Company invested in latest network solution technologies to enhance user experience. The Company's investments are focused on sustainable infrastructure

and technology infestations, supporting functions in faster decision-making by leveraging artificial intelligence and machine learning while offering an uninterrupted user experience.

**Key highlights, FY 2021-22**

- The Company's technology partners included PWC, KPMG, Microsoft, EY, Amazon and premier Indian companies which provide boutique solutions.
- The Company engaged with KPMG to obtain additional insights and focus on the deployment of analytics-driven solutions for the effective use of recommendations and cascading to the lowest level of the sales team.
- The Company empowered the sales team through focused sales-related digital interventions.
- The Company adopted the digitisation of Accounts

Payable process that helped reduce processing time and costs, improve visibility across the chain, restrict the risks of fraudulent transactions and ensure precise cash management.

- The Company digitised its Human Resource & Learning Management System to foster the training and development processes of employees.
- The Company implemented Software Defined Network and executed Information Security Assessment to reinforce information security in applications and device.

**Outlook, FY 2022-23**

The Company is focussed on creating a culture of data analytics for predictive and prescriptive solutions to address business problems. The Company intends to leverage the deployed technologies in Robotic Process Automation, self-help and self-heal tools for FY 2022-23.

**Technology partners**

At Emami Limited, we have a mix of Tier 1 and Tier 2 technology partners. Over the last few years, the Company has been associated with the following technological giants:

- KPMG
- Ernst & Young
- PricewaterhouseCoopers
- Arteria
- DXC Technology
- Microsoft
- Google Amazon
- Allied Digital
- Exalca
- SIBIA
- Stackbox

Natural Capital

# Emami's Natural Capital

*How our environment management is marked by a growing relevance to environment conservation*

**Overview**

In an increasingly competitive space, there is a premium on the ability to enhance process efficiency. In line with this priority, the Company invested in frontline technologies, which

resulted in superior process yield that helped moderate waste; it enhanced output quality and moderated power consumption.

This commitment was extensive: the Company invested in a range of initiatives. During the year

under review, the Company installed windmills to generate renewable energy. Besides, emissions, solid waste and effluents generated were well within the demanding limits prescribed by the Central and State Pollution Control Boards.



**Our environment protection policy**

The Company formulated an Environment Protection policy as a part of its Business Responsibility Policy, applicable across all areas of its presence. The Company's business partners were encouraged to follow the policy; suppliers/contractors were selected following a comprehensive assessment and those with

related ISO certifications were offered a selection preference.

**Energy conservation initiatives**

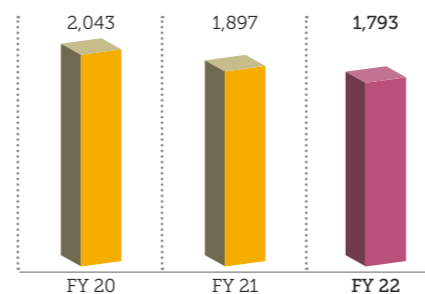
The Company undertook various initiatives to moderate its carbon footprint. These comprised the following:

- Created an Energy Optimisation Cell to examine phased energy mapping
- Replaced HSD fuel with

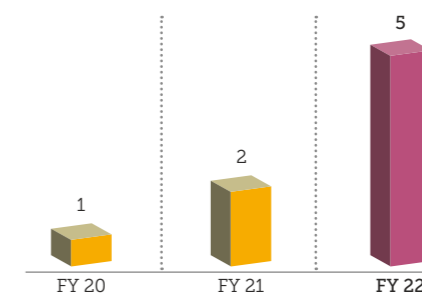
briquette fuel and steam condensate recovery in the boiler

- Undertook energy-efficiency initiatives, which enhanced power efficiency
- Installed energy-efficient motors
- Installed LED lights across manufacturing units
- Installed solar power in three manufacturing units

**Specific energy consumption vs production (MJ/MT)**



**Renewable energy consumption as a % of total energy consumption**



**Water consumption initiatives**

The Company undertook measures to enhance water management efficiency. These comprised the following during the year under review:

- 23% water used in the manufacturing units was recycled
- Rainwater was harvested across manufacturing units
- Reused ETP-treated water for gardening and toilets, making the factories zero-discharge

**Our waste disposal mechanism**

The Company's objective is to moderate process waste through the use of light materials, optimise structural and material designs and eliminate unnecessary packaging. The Company disposed waste in the following manner:

Name of product / service	Description of the risk / concern	Action taken
Trade effluents	Effluent water released from process could lead to water pollution	Emami's effluent treatment plants process effluent water and maintain parameters such as BOD, COD, TSS, oil & grease and pH as per PCB standards.
Hazardous waste	Hazardous waste can directly increase land pollution	Emami engaged with vendors (authorised by the PCB) to dispose hazardous wastes as per PCB guidelines.
Other wastes such as plastic waste, e-waste.	Various types of waste released from packaging & processing, which could lead to a direct impact on land pollution	Emami engaged with vendors (authorised by the PCB) to recycle plastic waste and e-waste as per PCB guidelines. End user certificate was maintained.



Sustainable procurement initiatives



20

Capability building programmes organised

1200+

Farmers benefitted

800+

Farmer's registered under State Government Cultivation Programmes facilitated

- The Company's Bio Resource wing strengthened the procurement team to directly/indirectly connect with farmers who cultivate ayurvedic medicinal herbs.
- Commenced a comprehensive supplier assessment process, comprising SHE &TQM process audit led by its Central Quality Assurance Team and backed by the procurement team to engage with suppliers; engaged in a due diligence to select partners based on their social obligation record.
- Ensured optimum procurement of raw material through coordinated team engagement.
- Partnered government organisations, institutions and self-help groups to engage directly 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, Odisha, Sikkim and Tamil Nadu engaged in contractual herb cultivation (Kutaki, Tagar, KapurKachari, Sarpgandha, Tejpatta and Kauncha).
- Organised 20 capability building programmes (across more than 1200 farmers); facilitated the registration of 800+ farmers under State Government Cultivation Programmes.
- More than 85% of the Company's packaging suppliers were located proximate to manufacturing plants, moderating transportation, fuel consumption and emissions.

Sustainable packaging initiatives



The Company addressed its extended producer responsibility as per the Plastic Waste Management guidelines of February 2022. Plastic waste for rigid and flexible packaging (single and multi-layer) was collected from different States and disposed appropriately. The following efforts helped enhance civic cleanliness:

- Deployed the ecosystem to collect release liner of self-adhesive labels from our plants for safe disposal or recycled to make substitute products.
- Qualified 505 PCR (post-consumer recycle-recycled resin) for all our bundling LDPE film to promote the recycle culture.
- Commenced the use of PCT

for primary and secondary rigid packs following successful qualification.

- Evaluated and optimised plastic and paper consumption through a Design to Value initiative without affecting quality and consumer experience.
- Collaborated with two renowned plastic recycling organisations to strengthen its EPR compliance.
- Partnered a plastics recycling organisation to collect, process and recycle post-consumer multi-layer plastic used in its packaging (as per PWM guidelines).
- Collaborated with post-consumer recycling partners to produce >20% post-consumer recycled content in rigid PET, PP

AND HDPE containers.

- Optimised the use of plastic and paper; moderated its CO2 footprint through resource localisation.
- Substituted non-recyclable metalised paper board with recyclable equivalents to moderate costs without compromising properties.
- Reduced 145 MT of plastic and 75 MT of paper consumption in FY 2021-22.
- Executed recyclable laminates for flow wrap applications; replaced the three-layer laminate Fair and Handsome flow wrap with a two-layer recyclable laminate.
- Aims to utilise recyclable laminates for the primary packs of all sachets.

Big numbers

145

MT, plastic consumption reduced in FY 2021-22

75

MT, paper consumption reduced in FY 2021-22

Community Capital

# Emami's role as a responsible corporate citizen

*We have engaged in responsible community development through various initiatives and activities*

**Overview**

The Company planned its CSR engagement around a spirit of sustainable growth reconciling economy, society and the planet. It partnered the social sector through growing NGO engagement for effective CSR projects implementation. Its Board-level committee oversees project planning and implementation, shaping CSR programmes.

**Emami and CSR**

Over the years, the Company engaged in philanthropic activities through social interventions in various parts of the country. It planned its CSR focus areas in alignment with United Nations Sustainable Development Goals. It promoted education & skill development, contributing towards societal uplift and offering promotive, preventive and curative healthcare. During the Covid-19 pandemic, the Company engaged with communities to make a difference. It provided timely and value-added services to ensure immediate relief as well as long-term prosperity.

**Our CSR policy**

The CSR policy of Emami underlines its responsibility as a corporate citizen, addressing activities across locations for the benefit of various segments,

especially the under-privileged.

**CSR commitment, FY 2021-22**

During FY 2021-22, the Company spent ₹ 9.08 crore for CSR initiatives across education & skill development, health, water & sanitation and social uplift

engagements. Of the allocated corpus, ₹ 2.82 crore was spent on education and skill development, ₹ 2.63 crore on health, water and sanitation and ₹ 3.19 crore on social uplift programmes, among others.



R.K. Goenka, Patron-CSR

## CSR initiatives, FY 2021-22

### Project: Padho India Padho



This initiative promotes holistic education support for the children and students from socially and economically marginalised sections of society

**Overview**

The project was launched keeping in mind the importance of education in socio-economic development. This holistic model supports the education sector by providing appropriate learning facilities and support to students, schools and educational institutes. Deserving but financially challenged students were offered scholarships and study grants to provide equal career opportunities irrespective of their socio-economic background.

**Initiatives**

• Around 400 students in schools of Kolkata and other districts of West Bengal were supported with

textbooks during the pandemic.

- The Company provided financial aid and scholarships to around 300 talented students from the underprivileged sections.
- The Company provided infrastructure to education institutions and facilities in association with Rajkiya Prathmik Vidyalaya, Vedshree Tapovan and Parivar Milan; more than 2245 students benefitted.
- The Company supported the infrastructure of Shree Shree Ramkrishna Vivekananda Vidyapith for the benefit of scheduled castes, scheduled

tribes and other backward class students of Charida (Purulia, West Bengal), which helped 150 students get the opportunity to study.

- The Company operates after-school coaching support programmes in Kolkata and other districts of West Bengal, benefitting 380 students.
- Digital infrastructure and smart classrooms were created across Emami Foundation CSR centres.
- The Company established a studio at the teacher's home to facilitate a blended learning model.



### Project: Badhte Kadam



This initiative promotes employment generation and livelihood creation through skill development and enhancing relevant and appropriate vocational skills

**Overview**

This programme provides skill development training, direction and guidance to a prospective workforce. Emami provides

relevant vocational skills, enhancing employability.

Emami established skill development centres across apparel designing, stitching and tailoring, beauty & hairdressing, financial accounting including GST & Tally, spoken English and grooming/personality development, among others.

**Initiatives**

• Trained 618 underprivileged youth in Kolkata and other West Bengal districts through CSR skill development centres operating under Emami Foundation.

• Supported education, skill development and soft skill training in the slums of Chennai through Gramathan India Foundation and Bhartiya Samskriti Trust.



**Project: Padhenge Hum Padhane Ke Liye**



This initiative improves learning outcomes through the capacity building of teachers through training and innovative teaching practices and pedagogies.

**Overview**

Emami helps teachers to focus on specific student needs through a collaborative platform between teachers, students, parents and the community. This programme trains teachers at Government schools in digital skills, child psychology, teaching methodologies and pedagogy, classroom management techniques, project-based learning and case study analyses.

**Initiatives**

- Emami Foundation launched Daksh, a teacher learning

enhancement programme during the pandemic, an online digital learning enhancement program where innovative concepts were taught to enhance digital literacy. Around 100 teachers were digitally empowered.

- Emami launched Buniyaad, a student examination support

tabloid / newspaper distributed to Emami-supported and other school students in Kolkata and West Bengal districts during the pandemic. Some 3000+ students prepared for the Board examination by drawing information from the project.



**Project: Jan Kalyan**



This initiative focuses on the social uplift of vulnerable sections of society

**Overview**

Emami believes that socio-economic development of the marginalised is imperative. Its activities comprise rural development, social infrastructure development, hunger mitigation, promotion of art & sports, animal welfare and disaster management.



**Initiatives**

- Emami provided food and supplements to underprivileged sections in and around its factory units; around 150,000 people benefited.

- The Company increased livelihood opportunities and income of 42 farmers (with Global Vikas Trust).
- The Company planted more than 100,000 fruit trees in

Marathwada, Maharashtra.

- The Company promoted sport and sportsmen in eight villages around Pantnagar (Uttarakhand); it identified 192 sportsmen for support.
- The Company associated with Anamika Kala Sangam Trust to contribute to projects dedicated to the protection, promotion, research & development of national heritage, arts & culture.
- The artist scholarship programme supported select

artists; in its Emami's residency programme, artists were provided the opportunity to live and work outside of their usual environments.

- Emami's rescue team provided emergency and disaster relief during the pandemic, supporting more than 35,000 people with dry & cooked rations, and relief services to more than 2,000 people during natural disasters.
- Some 286 vulnerable individuals were rescued from the streets of

Kolkata in association with HIVE India and Kolkata Police.

- The Company provided Mumbai traffic police volunteers 1000 raincoats during the monsoons.
- The Company supported veterinary clinics for the treatment of animals in Kolkata.
- The Company supported social and community welfare institutions with Gramothan India Foundation and Bhartiya Samskriti Trust.

**Project: Swasthya**



This initiative provides the underprivileged with an access to preventive and promotive healthcare services to facilitate a demographic and socio-economic transition

**Overview**

Emami makes healthcare accessible, affordable and available. The Company provided medical aid to the critically ill and financially challenged patients, conducting clinics and camps to address community healthcare needs

**Key initiatives**

- Emami supported Shree Jain Hospital & Research Centre, Howrah, during the pandemic with ventilators.
- The Company provided infrastructure to Lions North Calcutta Hospital for Retinal Surgery in Eye Dept., Covid Centre, IIT Guwahati, and infrastructure support to Mahavir Seva Sadan for child rehabilitation and research in

the area of cerebral palsy

- The six outpatient department clinics, cancer awareness and screening programme, along with Ayurveda-based telemedicine services, benefitted 39,061 beneficiaries in Kolkata and other Bengal districts.
- 8,710 patients were treated under the Sanjeevani Ayurveda telehealth and outreach program
- 519 cataract surgeries were conducted; 3432 patients were given spectacles and 9450 eye checks were done for the needy

- 5728 patients received acupuncture treatment through monthly camps
- The Company provided financial assistance for the treatment of 595 underprivileged patients

**Outlook**

Emami will extend corporate prosperity to community welfare by integrating CSR with business sustainability.





# India's distinctive pain reliever

## Overview

For around 11 decades – more than a century - Zandu Balm has been the go-to trusted Indian remedy for timely pain or stress relief. This position was emphasised during the year under review, marked by the second pandemic wave.

During this second wave, the brand expanded its function to steam inhalation, an essential

remedy to counter flu-like virus symptoms. The campaign 'Bhaap Lo Saans Lo' resulted in better respiratory health for users.

During the year under review, Zandu Balm signed Indian superstar and philanthropist Sonu Sood as brand ambassador. The brand ambassador assisted migrant workers reach their homes safely during the lockdown and standing by people

in pain proved to be a neat positioning fit for our brand. Zandu Ultra Power Balm retained its position as the preferred consumer choice in curing people from severe headache and body pain, gaining recognition as a 'Kadak balm'. The Great Khali, the world-famous wrestling champion, was engaged as brand ambassador.

## Challenges faced and countered

The year under review was marked by increased infection. The Company encountered supply constraints in the initial leg of the second pandemic wave. The Company intensified its engagement with dealer networks and enhanced brand visibility across chemists and modern trade channels. The Company introduced category-oriented schemes and margins for trade partners. It launched multiple communication

campaigns, positioning the brand beyond headache relief.

## Strengths

Zandu Balm was curated around an age-old ayurvedic remedy, marked by a high therapeutic impact but no side-effects. The brand's multi-decade and multi-purpose relevance - fast action and absorption – helped retain its position as an ideal consumer choice.

Zandu Balm's effective brand

campaign leveraged new marketing media, widening touch points for customers who, in turn, became product advocates. The brand continued to enjoy enduring relationships with trade and distribution partners. Digitisation increased new age channel traffic, empowering Zandu Balm to engage directly with consumers, strengthening responsiveness.

**Key highlights, FY 2021-22**

In spite of the second wave, there was significant customer growth, strengthening offtake.

The 'Kadak Balm' campaign accelerated penetration in the North India market (traditionally a tablet and cold rub market).

The longstanding 'Chale Chalo'

campaign strengthened the brand in the existing markets while generating brand trials in new markets.

Zandu Balm's sustained branding initiatives catalysed growth.

**Outlook**

Zandu Balm will focus on its

traditional positioning as a multi-purpose pain relief balm with a focus on the mature markets of South and East India. The Company will enhance Zandu Ultra Power's recall as a 'Kadak Balm' providing pain relief from severe head and body aches.

**Our Portfolio**

**Mentho Plus Balm**

- Ideal for headaches
- Enjoys the largest market share (1 ml category) due to smaller SKUs and increased affordability.
- The Raavan face of the balm was accompanied by the 'Dus siron ka dard bhagaaye' tagline
- The product was priced affordably at ₹ 2 for 1 ml

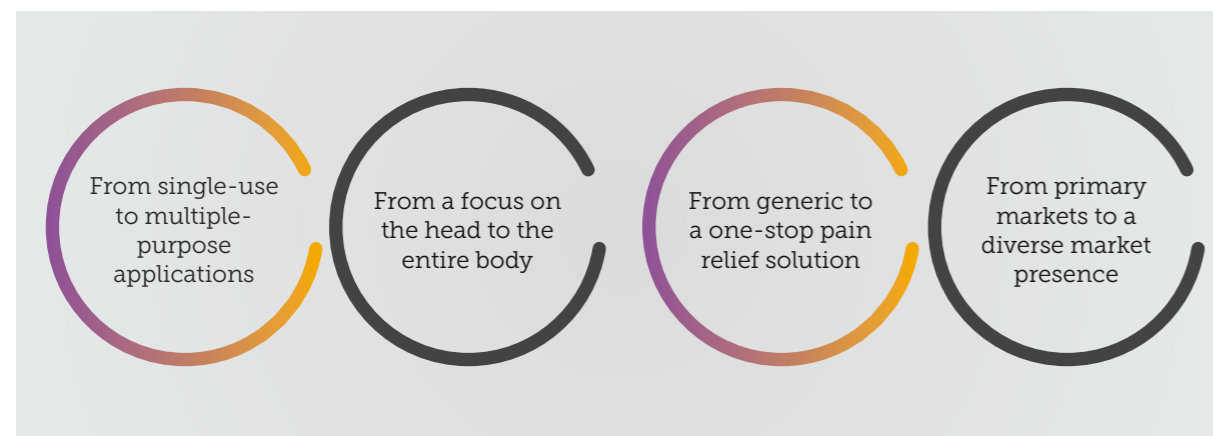
**Zandu Balm**

- India's largest selling balm
- Multi-purpose balm marketed as 'Peeda Haari Balm' and 'Ek Balm Teen Kaam'
- Enjoys 100+ years of market acceptance
- Recently extended its utility to steam inhalation
- Ultra-Power variant ('Kadak balm') addresses severe pain

**Himani Fast Relief**

- Ayurvedic mix of Lavang, Nilgiri oil and Gaultheria
- Provides instant pain relief
- Addresses young and busy adults needing instant relief

**Shift in approach**



**The role of branding in a post-Covid world**

Covered conventional and new-age media

Covered print, television and digital campaigns

Engaged in national and regional below-the-line activities

Enhanced visibility through Facebook and Instagram handles

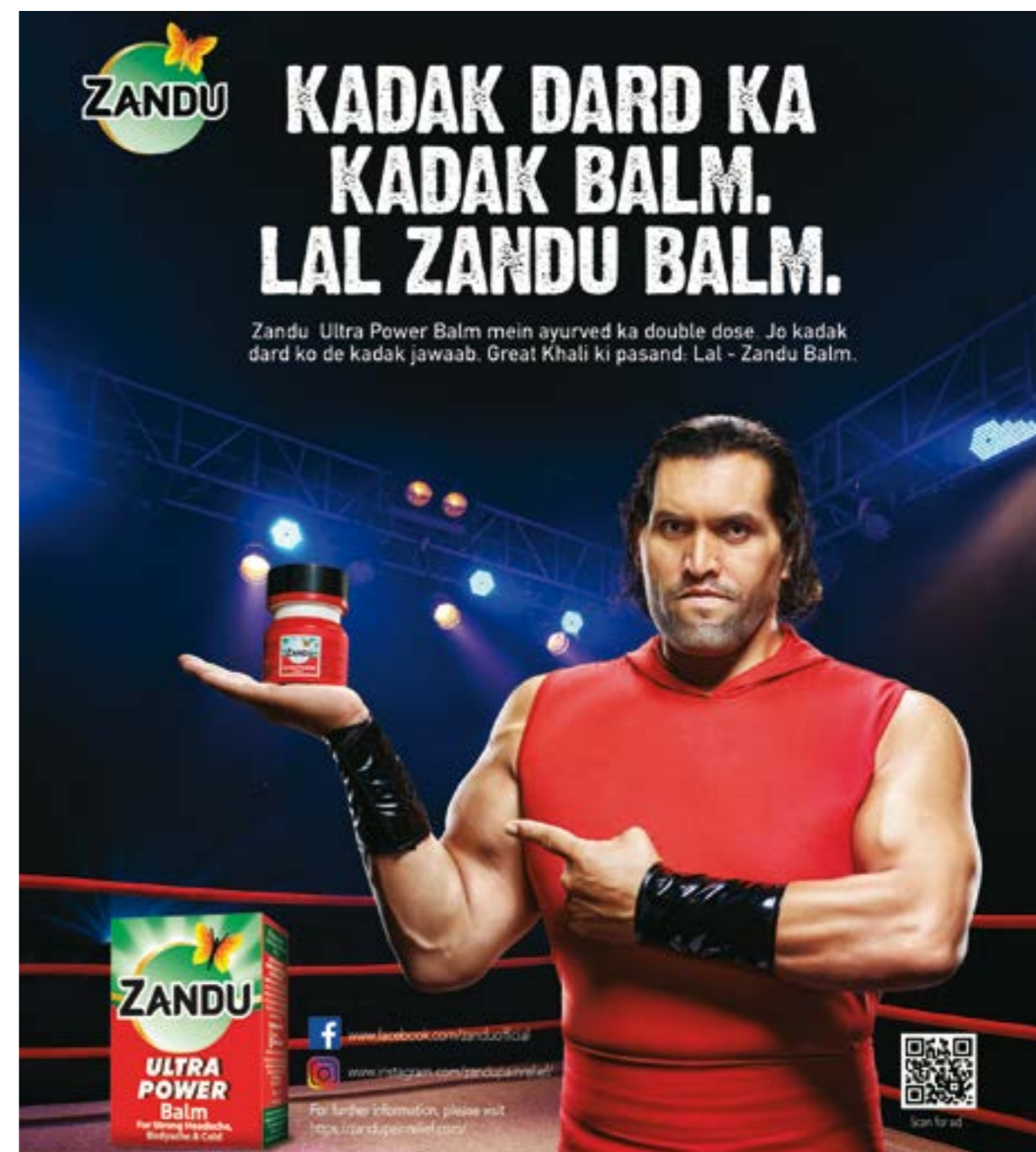
Conducted regular performance marketing campaigns

Conducted branding initiatives (TV campaigns, print campaigns, regional media connect, digital campaigns, wall painting

activities, innovative point of sale material, sampling and trade activation)

Enhanced visibility across chemist counter displays, modern trade outlets with, shelf-ready packs, consumer offers, SKU extension and regional trade inputs.

<p><b>What we were</b></p> <p>Zandu Balm visibility was largely in core markets</p> <p>Zandu Balm was synonymous with pain relief</p> <p>Zandu Balm was largely present in general trade few years back</p>	<p><b>What we are</b></p> <p>Enhanced Zandu Balm's prominence in emerging markets, helping develop the category</p> <p>Perceived as an effective multipurpose pain relief solution; extended to steam inhalation and cold relief</p> <p>Zandu Balm is present across traditional and new age channels with specific SKUs and campaigns to grow each channel</p>
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**Overview**

Emami's Navratna Oil is more than a product; it is a companion. It is more than an oil; it is a trusted friend. It is not just a product that is functionally applied; it is an everyday ritual that makes users feel good about themselves.

Over the years, the Company enhanced the appeal of this

brand by delivering a consistently superior product that enhanced user experience. The superior supply chain, distribution network, efficient cost structure, branding and marketing ensured that the product remained accessible and affordable.

During the year under review, the Company undertook cost-saving initiatives, enhancing its price-value proposition. The

Company's digital transformation enhanced the brand's perception by curating customised and relevant content, delivered through performance marketing that attracted a larger audience.

Navratna Oil enjoyed a market share of 66.4% of the cool oil category with no significant competition, available across more than 4.9 million retail outlets.

**Key challenges and counter-initiatives, FY 2021-22**

*During the second pandemic wave, supplies and distribution channels were disrupted.*

The Company leveraged below-the-line activities and e-commerce, helping overcome supply constraints and sales

losses, which ensured brand accessibility and relevance

To maintain leadership position and protect market share, the brand penetration improved following digital and non-digital channels.

*During the second pandemic wave, inflation affected*

*consumption as consumers shifted to lower priced products.*

The Company's new campaign highlighted Navratna Oil's stress management benefits. It leveraged alternative distribution channels to enhance product accessibility.

**Our competitive strengths**

Strong unaided brand recall	Increased focus on digital activities and emerging channels	Invested in endorsements by brand ambassadors, Salman Khan and Varun Dhawan
Widened the distribution network	Strong market share (cool oil and cool talc categories)	

**Brand positioning**

<p><b>Pricing</b></p> <p>The brand is available across price points (starting from Re 1). Priced at a premium over ordinary hair oil on account of its therapeutic impact</p>	<p><b>Placement</b></p> <p>The brand is available across the General Trade, Modern Trade and e-commerce channels and formats (low unit packet enhancing rural penetration).</p>	<p><b>Promotion</b></p> <p>The brand is engaged in effective above-the-line (ATL) and below-the-line (BTL) marketing and branding activities to maximise the reach and expand build relevance.</p>
<p><b>Profitability</b></p> <p>The brand intends to enhance overall share in the Emami portfolio mix</p>	<p><b>Market share</b></p> <p>The brand accounts for two-third share of the cooling oil market and is the second largest player in the cool talc category</p>	

**Key highlights, FY 2021-22**

- Sustained promotion across the TV, print, outdoor and digital channels
- Launched a 360° TV commercial campaign for Navratna Oil across Andhra Pradesh and Karnataka
- Launched a new campaign on Navratna Maxx Cool Talc campaign featuring Varun Dhawan

- Participated in Kumbh Mela with a customised property (Navratna Kumbh Me Sukoon)
- The brand was promoted across 26 key rural fairs
- Some 25K+ salons were launched to enhance consumer experience

**Outlook**

The Company expects to ride the growing relevance of this

product category, unique positioning and growing recall at a time when stress and lifestyle challenges are growing. The Company intends to leverage its multi-media presence to enhance visibility and relevance across consumers and price points.

**Product portfolio**

Product	Launch year	Use of product	Medium of sale
Navratna Oil	1989	Cooling oil for relief from problems like headache, tension/stress, tiredness and body ache	All channels like General Trade, Modern Trade, e-commerce, alternative channels and others
Navratna Extra Thanda Oil	2006	Same as Navratna Oil but with higher cooling level	All channels like GT, MT, alternative channels and others
Navratna Cool Talc	2007	While ordinary talc gives only fragrance, Navratna Cool talc provides both fragrance and cooling freshness.	All channels like GT, MT, e-commerce, alternative channels and others
Navratna Gold Oil	2021	Same as Navratna Oil but with a pleasant sensation, non-sticky and mild fragrance	E-commerce
Navratna Therapy Stress Relief Oil	2021	Cooling and rejuvenating head massage used for better sleep	E-commerce
Navratna Therapy Body Massage Oil	2021	Stress relief, mental rejuvenation and refreshing cool effect	E-commerce

**The Navratna basket**



**Navratna's leadership foundation**

- Market leader for decades
- 66.4% volume market share in December 2021
- Specialised mix of nine herbs
- Provides relief against stress, headache and sleeplessness
- Appreciated by more than 26 million households
- Oil and Talc offered across seven SKUs (500 ml largest and 2.7 ml smallest for oil)
- Prominent brand ambassadors



# Always a 'Plus' in skincare & trust

## Overview

When a consumer seeks a trusted remedy/care for dry skin, cuts, scratches, minor burns, wounds, cold sores and chapped skin, Emami's antiseptic BoroPlus brand is usually preferred on account of its multipurpose nature.

Across the decades, the brand has become a generic name across Indian households

due to its antiseptic healing, moisturisation treatment and ayurvedic therapeutic properties. On account of its habit-forming features, BoroPlus extended into soaps, aloe vera gel and all-season cream.

Emami's success in the antiseptic space has been validated by sustained leadership in the antiseptic cream segment, supported by a presence across

3.2 million retail outlets. The brand has retained its long standing leadership through a distinctive mix of herbal ingredients and effective formulations, resulting in faster and lasting cure. As an extension of this established trust, the Company extended BoroPlus to a range of products with proven efficacy, accessibility and affordability.

## Challenges and counter-measures

Our operations were impacted by the third Covid-19 wave.

Emami extended the media campaign for BoroPlus antiseptic cream and lotion. The Company increased spends on BoroPlus Aloe Vera Gel and Soap. The Company strengthened its value proposition and communication to enhance consumer relevance.

## Key highlights, FY 2021-22

Emami's base moisturisation portfolio of antiseptic cream and body lotion grew attractively

The Company revamped its moisturisation portfolio to enhance portfolio contemporariness, ayurvedic values, points of difference and harmony

The Company inducted Emami Vasocare into the BoroPlus portfolio as BoroPlus Vasocare

Herbal Petroleum Jelly to attract petroleum jelly users.

BoroPlus brand was strengthened through new product development, resulting in a portfolio targeting a customer spectrum relevant through the year.

The Company organised an extended media campaign for BoroPlus Antiseptic Cream and lotion with a first-time brand integration across leading





television serials.

The Company launched BoroPlus Soft, India's first non-sticky antiseptic cream, targeting millennials and zillennials seeking a light and soft textured face cream with healing properties and optimal moisturisation without oiliness. The Company engaged prominent Bollywood actor Nushratt Bharuccha as the new brand's face. The brand's launch is expected to expand the Company's non-seasonal portfolio.

BoroPlus Aloe Vera gel was promoted to cater to various skin and hair issues of the urban youth.

**Outlook**

The Company intends to graduate BoroPlus into a preferred brand for all healthy skin applications, leveraging natural and ayurvedic heritage and providing effective skincare for an affordable cost. Although BoroPlus Antiseptic Cream is the undisputed market leader in its segment, the Company is concentrating on new product development to deepen a foothold in other categories. The Company aims to achieve strong revenue growth in FY 2022-23 through a consolidation of existing products and market share.

**Big numbers**

**68**  
million, estimated Indian homes where BoroPlus is used

**22**  
%, category penetration

**68.1**  
%, BoroPlus volume market share

**Our competitive features**



**Media channels of our 360-degree marketing**

Print	Digital	Television
Outdoor	Innovative integration on TV	In-shop
Out-of-home	Rural activation	Visibility and promotion across new age channels like Modern Trade and e-commerce

**Our brand vision**



**Skin so soft and huggable...**

**BOROPLUS**  
doodh kesar body lotion

**24H MOISTURIZATION** | **VIT E**

**BUY 1 GET 1 FREE**

No more dryness, only soft, glowing, huggable skin!

**DOODH**  
Natural vitamins\* in milk penetrate deep\* into the skin, infusing it with moisture. Provides relief from dryness and itchiness.

**KESAR**  
Pure Kashmiri Kesar makes your skin glow!

**#HuggableSkin**

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

# KESH ka KING



### Overview

Hairfall is a growing phenomenon across households on account of increasing stress, hectic schedules, unhealthy diet and the side-effects arising out of alternative hair products, among others. Emami's Kesh King has been positioned as India's number one hairfall expert while promoting hair re-growth; being Ayurvedic, there are no side-effects.

### Our competitive strengths

- Kesh King is India's largest distributed ayurvedic oil, a popular choice among consumers who seek an effective hairfall solution without side-effects.
- The brand enjoys a large and loyal consumer base
- Kesh King is foraying into different segments in terms of product, size, price point etc.

### Challenges and counter measures

The second pandemic wave during the first quarter of the year under review affected the brand's growth momentum

The Company's brand promotion enhanced consumer value following the second lockdown.

The Company maintained focused campaigns with Shilpa Shetty as brand ambassador  
*The increased raw material price affected margins.*

With the addition of shampoo variants, Kesh King created a diverse product offering with relevant SKUs. The Company addressed demand through shampoo sachets, which strengthened product acceptance and distribution across a wider customer range.

### Key highlights, FY 2021-22

- Kesh King launched an anti-dandruff shampoo, the second largest consumer need after hairfall, addressing consumers seeking a natural dandruff

remedy

- The launch of a new SKU at ₹49, Kesh King Oil pack created a new price point
- The Company developed a D2C site enhancing a direct connect with consumers, strengthening authenticity.
- The Company launched a new Kesh King Oil campaign with Shilpa Shetty as the brand ambassador for a wider brand appeal across ages and interest groups

### Outlook, FY 2022-23

The Company expects to ride a growing ayurveda preference to enhance visibility in a cluttered market.

Product	Product use	Medium of sale
Kesh King Ayurvedic Oil	Ayurvedic anti-hairfall coupled with hair growth	General trade, Modern trade, e-commerce and D2c
Kesh King Ayurvedic Shampoo	Ayurvedic anti-hairfall shampoo Ayurvedic anti-dandruff shampoo Ayurvedic damage repair shampoo	General trade, Modern trade, e-commerce and D2c
Kesh King Ayurvedic Capsule	Ayurvedic capsule for hair growth	General trade, Modern trade, e-commerce and D2c
Kesh King Onion Range	Ayurvedic onion oil for Anti-hairfall coupled with hair growth Ayurvedic onion Shampoo	e-commerce and D2c

### Kesh King to consolidate its position as India's number one hairfall expert, FY 2022-23

Introduce D2C products addressing the youth	Capitalise on the affordable ₹49 pack to address a wider audience	Leverage sachets to increase distribution and trials
Capitalise on launches (anti-dandruff shampoo)	Venture into the premium range through the onion shampoo	Enhance share of voice to enhance brand visibility
Enhance product excitement through offers (e-commerce and Modern Trade) and enhance consumer value through promotions in inflationary times		



▲ Zandu OTC range of Healthcare products

# How we strengthened our healthcare business in FY 2021-22

## Overview

The size of the Indian population, the tropical climatic reality, density of population and vulnerability to niggling ailments provide a basis of why the Company is growing in the healthcare space.

The numbers validate a rationale for the Company's presence. Nearly 9.1% of urban India has a

tendency to develop common health problems, the major cause being infection, accounting for 25.4% of hospitalised cases.

Nearly 21.9% of the Indian population living in urban India suffers from cardiovascular disease. Endocrine or metabolic illnesses such as diabetes, thyroid dysfunction and cancer, among others, account for 20.8%.

With a rise in illnesses, the urban Indian seeks to shift from conventional therapies towards natural products, marked by lower side-effects.

This helped the Indian ayurveda products market to grow to ₹515.5 billion in 2021.

## Emami and Ayurveda

Emami has consistently invested in ayurveda products research across the personal care and health care categories, broadbasing the foundation for sustainable growth.

The growth in the Company's ayurveda business was reinforced through its R&D Centre being approved as a drug testing laboratory for ayurvedic, sidha, 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) is supported by its bio-resources department that helps source quality ayurvedic herbs and resources.

## Challenges and counter-initiatives

The immunity range of Emami's ayurveda products showed promising growth during the first half of the year but slowed thereafter following a decline in the impact of COVID-19.

• The Company responded with

various counter-initiatives:

- The Company promoted its immunity range, comprising Zandu Chyavanprash, Health Juices, Ayurvedic Cough Syrup, Giloy Ghanvati, Trishun and Immuzan, at the medico and trade levels to address post-COVID complications.

- The Company increased retail branding and engaged in special activations across the immunity range of products

## Competitive strengths

The Company possesses over a century of Ayurvedic expertise, resulting in an institutionalised knowledge of products and needs.

The Company's products are evidence-based, scientifically evaluated and clinically proven.

The Company possesses an R&D laboratory accredited by AYUSH and NABL.

The Company possesses a manufacturing facility with WHO GMP certification.

The Company enjoys a strong consumer franchise for brands like Zandu Nityam, Kesari Jivan, Chayanprash, Pancharishta, Lalima, Pure Honey and Vigorex.

The Company possesses value-added and differentiated products, enhancing brand recall.

The Company capitalises on consumer insight-led marketing communication coupled with trusted brand ambassadors.



▲ Digital-first launches on the Zanducare portal

**Key initiatives, FY 2021-22**

The Company undertook initiatives to connect with key opinion leaders across India. The Company leveraged the power of webinars to connect with medical practitioners.

The Company sustained awareness building programmes for the medical fraternity.

The Company organised health camps to enhance the connect of Zandu products with users.

The Company enhanced brand and category promotional programmes through print, television and digital marketing channels.

The Company promoted the immunity

range based on COVID and post-COVID indications.

The Company continued to focus on value-based pricing to enhance consumer acceptance and market share.

**Achievements, FY 2021-22**

The Company increased its coverage of Doctors, Retailers and Ayurvedic bhandars, strengthening its brand franchise, sales and market-share across product segments.

The Company emphasised select categories and brands in the Generics/Classical, Ethical and OTC product categories, leading to substantial growth; it reported growth in the immunity product range.

The Company reported a significant rise in key accounts, Modern Trade and e-commerce marketplaces.

Select product categories reported double-digit growth.

**Outlook, FY 2022-23**

The Company intends to access untapped markets, enter new categories / therapeutic segments with new products, enhance key customer relationship building programmes and expand its geographical footprint with the objective to generate double-digit growth.



# Cooling Ka Double Blast

125g Dettol Cool Soap Free with 150g Dermicool Talc  
 75g Dettol Cool Soap Free with 90g Dermicool Talc  
 Offer Available Until Stocks Last. Pack also available without offer.  
 \* ₹125 Dettol Cool MRP Rs. 58 (Inclusive of all taxes)

125g



Hi handsome!

**Overview**

The Company's Fair and Handsome brand was pioneering in the male grooming category following its launch in 2005. The brand created the category of men's face care that extended beyond shaving. Following inception, the brand strengthened its leadership.

The Company's Fair and Handsome brand is respected for its understanding of men's tough skin needs; Fair and Handsome Radiance Cream delivers instant radiance and sun protection; Fair and Handsome Face Wash provides a fresh look.

The Company invested in timely product introductions, brand

spending and endorsements. The brand leveraged the wide popularity of the brand ambassador Salman Khan in addition to a series of trade activations, strengthening confidence in the men's skincare category in general and the brand in particular.

**Key challenges and counter-initiatives**

Being a discretionary spending brand and with e-commerce at a nascent development stage, Fair and Handsome reported a business decline during the first quarter of the last financial year following the second pandemic wave.

The brand was supported by strong media investment in the subsequent quarters that increased household penetration and revenues.

**Branding**

The brand was promoted through digital and non-digital channels to maximise visibility.

Media investments improved new trial rates 102% in FY 2021-22. The Company intends to reposition the brand in FY 2022-23 with the objective to relook the 4P's of marketing and revamp both brands - cream and face wash - with efficacy-driven product claims, new packaging, competitive pricing and new communication assets. The rejuvenated marketing will be communicated to consumers and sale/shop touch points through multiple trade partners, generating a consumer pull and strengthening the brand's relevance in the consumer's life.

visibility, the Company's Fair and Handsome Cream portfolio accounted for 63.8% volume market share in the Men's Fairness category in December 2021 (MAT) with a presence across 58 Lac households (MAT December 2021).

A unique content strategy has been devised to drive consideration and engagement across the digital ecosystem for the Fair and Handsome Cream and Facewash line.

**Outlook, FY 2022-23**

In FY 2022-23, the Fair and Handsome portfolio aims to report strong growth, catalysed by trial generation and category expansion.

**How we positioned our products**

**Pricing**  
Premium among male fairness creams

**Placement**  
Strong presence across rural and urban India

**Promotion**  
Branding through digital and non-digital channels (includes brand endorsements)

**Profitability**  
Increased revenue share in the products portfolio

**The brand scenario 'before' and 'after'**

Media Gross Rating Point (GRP)

**Before**

Average 4% share of voice in three years

**After**

10% share of voice in December 2021 (2x growth over FY 2019-20)



# Awards and Accolades

## Corporate Awards and Rankings

- Won the India Star award for BoroPlus Dibbi- Shelf Ready pack, (International Business) by Indian Packaging Institute (IPI)
- R&D (CADE) Team won the first prize at the prestigious Dr P. D. Sethi National Award 2020 for Best Research Paper on from Industry Application of TLC/HPTLC in Pharma, Herbal & Other Chemical Analysis.
- The Pacharia Unit of the Company won the prestigious Greentech Environment Awards 2021 for Outstanding Achievement in Environmental Protection.



## Brands and Marketing Awards

- Navratna Maxx Cool Talc won 2 Silver awards at the ET Brand Equity Brand Disruption Awards 22 under FMCG - Personal Care category and Small Budget Campaign Category.
- Navratna Therapy range was awarded with the 'Product Launch Of The Year' under Ayurveda category at the Channelier FMCG Awards 2021



- Priti A Sureka, Director, Emami Ltd got featured as one of the Powerful Influencers of 2021 in Marketing by Adgully, one of the leading A&M media portals of India.



- Aditya. V. Agarwal, Director, Emami Group received 'Certificate of Excellence' at the platform of Udaan – Dare to Dream, a special initiative by Zee Media Corporation Ltd

# Directors' Report

*Dear Shareholders*

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, 2022. In compliance with the applicable provisions of the Companies Act, 2013. ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), this report covers the financial results and other developments during the financial year from April 1, 2021 to March 31, 2022

## 1. Operations Review

In FY22, the Company posted Revenues of ₹3192 cr. which was 10.8% higher than the previous year. The Company delivered EBIDTA of ₹952 cr. and Profit after tax of ₹837 cr which was higher by 84% over the previous year, adjusted profit after tax instead of cash profit at ₹854 cr also grew by 18% over previous year.

The Company's domestic business grew by 11% over previous year despite challenges like the pandemic, high cost of raw materials, loss of jobs, sluggish rural demand, and reduction in discretionary spending etc. affecting business across the

Financial results are summarised below:

## Financial results

(₹ lacs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
<b>Operating income</b>	<b>2,86,687</b>	<b>2,58,228</b>	<b>3,19,203</b>	<b>2,88,053</b>
<b>Profit before interest, depreciation and taxation</b>	<b>1,02,012</b>	<b>94,737</b>	<b>1,04,762</b>	<b>95,332</b>
Interest	345	1,201	507	1,327
Depreciation and amortisation	32,761	36,114	33,478	36,695
<b>Profit Before Tax and Exceptional Items</b>	<b>68,906</b>	<b>57,422</b>	<b>70,777</b>	<b>57,310</b>
Exceptional Items	-	-	518	-
<b>Profit before taxation</b>	<b>68,906</b>	<b>57,422</b>	<b>70,259</b>	<b>57,310</b>
<b>Less: Provision for taxation</b>				
- Current tax	12,209	10,034	13,539	11,474
- Deferred tax ( net )	438	(125)	404	(53)
- MAT credit entitlement	(28,809)	-	(28,809)	-
<b>Profit after taxation</b>	<b>85,068</b>	<b>47,513</b>	<b>85,125</b>	<b>48,889</b>
Non-controlling interest	-	-	(232)	1
<b>Profit after minority interest</b>	<b>85,068</b>	<b>47,513</b>	<b>85,357</b>	<b>48,888</b>
Share of profit/(loss) of associate	-	-	(1,458)	418
<b>Profit for the year</b>	<b>85,068</b>	<b>47,513</b>	<b>83,899</b>	<b>45,470</b>
Balance brought forward	67,182	55,105	67,646	57,618
<b>Profit available for appropriation</b>	<b>1,52,250</b>	<b>1,02,618</b>	<b>1,51,545</b>	<b>1,03,088</b>

(₹ lacs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Appropriation				
Effects of adoption of new accounting standard , i.e, Ind AS 115		-		-
Interim dividend	35,561	35,561	35,561	35,561
Corporate dividend tax	-	-	-	-
Re-measurement of net defined benefit plans (net of tax)	5	(125)	154	(120)
Balance carried forward	1,16,684	67,182	1,15,830	67,646
<b>Total</b>	<b>1,52,250</b>	<b>1,02,618</b>	<b>1,51,545</b>	<b>1,03,088</b>

## 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 2021-2022.

## 3. Dividend

During the year under review the Company has paid two interim Dividends aggregating to Rs 8/- per share of Re 1/- each. The two interim dividends so paid will be placed for confirmation by the members at the ensuing AGM. The total dividend outgo for the financial year ended March 31, 2022 amounted to ₹35,561.10 lacs and dividend pay-out ratio works out to 42.4%. The dividend pay-out is in accordance with the Company's Dividend Distribution Policy. The Policy is available on the Company's website [www.emamiltid.in](http://www.emamiltid.in).

## 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. Buyback of Equity Shares

The Board of Directors at its Meeting held on February 3, 2022 approved the Buyback of equity shares 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 INR 16,200 lacs (Rupees Sixteen Thousand Two Hundred Lacs Only) which represented 9.98% 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, 2021.

The Buyback process commenced on February 9, 2022 and closed on March 21, 2022. The Company has bought back 33,63,740 equity shares pursuant to the buyback offer by

utilizing a sum of ₹16,121.45 lacs (Rupees Sixteen Thousand One Hundred and Twenty One Lacs Forty Five Thousand Only) which represents 99.52% of the Maximum Buyback Size. The Company has completed the process of extinguishment of the entire 33,63,740 Equity Shares bought back under the Buyback Process.

## 7. Share Capital

As on 31st March, 2022 the authorised, issued, subscribed and fully paid-up share capital comprises of: Authorised Capital: 50,00,00,000 equity shares of Re. 1/ each; Issued, Subscribed and Fully paid up: 44,11,50,000 equity shares of Re. 1 each after extinguishment of 33,63,740 equity shares bought back under the Buyback process during FY 2021-2022.

## 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 31000:2018 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 companies, joint ventures and associate companies

### 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.emamiltd.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf](http://www.emamiltd.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf). As of March 31, 2022, your Company had the following subsidiary companies:

- i) Emami Bangladesh Ltd., Bangladesh, wholly-owned subsidiary of Emami Limited
- ii) Emami Lanka (Pvt.) Ltd., Sri Lanka, wholly-owned subsidiary of Emami Limited
- iii) Emami International FZE, UAE, wholly-owned subsidiary of Emami Limited
- iv) Crème 21, GmbH Wholly owned subsidiary of Emami International FZE
- v) Emami International Personal Care Trading LLC- Dubai, a wholly-owned subsidiary of Emami international FZE.
- vi) Emami Rus (LLC), Russia, subsidiary of Emami International FZE
- vii) Emami Overseas FZE, UAE, , wholly-owned subsidiary of Emami International FZE.
- viii) Pharma Derm SAE Co, Egypt, subsidiary of Emami Overseas FZE.
- ix) Brillare Science Pvt Ltd, Indian subsidiary of Emami Limited

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.emamiltd.in](http://www.emamiltd.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., Bangladesh

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, 2022, the Company clocked revenues worth ₹15,501 lacs (previous year ₹12,658 lacs) and profit after tax of ₹2,597 lacs (previous year ₹1,631 lacs).

### Emami Lanka (Pvt) Ltd., Sri Lanka

Emami 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 financial year name of the Company has been changed from Emami Indo Lanka (Pvt) Ltd. to Emami Lanka (Pvt) Ltd.

During the period ended March 31, 2022, the Company earned revenues of ₹1,785 lacs (previous year ₹1,201 lacs) and Profit/(loss) after tax of ₹(174) Lacs, (previous year ₹14 lacs).

### Emami International FZE, UAE

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, 2022, the Company clocked revenues worth ₹21,450 lacs (previous year ₹22,983 lacs) and profit/loss after tax of ₹1,079 lacs [previous year ₹869 lacs].

### Crème 21, GmbH (Formerly Known as Fentus 113. GmbH)

Fentus 113 GmbH. Germany, was incorporated on 3rd January, 2019.

During the period ended March 31, 2022, the Company earned revenues of ₹985 lacs [previous year ₹1,808 lacs] and Profit after tax of ₹(1) Lacs [previous year ₹67 lacs].

### Emami International Personal Care Trading LLC- Dubai

Emami International Personal Care Trading LLC, UAE, was incorporated on 28th January, 2022. It has become the Wholly Owned Subsidiary of Emami International FZE w.e.f February 15, 2022.

During the period ended March 31, 2022, the Company earned revenues of Rs Nil lacs and Profit after tax of ₹(4) Lacs.

## Emami (RUS) LLC

Emami (RUS) LLC was incorporated on 14th August, 2018 with an objective of trading of Perfumery products, Cosmetics and Pharma products.

During the period ended March 31, 2022, the Company earned revenues of ₹3,415 lacs [previous year ₹3,213 lacs] and Profit after tax of ₹(764) Lacs [previous year ₹(207) Lacs]

## Emami Overseas FZE, UAE

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, 2022, the Company recorded revenues worth ₹ Nil (previous year: nil) and profit after tax of ₹(8) lacs [previous year profit of ₹(7) Lacs].

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

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, 2022, the Company recorded revenues worth ₹ NIL Lacs (previous year ₹ NIL Lacs) and profit/ loss after tax of ₹(495) lacs [previous year ₹10 lacs].

## Brillare Science Private Limited, India

Brillare Science Private Limited has become a subsidiary of Emami Limited w.e.f. 1st October, 2021. It is engaged in the manufacturing of professional saloon products and during the financial year ended March 31, 2022, the Company earned revenues worth ₹1772 Lacs (previous year ₹971 lac) and Profit/(loss) after tax of ₹(495) lacs [previous year ₹(203) lacs].

## Associate companies

### Helios Life Style Private Limited, India

Helios is engaged in online male grooming sector and during the financial year ended March 31, 2022, earned revenues worth ₹8278 lacs (previous year ₹4,286 lacs) and a profit/(loss) after tax of ₹(2701) lacs (previous year ₹(1,047) lacs).

### Tru Native F&B Pvt Ltd, India

During the year under review, the Company has made strategic investment in Tru Native F & B Pvt Ltd, equivalent to 20.65% of its paid up capital on fully diluted basis. TruNative is smart nutrition company dedicated to empowering health and fitness enthusiasts with affordable and healthy food & nutrition options. During the financial year ended March 31, 2022, the Company earned revenues worth ₹62 lacs (Previous year ₹18 lacs) and previous year ₹18 lacs a profit/ (loss) after tax of ₹(117) lacs (previous year ₹(1) 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 2021-22.

## 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, 2022, stood at ₹2,07,659 lacs as against ₹1,76,265 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. Transfer of Unclaimed Dividend and Unclaimed shares

The details relating to unclaimed dividend and unclaimed shares forms part of the Corporate Governance Report forming part of this report.

## 15. Auditors and Auditors' Reports

### Statutory auditor

Your Company's Statutory 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 Audit Committee considering the performance and reputation of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants recommended for its reappointment in compliance of Section 139 of the Companies Act 2013.

Based on recommendation of Audit Committee, the Board has proposed for reappointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants for the second term of five consecutive years commencing from the conclusion of 39th Annual General Meeting up to the conclusion of 44th Annual General Meeting of the Company for approval of the shareholders at the ensuing AGM.

M/s. S. R. Batliboi & Co. LLP have consented to the said re-appointment, and confirmed that their re-appointment, if made, would be within the limits mentioned under Section 141(3) (g) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The Auditor's report to the shareholders on the standalone & consolidated financial statement of the Company for the financial year ended on 31st March 2022 does not contain any qualification, reservation or adverse remark or disclaimer.

### Secretarial auditor

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 FY2021-2022.

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) Regulations, 2015 and same has been intimated to the stock exchanges within the stipulated time.

### Cost Auditor

The Company's cost auditors, M/s. V. K. Jain & Co. (firm registration number 00049), were appointed by the Board of Directors at its meeting held on May 25, 2021 to audit the cost accounting records, as may be applicable to the Company for FY 2021-22, and their remuneration was approved during the previous Annual General Meeting.

As per the requirements of section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounts and records in respect of the applicable products for the year ended March 31, 2022.

M/s V. K. Jain & Co, were reappointed as cost auditors for FY 2022-23 by the Board of Directors in its meeting held on 13th May, 2022 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. M/s V. K. Jain & Co. have given their consent to act as Cost Auditors and confirmed that their appointment is within the limits of the section 139 of the Companies Act, 2013.

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.

Pursuant to Companies (Cost Records and Audit) Rules, 2014, the Cost Audit Report for the financial year March 31, 2021 was filed with the Ministry of Corporate Affairs within prescribed time.

## 16. 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)

## 17. Annual Return

In terms of Section 92(3) the Companies Act 2013 and Rule 12 of the Companies (Management and Administration) Rules 2014, the Draft Annual Return of the Company for the financial year ended on 31st March 2022 is available on the website of the Company at the link <http://www.emamiltd.in/investor-info/index.php#Compliance>

## 18. 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.emamiltd.in/holisticliving/pdf/Corporate Social Responsibility Policy of EmamiLtd.pdf](http://www.emamiltd.in/holisticliving/pdf/Corporate%20Social%20Responsibility%20Policy%20of%20EmamiLtd.pdf)

The Annual Report on CSR expenditures for the FY 2021-22 is annexed herewith and forms part of this report (Annexure III).

The Company spent ₹908.33 Lacs on CSR activities during the year against obligation of ₹882.25 Lacs including ₹75 lacs which has been deposited into separate Bank account towards its on-going projects.

The Company has spent ₹28.2 Lacs over and above the CSR obligations for the FY 2021-22, hence this amount will be carried forward for set-off against CSR expenditure in the next financial year.

## 19. Directors and Key Managerial Personnel

In accordance with provisions of Section 152 of the Companies Act 2013 read with Rules made thereunder, Smt. Priti A. Sureka (DIN 00319256), Shri Prashant Goenka (DIN 00703389) and Shri Mohan Goenka (DIN 00150034) are liable to retire by rotation at the 39th Annual General Meeting and being eligible, offer themselves for reappointment.

During the year under review, upon recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and Shareholders, following changes have been effected-

Shri R. S. Agarwal and Shri R. S. Goenka founders of the company have not opted to continue their executive positions after completion of their respective terms on March 31, 2022. The Board of the Directors recognized and appreciated their immense contribution in building and growing the organization as founders and noted their desire to step down from their Executive positions while continuing on the Board. Accordingly, the Board unanimously decided to appoint Shri R.S. Agarwal as Chairman Emeritus and Shri R.S. Goenka as Non-Executive Chairman effective 1st April, 2022.

The Board also acceded to Shri Sushil Kumar Goenka's desire to step down from his current position as the Managing Director of Emami Ltd as part of the transition process and has re-appointed him as a Whole-Time Director with the specific responsibility of operations, procurement & packaging of the Company effective 1st April, 2022.

Consequently, the Board elevated Shri Harsha V Agarwal and Shri Mohan Goenka, Whole-Time Directors of Emami Limited as Vice Chairman-cum-Managing Director and Vice Chairman-cum-Whole Time Director, respectively, effective 1st April, 2022 to steer the organisation forward.

### **Independent Directors**

With effect from close of business hours of 2nd August, 2021, Smt. Rama Bijapurkar, (Woman Independent Director) resigned from the Board of the Company in view of the changes she wanted to make with respect to her portfolio of professional work and time. The Board put on records its appreciation for valuable guidance rendered by her during her tenure as an Independent Director of the Company.

Smt. Mamta Binani was appointed by the Board and approved by the Shareholders as an Independent Director (Woman Independent Director) of the Company for a period of two years with effect from 29th October, 2021.

The second term of five Independent Directors of the Company, namely Dr Y. P. Trivedi, Dr K. N. Memani, Shri P. K. Khaitan, Shri S.B. Ganguly and Shri Amit Kiran Deb will be completed on 1st August 2022.

The first term of appointment of Shri C. K. Dhanuka as an Independent Director of the Company will also be completed on 1st August, 2022. On the recommendation of the Nomination and Remuneration Committee, the Board has proposed his re-appointment for the second term of five consecutive years commencing from 2nd August, 2022 subject to approval of the Shareholders.

The above proposed re-appointment of Independent Director is as per the Board Diversity Policy of the Company.

Pursuant to section 149 of The Companies Act, 2013 (as amended) and Regulation 25(8) of SEBI Listing Regulations,

2015 the Company has received declarations from all the Independent Directors that they have met the criteria of independence.

None of the Directors of the Company is disqualified for being appointed/re-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 appointed/reappointed, is provided in the Notice of the Annual General Meeting forming part of the Annual report.

### **20. 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, 2022 is attached as part of the Annual Report.

### **21. Dividend Distribution Policy**

The Company has formulated a Dividend Distribution Policy, which has been displayed on the website of the Company, [http://www.emamiltd.in/investor-info/pdf/Dividend\\_Distribution\\_Policy\\_Emamiltd.pdf](http://www.emamiltd.in/investor-info/pdf/Dividend_Distribution_Policy_Emamiltd.pdf).

### **22. 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.emamilttd.in/investorinfo/pdf/EmamiLtdFamiliarisationProgrammeForIndependentDirectors.pdf>.

### 23. 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.

### 24. Number of meetings of the Board

The Board of Directors held six meetings during the year on 25th May 2021, 2nd August 2021, 25th August 2021, 29th October 2021, 3rd February 2022 and 21st March 2022. The maximum gap between any two meetings was less than 120 days, as stipulated under SEBI's Listing Regulations, 2015. The details of Board Meetings held and attendance of Directors are provided in the Report on Corporate Governance forming part of this report.

### 25. 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 (Formed on 3rd February 2022 for the purpose of Buyback of equity shares of the company during FY 2021-22)

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.

### 26. 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.

### 27. 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 Corporate Governance Report, which forms part of the Annual Report. The policy on vigil mechanism may be accessed on the Company's website at: <http://www.emamilttd.in/investor-info/pdf/WhistleBlowerPolicyEmami.pdf>.

### 28. 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.emamilttd.in/investor-info/index.php#Compliance>

### 29. 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>.

### **30. 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 hold securities of other bodies corporate as strategic investors.

### **31. 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 IV)

### **32. 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.

### **33. 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: 2018 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.

### **34. 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 not received any Complaint.

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.

### **35. 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.

### **36. 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, 2022, 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, 2022, 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.

### 37. 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.

For and on behalf of the Board

Place: Kolkata  
Date: 13th May, 2022

**R.S. Goenka**  
*Chairman*  
DIN-00152880

Annexure-I  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

[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 and considering the relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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, 2022, 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:
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - ii. The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
  - iii. The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - iv. The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
  - vi. The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008
  - vii. The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
  - viii. The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
  - ix. 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 Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that

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

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

We further report that the offer for buyback of equity shares of the company as approved by the Board of Directors at their meeting held on 3rd February, 2022, opened on 9th February, 2022 and closed on 21st March, 2022. Under the offer the company has bought back 33,63,740 equity shares at a total sum of ₹16,121.45 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

COP no. 7596

Date: 13.05.2022

Place: Kolkata

UDIN: A011470D000319690

## 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.

**For MKB & Associates**

*Company Secretaries*

Firm Reg No: P2010WB042700

**Manoj Kumar Banthia**

*Partner*

Membership no. 11470

COP no. 7596

Date: 13.05.2022

Place: Kolkata

UDIN: A011470D000319690

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## 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 arise in renewal energy use and reduction in specific energy consumption (vs production). The company also reported a reduction in effluent generation and 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&amp;D:

	₹ In Lacs
Capital	30.06
Recurring	2,255.01
Total	2,285.07
R&D as a percentage of total turnover	0.80%

**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 2021-22 was ₹11,225.59 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	4,047.14
Capital goods	650.74
Professional fees	403.52
Others	725.58
<b>Total</b>	<b>5,826.98</b>

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

	₹ In Lacs
Export of goods on FOB basis	11,225.59
Dividend	2,153.86
Royalty	363.53
Interest	50.09
Guarantee Commission	63.30
<b>Total</b>	<b>13,856.365</b>

Annexure III

## Report on Corporate Social Responsibilities

for the financial year 31st March 2022

**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.emamilttd.in/investor-info/](http://www.emamilttd.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) :** NA

**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 :** ₹2.12 lacs

**6. Average net profit of the company as per section 135(5) :** ₹44,112.67 lacs

**7. (a) Two percent of average net profit of the company as per section 135(5) :** ₹882.25 lacs

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years :** NIL

**(c) Amount required to be set off for the financial year, if any :** ₹2.12 lacs

**(d) Total CSR obligation for the financial year (7a+7b-7c) :** ₹880.13 lacs

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹ in lacs)	Amount Unspent (in ₹ In lacs)				
	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
908.33	75.00	27-04-2022	NA	NA	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.		(6) Amount spent for the project (in ₹) (INR in Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	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;	South 24 Parganas;	100.00	No	Emami Foundation; CALCUTTA CENTRE MAHAVIR SEVA SADAN	Emami Foundation-CSR00003206; CALCUTTA CENTRE MAHAVIR SEVA SADAN-CSR00000949
<b>Total</b>						<b>100.00</b>			

**NOTE:**

**The Project :** "Mahavir Seva Sadan Research & Rehabilitation Centre for Children with Cerebral Palsy including School, Artificial Limbs workshop and a Multi-Speciality Medical Centre" at Amgachia, Nepalgunj Road, Pailan, District 24 Parganas South, West Bengal.

Amount Allocated [Under On going Project] : ₹100 Lakhs

Amount Reimbursed and utilized in FY: 2021-22 : ₹25 Lakhs

Amount kept with unspent Bank Account : ₹75 Lakhs. To be disbursed as funding for ongoing Project in FY-2022-23

(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			(INR in Lakhs)	Name
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, Maharashtra, West Bengal	Pantnagar (Udham Singh Nagar);Alandi (Pune ), Behala (Kolkata), Nepalgunj (24 Parganas South West Bengal), Baghmundi (Purulia)	160.59	Yes & No	Emami Foundation MAHARSHI VEDVYAS PRATISHTHAN; Parivar Milan; Help Us Help Them; Rural Organization for Social Establishment	Emami Foundation-CSR00003206 MAHARSHI VEDVYAS PRATISHTHAN-CSR00002814 Parivar Milan-CSR00002247 Help Us Help Them-CSR00002874 Rural Organization for Social Establishment-CSR00012461
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, Uttar Pradesh	Kolkata; Haripal Hoogly; Vrindavan, Dist. Mathura.	65.84	Yes & No	Emami Foundation; Param Shakti Peeth	Emami Foundation - CSR00003206. PARAM SHAKTI PEETH-CSR00000072
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	Haripal Hooghly; Liluah, Howrah; Kolkata; Contai, East Midnapore; Chennai,	57.15	Yes & No	Emami Foundation, Gramothan India Foundation, Bharatyia Samskriti Trust	Emami Foundation CSR00003206 Gramothan India Foundation - CSR00000364 Bharatyia Samskriti Trust - CSR00000350
4	Project - Social Upliftment Project Activity - Hunger Mitigation & Food Distribution	[i] Eradicating hunger, poverty and malnutrition	No	West Bengal, Uttarakhand, Gujrat;	Kolkata; 24Parganas North; Haripal, Hooghly, Pantnagar, (Udham Singh Nagar) ; Vapi, (Valsad)	39.16	Yes & 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			(INR in Lakhs)	Name
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; West Bengal; Uttarakhand	Kamrup, Guwhati; Kolkata; Pantnagar, (Udham Singh Nagar) district, Uttarakhand);	121.32	Yes & No	Emami Foundation; ANAMIKA KALA SANGAM TRUST; SPORTS A WAY OF LIFE	Emami Foundation CSR00003206 ANAMIKA KALA SANGAM TRUST CSR00003720 SPORTS A WAY OF LIFE: CSR00013832
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	Tamil Nadu; Maharashtra; Madhya Pradesh	Chennai; Marathwada Districts - Beed, Latur, Parbhani, Osmanabad, Nanded, Jalna, Aurangabad, Hingoli; - Palghar Taluka - Wada, Vikramgad, Jawhar, Mokhada Districts - Bhopal, Raisen, Vidisha, Hoshangabad, Sehore & Burhanpur;	50.00	No	Gramothan India Foundation, Bharatyia Samskriti Trust (Chennai) Global Vikas Trust	Gramothan India Foundation - CSR00000364; Bharatyia Samskriti Trust - CSR00000350; GLOBAL VIKAS TRUST- CSR00004400
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	West Bengal; Maharastra	Haripal, Hooghly, Kolkata ; Contai Purba Mednipur; Sunderban, 24 PGS (N), 24PGS (S); Mumbai;	55.10	No	Emami Foundation; HIVE INDIA	Emami Foundation; CSR00003206 HIVE INDIA: CSR00005264
8	Project - Social Upliftment Project Activities - Animal Welfare & Environment Program	[iv] animal welfare	No	West Bengal	24 Parganas (N), 24Parganas (S), Kolkata	40.52	No	Emami Foundation; PEOPLE FOR ANIMALS	Emami Foundation CSR00003206 PEOPLE FOR ANIMALS CSR00001927

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 ₹) (INR in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
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; Assam	South 24 Parganas; Kolkata; Howrah; Guwhati	43.09	No	Emami Foundation; CALCUTTA CENTRE MAHAVIR SEVA SADAN	Emami Foundation-CSR00003206; CALCUTTA CENTRE MAHAVIR SEVA SADAN-CSR00000949
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	131.46	No	Emami Foundation	Emami Foundation CSR00003206
<b>Total</b>						<b>764.22</b>			

(d) Amount spent in Administrative Overheads: ₹44.11 lacs\*

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹908.33 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) after deduction of excess CSR expenditure incurred in the P.Y 2020-21 for ₹2.12 lacs	880.13 lacs
(ii)	Total amount spent for the Financial Year	908.33 lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	28.20 lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	28.20 lacs

\* As per rule 7 of the CSR Rules 2014

**9. (a) Details of Unspent CSR amount for the preceding three financial year:**

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 year (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

(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).**

- (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. Goenka**  
Chairman  
DIN-00152880  
Emami Limited

Sd/-

**Sushil Kr. Goenka**  
Chairman  
DIN-00149916  
CSR Committee

## Annexure IV 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 2021-22

Sr. No.	Name	Ratio
1	Shri R.S. Agarwal	175.57 : 1
2	Shri R. S. Goenka	175.57 : 1
3	Shri S. K. Goenka	37.01 : 1
4	Shri Mohan Goenka	34.24 : 1
5	Shri H. V. Agarwal	32.23 : 1
6	Smt. Priti A Sureka	32.23 : 1
7	Shri Prashant Goenka	32.23 : 1

- (ii) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in Financial Year 2021-22:

Sr. No.	Name	Designation	% Increase
1	Shri R.S. Agarwal	Executive Chairman	5.81%
2	Shri R. S. Goenka	Whole Time Director	5.81%
3	Shri S. K. Goenka	Managing Director	9.51%
4	Shri Mohan Goenka	Whole Time Director	10.35%
5	Shri H. V. Agarwal	Whole Time Director	11.07%
6	Smt. Priti A Sureka	Whole Time Director	11.07%
7	Shri Prashant Goenka	Whole Time Director	11.07%
8	Shri N. H Bhansali	CEO - Finance, Strategy & Business Development & CFO	4.57%
9	Shri A. K. Joshi	Company Secretary & VP - Legal	13.87%

- (iii) Percentage increase in the median remuneration of employees in the Financial Year 2021-22 : 20.74%

- (iv) Number of permanent employees on the rolls of company as on March 31, 2022 : 3205

- (v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 14.61 % whereas the increase in the managerial remuneration was 7.31 %. 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.

- (vi) The Company affirms that remuneration is as per the Remuneration Policy of the Company.

## Annexure IV Part- B

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

#### A. Top ten Employees in terms of remuneration drawn:

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

1. Shri R.S. Agarwal, Executive Chairman, 73423600, Contractual, 51, FCA, FCS, M.Com, LLB, 03.05.1994, 76, HGI Industries Ltd., President & Secretary, 0.04, Father of Shri H.V. Agarwal, Shri A.V. Agarwal & Smt. Priti A Sureka; 2. Shri R.S. Goenka, Whole-Time Director, 73423600, Contractual, 51, B.Com, M.Com, 08.11.2012, 75, Emami Paper Mills Ltd., Executive Chairman, 0.09, Father of Shri Mohan Goenka and Brother of Shri S.K. Goenka; 3. Smt. Punita Kalra, CEO - R&D & Innovation, 41579800, Employee, 23, Masters in Pharmaceutical Sciences, 01.04.2010, 49, Hindustan Unilever Ltd., Product Technology Group Head Skin Care, Skin Regional Technology Centre; 4. Shri Vivek Dhir, CEO – IMD, 36952318, Employee, 27, MBA, 15-01-2018, 52, Dabur International Ltd., Chief Marketing Officer; 5. Shri Vinod Nandgopal Rao, President - Sales CCD, 34146179, Employee, 26, MBA, 02.03.2020, 51, Hershey's India, Director sales & Export; 6. Shri C. K. Katiyar, CEO - Technical (Healthcare), 28520126, Employee, 38, PHD, 01.11.2012, 67, Dabur India Ltd., Vice President & Head (R&D); 7. Shri Gul Raj Bhatia, President-HCD, 27077132, Employee, 33, B.E., PGDM, 22.06.2020, 58, Dabur India Ltd., Vice-President, Healthcare; 8. Shri N. H. Bhansali, CEO - Finance, Strategy and Business Development & CFO, 26597771, Employee, 31, FCA, 01.11.2001, 55, Reliance Industries Ltd., Business Analyst, 0.02; 9. Shri Pradeep Kumar Pandey, SR. Vice President – Packaging, 17240489, Employee, 24, PGD In Packaging Technology, Management in Material Science, 05.09.2015, 50, Procter & Gamble, First Level Section Manager; 10. Shri S. K. Goenka, Managing Director, 15477600, Contractual, 41, B.Com, 17.05.1994, 64, Not applicable, Not applicable, 0.02, Brother of Shri R. S. Goenka;

#### 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, 48, Whole - Time Director, 14319600, 16, B.Com, MBA, 15.01.2005, Not applicable, Not applicable, Son of Shri R.S. Goenka. 2. Shri H.V. Agarwal, 44, Whole-Time Director, 13479600, 16, 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. 3. Smt. Priti A Sureka, 48, Whole-Time Director, 13479600, 20, BA, 30.01.2010, JB Marketing & Finance Ltd., Executive, Daughter of Shri R. S. Agarwal & Sister of Shri H.V. Agarwal & Shri A. V. Agarwal. 4. Shri Prashant Goenka, 47, Whole-Time Director, 13479600, 17, B.Com, MBA, 01.09.2004, Not applicable, Not applicable, -. 5. Shri Devendra Jain, 47, Vice President-Supply Chain & Planning, 13275812, 21, BE, MBA, 15.01.2021, Bajaj Consumer Care Ltd., Assistant Vice President, -. 6. Shri Anupam Chandra Katheriya, 46, AVP - Marketing & Business Development, 13069237, 9, MBA, 21.06.2012, Nestle, -,-.

#### 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, Previous Employment, Position of Last Employment, Whether relative of any Director

1. Shri Tuhin Biswas \*\*, 47, Chief Human Resource Officer, 6376702, 25, PG MBA, PGDPM., 05.08.2021, Director Human Capital and organization Strategy- Jan'20 to 4th Aug'21 (Self Employed), Director, -. 2. Shri Nalin Sood \*\*, 52, Head – Digital Ecosystem HCD, 3700068, 26, BE. MBA, 27.12.2021, Teamonk Global Foods Private Ltd, CEO, -. 3. Shri Chitradeep Aras \*\*, 49, AVP – Marketing, 2777793, 25, BE. MBA, 27.12.2021, SP Jain Institute of Management Research, Head – Centre for Entrepreneurship, -. 4. Shri Ajay Motwani \*\*, 48, AVP – Marketing, 1449766, 25, BE, MMS, 15.02.2022, Adani Wilmar Ltd, CMO, -. 5. Shri Suneet Yadav \*\*, 44, Head Marketing – Health Supplements, 1254897, 18, B.TECH, PGDBM, 17.02.2022, Nexus Malls, CMO, -. 6. Shri Hironmoy Sen\*, 52, President - Sales & Business Head (Sea & North America), 10052732, 28, MBA, 01.04.2019, RPSG Group, Vice President – Sales, -. 7. Shri Nihar Ranjan Ghosh\*, 58, President – HR, 11975889, 36, Master of Social Work, 16.08.2016, RP-SG GROUP, Executive Director – HR, -. 8. Shri Venkata Rao Damera\*, 48, President- IT, 13494649, 22, MCA, 04.07.2017, Godfrey Phillips India Limited, Chief Information Officer and Group Digital Head, -. 9. Shri Prashant

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NagnathSarwade\*, 41, Sr. GM- Marketing, 1002825, 17, BE, MBA, 24.05.2021, Cadbury India Ltd now Mondelez India,-,-. 10. Shri VrijeshNagathan\*, 46, CIO & President-IT, 1828164, 22, BE, MBA, 05.01.2022, Coca-Cola,CIO,-. 11. Shri Vipul Gupta\*, 41, Head of E Commerce – Healthcare, 8167404, 15, B. Tech, Master of Management Studies, 14.01.2020, Entrepreneurial ventures,-,-.

Note: \*\* Employee who joined the organisation during the FY 2021-22

\* Employee who left the organisation during the FY 2021-22

Note:

- (i) 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 IV – Part B to this Board’s Report.
- (ii) All appointments are/were contractual in accordance with terms and conditions as per Company rules.
- (iii) 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, 2022

## 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 maximization of shareholders' value. Pursuant to this objective, the Company's management and employees have manufactured and marketed products, which have created long-term sustainable value for consumers, shareholders, employees, business partners, 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 personnel's 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 and 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 2022, 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.emamilttd.in](http://www.emamilttd.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 as on March 31, 2022 are as under:

<b>Name and Category of Directors</b>	
<b>Promoter Directors</b>	<b>Independent Non-Executive Directors</b>
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	Shri C. K. Dhanuka
Shri A. V. Agarwal, Non- Executive Director	Shri S.B. Ganguly
Shri H. V. Agarwal, Wholetime Director	Shri Amit Kiran Deb
Smt. Priti A. Sureka, Wholetime Director	Shri Debabrata Sarkar
Shri Prashant Goenka, Wholetime Director	Smt. Mamta Binani

Smt Mamta Binani was appointed in the board as a Woman Independent Director w.e.f 29th October, 2021

Smt Rama Bijapurkar ceased to be director w.e.f. closure of business hours on 2nd August, 2021.

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 M/s MKB & Associates, Company Secretaries is annexed.

All the Independent Directors comply with the definition of Independent Director 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 of Independent Director/ Non-Executive Director/ Executive Director 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 papers 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**

- i. The principal responsibility of the Board is to oversee the management of the Company, and in doing so, serve the best interests of the Company and its stakeholders. These include:
  - Reviewing and approving operating, financial and other corporate plans, strategies and objectives.
  - Evaluating whether the corporate resources are used for the appropriate business purposes.
  - Establishing a corporate environment that promotes timely and effective disclosures (including robust and appropriate control procedures and incentives), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations.
  - Evaluating the performance of the Company.
  - Attending the meetings of the Board, committees and shareholders.
- ii. Exercise best business judgments: In discharging their fiduciary duties with care and loyalty, the Directors exercise their judgment to act in what they reasonably believe to be in the best interest of the Company and its stakeholders.
- iii. Understand the Company and its business: The Directors have an obligation to remain informed about the Company and its business, including principal operational and financial objectives, strategies and plans.
- iv. 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 online system based compliance management tool which provides real time compliance report and status of Compliances. The application of the tool has been extended to cover all locations including subsidiaries.

This compliance system is monitored and controlled by the Company's dedicated team.

The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company. The Company has a dedicated email id for better compliance management and communications among the users of the tool.

A System Generated Composite Report of Statutory Compliances of all applicable laws, rules and regulations is placed before the Audit and Board on a quarterly basis.

A certificate of statutory compliances duly signed by the Managing Director and the CEO Finance, Strategy & Business Development and CFO along with the Certificates of Compliance from responsible persons of each of the business places are 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 Corporate Governance Committee also reviews it.

#### **g. Risk management**

The Company has a comprehensive ISO 31000:2018 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 and the Board of Directors of the Company. The Corporate Governance Committee also reviews it.

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

The Board of Directors held six meetings during the year on May 25, 2021; August 2, 2021; August 25, 2021; October 29, 2021; February 3, 2022 and March 21, 2022.

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

<b>Dates on which the Board Meetings were held</b>	<b>Strength of the Board</b>	<b>No. of Directors present</b>
May 25, 2021	16	16
August 2, 2021	16	16
August 25, 2021	15@	15
October 29, 2021	16	16
February 3, 2022	16	16
March 21, 2022	16	14*

@ Smt Rama Bijapurkar resigned after the closure of business hour of August 2, 2021, therefore Board strength was reduced in a meeting held on August 25, 2021

\*Leave of Absence was granted by the Board to Shri K. N. Memani & Smt Priti A Sureka who were not present in the Board Meeting held on 21.03.2022.

The maximum time gap between any two meetings was less than 120 days as prescribed under Regulation 17(2) of SEBI Listing Regulations, 2015. Videoconferencing 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 meeting through video conferencing by using the Webex platform. All necessary compliances were made by the Company whenever the Directors used the videoconferencing facility in the Board/Board-level Committee Meetings.

**i. Attendance of Directors at Board meetings, last Annual General Meeting, relationship with other Directors, number of Directorships held and Chairmanship or memberships of committees of each Director in various companies as on March 31, 2022**

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 31.03.2022*	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	6	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	6	1	Member-1	Yes
Shri S. K. Goenka ^^^ DIN 00149916	Promoter Executive (Managing Director)	Brother of Shri R.S. Goenka	17.05.95	6	1	None	Yes
Dr. K. N. Memani DIN 00020696	Non – Executive Independent Director	-	15.05.06	5	3	Member-1	Yes
Dr. Y. P. Trivedi DIN 00001879	Non – Executive Independent Director	-	30.01.10	6	3	Member-1	Yes
Shri P. K. Khaitan DIN 00004821	Non-Executive Independent Director	-	24.06.13	6	8	Chairman-2 Member-6	No
Smt. Rama Bijapurkar! DIN 00001835	Non-Executive Independent Director	-	01.09.15	2	-	-	NA
Smt Mamta Binani!! DIN 00462925	Non-Executive Independent Director	-	29.10.2021	3	10	Chairman-2 Member-6	NA
Shri C. K. Dhanuka DIN 00005684	Non – Executive Independent Director	-	02.08.17	6	9	Chairman-2 Member-10	Yes
Shri S. B. Ganguly DIN 00012220	Non – Executive Independent Director	-	30.01.10	6	2	Chairman-2 Member-3	Yes
Shri Amit Kiran Deb DIN 02107792	Non – Executive Independent Director	-	30.01.10	6	10	Chairman-4 Member-8	Yes
Shri Debabrata Sarkar DIN: 02502618	Non-Executive Independent Director	-	21.02.19	6	9	Chairman-3 Member-8	Yes
Shri Mohan Goenka## DIN 00150034	Promoter Executive Director	Son of Shri R. S. Goenka	15.01.05	6	1	Member-1	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 31.03.2022*	Number of committee positions held**	Attendance at the last AGM
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	15.01.05	6	2	None	Yes
Shri H. V. Agarwal# DIN 00150089	Promoter Executive Director	Son of Shri R.S. Agarwal and brother of Shri A.V. Agarwal and Smt.Priti A. Sureka	15.01.05	6	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	5	2	None	Yes
Shri Prashant Goenka DIN 00703389	Promoter Executive Director	Nephew of Shri R.S. Goenka and Shri S.K. Goenka	20.01.14	6	1	Member-1	Yes

\* Excludes 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.

\*\* The Total number of Membership in committees include their position of chairmanship in the Companies as well.

^ Shri R. S. Agarwal, was appointed as Non- Executive Director designated as "Chairman Emeritus" w.e.f. 01.04.2022.

^^Shri R. S. Goenka was appointed as "Non- Executive Chairman" w.e.f. 01.04.2022.

^^^Shri S.K.Goenka was appointed as Whole Time Director w.e.f. 01.04.2022.

#Shri H. V. Agarwal was appointed as Vice-Chairman cum Managing Director w.e.f. 01.04.2022

##Shri Mohan Goenka was re-designated as Vice-Chairman cum Whole Time Director w.e.f. 01.04.2022.

! Smt Rama Bijapurkar ceased to be director w.e.f closure of business hours on 2nd August, 2021.

!!Smt Mamta Binani was appointed in the board as an Independent Director w.e.f 29th October, 2021.

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, 2022 is as under:**

S.L. No	Name of Director	Name Of The 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
4	Dr. Y. P. Trivedi	Emami Limited	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	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
7	Shri S. B. Ganguly	Emami Limited	Independent Director
8	Shri A. K. Deb	Emami limited	Independent Director
		Skipper Limited	Independent Director
		India Power Corporation Limited	Independent Director
		Century Plyboards (India) Ltd.	Independent Director
		Star Cement Ltd.	Independent Director
		Emami Paper Mills Ltd.	Independent Director
		B & A Limited	Independent Director
9	Shri Debabrata Sarkar	Emami limited	Independent Director
		GOCL Corporation Limited	Independent Director
10	Shri S. K. Goenka	Emami Limited	Promoter Director /Managing Director
11	Smt Mamta Binani	Century Plyboards (India) Ltd.	Independent Director
		Emami Limited	Independent Director
		Balrampur Chini Mills Ltd.	Independent Director
		Emami Paper Mills Limited	Independent Director
		GPT Infraprojects Limited	Independent Director
		Skipper Limited	Independent Director
12	Shri Mohan Goenka	Emami Limited	Promoter Director/Whole Time Director
13	Shri A. V. Agarwal	Emami Limited	Promoter Director / Non-Executive Director
		Emami Paper Mills Ltd.	Executive Chairman
14	Shri H. V. Agarwal	Emami Limited	Promoter Director / Whole Time Director
15	Smt. Priti A Sureka	Emami Limited	Promoter Director / Whole Time Director
16	Shri Prashant Goenka	Emami Limited	Promoter Director / Whole Time Director

## 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;
- 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's operations, the FMCG business as a whole, the business model and new launches & initiatives, among others.

In each of the Audit Committee Meetings, the committee members are updated about changes in laws relating to reporting and disclosures and in other committees, members were also updated for relevant changes of laws / statutes applicable to them.

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 a formal updation about the operations of the Company and their role and 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.

Directors are updated 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.emamiltid.in/investor-info/pdf/EmamiLtdFamiliarisationProgrammeForIndependentDirectors.pdf>

On an on-going basis, periodic presentations are made at the Board and Committee meetings, on Health and Safety, Sustainability, performance updates of the Company, Industry scenario, business strategy, internal control and risks involved and mitigation plan. The Directors are also provided with quarterly update on relevant statutory changes, judicial pronouncements and important amendments.

### **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. 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.emamiltid.in/investor-info/pdf/WhistleBlowerPolicyEmami.pdf>

This mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism. 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 was 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 Leadership, governance & regulatory laws, finance & risk management, entrepreneurship, marketing and consumer insights 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 essential for maintaining a competitive advantage in the complex business segment that it operates in. It recognises that a Board comprising of appropriately qualified people, with a broad range of experience is relevant to the business of the Company and 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.emamilttd.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. Pursuant to the Provisions of the Code of the Conduct the Board has designated the Managing Director of the Company as Chief Executive Officer (CEO).

The said code is displayed on the Company's website, [www.emamilttd.in/investor-info/pdf/CodeofConduct.pdf](http://www.emamilttd.in/investor-info/pdf/CodeofConduct.pdf).

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	Shri P. K. Khaitan	Shri C. K. Dhanuka	Shri S. B. Ganguly	Shri Amit Kiran Deb	Shri Debabrata Sarkar	Shri S. K. Goenka	Smt Mamta Binani	Shri Mohan Goenka	Shri A. V. Agarwal	Shri H. V. Agarwal	Smt Priti A Sureka	Shri Prashant Goenka
1	<b>Leadership of Large Organizations</b> 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	Shri P. K. Khaitan	Shri C. K. Dhanuka	Shri S. B. Ganguly	Shri Amit Kiran Deb	Shri Debabrata Sarkar	Shri S. K. Goenka	Smt Mamta Binani	Shri Mohan Goenka	Shri A. V. Agarwal	Shri H. V. Agarwal	Smt Priti A Sureka	Shri Prashant Goenka
2	<p><b>Visioning, Strategic Planning and M&amp;A</b></p> <p>Ability to use experience &amp; 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 &amp; acquisitions that enhance and add value to the existing strength of the company</p>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	<p><b>Consumer Insights, Innovation &amp; Marketing exposure</b></p> <p>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.</p>	✓	✓			✓		✓					✓	✓	✓	✓	✓
4.	<p><b>Financial &amp; Risk Management</b></p> <p>Experience &amp; expertise in handling complexities of Financial management, reporting processes, with requisite knowledge of accounting, treasury, Risk Management etc. in large organisations</p>	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	<p><b>Supply Chain Management</b></p> <p>In-depth knowledge, experience &amp; 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</p>	✓	✓			✓		✓				✓	✓	✓	✓	✓	✓
6.	<p><b>Governance and Regulatory Requirements Oversight</b></p> <p>Knowledge &amp; understanding of corporate laws, and experience &amp; 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.</p>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## 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

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.emamiltd.in](http://www.emamiltd.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 President – Finance and Investor Relations attend the Audit Committee as special invitees.

As on March 31, 2022 the Audit Committee comprised five (5) Directors, out of whom, four (4) 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 Debabrata Sarkar is a master of commerce and a holder of distinctive qualifications of FCA and CAIIB and he is the former Chairman & Managing Director of Union Bank Of India.

Shri A. K. Joshi, Company Secretary and VP - 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 May 25, 2021; August 2, 2021; October 29, 2021 and February 3, 2022.

Shri S.B. Ganguly, Chairman of the Committee, was duly present at the Annual General Meeting held on September 29, 2021.

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:**

<b>Name of the member of the Committee</b>	<b>Category of Director</b>	<b>Number of meetings attended</b>
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
Shri Debabrata Sarkar	Independent	2*

\*Shri Debabrata Sarkar was inducted as member of the committee w.e.f 02.08.2021, he has attended all the meetings held after his induction.

**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 Regulations 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 four (4) meetings during the year on May 25, 2021; August 02, 2021; October 29, 2021 and February 03, 2022.

Shri Amit Kiran Deb, Chairman of the Committee was duly present at the Annual General Meeting held on September



29, 2021. 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
- To devise 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.
- To recommend 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	4
Shri C. K. Dhanuka	Independent	4
Shri S. B. Ganguly	Independent	4

## REMUNERATION POLICY

### Executive Directors

The Nomination and Remuneration Committee takes into account experience, qualification, contributions 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 three/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 three / 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 FY2021-22 amounted to ₹42.35 lac (excluding GST). The Non-Executive Directors are also reimbursed expenses incurred for attending the meeting.

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors, Executive & non executive directors, the Board and the board level committees. 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 a formal annual evaluation of its own performance, performance of the Committees and the individual Directors of the Company.

**Details of remuneration during the financial year 2021-22 (₹ 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)	-	432.00	250.00	51.84	0.40	734.24
2	Shri R.S. Goenka (Whole-time Director)	-	432.00	250.00	51.84	0.40	734.24
3	Shri S.K. Goenka (Managing Director)	-	138.00	-	16.56	0.22	154.78
4	Dr. K.N. Memani (Independent Director)	2.75	-	7.50	-	-	10.25
5	Dr. Y.P. Trivedi (Independent Director)	3.50	-	4.50	-	-	8.00
6	Shri P. K. Khaitan (Independent Director)	3.25	-	4.50	-	-	7.75
7	Shri C. K. Dhanuka (Independent Director)	6.10	-	4.50	-	-	10.60
8	Shri S.B. Ganguly (Independent Director)	7.35	-	4.50	-	-	11.85
9	Shri Amit Kiran Deb (Independent Director)	7.10	-	4.50	-	-	11.60
10	Smt. Rama Bijapurkar (Independent director) (upto 20th Aug 21)	1.00	-	16.70	-	-	17.70
11	Shri Debabrata Sarkar (Independent Director)	4.05	-	4.50	-	-	8.55
12	Smt. Mamta Binani (Independent Director) (w.e.f 29th Oct 21)	1.75	-	2.00	-	-	3.75
13	Shri Mohan Goenka (Whole-time Director)	-	120	-	14.40	8.80	143.20
14	Shri A. V. Agarwal (Non-Executive Director)	5.50	-	-	-	-	5.50
15	Shri H. V. Agarwal (Whole-time Director)	-	120.00	-	14.40	0.40	134.80
16	Smt.Priti A.Sureka (Whole Time Director)	-	120.00	-	14.40	0.40	134.80
17	Shri Prashant Goenka (Whole-time Director)	-	120.00	-	14.40	0.40	134.80

Payment of Sitting Fee and Commission of Shri P. K. Khaitan was made to Khaitan & Co LLP

Shares held by the Non-Executive Directors as on 31st March, 2022

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	Shri P. K. Khaitan	Independent	Nil
4	Shri C. K. Dhanuka	Independent	Nil
5	Shri S. B. Ganguly	Independent	Nil
6	Shri Amit Kiran Deb	Independent	Nil
7	Shri Debabrata Sarkar	Independent	Nil
8	Smt. Mamta Binani	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 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 six (6) meetings during the year on August 2, 2021; October 1, 2021; October 7, 2021; November 9, 2021; January 13, 2022 and March 24, 2022.

#### The functions of the committee include:

- Approval of transfer/transmission of securities of the Company;
- Dealing with the 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:

Members	Category of Director	Number of meetings attended
Shri Mohan Goenka, Chairman	Promoter Executive	5
Shri A. V. Agarwal	Promoter Non-Executive	6
Shri H. V. Agarwal	Promoter Executive	5
Smt. Priti A. Sureka	Promoter Executive	4

### 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 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 February 3, 2022 wherein the Committee reviewed the status of unclaimed shares, unclaimed dividend of previous years and the system of providing investors' services, among others.

#### Composition and attendance of the Members at the meeting:

Members	Category of Director	Number of meetings attended
Shri 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, 2022, 5 (five) 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 2021	Received during the year	Disposed during the year	Pending as on 31st March, 2022
1. Non-receipt of dividend	Nil	3	3	Nil
2. Non-receipt of share certificate	1	Nil	1	Nil
3. Non-receipt of annual report	Nil	Nil	Nil	Nil
4. Others	Nil	2	2	Nil
<b>Total</b>	<b>1</b>	<b>5</b>	<b>6</b>	<b>Nil</b>

## 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 four (4) meetings during the year on June 16, 2021; August 25, 2021; November 26, 2021 and March 22, 2022.

### 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	4
Shri S.K. Goenka	Promoter Executive	4
Shri Mohan Goenka	Promoter Executive	2
Shri Aditya V. Agarwal	Promoter Non-Executive	4
Shri H. V. Agarwal	Promoter Executive	4
Smt. Priti A. Sureka	Promoter Executive	3

## 6. Corporate Governance Committee

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

The Corporate Governance Committee comprises four (4) 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 February 2, 2022.

### 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
Shri Y. P. Trivedi	Independent	1
Shri Amit Kiran Deb	Independent	1
Smt Mamta Binani*	Independent	-

\* Smt Mamta Binani was inducted in the committee on February 3, 2022, no meeting held thereafter.

## 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 May 25, 2021; August 2, 2021; October 29, 2021 and February 2, 2022.

**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 H. 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 seven (7) Directors, five (5) of whom are Executive Directors and Two (2) Independent Director. Shri A. K. Joshi, Company Secretary is the Secretary of the Committee.

The Committee held four (4) meetings during the year on May 25, 2021; August 2, 2021; October 29, 2021 and February 2, 2022.

**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:**

Name of the 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
Smt. Mamta Binani*	Independent	-
Shri Mohan Goenka	Promoter Executive	4
Shri H. V. Agarwal	Promoter Executive	4
Smt. Priti A. Sureka	Promoter Executive	4

\* Smt Mamta Binani was inducted as member of the Committee on February 3, 2022, no meeting held thereafter.

## 9. Buyback Committee

The Board at the Meeting held on February 3, 2022 considered and approved Buyback of equity shares from the open market and formed the buyback committee comprising of four (4) Executive Directors 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 VP - Legal, is the Secretary of the Committee.

The Committee held three (3) meetings during the year on February 5, 2022; March 21, 2022 and March 22, 2022.

**Composition, category of Directors and number of meetings attended:**

Name of the Members	Category of Director	Number of meetings attended
Shri R. S. Goenka	Promoter Executive	3
Shri S. K. Goenka	Promoter Executive	3
Shri Mohan Goenka	Promoter Executive	- *
Shri H. V. Agarwal	Promoter Executive	3

\* Leave of absence was granted to Shri Mohan Goenka as he was on business tour on the dates of meetings.

### Separate meeting of the Independent Directors

A separate meeting of Independent Directors was held on February 3, 2022 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 Company does not have a material subsidiary. The policy for determination of materiality of subsidiaries can be accessed at: <http://www.emamilttd.in/investor-info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf>

The Company is having nine non material subsidiary companies. The Audit Committee reviews the financial statements and investments of each of the subsidiary companies. Minutes of the Board & general meetings,

financials, statement of all significant transactions/arrangements and compliances of the subsidiary companies are placed before the Board.

The Company has complied with Regulation 24 of the SEBI Listing Regulations, 2015 with respect to the subsidiary companies.

**As on March 31, 2022 the Company had the following non-listed overseas subsidiary Companies:**

1. Emami Bangladesh Ltd, a wholly-owned subsidiary of Emami Limited.
2. Emami International FZE, UAE, a wholly-owned subsidiary of Emami Limited.
3. Emami Overseas FZE, UAE, a wholly-owned subsidiary of Emami International FZE.
4. Pharma Derm SAE Co, Egypt, a 90.60%-subsidiary of Emami Overseas FZE.
5. Emami Lanka (Pvt.) Ltd., Sri Lanka, a wholly-owned subsidiary of Emami Limited.
6. Emami Rus (LLC), Russia, a 99.99% - subsidiary of Emami International FZE, UAE.
7. Creme 21, GmbH a wholly-owned subsidiary of Emami International FZE, UAE.
8. Brillare Science Pvt Ltd, a 57.36%-Indian subsidiary of Emami Limited w.e.f 1st October, 2021.
9. Emami International Personal Care Trading LLC- Dubai, a subsidiary of Emami International FZE Dubai w.e.f 15th February, 2022.

## 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/investorinfo/pdf/PolicyforTransactionswithRelatedParties.pdf>

Approval of the Audit Committee for transactions with the related parties were obtained prior to the transaction. Transactions of repetitive nature with related parties 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 Listing Regulations, the disclosures of related party transactions on a consolidated basis have been submitted by the company for the year ended March 31, 2021 and half year ended September 30, 2021 to the Stock Exchanges and published the same on the website of the company.

Disclosure for the half year ended 31st March, 2022 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 (UPS) which lays down principles and practices to be followed by the Company pertaining to universal disclosure of UPS.

The said Code is available on the Company's website at <http://www.emamiltd.in/investorinfo/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 dematerialized 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-paras (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, 2022, the Company has paid a sum of ₹103 lacs to M/s S. R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company and a sum of ₹1.50 lacs to Ernst & Young LLP, a firm in the network of the Statutory Auditors.

#### **m. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

No complaint was received during the year under review.

### **GENERAL SHAREHOLDERS' INFORMATION**

#### **Directors retire by rotation**

In accordance with provisions of Section 152 of the Act read with the Rules made thereunder, Smt. Priti A Sureka (DIN 00319256), Shri Prashant Goenka (DIN 00703389) and Shri Mohan Goenka (DIN 00150034) are liable to retire by rotation at the ensuing 39th Annual General Meeting and being eligible, offer themselves for reappointment.

The Board of Directors upon recommendation of Nomination & Remuneration Committee at their meeting held on 3rd February, 2022 appointed Shri R. S. Agarwal as Non-Executive Director designated as "Chairman Emeritus" w.e.f 1st April, 2022; Shri R. S. Goenka as Non-Executive Director designated as "Non-Executive Chairman" w.e.f 1st April, 2022 ; Shri S. K. Goenka as Whole Time Director for a period of Four years W.e.f 1st April, 2022; Shri H. V. Agarwal as Whole Time Director designated as "Vice-Chairman cum Managing Director " for a period of Five year W.e.f 1st April, 2022 and Shri Mohan Goenka as Whole Time Director designated as "Vice-Chairman Cum Whole Time Director" w.e.f 1st April 2022 for the remaining period of his existing tenure i.e. from 15th January, 2021 till 14th January, 2026 .

Above changes were approved by the members with requisite majority through Postal Ballot process on 27th March 2022.

## 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, 2021:** Wednesday, 29th September, 2021 at 11:30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). No special resolution required to be passed at the Meeting.

**For March 31, 2020:** Friday, 18th September, 2020 at 11:30 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). 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. No special resolution required to be passed at the Meeting.

### Whether any special resolution passed through postal ballot in the previous year / Details of resolutions passed through e-voting through Postal Ballot:

During the year under review, the company has sought approval of the shareholders through postal ballot, summary of the same is given hereunder. 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 e-voting as provided by CDSL to exercise their right to vote on resolutions transacted through Postal Ballot by remote e-voting process:

#### Resolution passed as on December 8, 2021:-

1. Appointment of Dr. (h.c.) CS Adv Mamta Binani (DIN:00462925) as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of 2 (Two) Years from 29th October, 2021 to 28th October, 2023 for a term of 2 (Two) Years from 29th October, 2021 to 28th October, 2023.(Ordinary Resolution)

#### Resolutions passed as on March 27, 2022:-

1. Continuation of Shri R. S. Agarwal (DIN:00152996) as Non-Executive Director of the Company designated as "Chairman Emeritus" with effect from 1st April, 2022. (Special Resolution)
2. Continuation of Shri R. S. Goenka (DIN:00152880) as Non-Executive Director of the company designated as "Non-Executive Chairman" with effect from 1st April, 2022. (Special Resolution)
3. Appointment of Shri Sushil Kumar Goenka (DIN: 00149916) as "Whole Time Director" of the company for period of four years w.e. f 1st April 2022 and payment of remuneration thereof.(Ordinary Resolution)

4. Re-designation of Shri Mohan Goenka (DIN: 00150034) as "Vice-Chairman cum Whole Time Director" of the company and payment of remuneration thereof. (Ordinary Resolution)

### 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.emailtd.in](http://www.emailtd.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.emamiltd.in](http://www.emamiltd.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.emamiltd.in](http://www.emamiltd.in)

##### ii. Presentations/News releases

Presentations and official press release made to the media, analysts, and institutional investors, among others are displayed on the Company's website at: [www.emamiltd.in](http://www.emamiltd.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.emamiltd.in](http://www.emamiltd.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](mailto:investors@emamigroup.com), which has been displayed on the Company's website at: [www.emamiltd.in](http://www.emamiltd.in)

##### vi. Intimation to stock exchanges

The Company intimates the stock exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the shareholders.

##### vii. Investor relations

The Company's executives participate in investor meetings including conferences in India and abroad from time to time 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: The 39th Annual General Meeting of the Company for the financial year 2021-22 will be held on or before 30th September, 2022 in the permissible mode.

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 39th Annual General Meeting. The voting details will be informed to shareholders in due course.

## Financial calendar

### Financial year: April 1, 2021 to March 31, 2022

The board meetings for approval of financial results for financial year 2021-22 were held on the following dates:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	2nd August, 2021	29th October, 2021	3rd February, 2022	13th May, 2022

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2022-23 are as follows:

Period	First quarter	Second quarter	Third quarter	Fourth quarter and annual results
Date	12th August, 2022	14th November, 2022	14th February, 2023	30th May, 2023

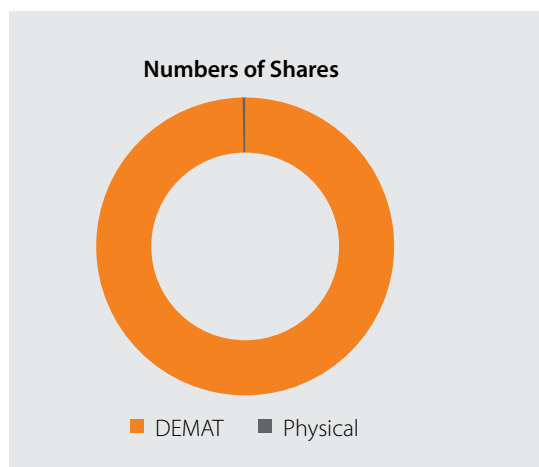
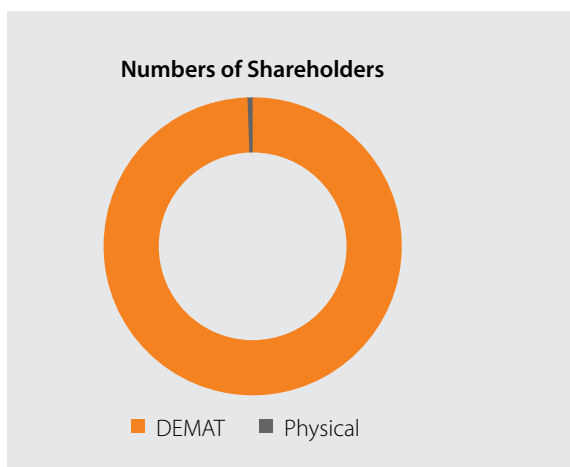
## Market information

### 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, 2022:



### Dematerialisation of shares and liquidity as on March 31, 2022

Nature of holding	Holders	Percentage	Shares	Percentage
DEMAT	88063	99.57%	440115095	99.77%
Physical	384	0.43%	1034905	0.23%
<b>Total</b>	<b>88447</b>	<b>100%</b>	<b>441150000</b>	<b>100%</b>

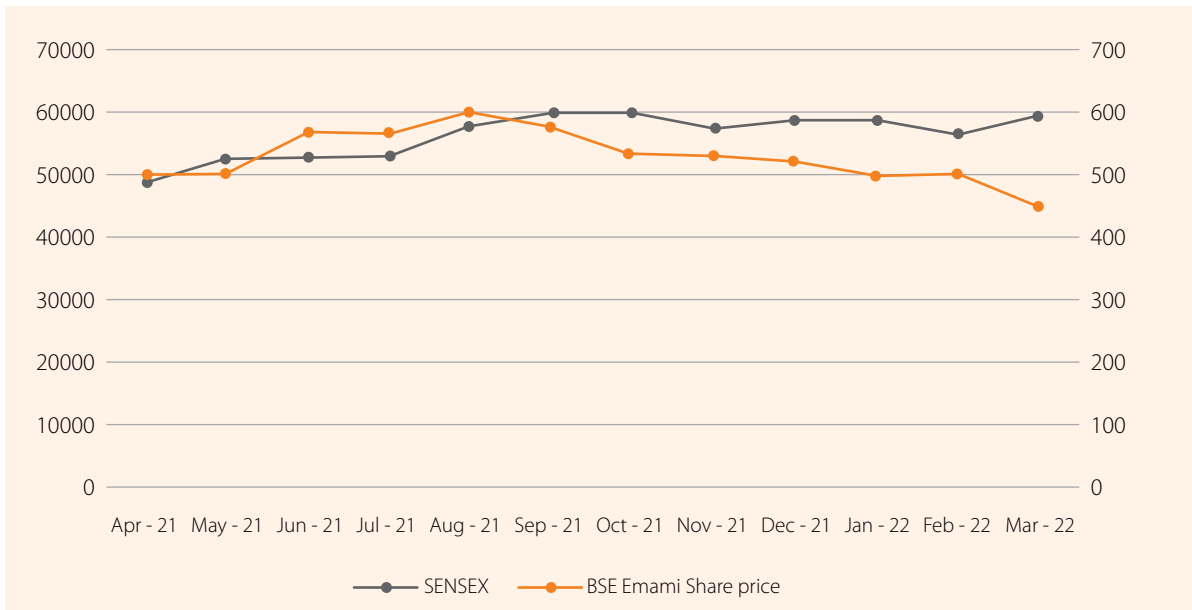
\* Number of shareholders is as per folio

### Emami share price at BSE and NSE

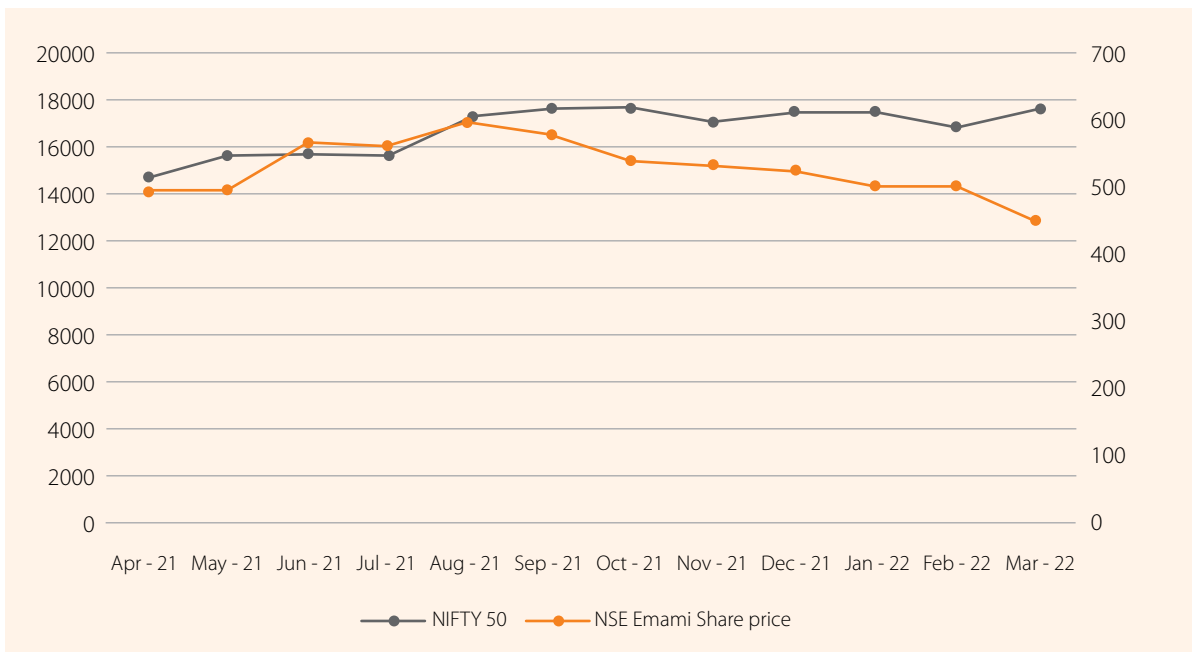
April 2021-March 2022 (Face value of shares: ₹1 each)

Month	Emami share price on BSE			Emami share price on NSE		
	High	Low	Close	High	Low	Close
April 2021	546.90	477.30	492.45	547.00	477.35	491.65
May 2021	521.00	470.00	501.20	520.70	478.20	501.10
June 2021	566.70	502.10	560.65	566.60	502.05	560.35
July 2021	578.55	531.15	559.70	578.50	531.00	558.85
August 2021	621.35	544.55	597.50	621.80	544.65	597.20
September 2021	612.00	565.80	575.15	611.05	566.40	574.00
October 2021	583.00	508.15	530.75	579.50	507.95	531.25
November 2021	578.65	502.80	528.90	578.50	503.00	527.05
December 2021	555.00	504.00	519.60	555.00	504.05	519.00
January 2022	535.00	466.05	498.75	534.80	466.00	498.30
February 2022	512.80	460.00	495.45	513.15	460.05	495.35
March 2022	499.85	430.00	447.80	499.70	430.10	447.15

### 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

Maheshwari Datamatics Pvt Ltd, the Registrar & Transfer Agent (RTA) duly authorized to provide the services to the Shareholders 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 circular, 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.

RTA has intimated to all its shareholders holding shares in physical mode and asking them to submit Forms ISR-1, ISR-2 and ISR-3 or SH 13 or SH 14 on 5th January, 2022 as prescribed by SEBI vide its circular dated 3rd November, 2021 & 14th December, 2021.

SEBI vide its circular dated January 25, 2022 prescribed issue of securities in dematerialized form including while processing

the service requests of the Shareholders i.e. Claim from unclaimed suspense account, Transmission, transposition etc, the RTA has implemented the circular.

Pursuant to the provisions of Regulation 40(9) of SEBI Listing Regulations, 2015, a certificate on the compliance of share transfer formalities on yearly basis, as a quarterly certificate for timely dematerialization of the shares as per SEBI (Depositories & Participants) Regulation, 1996 are sent to the stock exchanges where the shares are listed.

#### Reconciliation of share capital audit report

Reconciliation of share capital audit report by 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 dematerialized 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, 2022:-

No of Equity Shares Held	Holders	% of total holders	No of Shares	% of total shares
1 - 500	80065	92.8376	6228248	1.4118
501 - 1,000	3237	3.7534	2266915	0.5139
1,001 – 2,000	1351	1.5665	1913223	0.4337
2,001 – 3,000	475	0.5508	1149344	0.2605
3,001 – 4,000	194	0.2249	674162	0.1528
4,001 – 5,000	117	0.1357	523423	0.1186
5,001 – 10,000	283	0.3281	1999257	0.4532
10,001 and above	520	0.6030	426395428	96.6554
<b>Grand total</b>	<b>86242*</b>	<b>100.0000</b>	<b>441150000</b>	<b>100.0000</b>

\* Number of shareholders as per PAN base

#### Shareholding pattern as on 31st March, 2022:-

Category	Number of shares held	% of shareholding
<b>1. Promoters and Promoter Group</b>	239393412	54.2658
<b>Sub-total</b>	<b>239393412</b>	<b>54.2658</b>
<b>Public Holding</b>		
<b>2. Institutional Investors</b>		
a. Mutual Funds and UTIs	90922735	20.6104
b. Alternate Investment Funds	183883	0.0417
c. Banks, Financial Institutions and Insurance Companies	16195998	3.6713
d. Foreign Institutional Investors	56110602	12.7192
<b>Sub-total</b>	<b>163413218</b>	<b>37.0426</b>
<b>3. Non-Institutional Investors</b>		
a. Private Corporate Bodies (including Clearing Members and NBFCs)	18336200	4.1565
b. Individuals (including Trusts)	18249762	4.1369
c. NRIs/OCBs/Foreign Nationals	1757408	0.3983
<b>Sub-total</b>	<b>38343370</b>	<b>8.6917</b>
<b>Grand total (1+2+3)</b>	<b>441150000</b>	<b>100.0000</b>

**Top-ten shareholders as on 31st March, 2022:-**

Sl. No.	Name	Number of shares held	% of shareholding
1	Suraj Finvest Private limited	105720226	23.96
2	Sneha Enclave Private Limited	98667956	22.37
3	Dsp Dynamic Asset Allocation Fund	19644576	4.45
4	Priti A Sureka	15104702	3.42
5	HDFC Large and Mid-Cap Fund	12986230	2.94
6	Mirae Asset Emerging Bluechip Fund	9739464	2.21
7	Avees Trading and Finance Pvt Ltd	9714259	2.20
8	L and T Mutual Fund Trustee Ltd-L and T Flexicap Fund	9606847	2.18
9	HDFC Life Insurance Company limited	8544332	1.94
10	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Nifty M	8268146	1.87

**Corporate benefits offered to investors during the year:****1st Interim and 2nd Interim Dividend FY2021-22**

On October 29, 2021 the Board of Directors declared payment of 1st Interim Dividend @ ₹4/- per shares for the Financial Year 2021-22 which was paid to all the shareholders registered in the Register of Members maintained by the Registrar and Share Transfer Agent of the company and the Depositories on the Record date i.e. November 9, 2021 fixed for determining entitlement of said interim dividend.

On February 3, 2022 the Board of Directors declared payment of 2nd Interim Dividend @ ₹4/- per share for the Financial Year 2021-22 which was paid to all the shareholders registered in the Register of Members maintained by the Registrar and Share Transfer Agent of the company and the Depositories on the Record date i.e. February 11, 2022 fixed for determining entitlement to the 2nd Interim Dividend.

**Buy-Back of Equity Shares in FY 2021-22**

The Buyback process commenced from Wednesday, February 9, 2022 and closed on Monday, March 21, 2022. The Company bought back 33,63,740 equity shares pursuant to the buyback offer in dematerialized form from open market by utilizing a sum of ₹16,121.45 lacs (Rupees Sixteen Thousand one Hundred And Twenty One Lacs Forty Five Thousand Only) which represents 99.52% of the maximum buyback size with a balance of ₹78.55 lacs.

**Unclaimed dividends**

Unclaimed dividend for FY 2013-14 (Final), amounting to ₹13,85,304 and for FY 2014-15 (Interim), amounting to ₹11,64,604 were transferred into Investors Education & Protection Fund (IEPF) of the Central Government on September 12, 2021 and October 17, 2021 respectively in compliance with Section 124 of 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:

Financial Year	Type of dividend	Date of declaration	Due date for transfer to IEPF
2014-15	Final	August 5, 2015	September 6, 2022
2015-16	Final	August 3, 2016	September 4, 2023
2016-17	Interim	March 6, 2017	April 6, 2024
2016-17	Final	August 3, 2017	September 3, 2024
2017-18	Final	August 1, 2018	September 3, 2025
2018-19	Final	August 8, 2019	September 9, 2026
2019-20	1st Interim	November 6, 2019	December 8, 2026
2019-20	2nd Interim	March 19, 2020	April 21, 2027
2020-21	1st Interim	November 5, 2020	December 8, 2027
2020-21	2nd Interim	January 27, 2021	March 1, 2028
2021-22	1st Interim	October 29, 2021	November 30, 2028
2021-22	2nd Interim	February 3, 2022	March 8, 2029

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.emamiltd.in](http://www.emamiltd.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.	19	6646
Number of shareholders along with shares held whose shares transferred in 'Emami Ltd Unclaimed Securities Suspense Account' during the year.	27	27540
Number of shareholders along with shares held who approached the Company for transfer of shares from suspense account during the year.	Nil	Nil
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	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	44*	34186*

\* Two common shareholders whose Bonus shares were transferred to IEPF Fund.

### 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	310024
Number of shares transferred to the Investor Education and Protection Fund during the Financial Year	43535
Claim approved by Company and refund of shares from IEPF	84
Number of shares lying in the Investor Education and Protection Fund at the end of the Financial Year	353475

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.emamiltd.in](http://www.emamiltd.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	700%	7.00	17.73	46.24%
2014-15	700%	7.00	21.40	38.75%
2015-16	700%	7.00	15.82	53.26%
2016-17	700%	7.00	14.98	55.21%
2017-18	700%	7.00	13.53	61.90%
2018-19**	400%	4.00	6.68	72.20%
2019-20	400%	4.00	6.67	75.70%
2020-21	800%	8.00	10.23	74.85%
2021-22	800%	8.00	18.88	42.37%

\*Including dividend distribution tax till 31st March,2020

\*\* 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**

Plot No.200, Sanjan-Amgaon Road, Village Dongari, Tal-Talasari, Dist-Palghar, Maharashtra-401606

**Gujarat**

Plot No. 82, G I D C, Vapi, Gujarat -396195

**Uttarakhand**

Plot No 40 & 41, Sector 5, IIE, Pantnagar, Udham Singh Nagar, Uttarakhand - 263 153

**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 VP –Legal

**Institutional investors/Financial analysts**

Shri Rajesh Sharma, 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:** Mr. Ravi Bahl

**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
31.03.2021	Business Standard (published on May 26, 2021)	Ajkaal (published on May 26, 2021)
30.06.2021	Business Standard (published on August 3, 2021)	Ajkaal (published on August 3, 2021)
30.09.2021	Business Standard (published on October 30, 2021)	Ajkaal (published on October 30, 2021)
31.12.2021	Business Standard (published on February 4, 2022)	Ajkaal (published on February 4, 2022)

### 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](http://www.emamilttd.in).

##### 3. Audit qualification

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

##### 4. Separate posts of Chairman, Managing Director and CEO

The Company has separate persons as Executive Chairman and Managing Director. Shri R.S. Agarwal is the Executive Chairman, whereas Shri Sushil Kr. Goenka is the Managing Director of Emami Limited and also designated as the CEO for the 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 of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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 – 700107, 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 2022:

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	00004821	Mr. Pradip Kumar Khaitan	Independent Director	24.06.2013
6	00012220	Mr. Satya Brata Ganguly	Independent Director	30.01.2010
7	02107792	Mr. Amit Kiran Deb	Independent Director	30.01.2010
8	00005684	Mr. Chandra Kumar Dhanuka	Independent Director	02.08.2017
9	02502618	Mr. Debabrata Sarkar	Independent Director	21.02.2019
10	00462925	Mrs. Mamta Binani	Independent Director	29.10.2021
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 2022 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

**Raj Kumar Banthia**

*Partner*

Membership no. 17190

COP no. 18428

Date: 11.05.2022

Place: Kolkata

UDIN:A017190D000301551

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## Certification by Managing Director and CEO-Finance, Strategy and Business Development and CFO of the Company

We, H. V. Agarwal, Vice-Chairman & 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, 2022, 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 2021-22.

Date: 13th May, 2022  
Place: Kolkata

**H V Agarwal**  
*Vice-Chairman & Managing Director*  
DIN- 00150089

**N H Bhansali**  
*CEO-Finance, Strategy and  
Business Development and CFO*  
FCA : 055211

# 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) and (t) 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, 2022; as required by the Company for annual submission to the Stock exchange.
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.

## 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 ICAI.

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, 2022 and verified that at least 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 from April 1, 2021 to March 31, 2022:
    - (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) Finance Committee
    - (h) Corporate Governance Committee
    - (i) Corporate Social Responsibility Committee
    - (j) Buy Back Committee
    - (k) Share Transfer Committee
    - (l) Independent Directors' Meeting

- 
- 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, 2022, referred to in paragraph 4 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.

**For S.R. Batliboi & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E/E300005

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**per Sanjay Kumar Agarwal**

*Partner*

Place of Signature: Kolkata

Membership Number: 060352

Date: May 13, 2022

UDIN: 22060352AIYTZC7013

# Business Responsibility Report FY22

## Section A: General Information about the Company

1. Corporate Identity Number (CIN):	L63993WB1983PLC036030
2. Name of Company:	Emami Limited
3. Registered Address:	Emami Tower, 687, Anandapur, E.M. Bypass, Kolkata 700107, West Bengal
4. Website:	www.emamiltd.in
5. Email ID:	contact@emamigroup.com
6. Financial Year Reported:	2021-22

**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.	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 Hair & Scalp 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 70+ countries with a manufacturing unit in Bangladesh as well. Major geographies where Emami operates in are:

- South Asian Association for Regional Cooperation (SAARC)
  - Middle East and North Africa (MENA)
  - CIS and Eastern Europe (CISEE)
  - Africa & others
- Number of National Locations: Emami carries out its operations through its Head Office in Kolkata, 4 regional offices, 7 manufacturing units and 24 depots across India.

**10. Markets Served by the Company:** Indian market, export and operations in 70+ International countries.

## Section B: Financial Details of the Company (as on 31st March 2022)

1. Paid Up Capital (INR crore):	₹44.12 crore
2. Total Turnover (INR crore):	₹3,192 crore
3. Total Profit after Taxes (INR crore) - Consolidated	₹836.67 crore
4. Total spending on CSR as a percentage of Profit After Tax	1.08%. In accordance with the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended), Emami has spent over 2% of its average net profit of last 3 financial years. Actual CSR spent for FY 2021-22 is ₹9.08 crore against the obligation of ₹8.82 crore
5. List of activities in which expenditure in point 4 above has been incurred	<ol style="list-style-type: none"> <li>Promoting Education and Enhancing Vocational Skills</li> <li>Promoting Healthcare Water and Sanitation</li> <li>Social Upliftment Programmes</li> </ol>

## 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 9 subsidiaries as under:

1. Emami Bangladesh Ltd
2. Emami Lanka (Pvt.) Ltd.
3. Emami International FZE
4. Emami Overseas FZE
5. Creme 21 GmbH (Formerly Known as Fentus 113. GmbH)
6. Emami International Personal Care Trading LLC
7. Emami Rus (LLC)
8. Pharma Derm SAE Co
9. Brillare Science Pvt. Ltd.

The Business Responsibility policies of the subsidiaries are in line with the Company's requirements.

**3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (Less than 30%, 30-60%, more than 60%).**

The Business Responsibility policies are applicable to the management and all the employees of the Company, 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: Whole Time Director\*
- DIN No: 00149916

**b. Details of the BR head:**

Sl.	Particulars	Details
1.	DIN No. (if applicable)	00149916
2.	Name	Shri S.K. Goenka
3.	Designation	Whole Time Director*
4.	Telephone No.	033-66136264
5.	Email id	skgoenka@emamigroup.com

\*Managing Director till 31st March 2022

**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.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
1.	Do you have policy/policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Yes. The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs. 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?	<a href="http://www.emamiltd.in/investor-info/pdf/Business_Responsibility_Policy.pdf">http://www.emamiltd.in/investor-info/pdf/Business_Responsibility_Policy.pdf</a>								
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.								

Sl.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
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 Business Responsibility 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.	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									
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.emamilttd.in/investor-info/>

## Section E: Principle wise performance

### Principle 1: Ethics, Transparency and Accountability

- 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.

- How many stakeholder complaints received in the past financial year and what percentage was satisfactorily resolved by the Management?

Stakeholder	Complaints Received during FY22	Complaints Resolved during FY22	Complaints Resolved (%)
Investors' Complaints	5	5	100%
Consumers' Complaints	778	778	100%
<b>Total</b>	<b>783</b>	<b>783</b>	<b>100%</b>

### Principle 2: Products Lifecycle Sustainability

- 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

- 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	FY21	FY22
Energy consumption vs Production	MJ/MT	1,897	1,793
Water Consumption vs Production	KL/MT	1.51	2.11
Effluent Generation vs Production	KL/MT	1.30	1.43

\*Data pertains to Emami Ltd manufacturing units only

Renewable energy consumption	FY21	FY22
Renewable energy consumption as a % of total energy consumption	2%	5%

Further, through the Company's "Design to Value" initiative it keeps on evaluating and optimizing plastic and paper consumption for its products without impacting quality and consumer experience. The Company has reduced plastic consumption by ~145 MT and paper consumption by ~75 MT in FY2021-22 which will continue for upcoming years. The Company has also collaborated with two renowned Plastic recycling organizations to deliver on its EPR compliance.

### 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 takes into consideration various social, ethical and environmental performance factors while selecting suppliers. Majority of the raw and packing materials are sourced from suppliers who are either covered by the company's sustainable sourcing programmes and/or are certified to be compliant with standards such as ISO 14001, OHSAS 45001, FSC, FDA, BRC and USRA. 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.

### 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 20+ capability building programs across regions wherein the

company provides technical guidance, training on cultivation and post-harvest management to all 1200+ 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 800+ farmers under State Government Cultivation Programmes and distributed planting materials to farmers. Further, Emami sources more than 85% of its packing materials locally from the regional suppliers in the vicinity of its manufacturing sites supporting local economy and livelihood.

Inputs Sourcing	FY 21	FY 22
Directly sourced from MSMEs/ small producers	12%	13%
Sourced directly from within the district and neighbouring districts	43%	46%

### 4. 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 has delivered EPR target as per plastic Waste management guidelines released in Feb'2022. Plastic waste for rigid & flexible (both single & MLP) were collected across different states under our Extended Producer's responsibility and disposed properly following released guidelines. This effort helps to clean society from plastic waste. The Company disposes wastes as below-

Name of Product / Service	Description of the risk / concern	Action Taken
Trade Effluent	Effluent water release from process may lead to water pollution.	Emami has effluent treatment plants to process effluent water and has maintained the parameters such as BOD,COD, TSS, Oil & Grease, pH as per standard given by the PCB.
Hazardous Waste	Hazardous waste have direct impact on land pollution.	Emami has engaged vendors (Authorized by the PCB) to dispose of hazardous waste as per guidelines by the PCB.



Name of Product / Service	Description of the risk / concern	Action Taken
Other waste such as plastic waste, e-waste.	Various types of waste release from packaging & process, which may lead to direct impact on land pollution.	Emami has engaged vendors (Authorized by the PCB) to recycle plastic waste & E-Waste as per guidelines issued by the PCB. End user certificate is maintained.

### Principle 3: Employees' Well-being

#### 1. Please indicate the total number of employees

3,205 permanent employees (Male 2,782; Female 423)

#### 2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis

2,307 (Male 1,660; Female 647) employees hired on temporary/ contractual/ casual basis

#### 3. Please indicate the number of permanent women employees

423 permanent women employees. 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.

NIL. 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?

1% of permanent employees are members of these recognized employee associations.

#### 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	Nil	Nil
Discriminatory employment	Nil	Nil

#### 8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Category	On health and safety measures	On Skill upgradation
<b>Employees</b>		
Male	69%	48%
Female	76%	53%
<b>Total</b>	<b>70%</b>	<b>48%</b>
<b>Workers</b>		
Male	99%	64%
Female	100%	99%
<b>Total</b>	<b>99%</b>	<b>71%</b>
Employees with Disabilities	N.A.	N.A.

### 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. 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. 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. 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. The Company encourages its 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 webpage etc.**

The Company has started initiatives like installation of zero discharge ETP and a condensate recovery system. Further, four of Emami's manufacturing units are 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.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

In FY22, 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:

- a. Confederation of Indian Industry (CII)
- b. Federation of Indian Chamber of Commerce and Industry (FICCI)

- c. Associated Chamber of Commerce and Industry of India (ASSOCHAM)
- d. MCC Chamber of Commerce and Industry (MCCI)
- e. Bharat Chamber of Commerce (BCC)
- f. 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 INR crore and the details of the projects undertaken?**

Sl.	CSR Project	Expenditure
1	Promotion of Education & Vocational Skills	2.8
2	Providing Health-care, water & sanitation facilities	2.6
3	Social Upliftment Programmes	3.1
	Admin Cost & others	0.6
	<b>TOTAL</b>	<b>9.1</b>

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, nine 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.

Further, all the Company's products packed in rigid container e.g. bottle, jar, cap etc. are single resin and are 100% recyclable.

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These components are marked with material identification symbol to facilitate sorting and recycling process. All flexible single or multilayer films are also marked with material identification symbol to facilitate sorting and recycling process.

**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, nine 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

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# 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 Financial Statements of Emami Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone 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 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, 2022, 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 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 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 financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Recognition of Unused Minimum Alternate Tax (“MAT”) Credit (as described in note 3.48 of the standalone financial statements)</b></p> <p>The Company had unrecognised MAT credit balance as at the end of previous year as one of its manufacturing facilities is eligible for availing income tax benefits under section 80IE of Income Tax Act, 1961 (IT Act).</p> <p>The aforesaid income tax benefit under section 80IE of IT Act would expire by financial year 2025-26 and also due to the improvement in pandemic situation, the Company has reassessed its position and recognized MAT credit entitlement amounting to ₹28,809 lacs (₹5,776 lacs pertaining to current year) in the current year.</p> <p>In order to determine the utilization of MAT credit in future years, the management has projected its book profits and tax profits; and based on convincing other evidence including future projections, the accumulated MAT credit has been recognized in the current year.</p> <p>Significant management judgement is required to determine the forecasted profits, expected future market scenario, economic conditions, interpretation of tax laws and the management’s expansion plans, and these factors impact the timing of utilization of MAT credit.</p> <p>Accordingly, the recognition of MAT credit basis the forecasted profits is determined as a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Assessed management’s assumptions that substantiate the probability that the unused MAT credit will be recovered through taxable profit 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.</li> <li>• Evaluated the basis used in determining the forecasted income of taxable and non-taxable units including allocations of costs</li> <li>• Reviewed correspondences/returns submitted to the relevant tax authorities and compared these with the basis for accounting entries.</li> <li>• Evaluated the adequacy of the disclosures made by the Company in this regard in the standalone financial statements.</li> </ul>
<p><b>(b) Revenue from sale of goods (as described in note 2.2.a, note 3.31 and note 3.60 to the standalone financial statements)</b></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 in coterms, create complexity and judgment in determining sales revenues.</p> <p>The risk is, therefore, that revenue may not be 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 financial statements.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Considered the appropriateness of the Company’s revenue recognition policy in terms of Ind AS 115 ‘Revenue from contracts with customers’.</li> <li>• Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition.</li> <li>• 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.</li> <li>• Selected sample of sales transactions made pre- and post-year end and tested the period of revenue recognition based on underlying documents.</li> <li>• 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.</li> <li>• Assessed the adequacy of relevant disclosures made in the standalone financial statements.</li> </ul>

## 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 financial statements and our auditor's report thereon.

Our opinion on the standalone 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 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 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 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 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2022 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, 2020 ("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 the Statement of 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 standalone 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, 2022 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 financial statements – Refer Note 3.40 and 3.43 to the standalone 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

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- iv. a) As represented by the management, to the best of its knowledge and belief, and as more fully disclosed in note 3.65 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) As represented by the management, to the best of its knowledge and belief, and as more fully disclosed in note 3.65 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act. The Company has not proposed any final dividend for the year.

For **S.R. BATLIBOI & CO. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

*Partner*

Membership Number: 060352

UDIN: 22060352AIYTXJ4011

Place of Signature: Kolkata

Date: May 13, 2022

## Annexure 1 referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date

### Re: Emami Limited (“the Company”)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification of all the Property, Plant and Equipment 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) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3.1 to the standalone financial statements included in property, plant and equipment are held in the name of the Company except (two) 2 number of immovable properties as indicated in the below mentioned cases: as at March 31, 2022 for which title deeds were not available with the Company and hence we are unable to comment on the same.

Description of Property	Gross carrying value (amount in ₹ lacs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Freehold land	12.00	Gopal Chandra Kalita	No	9th June, 2015	These plot of land are having periodic patta, hence as per Assam Land rules, registration can be done of such land after completion of 10 years of “Purchase date/Agreement date”. Till now 3 years have already completed from the purchase date/agreement date.
Freehold land	4.35	Uttam Keot / Dhanjyoti Deka	No	9th June, 2015	

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies were not noticed in respect of such confirmations. No discrepancies of 10% or more in aggregate for each class of inventory were noticed by the Company.

- (b) As disclosed in note 3.63 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

In ₹ lacs

Quarter ending	Value as per books of account	Value as per quarterly return/ statement	Discrepancy (give details) *
For each class			
<b>Trade Receivable</b>			
June 30	14,382	16,067	-1,685
September 30	20,045	20,831	-786
December 31	21,253	24,186	-2,933
<b>Trade Payables #</b>			
June 30	4,397	3,740	657
September 30	6,125	5,061	1,064
December 31	5,549	4,048	1,501

\*The Quarterly statements submitted to banks were prepared and filed before the completion of all financial statement closure activities including Ind AS related adjustments / reclassifications & regrouping as applicable, which led to these differences between the final books of accounts and the quarterly statements submitted to banks based on provisional books of accounts.

# based on confirmation obtained from lenders, the Company has considered only creditors for goods, net of advances.

- (iii) (a) During the year the Company has provided loans, stood guarantees to following companies as follows:

Particulars	Guarantees	Loans
Aggregate Amount granted/provided during the year		
- Subsidiary	-	300.00
Balance outstanding as at balance sheet date in respect of above cases (Including Loan and Guarantees provided in earlier year and outstanding as at March 31, 2022)		
- Subsidiary	8,354.82	576.20
- Associate	-	438.75

During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms, Limited Liability Partnerships or any other parties and has not provided advances in the nature of loans and provided security to any company.

- (b) During the year the investments made and the terms and conditions of the grant of all loans and investments to companies or any other parties are not prejudicial to the Company's interest. The Company has not provided security, provide guarantees and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (c) The Company has granted a loan during the year to a company where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipt of principal and interest has not yet fallen due for payment. The Company has not granted advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the

requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (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) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. During the year, the Company did not have any undisputed dues towards sales-tax, service tax, duty of excise and value added tax. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited 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	3,084.28	1989-90, 1993-94 to 2007-08, 2009-10 to 2017-18	Supreme Court/ High Court/Tribunal/ DC(Appeal)/ Jt. Commissioner (Appeals) / Appellate Deputy Commissioner/ AC/ DC
Central Goods and Services Act, 2017	GST Tax demand	439.05	2017-2019	High Court
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	751.29	2008-09 to 2011-12, 2014-15 to 2017-18	CESTAT/Assistant Commissioner/ Commissioner (A)
Income Tax Act, 1961	Income Tax Demand	5,747.33	2015-18	CIT(A), Additional CIT IT, Additional CIT TPO, Assessing Officer

\* Net of amount deposited on account of dispute.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given by the management, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (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 financial statements, as required by the applicable accounting standards.
- (xiv) (a) According to the information and explanations given by the management, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on Cluse 3 (xv) of the order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group has total two Core Investment Companies as part of the Group.
- (xvii) The Company has not incurred cash losses in the current year as well as in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 3.62 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be

transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 3.53 to the financial statements.

(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 3.53 to the financial statements.

For **S.R. BATLIBOI & CO. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

*Partner*

Membership Number: 060352

UDIN: 22060352AIYTXJ4011

Place of Signature: Kolkata

Date: May 13, 2022

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## Annexure 2 to the Independent Auditor's report of even date on the standalone 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 financial statements of Emami Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 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 standalone 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 controls with reference to standalone 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 Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 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 standalone financial statements and such internal financial controls with reference to standalone financial statements

were operating effectively as at March 31, 2022, 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 the ICAI.

For **S.R. BATLIBOI & CO. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

*Partner*

Membership Number: 060352

UDIN: 22060352AIYTXJ4011

Place of Signature: Kolkata

Date: May 13, 2022

# Balance Sheet

as at 31st March, 2022

₹ in Lacs

	Notes	As at 31.03.2022		As at 31.03.2021	
<b>ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Property, Plant and Equipment	3.1	66,247.28		69,530.47	
(b) Capital Work-in-Progress	3.1	127.76		569.79	
(c) Investment Properties	3.2	4,461.60		4,369.11	
(d) Intangible Assets	3.3	54,978.49		35,294.50	
(e) Right of Use Assets	3.4	1,361.03		771.85	
(f) Intangible Assets under Development	3.3	135.41		61.83	
(g) Financial Assets					
(i) Investments	3.5	32,133.63		17,541.63	
(ii) Loans	3.6	1,051.51		2,846.26	
(iii) Other Financial Assets	3.7	8,373.19		6,713.90	
(h) Deferred Tax Assets (Net)	3.8	28,370.50		-	
(i) Other Non-Current Assets	3.9	908.16	1,98,148.56	1,480.39	1,39,179.73
<b>2. Current Assets</b>					
(a) Inventories	3.10	32,871.21		26,924.87	
(b) Financial Assets					
(i) Investments	3.11	3,951.69		8,890.65	
(ii) Trade Receivables	3.12	19,354.50		9,971.77	
(iii) Cash and Cash Equivalents	3.13	1,312.34		323.85	
(iv) Bank balance other than (iii) above	3.14	4,248.14		30,469.06	
(v) Loans	3.15	183.27		202.15	
(vi) Other Financial Assets	3.16	5,362.86		4,680.06	
(c) Other Current Assets	3.17	17,156.16	84,440.17	9,767.11	91,229.52
<b>TOTAL ASSETS</b>			<b>2,82,588.73</b>		<b>2,30,409.25</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(a) Equity Share Capital	3.18	4,411.50		4,445.14	
(b) Other Equity	3.19	2,04,184.10	2,08,595.60	1,71,487.61	1,75,932.75
<b>LIABILITIES</b>					
<b>1. Non-Current Liabilities</b>					
(a) Financial Liabilities					
(i) Lease Liabilities	3.20	491.75		141.81	
(ii) Other Financial Liabilities	3.21	690.74		669.31	
(b) Provisions	3.22	2,017.78		1,900.21	
(c) Other Non-Current Liabilities	3.23	1,790.42	4,990.69	1,973.33	4,684.66
<b>2. Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	3.24	21,257.85		4,652.93	
(ii) Lease Liabilities	3.25	601.10		354.29	
(iii) Trade Payables	3.26				
Total outstanding dues of Micro Enterprises & Small Enterprises		3,339.84		1,213.83	
Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		26,269.46		26,705.06	
(iv) Other Financial Liabilities	3.27	8,875.28		8,849.45	
(b) Other Current Liabilities	3.28	2,953.15		2,051.97	
(c) Provisions	3.29	4,681.53		4,133.89	
(d) Current Tax Liabilities (Net)	3.30	1,024.23	69,002.44	1,830.42	49,791.84
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>2,82,588.73</b>		<b>2,30,409.25</b>
<b>Summary of Significant Accounting Policies</b>	2				

The accompanying notes are an integral part of these standalone 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 Goenka**

Chairman  
DIN: 00152880

**Mohan Goenka**

Vice-Chairman &  
Whole Time Director  
DIN: 00150034

**H V Agarwal**

Vice-Chairman &  
Managing Director  
DIN: 00150089

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

**S B Ganguly**

Director  
DIN: 00012220

**N H Bhansali**

CEO -Finance, Strategy &  
Business Development and CFO  
FCA No: 055211

**A K Joshi**

Company Secretary  
& VP-Legal  
FCS No: 4976

Kolkata

13th May, 2022

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## Statement of Profit and Loss

for the year ended 31st March, 2022

₹ in Lacs

	Notes	2021-2022	2020-2021
<b>INCOME</b>			
Revenue from Operations	3.31	2,86,687.46	2,58,228.69
Other Income	3.32	12,293.91	10,404.95
<b>Total Income</b>	<b>(A)</b>	<b>2,98,981.37</b>	<b>2,68,633.64</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	3.33	85,712.35	67,981.55
Purchases of Stock-in-Trade		17,164.55	17,429.00
(Increase)/Decrease in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	3.34	(5,173.26)	(815.63)
Employee Benefits Expense	3.35	27,893.07	26,675.15
Other Expenses	3.37	71,372.19	62,626.09
<b>Total Expenses before Interest, Depreciation &amp; Amortisation and Tax</b>	<b>(B)</b>	<b>1,96,968.90</b>	<b>1,73,896.16</b>
<b>Earnings before Interest, Depreciation &amp; Amortisation and Tax</b>	<b>(A-B)</b>	<b>1,02,012.47</b>	<b>94,737.48</b>
Finance Costs	(C) 3.36	345.19	1,201.25
Depreciation & Amortisation Expense:	(D)		
a) Amortisation of Intangible Assets	3.3	23,963.62	26,767.30
b) Depreciation of Tangible Assets	3.1 & 3.2	8,229.83	8,819.89
c) Depreciation of Right of Use Assets	3.4	567.36	527.46
<b>Total Expenses before Tax</b>	<b>(B+C+D)=E</b>	<b>2,30,074.90</b>	<b>2,11,212.06</b>
<b>Profit Before Tax</b>	<b>(A-E)=F</b>	<b>68,906.47</b>	<b>57,421.58</b>
<b>Tax Expense:</b>	<b>(G)</b>		
Current Tax (MAT)		12,209.21	10,033.91
MAT Credit Entitlement		(5,775.55)	-
MAT Credit Entitlement for earlier years		(23,033.00)	-
Deferred Tax Charge/(Credit)		438.05	(125.13)
<b>Profit for the year</b>	<b>(F-G)=H</b>	<b>85,067.76</b>	<b>47,512.80</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss in subsequent periods			
Equity Instrument through Other Comprehensive Income		3,165.73	5,813.21
Remeasurement of the net defined benefit liability/asset		(5.47)	151.80
Income tax relating to remeasurement of the net defined benefit asset/liability		0.96	(26.52)
<b>Total Other Comprehensive Income for the year (net of tax)</b>		<b>3,161.22</b>	<b>5,938.49</b>
<b>Total Comprehensive Income for the year</b>		<b>88,228.98</b>	<b>53,451.29</b>
Earnings Per Equity Share	3.58		
(1) Basic (Face Value of Re 1 each)		19.15	10.68
(2) Diluted (Face Value of Re 1 each)		19.15	10.68
<b>Summary of Significant Accounting Policies</b>	2		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date  
For **S. R. BATLIBOI & Co. LLP**  
Chartered Accountants  
Firm Registration No: 301003E/E300005

For and on behalf of Board of Directors

**R S Goenka**  
Chairman  
DIN: 00152880

**Mohan Goenka**  
Vice-Chairman &  
Whole Time Director  
DIN: 00150034

**H V Agarwal**  
Vice-Chairman &  
Managing Director  
DIN: 00150089

per **Sanjay Kumar Agarwal**  
Partner  
Membership No: 060352

**S B Ganguly**  
Director  
DIN: 00012220

**N H Bhansali**  
CEO -Finance, Strategy &  
Business Development and CFO  
FCA No: 055211

**A K Joshi**  
Company Secretary  
& VP-Legal  
FCS No: 4976

Kolkata  
13th May, 2022

# Cash Flow Statement

for the year ended 31st March, 2022

₹ in Lacs

	2021-2022	2020-2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>68,906.47</b>	<b>57,421.58</b>
<b>Adjustments for :</b>		
Profit on Sale/Fair Value of mutual funds and AIF	(5,141.39)	(2,830.37)
Depreciation and Amortisation Expenses	32,760.81	36,114.65
Finance Costs	345.19	1,201.25
Interest income on loans & deposits	(2,601.59)	(1,630.51)
Loss/(Profit) on Sale/Disposal of Property, Plant & Equipments (Net)	(81.62)	139.00
Sundry balances written off/(back) (Net)	6.11	(38.51)
Provision written back	-	(562.11)
Unrealised Foreign Exchange Gain (Net)	(79.50)	(409.75)
Dividend Income from equity investment carried at cost	(2,153.86)	(2,823.45)
Profit on Derivative Instruments	(838.49)	(53.04)
Provision for doubtful trade receivables	-	304.00
Profit on fair value of Loan	(53.39)	-
Loss on Impairment of Investment in subsidiary	852.09	-
Gain on reversal of impairment of Investments in an Associate & a Subsidiary	-	(608.88)
Profit on fair value of investment in CCPS	(575.34)	(1,090.74)
Provision for Doubtful Receivables	84.00	395.55
<b>Cash Generated from operations before working capital changes</b>	<b>91,429.49</b>	<b>85,528.67</b>
<b>Adjustments for working capital changes :</b>		
Increase in Trade Payables and Other Liabilities	1,493.98	4,513.21
Increase in Inventories	(5,946.34)	(4,335.99)
Decrease/(Increase) in Trade Receivables	(9,344.34)	8,082.95
Decrease in Loans and Advances and Other Financial Assets	1,602.49	1.66
Decrease/(Increase) in Other Non Financial Assets	(7,295.54)	393.26
Increase in Provisions	659.74	259.57
	<b>(18,830.01)</b>	<b>8,914.66</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>72,599.48</b>	<b>94,443.33</b>
Less : Direct Taxes Paid (net of refund)	13,014.44	6,603.44
<b>NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES</b>	<b>59,585.04</b>	<b>87,839.89</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Property, Plant & Equipment	332.72	164.15
Interest Received	2,359.72	3,056.12
Dividend Received	2,153.86	2,823.45
Purchases of Investments	(1,42,475.00)	(1,77,870.50)
Sale of Investments	1,48,679.77	1,76,724.76
Short term loans given	-	(1,500.00)
Proceeds from repayment of loan given	-	7,500.00
Purchase of Property, Plant & Equipment & Intangible Assets	(47,736.05)	(3,293.61)
Investment in CCPS	(700.00)	(150.00)
Investment in Equity Shares of Associate	(6,055.22)	-
Investment in alternative investment fund	(185.00)	-

## Cash Flow Statement

for the year ended 31st March, 2022

₹ in Lacs

	2021-2022	2020-2021
Proceeds from alternative investment fund	134.49	808.00
Loans given to Subsidiary Company	(300.00)	-
Proceeds from repayment of loan given to subsidiary company	1,829.00	1,796.27
Fixed Deposits made	(11,058.00)	(59,642.32)
Proceeds from maturity of Fixed Deposit	34,229.66	29,587.87
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>	<b>(18,790.05)</b>	<b>(19,995.81)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings	(7,996.59)	(17,093.08)
Buy Back of Shares including Transaction Costs and Taxes	(20,005.03)	(22,558.95)
Proceeds from Borrowings	5,000.00	18,200.00
Transfer from Escrow Account	-	5,003.60
Interest Paid	(292.60)	(1,162.80)
Dividend Paid	(35,561.10)	(35,561.10)
Corporate Dividend Tax paid	-	(1,908.14)
Payment of Principal Portion of Lease Liabilities	(552.69)	(518.01)
Cash Credit taken /(repaid) (Net)	19,601.51	(12,278.49)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(39,806.50)</b>	<b>(67,876.97)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>988.49</b>	<b>(32.89)</b>
Add- CASH & CASH EQUIVALENTS- OPENING BALANCE	323.85	356.74
CASH & CASH EQUIVALENTS- CLOSING BALANCE	1,312.34	323.85
<b>Cash &amp; Cash Equivalents includes:</b>		
Balances with Banks	1,293.88	303.47
Cash on Hand	18.46	20.38
<b>Total Cash &amp; Cash Equivalents (Refer Note No. : 3.13)</b>	<b>1,312.34</b>	<b>323.85</b>

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

For and on behalf of Board of Directors

**R S Goenka**  
Chairman  
DIN: 00152880

**Mohan Goenka**  
Vice-Chairman &  
Whole Time Director  
DIN: 00150034

**H V Agarwal**  
Vice-Chairman &  
Managing Director  
DIN: 00150089

**per Sanjay Kumar Agarwal**  
Partner  
Membership No: 060352

**S B Ganguly**  
Director  
DIN: 00012220

**N H Bhansali**  
CEO -Finance, Strategy &  
Business Development and CFO  
FCA No: 055211

**A K Joshi**  
Company Secretary  
& VP-Legal  
FCS No: 4976

Kolkata  
13th May, 2022

# Statement of Changes in Equity

for the year ended 31st March, 2022

₹ in Lacs

Particulars	Equity Share Capital	OTHER EQUITY					Total Equity	
		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
<b>Balance as at 1.04.2021</b>	<b>4,445.14</b>	<b>79.64</b>	<b>7,224.80</b>	<b>67,181.70</b>	<b>87,405.79</b>	<b>94.21</b>	<b>9,501.47</b>	<b>1,75,932.75</b>
Profit for the Year	-	-	-	85,067.76	-	-	-	85,067.76
<b>Other Comprehensive Income</b>								
Fair value gain on Equity instrument through other comprehensive income	-	-	-	-	-	-	3,165.73	3,165.73
Remeasurement of the net defined benefit liability/ asset	-	-	-	(5.47)	-	-	-	(5.47)
Income Tax Effect	-	-	-	0.96	-	-	-	0.96
<b>Total Comprehensive Income</b>	-	-	-	<b>85,063.25</b>	-	-	<b>3,165.73</b>	<b>88,228.98</b>
Interim Dividend Paid#	-	-	-	(35,561.10)	-	-	-	(35,561.10)
Amount transferred to Capital redemption reserve upon Buyback of Equity Shares @	-	-	-	-	(33.64)	33.64	-	-
Buyback of shares @	(33.64)	-	(3,341.22)	-	(12,746.59)	-	-	(16,121.45)
Buyback distribution tax @	-	-	(3,755.18)	-	-	-	-	(3,755.18)
Transaction cost towards Buyback of Equity Shares @	-	-	(128.40)	-	-	-	-	(128.40)
<b>Balance as at 31.03.2022</b>	<b>4,411.50</b>	<b>79.64</b>	<b>-</b>	<b>1,16,683.85</b>	<b>74,625.56</b>	<b>127.85</b>	<b>12,667.20</b>	<b>2,08,595.60</b>
<b>Balance as at 1.04.2020</b>	<b>4,531.81</b>	<b>79.64</b>	<b>29,295.50</b>	<b>55,104.72</b>	<b>87,492.46</b>	<b>7.54</b>	<b>3,688.26</b>	<b>1,80,199.93</b>
Profit for the Year	-	-	-	47,512.80	-	-	-	47,512.80
<b>Other Comprehensive Income</b>								
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)
<b>Total Comprehensive Income</b>	-	-	-	<b>47,638.08</b>	-	-	<b>5,813.21</b>	<b>53,451.29</b>
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 @	-	-	(4,197.87)	-	-	-	-	(4,179.87)
Transaction cost towards Buyback of Equity Shares @	-	-	(22.83)	-	-	-	-	(22.83)
<b>Balance as at 31.03.2021</b>	<b>4,445.14</b>	<b>79.64</b>	<b>7,224.80</b>	<b>67,181.70</b>	<b>87,405.79</b>	<b>94.21</b>	<b>9,501.47</b>	<b>1,75,932.75</b>

# Refer Note No : 3.49

@ 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 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 Goenka**

Chairman

DIN: 00152880

**Mohan Goenka**

Vice-Chairman &

Whole Time Director

DIN: 00150034

**H V Agarwal**

Vice-Chairman &

Managing Director

DIN: 00150089

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

**S B Ganguly**

Director

DIN: 00012220

**N H Bhansali**

CEO -Finance, Strategy &

Business Development and CFO

FCA No: 055211

**A K Joshi**

Company Secretary

& VP-Legal

FCS No: 4976

Kolkata

13th May, 2022

# Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 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 asset

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The standalone Ind AS financial statements were approved for issue in accordance with the resolution of the Board of Directors on 13th May, 2022.

### 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 / in coterns.

##### 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 then applies the requirements on constraining estimates of variable consideration and recognises a liability for the expected future rebates.

# Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 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.

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 derecognized 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. In particular, the Company



## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

### 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 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.

# Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 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 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

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

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 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)

# Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

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 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:

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

- 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.

#### 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

# Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

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. 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

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

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 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.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

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 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.



## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

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.

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:

- 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

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:

- it is expected to be settled in the normal operating cycle,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer settlement of the 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 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.

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## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 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.

### y. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

### Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.1 PROPERTY PLANT & EQUIPMENT (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2021	Additions	Disposals/Transfer in/(Out)	As at 31.3.2022	As at 1.4.2021	For the year	Disposals/Transfer in/(Out)	As at 31.3.2022	As at 31.3.2022	As at 31.3.2021
Freehold Land	5,611.61	-	-	5,611.61	-	-	-	-	5,611.61	5,611.61
Building (including roads)	33,917.97	323.96	-	34,241.93	4,795.83	1,120.89	-	5,916.72	28,325.21	29,122.14
Plant & Equipment	56,811.90	4,130.45	(504.26)	60,438.09	25,698.49	6,047.67	(263.95)	31,482.21	28,955.88	31,113.41
Furniture & Fixture	2,371.25	31.57	(53.77)	2,349.05	1,215.07	248.71	(48.22)	1,415.56	933.49	1,156.18
Office Equipment	3,397.67	220.83	(25.05)	3,593.45	1,877.26	387.12	(21.21)	2,243.17	1,350.28	1,520.41
Computers	1,219.16	142.30	(3.41)	1,358.05	909.45	171.33	(3.24)	1,077.54	280.51	309.71
Motor Vehicles	1,301.73	253.43	(28.87)	1,526.29	604.72	158.39	(27.12)	735.99	790.30	697.01
<b>Property, Plant and Equipment Total</b>	<b>104,631.29</b>	<b>5,102.54</b>	<b>(615.36)</b>	<b>109,118.47</b>	<b>35,100.82</b>	<b>8,134.11</b>	<b>(363.74)</b>	<b>42,871.19</b>	<b>66,247.28</b>	<b>69,530.47</b>
Capital Work- In-Progress*	569.79	71.40	(513.43)	127.76	-	-	-	-	127.76	569.79
<b>Total</b>	<b>105,201.08</b>	<b>5,173.94</b>	<b>(1,128.79)</b>	<b>109,246.23</b>	<b>35,100.82</b>	<b>8,134.11</b>	<b>(363.74)</b>	<b>42,871.19</b>	<b>66,375.04</b>	<b>70,100.26</b>

#### (a) Title deeds of immovable property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lacs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Freehold land	12.00	Uttam Keot / Dhanjyoti Dekha	No	9th June, 2015	These plots of land are having periodic patta, hence as per Assam Land rules, registration can be done of such land after completion of 10 years of "Purchase date/Agreement date".
Property, Plant & Equipment	Freehold land	4.35	Gopal Chandra Kalita	No	9th June, 2015	

#### \*Capital Work-in-Progress ageing schedule - As at 31st March, 2022

Capital Work-in-Progress	Amount in Capital Work-in-Progress for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress #	80.88	46.88	127.76

#All the projects in progress includes capital work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.  
Note:

- (1) There are no Capital Work-in-Progress with ageing above 2 years.
- (2) There are no projects as on reporting period where activity has been suspended.

### 3.2 INVESTMENT PROPERTIES (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2021	Additions	Disposals/Transfer in/(Out)	As at 31.3.2022	As at 1.4.2021	For the year	Disposals/Transfer in/(Out)	As at 31.3.2022	As at 31.3.2022	As at 31.3.2021
Building	5,135.18	188.21	-	5,323.39	766.07	95.72	-	861.79	4,461.60	4,369.11
	<b>5,135.18</b>	<b>188.21</b>	<b>-</b>	<b>5,323.39</b>	<b>766.07</b>	<b>95.72</b>	<b>-</b>	<b>861.79</b>	<b>4,461.60</b>	<b>4,369.11</b>

Refer Note No. 3.45 for disclosure of fair value of investment property.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.3 INTANGIBLE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2021	Additions	Disposals/ Transfer in/(Out)	As at 31.3.2022	As at 1.4.2021	For the year	Disposals/ Transfer in/(Out)	As at 31.3.2022	As at 31.3.2022	As at 31.3.2021
Goodwill	1,050.00	-	-	1,050.00	1,050.00	-	-	1,050.00	-	-
<b>Other Intangible Assets</b>										
Software	3,561.21	227.25	-	3,788.46	2,280.37	337.20	-	2,617.57	1,170.89	1,280.84
Brands, Trade Marks & Others#	1,79,480.91	43,420.36	-	2,22,901.27	1,45,467.25	23,626.42	-	1,69,093.67	53,807.60	34,013.66
<b>Other Intangible Assets Total</b>	<b>1,83,042.12</b>	<b>43,647.61</b>	<b>-</b>	<b>2,26,689.73</b>	<b>1,47,747.62</b>	<b>23,963.62</b>	<b>-</b>	<b>1,71,711.24</b>	<b>54,978.49</b>	<b>35,294.50</b>
Intangible Assets under Development	61.83	167.93	(94.35)	135.41	-	-	-	-	135.41	61.83
<b>Grand Total</b>	<b>1,84,153.95</b>	<b>43,815.54</b>	<b>(94.35)</b>	<b>2,27,875.14</b>	<b>1,48,797.62</b>	<b>23,963.62</b>	<b>-</b>	<b>1,72,761.24</b>	<b>55,113.90</b>	<b>35,356.33</b>

#On 25th March 2022, the Company has acquired "Dermicool", one of the leading brands in Prickly Heat Powder and Cool Talc category for a consideration of ₹ 43,200 lacs. The Company has recorded this transaction as asset acquisition as per Ind AS 38 and recognised the Brand, Trade mark and others related Intangible assets.

#### Intangible Assets Under Development ageing schedule - As at 31st March, 2022

Intangible asset under development	Amount in Intangible Assets Under Development for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress #	135.41	-	135.41

#All the projects in progress includes intangible assets under development, whose completion is neither overdue nor exceeded its cost compared to its original plan.

Note: (1) There are no Intangible assets under development with ageing above 1 years.

(2) There are no projects as on reporting period where activity has been suspended.

### 3.4. RIGHT OF USE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Land	Buildings	Total
<b>Gross Block as at 1.4.2021</b>	314.51	1,265.24	1,579.75
Additions	-	1,252.75	1,252.75
Deletion	-	(988.06)	(988.06)
<b>As at 31.3.2022</b>	<b>314.51</b>	<b>1,529.93</b>	<b>1,844.44</b>
Depreciation as at 1.4.2021	10.66	797.24	807.90
Charge for the year	5.33	562.03	567.36
Deletion	-	(891.85)	(891.85)
<b>As at 31.3.2022</b>	<b>15.99</b>	<b>467.42</b>	<b>483.41</b>
Net Block As at 1.4.2021	303.85	468.00	771.85
<b>As at 31.3.2022</b>	<b>298.52</b>	<b>1,062.51</b>	<b>1,361.03</b>

Refer Note No. 3.50 for the related disclosures.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.1 PROPERTY PLANT & EQUIPMENT (PREVIOUS 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 31.3.2021	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	30,276.48
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	34,796.29
Furniture & Fixture	2,319.88	54.63	(3.26)	2,371.25	961.38	256.61	(2.92)	1,215.07	1,156.18	1,358.50
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	1,680.72
Computers	997.02	226.33	(4.19)	1,219.16	801.34	112.22	(4.11)	909.45	309.71	195.68
Motor Vehicles	1,286.44	109.90	(94.61)	1,301.73	537.77	148.55	(81.60)	604.72	697.01	748.67
<b>Property, Plant and Equipment Total</b>	<b>1,01,410.17</b>	<b>3,891.74</b>	<b>(670.62)</b>	<b>1,04,631.29</b>	<b>26,742.22</b>	<b>8,727.55</b>	<b>(368.95)</b>	<b>35,100.82</b>	<b>69,530.47</b>	<b>74,667.95</b>
Capital Work- In-Progress*	685.78	542.08	(658.07)	569.79	-	-	-	-	569.79	685.78
<b>Total</b>	<b>1,02,095.95</b>	<b>4,433.82</b>	<b>(1,328.69)</b>	<b>1,05,201.08</b>	<b>26,742.22</b>	<b>8,727.55</b>	<b>(368.95)</b>	<b>35,100.82</b>	<b>70,100.26</b>	<b>75,353.73</b>

#### (a) Title deeds of immovable property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lacs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Freehold land	12.00	Uttam Keot / Dhanjyoti Deka	No	9th June, 2015	These plots of land are having periodic patta, hence as per Assam Land rules, registration can be done of such land after completion of 10 years of "Purchase date/Agreement date".
Property, Plant & Equipment	Freehold land	4.35	Gopal Chandra Kalita	No	9th June, 2015	

#### \*Capital Work-in-Progress ageing schedule - As at 31st March, 2021

Capital Work-in-Progress	Amount in Capital Work-in-Progress for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress #	558.01	11.78	569.79

#All the projects in progress includes capital work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.

Note: (1) There are no Capital Work-in-Progress with ageing above 2 years.

(2) There are no projects as on reporting period where activity has been suspended.

### 3.2 INVESTMENT PROPERTIES (PREVIOUS 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 31.3.2021	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	4,462.93
	<b>5,136.87</b>	<b>-</b>	<b>(1.69)</b>	<b>5,135.18</b>	<b>673.94</b>	<b>92.34</b>	<b>(0.21)</b>	<b>766.07</b>	<b>4,369.11</b>	<b>4,462.93</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.3 INTANGIBLE ASSETS (PREVIOUS 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 31.3.2021	As at 31.3.2020
Goodwill	1,050.00	-	-	1,050.00	1,050.00	-	-	1,050.00	-	-
<b>Other Intangible Assets</b>										
Software	3,341.83	219.38	-	3,561.21	1,937.35	343.02	-	2,280.37	1,280.84	1,404.48
Brands, Trade Marks & Others#	1,79,480.91	-	-	1,79,480.91	1,19,042.97	26,424.28	-	1,45,467.25	34,013.66	60,437.94
<b>Other Intangible Assets Total</b>	<b>1,82,822.74</b>	<b>219.38</b>	<b>-</b>	<b>1,83,042.12</b>	<b>1,20,980.32</b>	<b>26,767.30</b>	<b>-</b>	<b>1,47,747.62</b>	<b>35,294.50</b>	<b>61,842.42</b>
Intangible Assets under Development	119.21	91.69	(149.07)	61.83	-	-	-	-	61.83	119.21
<b>Grand Total</b>	<b>1,83,991.95</b>	<b>311.07</b>	<b>(149.07)</b>	<b>1,84,153.95</b>	<b>1,22,030.32</b>	<b>26,767.30</b>	<b>-</b>	<b>1,48,797.62</b>	<b>35,356.33</b>	<b>61,961.63</b>

#### Intangible Assets Under Development ageing schedule - As at 31st March, 2021

Intangible asset under development	Amount in Intangible asset under development for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
Projects in progress	37.57	22.46	1.80	61.83

For intangible asset under development, whose completion is overdue or has exceeded its cost compared to its original plan, schedule shall be given

Intangible asset under development	To be completed in		
	Less than 1 year	1-2 years	2-3 years
Projects in progress	32.77	18.96	1.80

Note:

- (1) There are no Intangible assets under development with ageing above 3 years.
- (2) There are no projects as on reporting period where activity has been suspended.

### 3.4. RIGHT OF USE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Land	Buildings	Total
<b>Gross Block as at 1.4.2020</b>	314.51	1,200.77	1,515.28
Additions	-	64.47	64.47
<b>As at 1.4.2021</b>	<b>314.51</b>	<b>1,265.24</b>	<b>1,579.75</b>
Depreciation as at 1.4.2020	5.33	275.11	280.44
Charge for the year	5.33	522.13	527.46
<b>As at 1.4.2021</b>	<b>10.66</b>	<b>797.24</b>	<b>807.90</b>
Net Block As at 1.4.2020	309.18	925.66	1,234.84
<b>As at 1.4.2021</b>	<b>303.85</b>	<b>468.00</b>	<b>771.85</b>

Refer Note No. 3.50 for the related disclosures.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.5 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Non Current</b>		
<b>Investments carried at cost (Unquoted, fully paid, unless otherwise stated)</b>		
<b>Equity shares</b>		
<b>In Subsidiaries</b>		
Emami Bangladesh Limited		
37,916 (31.03.2021 - 37,916) Equity Shares of Taka 100 each	27.82	27.82
Emami International FZE		
1 (31.03.2021 - 1) Equity Share of AED 1,50,000 each {net of impairment of ₹18.98 lacs (31.03.2021 - ₹18.98 lacs)}	-	-
Emami Lanka (Pvt) Limited (formerly known as Emami Indo Lanka (Pvt) Limited) (w.e.f. 4th March 2022)	4.79	4.79
1,13,850 (31.03.2021 - 1,13,850) Equity Shares of LKR 10 each		
Brillare Science Private Limited {Refer note (b) below}	1,992.13	-
5,77,128 (31.03.2021 - Nil) Equity shares of ₹10 each {net of impairment of ₹615.79 lacs (31.03.2021 - Nil)}		
<b>In Associates</b>		
Helios Lifestyle Private Limited {Refer note (c) below}	7,273.09	1,944.18
1,31,092 (31.03.2021 - 72,261) Equity Shares of ₹10 each		
TruNative F & B Pvt Ltd {Refer note (d) below}	950.00	-
15,625 (31.03.2021 - Nil) Equity Shares of ₹10 each		
Brillare Science Private Limited {Refer note (b) below}	-	1,026.38
Nil (31.03.2021 - 2,27,973) Equity shares of ₹10 each {net of impairment of ₹Nil lacs (31.03.2021 - ₹152.62)}		
<b>(i)</b>	<b>10,247.83</b>	<b>3,003.17</b>
<b>Investments carried at FVTPL (Unquoted, fully paid)</b>		
<b>Preference Shares</b>		
<b>In Subsidiary</b>		
Brillare Science Private Limited {Refer note (b) below}	1,496.64	-
3,50,000 (31.03.2021 - Nil) shares of ₹10 each		
<b>In Associates</b>		
Brillare Science Private Limited	-	1,240.74
Nil (31.03.2021 - 15,00,000) shares of ₹10 each		
<b>Units of Alternate Investment Funds</b>		
Fireside Ventures Investment Fund - I	7,262.25	3,452.63
1,324 (31.03.2021 - 1,307.20) Units of ₹1,00,000 each		
Sixth Sense India Opportunities Fund	116.09	-
11,000 (31.03.2021 - Nil) Units of ₹1,000 each		
<b>(ii)</b>	<b>8,874.98</b>	<b>4,693.37</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.5 INVESTMENTS (Contd.)

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Investments Carried at FVTOCI (Quoted, fully Paid)</b>		
<b>Equity Shares</b>		
Emami Paper Mills Limited	13,010.82	9,845.09
79,46,000 (31.03.2021 - 79,46,000) Equity Shares of ₹2 each		
(iii)	<b>13,010.82</b>	<b>9,845.09</b>
<b>Total (i) + (ii) + (iii)</b>	<b>32,133.63</b>	<b>17,541.63</b>
<b>Aggregate Amount of Quoted Investments &amp; Market Value thereof</b>	<b>13,010.82</b>	<b>9,845.09</b>
<b>Aggregate Amount of Unquoted Investments</b>	<b>19,122.81</b>	<b>7,696.54</b>
<b>Aggregate Amount of impairment in value of Investment</b>	<b>634.77</b>	<b>171.60</b>

Note:

- (a) Refer Note No. 3.47 for determination of fair value
- (b) During the year, 15,00,000 preference shares of Brillare Science Private Limited (BSPL) has been converted into 3,49,155 equity shares which has resulted in an increase in Company's stake in BSPL from 34.70% to 57.36% and therefore it has become a subsidiary. Further, Company has invested in 3,50,000 Compulsorily Convertible Preference Shares (CCPS) amounting to ₹700 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 during FY 2022-23, at a conversion rate to be determined based on formula stipulated in the agreement.
- (c) During the year, Company had made a further investment in its associate i.e. Helios Lifestyle Private Limited (Helios) by subscribing/ acquiring to its Equity Shares, which has resulted in an increase in Company's stake in Helios from 33.09% to 49.53%.
- (d) During the year, the Company has acquired 20.65% of equity share capital of Tru Native F&B Private Limited and consequently it has become an associate.

### 3.6 LOANS

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>At amortised cost</b>				
<b>Unsecured, Considered Good</b>				
Loans to Related Parties (Refer Note No. 3.54)	759.20		2,421.80	
Less: Provision for Doubtful Receivables	(183.00)	576.20	-	2,421.80
Loans to Employees		36.56		41.48
<b>At FVTPL</b>				
<b>Unsecured, Considered Good</b>				
Loans to Related Parties (Refer Note No. 3.54)		438.75		382.98
<b>Total</b>		<b>1,051.51</b>		<b>2,846.26</b>

Note:

No Loan is payable on demand or of undefined term.



## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.7 OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>At amortised cost</b>				
<b>Unsecured, Considered Good unless otherwise stated</b>				
Incentive Receivable*	7,434.91		5,999.77	
Less: Provision for Doubtful Receivables	(260.81)	7,174.10	(178.67)	5,821.10
Security Deposit				
- to related parties (Refer Note No. 3.54)	7.50		31.35	
- to others	489.08	496.58	471.96	503.31
Other Receivables				
- from related parties (Refer Note No. 3.54)	786.65		-	
Less: Provision for expected credit loss	(84.14)		-	
- from others**	-		845.04	
Less: Provision for doubtful receivables	-	702.51	(455.55)	389.49
<b>Total</b>		<b>8,373.19</b>		<b>6,713.90</b>

\* It include Capital & Other Subsidies, GST refund, etc.

\*\* Comprise of advances given to supplier in earlier years.

### 3.8 DEFERRED TAX ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Deferred Tax Assets</b>		
Tax Impact of expenses allowable against taxable income in future years	6,969.63	4,492.00
Mat Credit Entitlement (Refer Note No. 3.48)	28,808.55	-
<b>Deferred Tax Liabilities</b>		
Tax impact arising out of temporary differences in depreciable assets	(5,379.50)	(3,839.00)
Tax impact arising on fair value gain on financial instruments	(2,028.18)	(653.00)
	<b>28,370.50</b>	<b>-</b>

#### Movement in Deferred Tax Balance for the period ended 31st March 2022.

Particulars	01.04.2021	Recognised in Profit and Loss	Recognised in OCI	Others	31.03.2022
<b>Deferred Tax Assets</b>					
Tax Impact of expenses allowable against taxable income in future years	4,492.00	2,477.63	0.96	(0.96)	6,969.63
Mat Credit Entitlement	-	28,808.55	-	-	28,808.55
<b>Total Deferred Tax Asset</b>	<b>4,492.00</b>	<b>31,286.18</b>	<b>0.96</b>	<b>(0.96)</b>	<b>35,778.18</b>
<b>Deferred Tax Liabilities</b>					
Tax impact arising out of temporary differences in depreciable assets	(3,839.00)	(1,540.50)	-	-	(5,379.50)
Tax impact arising on fair value gain on financial instruments	(653.00)	(1,375.18)	-	-	(2,028.18)
<b>Total Deferred Tax Liabilities</b>	<b>(4,492.00)</b>	<b>(2,915.68)</b>	<b>-</b>	<b>-</b>	<b>(7,407.68)</b>
<b>Deferred Tax Asset (Net)</b>	<b>-</b>	<b>28,370.50</b>	<b>0.96</b>	<b>(0.96)</b>	<b>28,370.50</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.9 OTHER NON-CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured, Considered Good unless otherwise stated</b>		
Capital Advances	514.10	993.72
Deposit with Government authorities	346.39	350.62
Prepaid Expenses	47.67	136.05
<b>Total</b>	<b>908.16</b>	<b>1,480.39</b>

### 3.10 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>(At lower of cost and net realisable value)</b>				
<b>Raw materials and Packing materials</b>				
Raw Material	8,265.42		8,280.01	
Packing Material	4,914.69	13,180.11	4,131.89	12,411.90
Work-in-Progress		618.75		446.80
Finished Goods		12,719.97		9,657.74
Stock-in-Trade		5,620.89		3,681.81
Stores and Spares		731.49		726.62
<b>Total</b>		<b>32,871.21</b>		<b>26,924.87</b>

- (a) During the year ended 31st March 2022, ₹220.14 lacs (31st March 2021: ₹131.9 lacs) was recognised as an expense for inventories carried at net realisable value.
- (b) Above includes Inventories in Transit:  
 Raw Materials : ₹342.36 lacs ( 31.03.2021 : ₹624.12 lacs)  
 Packing Materials : ₹342.35 lacs ( 31.03.2021 : ₹68.97 lacs)  
 Finished Goods : ₹1,344.44 lacs ( 31.03.2021 : ₹211.69 lacs)
- (c) Above includes Stock-in-Trade lying with third parties ₹2,748.21 lacs (31.03.2021 : ₹Nil)
- (d) Refer Note No. 3.24 for information on inventories pledged as security

### 3.11 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
<b>Investments carried at FVTPL (Unquoted)</b>		
<b>Units of Mutual Fund</b>		
<b>Nippon India Overnight Fund - Direct Growth Plan</b>	2,200.44	450.53
19,28,194 (31.03.2021 - 4,07,812) Units of ₹100 each		
<b>Tata Overnight Fund - Direct Growth Plan</b>	1,400.69	-
124,901 (31.03.2021 - Nil) Units of ₹1,000 each		
<b>Mahindra Manulife Overnight Fund - Direct Growth Plan</b>	350.56	-
31,858 (31.03.2021 - Nil) Units of ₹1,000 each		
<b>Nippon India Floating Rate Fund - Direct Growth Plan</b>	-	3,832.57
Nil (31.03.2021 - 1,06,49,590) Units of ₹10 each		

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.11 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Tata Money Market Fund - Direct Growth Plan</b>	-	1,903.39
Nil (31.03.2021 - 51,866) Units of ₹1,000 each		
<b>Mahindra Manulife Short Term Fund - Direct Growth Plan</b>	-	704.15
Nil (31.03.2021 - 69,97,971) Units of ₹10 each		
<b>Axis Liquid Fund - Direct Growth Plan</b>	-	500.03
Nil (31.03.2021 - 21,885) Units of ₹1,000 each		
<b>PGIM India Insta Cash Fund - Direct Plan Growth</b>	-	500.02
Nil (31.03.2021 - 1,86,534) Units of ₹100 each		
<b>Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan</b>	-	499.98
Nil (31.03.2021 - 1,74,104) Units of ₹100 each		
<b>ICICI Money Market Fund - Direct Growth Plan</b>	-	499.98
Nil (31.03.2021 - 1,69,323) Units of ₹100 each		
<b>Total</b>	<b>3,951.69</b>	<b>8,890.65</b>
<b>Aggregate Amount of Unquoted Investments</b>	<b>3,951.69</b>	<b>8,890.65</b>

### 3.12 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At amortised cost</b>		
<b>Secured</b>		
Considered Good	1,429.88	955.55
<b>Unsecured</b>		
Considered Good	17,924.62	9,016.22
Trade Receivable - Credit Impaired	1,725.18	2,667.00
<b>Subtotal</b>	<b>21,079.68</b>	<b>12,638.77</b>
less: Allowance for Credit Impaired	1,725.18	2,667.00
<b>Total</b>	<b>19,354.50</b>	<b>9,971.77</b>

Set out below is the movement in the allowance for expected credit losses of trade receivables:

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>As at 1st April</b>	<b>2,667.00</b>	<b>2,055.66</b>
(Reversal)/Provision for expected credit losses	(941.82)	611.34
<b>As at 31st March</b>	<b>1,725.18</b>	<b>2,667.00</b>

- Refer Note No. 3.24 for information on receivables secured against borrowings.
- 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.
- Refer Note No. 3.52 for credit risk and foreign currency risk
- Refer Note No. 3.54 for information on receivables from related parties.
- Refer Trade Receivables ageing schedule below:

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### Trade Receivables Ageing - As at 31st March, 2022

₹ in Lacs

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	10,653.12	7,267.63	664.92	302.57	346.47	119.79	<b>19,354.50</b>
(ii) Undisputed Trade Receivables – credit impaired*	-	1,458.37	-	118.36	148.45	-	<b>1,725.18</b>

\*Refer Note No. 3.54.

### Trade Receivables Ageing - As at 31st March, 2021

₹ in Lacs

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	
(i) Undisputed Trade Receivables – considered good	6,420.07	2,717.25	265.44	449.22	119.76	0.03	<b>9,971.77</b>
(ii) Undisputed Trade Receivables – credit impaired	-	2,423.50	44.65	198.85	-	-	<b>2,667.00</b>

Note: There are no disputed trade receivable outstanding on 31st March, 2022 and 31st March, 2021

### 3.13 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
Balances with Banks	1,293.88		303.47	
Cash on Hand	18.46	1,312.34	20.38	323.85
<b>Total</b>		<b>1,312.34</b>		<b>323.85</b>

### Changes in liabilities arising from financing activities

₹ in Lacs

Particulars	01.04.2021	Cash Flow	On Account of Ind AS 116	31.03.2022
Current Borrowings	4,652.93	16,604.92	-	21,257.85
Current Lease Liabilities	354.29	(552.69)	799.50	601.10
Non-Current Lease Liabilities	141.81	-	349.94	491.75
<b>Total</b>	<b>5,149.03</b>	<b>16,052.23</b>	<b>1,149.44</b>	<b>22,350.70</b>

₹ in Lacs

Particulars	01.04.2020	Cash Flow	On Account of Ind AS 116	31.03.2021
Current Borrowings	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
<b>Total</b>	<b>16,774.14</b>	<b>(11,689.58)</b>	<b>64.47</b>	<b>5,149.03</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.14 OTHER BANK BALANCES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Other Bank Balances</b>		
Unpaid Dividend Account #	223.37	231.02
Deposits with original maturity of more than 3 months but less than 12 months *	4,024.77	30,238.04
<b>Total</b>	<b>4,248.14</b>	<b>30,469.06</b>

# Earmarked for payment of Unclaimed Dividend

\* Includes deposits amounting to ₹66.85 lacs (31.03.2021 : ₹55.74 lacs) under lien

### 3.15 LOANS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At amortised cost</b>		
<b>Unsecured, considered good</b>		
Loans to Employees	183.27	202.15
<b>Total</b>	<b>183.27</b>	<b>202.15</b>

### 3.16 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>Unsecured, considered good</b>				
<b>At amortised cost</b>				
Interest Receivable				
- from related parties (Refer Note No. 3.54)	39.58		305.11	
- from others	86.85	126.43	208.14	513.25
Other Receivable				
- from related parties (Refer Note No. 3.54)	291.17		893.44	
- from others	186.26	477.43	53.20	946.64
Security Deposit		32.40		
Incentive receivable*	826.85		3137.64	
Less: Provision for Doubtful Receivables	(22.29)	804.56	-	3,137.64
Deposits with Original maturity of more than 12 months but due in less than 12 months		3,042.09		-
<b>At FVTPL</b>				
Derivative assets - Forward & Option **		879.95		82.53
<b>Total</b>		<b>5,362.86</b>		<b>4,680.06</b>

\* It include Subsidy, Export Incentives, GST Refund etc.

\*\* Refer Note No. 3.47 for determination of fair value

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.17 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>Unsecured, considered good</b>				
Advances other than Capital Advances				
For goods and services	2,664.21		3,168.21	
To employees	43.94	2,708.15	21.28	3189.49
Balances with Government Authorities		13,111.85		5,122.33
Prepaid Expenses		1,336.16		1,455.29
<b>Unsecured, considered doubtful</b>				
Advances other than Capital Advances				
For goods and services	47.35		47.35	
Less: Provision for Doubtful Advances	(47.35)	-	(47.35)	-
<b>Total</b>		<b>17,156.16</b>		<b>9,767.11</b>

### 3.18 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>Authorised</b>				
50,00,00,000 (31.03.2021 - 50,00,00,000)				
Equity Shares of ₹1/- each		5,000.00		5,000.00
<b>Issued</b>				
44,11,50,000 (31.03.2021 - 44,45,13,740)				
Equity Shares of ₹1/- each fully paid up		4,411.50		4,445.14
<b>Subscribed &amp; Paid up*</b>				
44,11,50,000 (31.03.2021 - 44,45,13,740)				
Equity Shares of ₹1/- each fully paid up		4,411.50		4,445.14
<b>Total Issued, Subscribed and Fully paid up Share Capital</b>		<b>4,411.50</b>		<b>4,445.14</b>

\* Of the above, 22,69,67,619 (31.03.2021 : 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 31.03.2022		As at 31.03.2021	
	Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
Shares outstanding at the beginning of the year	44,45,13,740	4,445.14	45,31,80,768	4,531.81
Less : Shares bought back #	33,63,740	33.64	86,67,028	86.67
<b>Shares outstanding at the end of the year</b>	<b>44,11,50,000</b>	<b>4,411.50</b>	<b>44,45,13,740</b>	<b>4,445.14</b>

# Refer Note No. 3.56 for Buy back of equity shares

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.18 EQUITY SHARE CAPITAL (Contd.)

#### (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 31.03.2022		As at 31.03.2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Suraj Finvest Private Limited (formerly known as Sneha Gardens Private Limited)	10,57,20,226	23.96	10,57,20,226	23.78
Sneha Enclave Private Limited	9,86,67,956	22.37	9,86,67,956	22.20

#### (d) Equity shares movement during 5 years preceding March 31, 2022

##### Equity shares issued as bonus

The Company allotted 2,269.67 lacs equity shares as fully paid up bonus shares by capitalisation of profits transferred from security premium in the quarter ended June 30, 2018, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

##### Equity shares extinguished on buy-back

The Company bought back 33,63,740 equity shares for an aggregate amount of ₹16,121.45 lacs being 0.76% of the pre-buyback total paid up equity share capital at ₹479.27 average cost per equity share. The Buyback commenced on 9th February, 2022 and got completed on 21st March, 2022.

The Company bought back 94,21,498 equity shares for an aggregate amount of ₹19,198.73 lacs being 2.08% of the pre-buyback total paid up equity share capital at ₹203.78 average cost per equity share. The Buyback commenced on 29th March, 2020 and got completed on 9th July, 2020.

#### (e) Equity shares held by Promoters as at the end of the current year

Promoter Name	No. of shares as at 01.04.2021	Change during the year	No. of shares at 31.03.2022	% of Total Shares	% change during the year
<b>A) Indian</b>					
<b>A1) Individuals / Hindu undivided Family</b>					
Priti A Sureka	1,16,09,702	34,95,000	1,51,04,702	3.42%	0.79%
Rohin Raj Sureka	35,00,000	(34,95,000)	5,000	0.00%	-0.79%
Avishi Sureka	14,00,000	-	14,00,000	0.32%	-
Sachin Goenka	7,17,000	-	7,17,000	0.16%	-
Shobhna Agarwal	6,30,000	-	6,30,000	0.14%	-
Saswat Goenka	5,80,000	-	5,80,000	0.13%	-
Vibhash Vardhan Agarwal	5,73,478	-	5,73,478	0.13%	-
Manan Goenka	5,65,000	-	5,65,000	0.13%	-
Darsh Goenka	5,65,000	-	5,65,000	0.13%	-

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.18 EQUITY SHARE CAPITAL (Contd.)

Promoter Name	No. of shares as at 01.04.2021	Change during the year	No. of shares at 31.03.2022	% of Total Shares	% change during the year
Advay Goenka	5,54,000	-	5,54,000	0.13%	-
Jyoti Agarwal	4,88,000	-	4,88,000	0.11%	-
Reyansh Goenka	4,07,750	-	4,07,750	0.09%	-
Devarsh Goenka	4,07,750	-	4,07,750	0.09%	-
Radheshyam Goenka	3,92,076	-	3,92,076	0.09%	-
Chikky Goenka	3,71,700	-	3,71,700	0.08%	-
Smriti Agarwal	3,34,000	-	3,34,000	0.08%	-
Rachana Goenka	3,17,700	-	3,17,700	0.07%	-
Rajkumar Goenka	2,97,964	-	2,97,964	0.07%	-
Rachna Bagaria	2,70,000	-	2,70,000	0.06%	-
Indu Goenka	2,69,700	-	2,69,700	0.06%	-
Nimisha Goenka	2,44,000	-	2,44,000	0.06%	-
Reha Goenka	2,40,000	-	2,40,000	0.05%	-
Shreya Goenka	2,30,000	-	2,30,000	0.05%	-
Saroj Goenka	2,15,240	-	2,15,240	0.05%	-
Aditya Vardhan Agarwal HUF	2,04,278	-	2,04,278	0.05%	-
Shruti Goenka	1,96,130	-	1,96,130	0.04%	-
Radheshyam Agarwal	1,95,000	-	1,95,000	0.04%	-
Prashant Goenka	1,90,000	-	1,90,000	0.04%	-
Manish Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Mohan Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Sushil Kumar Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Usha Agarwal	1,73,096	-	1,73,096	0.04%	-
Harsh Vardhan Agarwal HUF	1,72,000	-	1,72,000	0.04%	-
Vihan Vardhan Agarwal	1,72,000	-	1,72,000	0.04%	-
Puja Goenka	1,69,398	-	1,69,398	0.04%	-
Jayant Goenka	1,56,254	-	1,56,254	0.04%	-
Mansi Agarwal	1,50,000	-	1,50,000	0.03%	-
Laxmi Devi Bajoria	1,43,000	-	1,43,000	0.03%	-
Manish Goenka	1,42,196	-	1,42,196	0.03%	-
Aditya Vardhan Agarwal	1,34,668	-	1,34,668	0.03%	-
Ashish Goenka	1,30,000	-	1,30,000	0.03%	-
Rashmi Goenka	1,21,400	-	1,21,400	0.03%	-
Santosh Goenka	1,15,640	-	1,15,640	0.03%	-
Harsha Vardhan Agarwal	1,10,266	-	1,10,266	0.02%	-
Sushil Kumar Goenka	1,09,900	-	1,09,900	0.02%	-
Richa Agarwal**	91,722	1,500	93,222	0.02%	-
Vidhishree Agarwal	80,000	-	80,000	0.02%	-
Vidula Agarwal	80,000	-	80,000	0.02%	-
Jayant Goenka	74,000	-	74,000	0.02%	-



## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.18 EQUITY SHARE CAPITAL (Contd.)

Promoter Name	No. of shares as at 01.04.2021	Change during the year	No. of shares at 31.03.2022	% of Total Shares	% change during the year
Prashant Goenka HUF	74,000	-	74,000	0.02%	-
Ashish Goenka HUF	74,000	-	74,000	0.02%	-
Mohan Goenka	61,900	-	61,900	0.01%	-
Madan Lal Agarwal	60,000	-	60,000	0.01%	-
Jyoti Goenka	48,776	-	48,776	0.01%	-
Kusum Agarwal**	37,800	(1,500)	36,300	0.01%	-
Pradeep Kumar Agarwal	31,150	-	31,150	0.01%	-
Divya Agarwal	26,000	-	26,000	0.01%	-
Sangita Agarwal	26,000	-	26,000	0.01%	-
Shubham Agarwal	24,460	-	24,460	0.01%	-
Abhishek Agarwal	24,000	-	24,000	0.01%	-
Dhiraj Agarwal	16,750	-	16,750	-	-
Sumangal Agarwal	8,200	-	8,200	-	-
Vishal Agarwal	8,200	-	8,200	-	-
<b>Total (A1)</b>	<b>2,93,34,244</b>	<b>-</b>	<b>2,93,34,244</b>	<b>6.65%</b>	<b>-</b>
<b>A2) Body Corporate</b>					
Suraj Finvest Private Limited (formerly known as Sneha Gardens Private Limited)	10,57,20,226	-	10,57,20,226	23.96%	-
Sneha Enclave Private Limited	9,86,67,956	-	9,86,67,956	22.37%	-
Midkot Investments Private Limited	-	31,17,160	31,17,160	0.71%	0.71%
Tmt Viniyogan Limited*	30,33,160	(30,33,160)	-	-	-0.69%
Emami Capital Markets Limited*	84,000	(84,000)	-	-	-0.02%
Emami Paper Mills Ltd	9,33,000	-	9,33,000	0.21%	-
Emami Frank Ross Limited	10,000	-	10,000	-	-
<b>Total (A2)</b>	<b>20,84,48,342</b>	<b>-</b>	<b>20,84,48,342</b>	<b>47.25%</b>	<b>-</b>
<b>Total (A)</b>	<b>23,77,82,586</b>	<b>-</b>	<b>23,77,82,586</b>	<b>53.90%</b>	<b>-</b>
<b>B) Foreign</b>					
Amitabh Goenka	5,71,496	-	5,71,496	0.13%	-
Ritu Goenka	4,54,930	-	4,54,930	0.10%	-
Nikunj Goenka	2,65,000	-	2,65,000	0.06%	-
Yogesh Goenka	2,45,400	-	2,45,400	0.06%	-
Amitabh Goenka HUF	74,000	-	74,000	0.02%	-
<b>Total (B)</b>	<b>16,10,826</b>	<b>-</b>	<b>16,10,826</b>	<b>0.37%</b>	<b>-</b>
<b>Total (A + B)#</b>	<b>23,93,93,412</b>	<b>-</b>	<b>23,93,93,412</b>	<b>54.27%</b>	<b>-</b>

\* These Companies have been merged with Midkot Investments Private Limited with effect from 15th November, 2021.

\*\* % change is below the rounding off norms adopted by the company.

# The increase in promoters' share holding % is due to shares bought back in buyback process and extinguished.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.18 EQUITY SHARE CAPITAL (Contd.)

#### (e) Equity shares held by Promoters as at the end of the previous year

Promoter Name	No. of shares as at 01.04.2020	Change during the year	No. of shares at 31.03.2021	% of Total Shares	% change during the year
<b>A) Indian</b>					
<b>A1) Individuals / Hindu undivided Family</b>					
Priti A Sureka	1,16,09,702	-	1,16,09,702	2.61%	-
Rohin Raj Sureka	35,00,000	-	35,00,000	0.79%	-
Avishi Sureka	14,00,000	-	14,00,000	0.31%	-
Sachin Goenka	7,17,000	-	7,17,000	0.16%	-
Shobhna Agarwal	6,30,000	-	6,30,000	0.14%	-
Saswat Goenka	5,80,000	-	5,80,000	0.13%	-
Vibhash Vardhan Agarwal	5,73,478	-	5,73,478	0.13%	-
Manan Goenka	5,65,000	-	5,65,000	0.13%	-
Darsh Goenka	5,65,000	-	5,65,000	0.13%	-
Advay Goenka	5,54,000	-	5,54,000	0.12%	-
Jyoti Agarwal	4,88,000	-	4,88,000	0.11%	-
Reyansh Goenka	4,07,750	-	4,07,750	0.09%	-
Devarsh Goenka	4,07,750	-	4,07,750	0.09%	-
Radheshyam Goenka	3,92,076	-	3,92,076	0.09%	-
Chikky Goenka	3,71,700	-	3,71,700	0.08%	-
Smriti Agarwal	3,34,000	-	3,34,000	0.08%	-
Rachana Goenka	3,17,700	-	3,17,700	0.07%	-
Rajkumar Goenka	2,97,964	-	2,97,964	0.07%	-
Rachna Bagaria	2,70,000	-	2,70,000	0.06%	-
Indu Goenka	2,69,700	-	2,69,700	0.06%	-
Nimisha Goenka	2,44,000	-	2,44,000	0.05%	-
Reha Goenka	2,40,000	-	2,40,000	0.05%	-
Shreya Goenka	2,30,000	-	2,30,000	0.05%	-
Saroj Goenka	2,15,240	-	2,15,240	0.05%	-
Aditya Vardhan Agarwal HUF	2,04,278	-	2,04,278	0.05%	-
Shruti Goenka	1,96,130	-	1,96,130	0.04%	-
Radheshyam Agarwal	1,95,000	-	1,95,000	0.04%	-
Prashant Goenka	1,90,000	-	1,90,000	0.04%	-
Manish Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Mohan Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Sushil Kumar Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Usha Agarwal	1,73,096	-	1,73,096	0.04%	-
Harsh Vardhan Agarwal HUF	1,72,000	(1,72,000)	-	-	0.04%
Harsh Vardhan Agarwal	-	1,72,000	1,72,000	0.04%	-0.04%
Vihan Vardhan Agarwal	1,72,000	-	1,72,000	0.04%	-
Puja Goenka	1,69,398	-	1,69,398	0.04%	-
Jayant Goenka	1,56,254	-	1,56,254	0.04%	-

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.18 EQUITY SHARE CAPITAL (Contd.)

Promoter Name	No. of shares as at 01.04.2020	Change during the year	No. of shares at 31.03.2021	% of Total Shares	% change during the year
Mansi Agarwal	1,50,000	-	1,50,000	0.03%	-
Laxmi Devi Bajoria	1,43,000	-	1,43,000	0.03%	-
Manish Goenka	1,42,196	-	1,42,196	0.03%	-
Aditya Vardhan Agarwal	1,34,668	-	1,34,668	0.03%	-
Ashish Goenka	1,30,000	-	1,30,000	0.03%	-
Rashmi Goenka	1,21,400	-	1,21,400	0.03%	-
Santosh Goenka	1,15,640	-	1,15,640	0.03%	-
Harsha Vardhan Agarwal	1,10,266	-	1,10,266	0.02%	-
Sushil Kumar Goenka	1,09,900	-	1,09,900	0.02%	-
Richa Agarwal	91,722	-	91,722	0.02%	-
Vidhishree Agarwal	80,000	-	80,000	0.02%	-
Vidula Agarwal	80,000	-	80,000	0.02%	-
Jayant Goenka HUF	74,000	-	74,000	0.02%	-
Prashant Goenka HUF	74,000	-	74,000	0.02%	-
Ashish Goenka HUF	74,000	-	74,000	0.02%	-
Mohan Goenka	61,900	-	61,900	0.01%	-
Madan Lal Agarwal	60,000	-	60,000	0.01%	-
Jyoti Goenka	48,776	-	48,776	0.01%	-
Kusum Agarwal	37,800	-	37,800	0.01%	-
Pradeep Kumar Agarwal	31,150	-	31,150	0.01%	-
Divya Agarwal	26,000	-	26,000	0.01%	-
Sangita Agarwal	26,000	-	26,000	0.01%	-
Shubham Agarwal	24,460	-	24,460	0.01%	-
Abhishek Agarwal	24,000	-	24,000	0.01%	-
Dhiraj Agarwal	16,750	-	16,750	-	-
Sumangal Agarwal	8,200	-	8,200	-	-
Vishal Agarwal	8,200	-	8,200	-	-
<b>Total (A1)</b>	<b>2,93,34,244</b>	<b>-</b>	<b>2,93,34,244</b>	<b>6.60%</b>	<b>-</b>
<b>A2) Body Corporate</b>					
Sneha Gardens Private Limited	-	10,57,20,226	10,57,20,226	23.78%	23.78%
Bhanu Vyapaar Private Limited*	4,37,65,902	(4,37,65,902)	-	-	-9.85%
Raviraj Viniyog*	2,14,56,984	(2,14,56,984)	-	-	-4.83%
Prabhakar Viniyog*	2,04,91,492	(2,04,91,492)	-	-	-4.61%
Suraj Viniyog Private Limited*	2,00,05,848	(2,00,05,848)	-	-	-4.50%
Sneha Enclave Private Limited	-	9,86,67,956	9,86,67,956	22.20%	22.20%
Diwakar Viniyog Private Limited**	4,95,33,849	(4,95,33,849)	-	-	-11.14%
Suntrack Commerce Private Limited**	4,91,34,107	(4,91,34,107)	-	-	-11.05%
Tmt Viniyogan Limited	30,33,160	-	30,33,160	0.68%	-

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.18 EQUITY SHARE CAPITAL (Contd.)

Promoter Name	No. of shares as at 01.04.2020	Change during the year	No. of shares at 31.03.2021	% of Total Shares	% change during the year
Emami Paper Mills Ltd	9,33,000	-	9,33,000	0.21%	-
Emami Capital Markets Limited	84,000	-	84,000	0.02%	-
Emami Frank Ross Limited	10,000	-	10,000	-	-
<b>Total (A2)</b>	<b>20,84,48,342</b>	-	<b>20,84,48,342</b>	<b>46.89%</b>	-
<b>Total (A)</b>	<b>23,77,82,586</b>	-	<b>23,77,82,586</b>	<b>53.49%</b>	-
<b>B) Foreign</b>					
Amitabh Goenka	5,71,496	-	5,71,496	0.13%	-
Ritu Goenka	4,54,930	-	4,54,930	0.10%	-
Nikunj Goenka	2,65,000	-	2,65,000	0.06%	-
Yogesh Goenka	2,45,400	-	2,45,400	0.06%	-
Amitabh Goenka HUF	74,000	-	74,000	0.02%	-
<b>Total (B)</b>	<b>16,10,826</b>	-	<b>16,10,826</b>	<b>0.37%</b>	-
<b>Total (A + B)</b>	<b>23,93,93,412</b>	-	<b>23,93,93,412</b>	<b>53.86%</b>	-

\* These Companies have been merged with Sneha Gardens Private Limited with effect from 15th November, 2020.

\*\* These Companies have been merged with Sneha Enclave Private Limited with effect from 2nd February, 2021.

### 3.19 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Retained Earnings</b>		
Opening balance	67,181.70	55,104.72
Net Profit for the Year	85,067.76	47,512.80
Remeasurements of the Net Defined Benefit Plans (net of tax)	(4.51)	125.28
Interim Dividend #	(35,561.10)	(35,561.10)
Closing Balance	1,16,683.85	67,181.70
<b>Other Comprehensive Income</b>		
Opening Balance	9,501.47	3,688.26
Investment in Equity shares at fair value through Other Comprehensive Income	3,165.73	5,813.21
Closing Balance	12,667.20	9,501.47
<b>Other Reserves</b>		
<b>Capital Reserves</b>	79.64	79.64
<b>Securities Premium</b>		
Opening balance	7,224.80	29,295.50
Amount paid/payable upon Buy back ##	(3,341.22)	(17,868.00)
Buyback distribution tax ##	(3,755.18)	(4,179.87)
Transaction costs related to Buyback ##	(128.40)	(22.83)
Closing Balance	-	7,224.80
<b>Capital Redemption Reserve (CRR)</b>		
Opening balance	94.21	7.54
Appropriation from general reserve upon Buyback of equity shares ##	33.64	86.67
Closing Balance	127.85	94.21

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.19 OTHER EQUITY (Contd.)

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>General Reserve</b>		
Opening Balance	87,405.79	87,492.46
Amount paid/payable upon Buy back ##	(12,746.59)	-
Transfer to capital redemption reserve upon Buyback of equity shares ##	(33.64)	(86.67)
Closing Balance	74,625.56	87,405.79
<b>Total</b>	<b>2,04,184.10</b>	<b>1,71,487.61</b>

# Refer Note No. 3.49

## 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.

##### 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.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.20 LEASE LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Lease Liabilities	491.75	141.81
<b>Total</b>	<b>491.75</b>	<b>141.81</b>

Refer Note No. 3.50 for the related disclosures.

### 3.21 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At Amortised cost</b>		
<b>Unsecured</b>		
Trade Deposits	263.58	244.37
Security Deposits	427.16	424.94
<b>Total</b>	<b>690.74</b>	<b>669.31</b>

### 3.22 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Provision for Employee Benefits</b>		
Gratuity	2,017.78	1,900.21
<b>Total</b>	<b>2,017.78</b>	<b>1,900.21</b>

Refer Note No. 3.38 for the related disclosures.

### 3.23 OTHER NON-CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred Government Grants*	1,790.42	1,973.33
<b>Total</b>	<b>1,790.42</b>	<b>1,973.33</b>

\*To be amortised to income over the life of the assets against which such grants are received / receivable.

### 3.24 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At Amortised cost</b>		
<b>Secured</b>		
<b>From Banks</b>		
Cash Credit (including working capital demand loan)	5,400.00	298.49
Packing Credit	1,357.85	2,226.66
(Both cash credit & packing credit is secured by hypothecation of inventories, book debts on first charge basis ranking pari passu amongst lenders)		
<b>Unsecured</b>		
<b>From Banks</b>		
Cash Credit (including working capital demand loan)	14,500.00	-
Packing Credit	-	2,127.78
<b>Total</b>	<b>21,257.85</b>	<b>4,652.93</b>

Notes :

- Cash Credit (including working capital demand loan) is repayable within 59 - 102 days & carries interest in the range of 4.00% - 9.50% (31.03.2021 : Interest rate 6.60% - 13.96%)
- Packing credit is repayable within 6 months & carries interest in the range of 1.00% - 4.60% (31.03.2021 : Interest rate 1.60% - 5.00%)
- Borrowings from banks has not been used for the purpose other than for which it was taken as at March 31, 2022 and March 31, 2021.
- The company has not been declared wilful defaulter by any bank or financial Institution or other lender.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.25 LEASE LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Lease Liabilities	601.10	354.29
<b>Total</b>	<b>601.10</b>	<b>354.29</b>

Refer Note No. 3.50 for the related disclosures.

### 3.26 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At amortised cost</b>		
Total outstanding dues of Micro & Small Enterprises (Refer Note No: 3.41)	3,339.84	1,213.83
Total outstanding dues of creditors other than Micro & Small Enterprises	26,269.46	26,705.06
<b>Total</b>	<b>29,609.30</b>	<b>27,918.89</b>

(a) Refer Note No. 3.54 for information on receivables from related parties.

(b) Refer Note No. 3.52 for liquidity risk and foreign currency 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

#### Trade Payables Ageing - As at March 31, 2022

₹ in Lacs

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	
Total outstanding dues of Micro & Small Enterprises	316.64	3,023.20	-	-	-	<b>3,339.84</b>
Total outstanding dues of creditors other than Micro & Small Enterprises	10,748.23	15,339.78	139.51	5.59	36.35	<b>26,269.46</b>

#### Trade Payables Ageing - As at March 31, 2021

₹ in Lacs

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	
Total outstanding dues of Micro & Small Enterprises	68.96	1,144.87	-	-	-	<b>1,213.83</b>
Total outstanding dues of creditors other than Micro & Small Enterprises	8,580.03	16,819.62	915.66	331.13	58.62	<b>26,705.06</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.27 OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At amortised cost</b>		
Interest Accrued	83.29	30.70
Creditors for Capital Goods	650.10	296.96
Unpaid Dividend *	223.37	231.02
Employee Benefits	3,076.86	4,405.63
Trade Deposit	0.49	-
Security Deposit	1.55	6.14
<b>At FVTPL</b>		
Financial Guarantee Obligation (Refer Note No. 3.54)	4,839.62	3,879.00
<b>Total</b>	<b>8,875.28</b>	<b>8,849.45</b>

\* 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 31.03.2022	As at 31.03.2021
Deferred Government Grants*	212.41	212.28
Deferred Income**	562.34	-
Advance from Customers	515.28	815.52
Duties & Taxes	1,663.12	1,024.17
<b>Total</b>	<b>2,953.15</b>	<b>2,051.97</b>

\* To be amortised to income over the life of the assets against which such grants are received/receivable.

\*\*During the year, Company has entered in to a shareholder's agreement with Brillare Science Private Limited (BSPL), whereby Company shall invest ₹ 5 Crores towards subscription of equity shares in the FY 22-23 based on price determined under the said agreement.

### 3.29 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Provision for Employee Benefits</b>		
Provident Fund (Refer Note No. 3.39)	473.14	400.57
Leave Encashment	927.60	972.61
<b>Others</b>		
Provision for Litigation (Refer Note No. 3.40)	868.17	874.27
Provision for Rebates and Damage return (Refer Note No. 3.61)	2,412.62	1,886.44
<b>Total</b>	<b>4,681.53</b>	<b>4,133.89</b>

### 3.30 CURRENT TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Direct Taxes (Net of Advance Tax)	1,024.23	1,830.42
<b>Total</b>	<b>1,024.23</b>	<b>1,830.42</b>



## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.31 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2021-2022	2020-2021
<b>Revenue from contracts with customers</b>		
Sale of Products (Refer Note No. 3.60)	2,82,750.39	2,55,173.25
Other Operating Revenues*	3,937.07	3,055.44
<b>Total</b>	<b>2,86,687.46</b>	<b>2,58,228.69</b>

\* It includes amortisation of Capital Subsidy, Export Incentives and GST Refund

### 3.32 OTHER INCOME

₹ in Lacs

Particulars	2021-2022	2020-2021
<b>Interest Received on financial assets carried at amortised cost</b>		
Loans & Deposits	2,601.59	1,630.51
Dividend Income from equity investment carried at cost	2,153.86	2,823.45
Provision for impairment of equity investment in associate written back	-	16.88
Provision for financial guarantee / doubtful trade receivable of a subsidiary written back	-	592.00
Provision for litigation written back	-	562.11
<b>Income from financial assets carried at fair value through Profit or Loss</b>		
Profit on fair value of investment in CCPS	575.34	1,090.74
Profit on Sale / Fair Value of mutual funds and AIF	5,141.39	2,830.37
Profit on fair value of derivatives instruments	838.49	53.04
Profit on fair value of loan	53.39	-
Profit on Sale of Property, Plant & Equipments (net)	81.62	-
Rent and Maintenance Charges Received	499.49	513.36
Sundry Balances Written Back	-	38.51
Miscellaneous Receipts	348.74	253.98
<b>Total</b>	<b>12,293.91</b>	<b>10,404.95</b>

### 3.33 COST OF MATERIALS CONSUMED

₹ in Lacs

Particulars	2021-2022	2020-2021
<b>Raw materials and Packing materials</b>		
Opening Stock	12,411.90	8,763.57
Add : Purchases during the year	86,480.56	71,629.88
Less : Closing Stock	13,180.11	12,411.90
<b>Total</b>	<b>85,712.35</b>	<b>67,981.55</b>

### 3.34 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK- IN-PROGRESS

₹ in Lacs

Particulars	2021-2022	2020-2021
<b>(I) Opening Stock</b>		
Work-in-progress	446.80	407.98
Finished Goods	9,657.74	10,382.26
Stock-in-Trade	3,681.81	2,180.48
	13,786.35	12,970.72
<b>(II) Closing Stock</b>		
Work-in-progress	618.75	446.80
Finished Goods	12,719.97	9,657.74
Stock-in-Trade	5,620.89	3,681.81
	18,959.61	13,786.35
<b>(I) - (II)</b>	<b>(5,173.26)</b>	<b>(815.63)</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.35 EMPLOYEE BENEFITS EXPENSE

₹ in Lacs

Particulars	2021-2022	2020-2021
Salaries and Wages	24,903.94	24,081.05
Staff Contribution to Provident and Other Funds	1,744.67	1,494.43
Gratuity Expenses (Refer Note No. 3.38)	611.52	547.59
Welfare Expense	632.94	552.08
<b>Total</b>	<b>27,893.07</b>	<b>26,675.15</b>

### 3.36 FINANCE COSTS

₹ in Lacs

Particulars	2021-2022	2020-2021
Interest on debts & borrowings	293.18	1,144.73
Interest on lease liabilities (Refer Note No. 3.50)	52.01	56.52
<b>Total</b>	<b>345.19</b>	<b>1,201.25</b>

### 3.37 OTHER EXPENSES

₹ in Lacs

Particulars	2021-2022	2020-2021
Consumption of Stores and Spare parts	1,186.57	922.59
Power and Fuel	2,191.26	2,090.25
Rent (Refer Note No. 3.50)	504.09	329.49
Repairs & Maintenance :		
Building	273.78	174.41
Machinery	890.74	731.09
Others	1,847.59	3,012.11
Insurance	338.72	310.48
Freight & Forwarding	7,974.76	7,082.27
Directors' Fees and Commission	595.55	599.55
Advertisement & Sales Promotion	40,591.61	34,408.72
Packing Charges	5,726.16	5,312.72
Commission	1,087.69	920.93
Loss on Sale/Disposal of Property, Plant & Equipments (net)	-	139.00
Provision for doubtful receivables	84.00	395.55
Provision for doubtful trade receivables	-	304.00
Legal and Professional Fees	2,348.80	3,093.94
Travelling and Conveyance	1,711.21	1,063.02
Expenditure on CSR Activities (Refer Note No. 3.53)	908.33	781.11
Loss on Impairment of Investment in subsidiary and associate	852.09	-
Foreign exchange loss (net)	-	34.45
Sundry Balances Written Off	6.11	-
Miscellaneous Expenses (Refer Note No. 3.44 for payment to auditors)	2,253.13	2,240.25
<b>Total</b>	<b>71,372.19</b>	<b>62,626.09</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.38 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.

- (ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

Particulars	Gratuity Funded	
	As at 31.03.2022	As at 31.03.2021
	₹ in Lacs	
<b>A Expenses Recognised in the Income Statement</b>		
1 Current Service Cost	493.78	428.93
2 Past Service Cost	-	-
3 Loss/(Gain) on settlement	-	-
4 Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	117.74	118.66
<b>5 Total Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>611.52</b>	<b>547.59</b>
<b>B Assets and Liability</b>		
1 Present value of Obligation	5,526.78	4,922.76
2 Fair Value of Plan Assets	3,509.00	3,022.55
3 Funded Status deficit	(2,017.78)	(1,900.21)
<b>4 Net liability recognised in balance sheet</b>	<b>(2,017.78)</b>	<b>(1,900.21)</b>
<b>C Change in Present Value of Obligation</b>		
1 Present value of Obligation as at beginning of period	4,922.76	4,427.29
2 Current Service Cost	493.78	428.93
3 Interest Expense or Cost	305.00	283.15
4 Re-measurement (or Actuarial)(gain)/loss arising from :		
- Change in financial assumptions	(95.89)	133.45
- Experience variance (i.e. Actual experience vs assumptions)	188.53	(121.24)
5 Past Service Cost	-	-
6 Benefits Paid	(287.40)	(228.82)
<b>7 Present value of Obligation as at the end of period</b>	<b>5,526.78</b>	<b>4,922.76</b>
<b>D Change in Fair Value of Plan Assets</b>		
1 Fair Value of Plan Assets at beginning of period	3,022.55	2,572.00
2 Investment Income	187.27	164.49
3 Employer's Contribution	499.41	350.87
4 Benefits paid	(287.40)	(228.82)
5 Return on plan assets, excluding amount recognised in net interest expense	87.17	164.01
<b>6 Fair Value of Plan Assets at end of period</b>	<b>3,509.00</b>	<b>3,022.55</b>
<b>E Other Comprehensive Income</b>		
1 Actuarial (gains)/losses		
- Change in financial assumptions	(95.89)	133.45
- Experience variance (i.e. Actual experience vs assumptions)	188.53	(121.24)
2 Return on plan assets, excluding amount recognised in net interest expense	(87.17)	(164.01)
<b>3 Components of defined benefit costs recognised in other comprehensive income</b>	<b>5.47</b>	<b>(151.80)</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.38 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

#### (iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2022	As at 31.03.2021
Funds managed by Insurer	100.00%	100.00%

#### (iv) Assumptions

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial Assumptions</b>		
Discount Rate (%)	6.60%	6.20%
Salary Growth Rate (per annum)	8.00%	8.00%
<b>Demographic Assumptions</b>		
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:

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Defined Benefit Obligation (Base)	5,526.78	4,922.76

Particulars	As at 31.03.2022		As at 31.03.2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (₹ in Lacs)	5,772.98	5,302.30	5,150.57	4,715.46
(% change compared to base due to sensitivity)	4.50%	-4.10%	4.60%	-4.20%
Salary Growth Rate (- / + 1%) (₹ in Lacs)	5,303.10	5,767.30	4,716.94	5,144.44
(% change compared to base due to sensitivity)	-4.00%	4.40%	-4.20%	4.50%
Attrition Rate (- / + 50% of present attrition rate) (₹ in Lacs)	5,689.19	5,421.31	5,112.21	4,801.54
(% change compared to base due to sensitivity)	2.90%	-1.90%	3.80%	-2.50%
Mortality Rate (- / + 10%) (₹ in Lacs)	5,527.19	5,526.36	4,923.26	4,922.27
(% change compared to base due to sensitivity)	-	-	-	-

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.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.38 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

- b) Expected Contribution during the next annual reporting period

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
The Company's best estimate of Contribution during the next year	500.00	300.00

- c) Maturity Profile of Defined Benefit Obligation

Particulars	2021-2022	2020-2021
Weighted average duration (based on discounted cashflows)	4 Years	4 Years

Expected cash flows over the next (valued on undiscounted basis):	₹ in Lacs	
	2021-2022	2020-2021
1 Year	1,969.54	1,700.92
2 to 5 Years	2,317.44	2,056.43
6 to 10 Years	1,950.46	1,684.80
More than 10 Years	1,407.78	1,291.09

#### (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.

### 3.39 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.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.39 DEFINED BENEFIT PLAN ( PROVIDENT FUND): (Contd.)

#### (ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme.

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Accumulated Account Value of Employee's Fund	16,631.50	14,433.30
Interest Rate Guarantee Liability	468.10	435.76
<b>Present value of benefit obligation at end of the period</b>	<b>17,099.60</b>	<b>14,869.06</b>
Fair Value of Plan Assets	16,626.46	14,468.49
<b>Net Asset / (Liability)</b>	<b>(473.14)</b>	<b>(400.57)</b>

Interest Rate Guarantee Liability	As at 31.03.2022	As at 31.03.2021
Interest Rate Guarantee Liability	468.10	435.76
Fund Reserve and Surpluses	5.04	(35.19)
<b>Net Liability</b>	<b>473.14</b>	<b>400.57</b>

#### (iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2022	As at 31.03.2021
Government of India securities	12.30%	7.75%
State Government securities	34.49%	41.10%
High quality corporate bonds	34.65%	41.99%
Equity shares of listed companies	11.26%	4.72%
Special Deposit Scheme	1.02%	0.20%
Bank balance	1.40%	1.72%
Other Investments	4.88%	2.52%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

#### (iv) Assumptions

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate	5.95%	5.30%
Expected Guarantee Interest Rate	8.10%	8.50%
Mortality Rate	100% (% of IALM)	100% (% of IALM)
	12-14)	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 31.03.2022	As at 31.03.2021
Defined Benefit Obligation (Base)	17,099.60	14,869.06

Particulars	As at 31.03.2022		As at 31.03.2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (₹ in Lacs)	17,109.57	17,089.95	14,878.26	14,860.19
(% change compared to base due to sensitivity)	0.06%	-0.06%	0.06%	-0.06%
Interest rate guarantee (-/+ 1%) (₹ in Lacs)	16,713.23	17,893.17	14,536.56	15,520.03
(% change compared to base due to sensitivity)	-2.26%	4.62%	-2.24%	4.38%

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.40 THE COMPANY HAS MADE A PROVISION OF ₹ 5.97 LACS (31.03.2021 - ₹ 107.96 LACS) TOWARDS CASES WHICH ARE UNDER LITIGATION/DISPUTE DURING THE YEAR AS SHOWN BELOW :

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
Opening Balance	874.27	1,436.38
Provisions made during the year	5.97	107.96
Payment/reversals during the year	(12.07)	(670.07)
<b>Closing Balance</b>	<b>868.17</b>	<b>874.27</b>

### 3.41 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006 :

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year</b>		
- Principal amount due to micro and small enterprises	3,339.84	1,213.83
- Interest due on above	-	-
<b>Total</b>	<b>3,339.84</b>	<b>1,213.83</b>
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	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23 of MSMED Act 2006.	-	-

### 3.42 (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 31.03.2022	As at 31.03.2021
<b>Loan to subsidiary : (including interest)</b>		
Emami International FZE	-	2,043.48
Emami Lanka (Pvt) Limited	312.94	515.09
Brillare Science Private Limited	302.85	-
<b>Maximum amount outstanding at any time during the year (including interest)</b>		
Emami International FZE	2,056.83	3,647.75
Emami Lanka (Pvt) Limited	515.09	515.09
Brillare Science Private Limited	302.85	-
<b>Loan to Associates : (including interest)</b>		
Helios Lifestyle Private Limited	438.75	551.33
<b>Maximum amount outstanding at any time during the year</b>		
Helios Lifestyle Private Limited	551.33	551.33

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.42 (Contd.)

#### (B) Disclosures pursuant to Sub-Section (4) of Section 186 of Companies Act, 2013:

- i) Details regarding investments made are given under Note No. 3.5
- ii) Details regarding Loans and guarantees given are as follows :

₹ in Lacs				
Particulars	Note No.	Purpose	As at 31.03.2022	As at 31.03.2021
Loan to Subsidiary and Associates	3.54	Working Capital Requirements	1,014.95	2,804.78
Corporate Guarantee given (including letter of comfort)	3.54	Working Capital Requirements	8,354.82	8,197.05

- (C) Security Deposit of ₹ Nil (31.03.2021 - ₹ 5.35 Lacs) given to Directors of the Company against tenancies. (Maximum amount outstanding during the year - ₹ 5.35 Lacs (31.03.2021 - ₹ 5.45 Lacs).

### 3.43 CONTINGENT LIABILITIES & COMMITMENTS

#### I) Contingent Liabilities

₹ in Lacs				
(a) Claims against the Company not acknowledged as debt :			As at 31.03.2022	As at 31.03.2021
i)	Excise Duty, GST and Customs demands		311.46	294.02
ii)	Sales Tax demands under appeal		179.73	178.01
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 31.03.2022	As at 31.03.2021
	Bank Guarantees		453.62	425.91
	Corporate Guarantee issued on behalf of a subsidiary company (Net of Provision -Refer note no. 3.27)		1,490.61	2,341.09
	Letter of Comfort issued on behalf of subsidiary company		2,024.59	1,976.96

#### II) Commitments:

₹ in Lacs				
			As at 31.03.2022	As at 31.03.2021
(a) Capital Commitments:	Estimated amount of commitments [net of advances of ₹ 513.80 Lacs (31.03.2021- ₹ 1,249.16 Lacs)] on capital account not provided for		981.64	1,453.38

**Note :** It includes Commitments related to Brillare Science Private Limited (BSPL), whereby Company shall invest ₹ 500 Lacs towards subscription of equity shares in the FY 22-23 based on price determined under the said agreement.

**(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 ₹ 1,043.08 Lacs (31.03.2021 - ₹ 2,408.32 Lacs ). In addition, the Company needs to maintain the average annual export turnover of ₹ 4,774.31 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 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.



## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.44 PAYMENT TO AUDITORS

₹ in Lacs

Particulars	2021-2022	2020-2021
<b>As Statutory Auditors :</b>		
Audit Fees	50.00	47.50
Limited Review	53.00	45.00
Other Services	-	20.00
Other Reimbursement	-	3.70
	<b>103.00</b>	<b>116.20</b>
<b>Payment to Cost Auditors</b>		
Audit Fees	1.65	1.50

### 3.45 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

₹ in Lacs

Particulars	2021-2022	2020-2021
Income derived from investment properties	485.92	484.11
Less : Direct operating expenses (including repairs and maintenance) generating income from investment property	126.37	120.62
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>359.55</b>	<b>363.49</b>
Less – Depreciation	95.72	92.34
<b>Profit arising from investment properties before indirect expenses</b>	<b>263.83</b>	<b>271.15</b>

#### Reconciliation of fair value:

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Fair value of opening balance of Investment Property	6,285.04	5,963.16
Fair value adjustment on opening balance of Investment Property	(721.56)	321.88
Fair value of transfer in/(out)	146.86	-
<b>Fair value of closing balance of Investment Property</b>	<b>5,710.34</b>	<b>6,285.04</b>

These valuations are based on valuations performed by the management (other than registered valuer) 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.

### 3.46 CATEGORIZATION OF FINANCIAL INSTRUMENTS:

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2022	As at 31.03.2021
<b>(i) Financial Assets</b>		
<b>a) Measured at FVTPL</b>		
- Investments in mutual funds / alternate investment fund (current and non-current)	11,330.03	12,343.28
- Investments in Compulsorily Convertible Preference Shares	1,496.64	1,240.74
- Loans	438.75	382.98
- Other Financial Assets (Derivative assets - Forward & Option)	879.95	82.53
<b>b) Measured at FVOCI</b>		
- Investments in Equity Shares	13,010.82	9,845.09
<b>c) Measured at Amortised Cost*</b>		
- Loans (current and non-current)	796.03	3,168.74
- Other Financial Assets (current and non-current)	12,856.10	10,808.12
<b>TOTAL</b>	<b>40,808.32</b>	<b>37,871.48</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.46 CATEGORIZATION OF FINANCIAL INSTRUMENTS: (Contd.)

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2022	As at 31.03.2021
<b>(ii) Financial Liabilities</b>		
<b>a) Measured at FVTPL</b>		
- Financial Guarantee obligation	4,839.62	3,879.00
<b>b) Measured at Amortised Cost*</b>		
- Borrowings (Secured & Unsecured)	21,257.85	4,652.93
- Other Financial Liabilities (current and non-current)	4,726.40	5,639.76
<b>TOTAL</b>	<b>30,823.87</b>	<b>14,171.69</b>

\*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.

The Company has not disclosed fair value of Lease Liability as per Ind AS 107.

Investment in equity shares of subsidiaries and associates which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

### 3.47 FAIR VALUE HIERARCHY

**Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**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 31st March, 2022 & 31st March, 2021 :

₹ in Lacs

Particulars	Fair value measurement at end of the reporting year using			As at 31.03.2022
	Level 1	Level 2	Level 3*	Total
<b>Assets</b>				
Investments in mutual fund / alternate investment fund	-	11,330.03	-	<b>11,330.03</b>
Investments in Equity Shares	13,010.82	-	-	<b>13,010.82</b>
Investments in Compulsorily Convertible Preference Shares	-	-	1,496.64	<b>1,496.64</b>
Loans	-	-	438.75	<b>438.75</b>
Derivative financial instruments - Derivative assets - Forward & Option	-	-	879.95	<b>879.95</b>
<b>Liability</b>				
Financial Guarantee obligation	-	4,839.62	-	<b>4,839.62</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.47 FAIR VALUE HIERARCHY (Contd.)

₹ in Lacs

Particulars	Fair value measurement at end of the reporting year using			As at 31.03.2021
	Level 1	Level 2	Level 3*	Total
<b>Assets</b>				
Investments in mutual fund / alternate investment fund	-	12,343.28	-	<b>12,343.28</b>
Investments in Equity Shares	9,845.09	-	-	<b>9,845.09</b>
Investments in Compulsorily Convertible Preference Shares	-	-	1,240.74	<b>1,240.74</b>
Loans	-	-	382.98	<b>382.98</b>
Derivative financial instruments - Derivative assets - Forward & Option	-	-	82.53	<b>82.53</b>
<b>Liability</b>				
Financial Guarantee obligation	-	3,879.00	-	<b>3,879.00</b>

\* 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 ₹ 115 Lacs and 1% decrease will increase profit before tax by ₹ 134 Lacs.
Loan	Income Approach Method	Yield to maturity	0.50% increase in Yield to Maturity rate will increase profit before tax by ₹ 6.27 Lacs and 0.50% decrease will decrease profit before tax by ₹ 6.39 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 ₹ 172.46 Lacs and 5% decrease will increase Profit before tax by ₹ 172.18 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 1st April 2020	374.74
Purchases /Addition	150.00
Disposal/Deletion	-
Fair Value Changes	1,181.51
<b>As at 31st March 2021</b>	<b>1,706.25</b>
Purchases /Addition	700.00
Disposal/Deletion	1,281.74
Fair Value Changes	1,690.83
<b>As at 31st March 2022</b>	<b>2,815.34</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 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	2021-2022	2020-2021
Profit before Income Taxes	68,906.47	57,421.58
Enacted Tax Rate in India	34.94%	34.94%
Computed expected tax expenses	24,078.68	20,065.40
Tax Incentives for 80C/IE units	(19,223.04)	(13,588.32)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	3,415.00	4,329.73
Expenses not allowable	317.41	273.09
Lower tax rate on dividend received from foreign subsidiary	(376.00)	(493.63)
Adjustment to normal tax since MAT utilised	-	(343.00)
MAT Credit recorded related to previous years	(23,033.00)	-
Tax on realised gain on fair value of Mutual Fund/AIF set off against Short term carried forward losses	(568.89)	(533.00)
Deferred Tax Asset recognised during the year related to earlier years	(927.55)	-
Deferred Tax Asset not recognised	-	367.70
Other Adjustments	156.11	(169.19)
<b>Income Tax expense</b>	<b>(16,161.29)</b>	<b>9,908.78</b>

#### Details of current tax (MAT) for the year :

	₹ in Lacs	
Particulars	2021-2022	2020-2021
Current tax / MAT*	12,209.21	10,376.91
Less : MAT credit utilised	-	(343.00)
Less : MAT credit Entitlement	(5,775.55)	-
Less : MAT credit Entitlement for earlier years	(23,033.00)	-
Add : Deferred tax charge/(credit)	438.05	(125.13)
<b>Income Tax expense</b>	<b>(16,161.29)</b>	<b>9,908.78</b>
Income tax relating to remeasurement of the net defined benefit liability/ asset	(0.96)	26.52
<b>Total Income Tax Expense</b>	<b>(16,162.25)</b>	<b>9,935.30</b>

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.

The Company had unrecognised MAT credit balance as at the end of previous year as one of its manufacturing facilities i.e Pacharia, is eligible for availing income tax benefits under section 80IE of Income Tax Act, 1961 (IT Act). The aforesaid income tax benefit would expire by FY 2025-26 and also due to the improvement in pandemic situation, the Company has reassessed its position and recognized MAT credit entitlement amounting to ₹ 28,808.55 lacs (₹ 5,775.55 lacs pertaining to current year) in the current year. In order to determine the utilization of MAT credit in future years, the management has projected its book profits and tax profits and based on the same, MAT credit has been recognized. Subsequent to the recognition of MAT credit amounting to ₹ 23,033 Lacs, there is an unrecognised MAT credit amounting to ₹ 5,224.93 Lacs which will expire between AY 2024-37, as it is not reasonably certain that such credit can be utilised against future taxable income.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.48 INCOME TAXES (Contd.)

Owing to the recognition of MAT credit entitlement relating to earlier years, the tax expense is lower by ₹ 23,033 lacs and profit after tax is higher by ₹ 23,033 lacs for year ended March 31, 2022. This has positively impacted the EPS of the Company by ₹ 5.18 per share for the year ended March 31, 2022.

### 3.49 DISTRIBUTION OF DIVIDEND

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Dividend on equity shares declared and paid :</b>		
1st Interim dividend for the year ended 31.03.2022 :- ₹ 4.00 per share (31.03.2021 :- ₹ 4.00 per share )	17,780.55	17,780.55
2nd Interim dividend for the year ended 31.03.2022 :- ₹ 4.00 per share (31.03.2021 :- ₹ 4.00 per share )	17,780.55	17,780.55
	<b>35,561.10</b>	<b>35,561.10</b>

Note : The Dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013

### 3.50 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 to 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 31.03.2022	As at 31.03.2021
<b>As at 1st April</b>	<b>771.85</b>	<b>1,234.84</b>
Addition during the year	1,252.75	64.47
Derecognition	(96.21)	-
Depreciation Expense	567.36	527.46
<b>As at 31st March</b>	<b>1,361.03</b>	<b>771.85</b>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>As at 1st April</b>	<b>496.10</b>	<b>949.64</b>
Addition during the year	1,252.75	64.47
Derecognition	(103.31)	-
Accretion of interest	52.01	56.52
Payments	(604.70)	(574.53)
<b>As at 31st March</b>	<b>1,092.85</b>	<b>496.10</b>
Current	601.10	354.29
Non Current	491.75	141.81

The effective interest rate for lease liabilities is 6.0%, with maturity between 2023-2028

The following are the amounts recognised in Statement of Profit and Loss:

Particulars	₹ in Lacs	
	2021-2022	2020-2021
Depreciation expense of right-of use assets	567.36	527.46
Interest expenses on lease liabilities	52.01	56.52
Expense relating to other leases (including in other expenses)	504.09	329.49
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>1,123.46</b>	<b>913.47</b>

Maturity analysis of lease liabilities are as follows:	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
1 Year	651.10	354.29
2 to 5 Years	519.91	141.81

# Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.50 LEASES (Contd.)

### 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 ₹ 371.81 Lacs (31.03.2021: ₹ 370.12 Lacs).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
Within one year	-	160.76

## 3.51 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 31.03.2022	As at 31.03.2021
Net Debt	20,028.80	4,351.42
Total equity	2,08,595.60	1,75,932.75
<b>Net Debt plus Total Equity</b>	<b>2,28,624.40</b>	<b>1,80,284.17</b>
<b>Gearing Ratio</b>	<b>8.76%</b>	<b>2.41%</b>

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 31st March 2022 and 31st March 2021.

## 3.52 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.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs comprehensive interest rate risk management. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.52 FINANCIAL RISK MANAGEMENT (Contd.)

#### 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.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at 31.03.2022			As at 31.03.2021		
	USD	Euro	GBP	USD	Euro	GBP
Trade Receivables*	5,683.82	-	-	1,574.04	-	-
Loan Given**	276.20	-	-	2,271.80	-	-
Interest Receivable	36.74	-	-	286.77	-	-
Other Receivable	993.67	-	-	808.20	-	-
Hedge Exposure	(910.79)	-	-	(530.69)	-	-
<b>Net Exposure to Foreign Currency Risk (Assets)</b>	<b>6,079.63</b>	<b>-</b>	<b>-</b>	<b>4,410.12</b>	<b>-</b>	<b>-</b>
Financial Guarantee Obligation***	4,839.62	-	-	3,879.00	-	-
Trade Payables	894.55	1.01	14.78	151.88	-	14.03
Creditors for Capital Goods	-	241.07	-	-	-	-
<b>Net Exposure to Foreign Currency Risk (Liabilities)</b>	<b>5,734.17</b>	<b>242.08</b>	<b>14.78</b>	<b>4,030.88</b>	<b>-</b>	<b>14.03</b>
<b>Net Exposure to Foreign Currency Risk (Assets - Liabilities)</b>	<b>345.46</b>	<b>(242.08)</b>	<b>(14.78)</b>	<b>379.24</b>	<b>-</b>	<b>(14.03)</b>

₹ in Lacs

\* Net of provision for impairment of receivables from one of its Wholly Owned Subsidiary, i.e. provision for doubtful receivable ₹ 1,458.37 lacs & from other parties ₹ 58.25 lacs.

\*\* Net of provision for impairment of Loan receivables from one of its Wholly Owned Subsidiary, i.e. Adjustment against provision for doubtful receivable ₹ 183 lacs.

\*\*\* Provision for financial guarantee obligation aggregating ₹ 4,839.62 lacs created on account of impairments of one of its wholly owned Subsidiary

#### Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit before tax	
	2021-2022	2020-2021
<b>USD Sensitivity</b>		
INR/USD -Increase by 10%*	34.55	37.92
INR/USD -Decrease by 10%*	(34.55)	(37.92)
<b>Euro Sensitivity</b>		
INR/EUR-Increase by 10%*	(24.21)	-
INR/EUR-Decrease by 10%*	24.21	-
<b>GBP Sensitivity</b>		
INR/GBP-Increase by 10%*	(1.48)	(1.40)
INR/GBP-Decrease by 10%*	1.48	1.40

₹ in Lacs

\* Holding all other variables constant

#### 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.

# Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.52 FINANCIAL RISK MANAGEMENT (Contd.)

### 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 ₹ 19,354.50 Lacs and ₹ 9,971.77 Lacs as at 31.03.2022 and 31.03.2021, 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 2022 and 31st March 2021.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

₹ in Lacs

Particulars	As at 31.03.2022			As at 31.03.2021		
	Estimated total gross carrying amount at default	Expected Credit Loss-simplified approach	Net carrying amount	Estimated total gross carrying amount at default	Expected Credit Loss-simplified approach	Net carrying amount
Current but not due	10,653.12	-	10,653.12	6,420.07	-	6,420.07
Less than 6 months	8,726.00	1,458.37	7,267.63	5,140.75	2,423.50	2,717.25
6 months to 1 Year	664.92	-	664.92	310.09	44.65	265.44
1 to 2 Years	420.93	118.36	302.57	648.07	198.85	449.22
2 to 3 Years	494.92	148.45	346.47	119.76	-	119.76
More than 3 Years	119.79	-	119.79	0.03	-	0.03
<b>Total</b>	<b>21,079.68</b>	<b>1,725.18</b>	<b>19,354.50</b>	<b>12,638.77</b>	<b>2,667.00</b>	<b>9,971.77</b>

### 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.



## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.52 FINANCIAL RISK MANAGEMENT (Contd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Less than 1 year</b>		
Borrowings	21,257.85	4,652.93
Lease Liabilities	651.10	354.29
Interest Payable on Borrowings in future	179.20	49.08
Trade Payables	29,609.30	27,918.89
Other financial Liabilities	8,875.28	8,849.45
	<b>60,572.73</b>	<b>41,824.64</b>
<b>More than 1 year</b>		
Lease Liabilities	519.91	141.81
Other financial Liabilities	690.74	669.31
	<b>1,210.65</b>	<b>811.12</b>
<b>Total</b>	<b>61,783.38</b>	<b>42,635.76</b>

### 3.53 DETAILS OF CSR EXPENDITURE

Particulars	₹ in Lacs			
	2021-2022		2020-2021	
	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	880.13	-	778.99	-
b) Amount approved by the Board to be spent during the year	880.13	-	778.99	-
c) Amount spent during the year				
i) Construction/Acquisition of any Asset	-	-	-	-
ii) On Purposes other than (i) above	833.33	-	781.11	-
d) Amount unspent/(Surplus) at the end of the year	75.00		(2.12)	
e) Nature of CSR Activities	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		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	

f) Details related to spent / unspent obligations

Particulars	₹ in Lacs	
	2021-2022	2020-2021
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	807.85	739.13
iii) On purpose of other than i) & ii) above	25.48	41.98
iv) Unspent amount in relation to :		
- Ongoing project	75.00	-
- Other than ongoing project	-	-
<b>Total</b>	<b>908.33</b>	<b>781.11</b>

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.53 DETAILS OF CSR EXPENDITURE (Contd.)

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c*
-	-	880.13	833.33	-	-	75.00

\*It includes ₹ 28.20 lacs which is in addition to the minimum amount required to be spent as per the section 135 to the Companies Act, 2013.

### 3.54 RELATED PARTY TRANSACTIONS :

#### A. Parties where Control exists /significant influence exist :

₹ in Lacs

Particulars	Country of Incorporation	As at 31.03.2022	As at 31.03.2021
		% of Holding	% of Holding
<b>ENTITIES HAVING SIGNIFICANT INFLUENCE OVER THE COMPANY</b>			
Suraj Finvest Private Limited (Formerly known as Sneha Gardens Private Limited) (w.e.f. 2nd Feb 2021)	India	23.78%	23.78%
Sneha Enclave Private Limited (w.e.f. 2nd Feb 2021)	India	22.20%	22.20%
<b>SUBSIDIARIES</b>			
Emami Bangladesh Limited	Bangladesh	100.00%	100.00%
Emami International FZE	UAE	100.00%	100.00%
Emami Lanka (Pvt) Limited (Formerly known as Emami Indo Lanka (Pvt) Limited) (w.e.f. 4th March 2022)	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 International Personal Care Trading LLC - Subsidiary of Emami International FZE (w.e.f 15th Feb 2022)	UAE	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%
Brillare Science Private Limited (w.e.f 1st Oct 2021)	India	57.36%	-
<b>ASSOCIATE</b>			
Helios Lifestyle Private Limited	India	49.53%	33.09%
Brillare Science Private Limited (up to 30th Sep 2021)	India	34.70%	34.70%
Tru Native F&B Private Limited (w.e.f 5th Mar 2022)	India	20.65%	-

#### B. Other Related Parties with whom transactions have taken place during the period

##### i) Key Management Personnel

1 Shri R. S. Agarwal	Chairman Emeritus (Non Executive Director- w.e.f 1st Apr 2022)
2 Shri R. S. Goenka	Executive Director (Non Executive Chairman - w.e.f 1st Apr 2022)
3 Shri Sushil Kr. Goenka	Managing Director (Whole Time Director -w.e.f 1st Apr 2022)
4 Shri Mohan Goenka	Executive Director (Vice-Chairman & Whole Time Director - w.e.f 1st Apr 2022)

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.54 RELATED PARTY TRANSACTIONS : (Contd.)

5	Shri H. V. Agarwal	Executive Director (Vice-Chairman & Managing Director- w.e.f 1st Apr 2022)
6	Smt. Priti A. Sureka	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
<b>ii) Other Directors</b>		
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 (Upto 2nd Aug 2021)	Independent Director
9	Shri Debabrata Sarkar	Independent Director
10	Smt. Mamta Binani (w.e.f 29th Oct 2021)	Independent Director
<b>iii) Relatives of Key Management Personnel</b>		
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. Puja 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	

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## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.54 RELATED PARTY TRANSACTIONS : (Contd.)

#### iv) Entities where Key Management Personnel and their relatives have significant influence

- 1 Emami Paper Mills Limited
- 2 Emami Frank Ross Limited
- 3 Pan Emami Cosmed Limited (Upto 8th Dec 2021)
- 4 Emami Realty Limited
- 5 Emami Agrotech Limited
- 6 CRI Limited
- 7 Midkot Investments Private Limited (w.e.f. 9th Dec 2021)
- 8 TMT Viniyogan Limited (Upto 8th Dec 2021)
- 9 Ravi Raj Viniyog Private Limited (Upto 1st Feb'2021)
- 10 Suntrack Commerce Private Limited (Upto 1st Feb'2021)
- 11 Diwakar Viniyog Private Limited (Upto 1st Feb'2021)
- 12 Bhanu Vyapaar Private Limited (Upto 1st Feb'2021)
- 13 Prabhakar Viniyog Private Limited (Upto 1st Feb'2021)
- 14 Aviro Vyapar Private Limited
- 15 AMRI Hospital Limited
- 16 Emami Vriddhi Commercial Private Limited
- 17 Emami Estates Private Limited
- 18 Emami Capital Markets Limited (Upto 8th Dec 2021)
- 19 Emami Group Of Companies Private Limited
- 20 Emami Home Private Limited
- 21 Dev Infracity Private Limited
- 22 Onest Limited (Formerly known as Emita Limited)
- 23 Pacific Healthcare Pvt. Limited
- 24 Khaitan & Co.
- 25 Khaitan & Co. LLP
- 26 Aditya Vardhan Agarwal HUF
- 27 Manish Goenka HUF
- 28 Mohan Goenka HUF
- 29 Prashant Goenka HUF
- 30 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, 2022

### 3.54 RELATED PARTY TRANSACTIONS : (Contd.)

#### C. Disclosure of Transactions between the Company and Related Parties.

₹ 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	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
<b>1. Remuneration and Employee Benefits</b>												
<b>i) EXECUTIVE DIRECTORS</b>												
- Short Term Employee benefits	-	-	-	-	1,670.86	1,523.02	-	-	-	-	1,670.86	1,523.02
- Post Employment benefits	-	-	-	-	71.28	64.92	-	-	-	-	71.28	64.92
- Commission	-	-	-	-	500.00	500.00	-	-	-	-	500.00	500.00
<b>ii) OTHER DIRECTORS</b>												
- Sitting Fees	-	-	-	-	42.35	31.05	-	-	-	-	42.35	31.05
- Commission	-	-	-	-	53.20	68.50	-	-	-	-	53.20	68.50
<b>iii) CEO &amp; COMPANY SECRETARY</b>												
- Short Term Employee benefits	-	-	-	-	323.90	304.45	-	-	-	-	323.90	304.45
- Post Employment benefits	-	-	-	-	8.35	7.85	-	-	-	-	8.35	7.85
<b>2. Sales</b>												
- Sale of Goods	8,750.08	9,035.16	-	-	-	-	235.62	243.16	-	-	8,985.70	9,278.32
- Sale of Export Benefit Licence	-	-	-	-	-	-	-	126.91	-	-	-	126.91
<b>3. Other Income</b>												
- Sale of Property, Plant & Equipment	161.57	8.36	-	-	-	-	-	-	-	-	161.57	8.36
- Sale of Consumables	20.93	-	-	-	-	-	-	-	-	-	20.93	-
- Rent, Maintenance & Other Charges Received	-	-	-	-	-	-	402.89	382.57	-	-	402.89	382.57
- Royalty Received	363.53	422.46	-	-	-	-	68.03	85.28	-	-	431.56	507.74
- Dividend Received	2,153.86	2,823.45	-	-	-	-	-	-	-	-	2,153.86	2,823.45
- Guarantee Commission Received	63.30	62.20	-	-	-	-	-	-	-	-	63.30	62.20
- Interest Received	53.25	249.74	59.43	21.08	-	-	-	-	-	-	112.68	270.82
- Miscellaneous Income	-	-	18.63	-	-	-	-	-	-	-	18.63	-
<b>4. Purchase</b>												
- Purchase of Property, Plant & Equipment	-	-	-	-	-	-	0.96	-	-	-	0.96	-
- Purchase of Gift and Promotional Items	-	-	-	-	-	-	10.83	8.12	-	-	10.83	8.12
- Purchase of Raw Materials	-	-	-	-	-	-	-	0.74	-	-	-	0.74
<b>5. Other Expenses</b>												
- Rent, Maintenance & Other Charges Paid	-	-	-	-	12.80	12.80	51.04	70.68	21.98	5.29	85.82	88.77
- Donation Paid	-	-	-	-	-	-	691.74	678.63	-	-	691.74	678.63
- Miscellaneous Expenses	-	-	0.42	-	-	-	66.21	65.26	-	-	66.63	65.26
<b>6. Dividend Paid</b>												
	-	-	-	-	2,007.14	1,956.54	388.84	16,739.88	16,351.06	-	18,747.04	18,696.42
<b>7. Loan Given</b>	300.00	-	-	-	-	-	-	-	-	-	300.00	-
<b>8. Investment</b>	700.00	-	6,978.90	150.00	-	-	-	-	-	-	7,678.90	150.00
<b>9. Security Deposit Received</b>	-	-	-	-	-	-	8.25	-	-	-	8.25	-
<b>10. Refund against Security Deposit Paid</b>	-	-	-	-	13.85	0.20	3.00	-	7.00	-	23.85	0.20
<b>11. Refund against Loan Given</b>	1,825.56	1,373.05	150.00	-	-	-	-	-	-	-	1,975.56	1,373.05
<b>12. Refund against Security Deposit Received</b>	-	-	-	-	-	-	-	5.28	-	-	-	5.28
<b>13. Reimbursement of Expenses</b>	29.81	-	-	-	-	-	73.47	58.88	-	-	103.28	58.88
<b>14. Contribution to Provident Fund</b>	-	-	-	-	-	-	806.99	717.95	-	-	806.99	717.95

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.54 RELATED PARTY TRANSACTIONS : (Contd.)

#### D. The details of amount due to or due from related parties as at 31.03.2022 and 31.03.2021 as follows :

		₹ in Lacs	
Particulars	Related Party	As at 31.03.2022	As at 31.03.2021
Investment	Subsidiaries (Equity Shares)	2,024.74	32.61
	Subsidiaries (Compulsorily Convertible Preference Shares)	1,496.64	-
	Associates (Equity Shares)	8,223.09	2,970.56
	Associates (Compulsorily Convertible Preference Shares)	-	1,240.74
	Entities where Key Management Personnel and their relatives have significant influence	13,010.82	9,845.09
		<b>24,755.29</b>	<b>14,089.00</b>
Trade Receivable	Subsidiaries (net of allowance for doubtful trade receivable ₹ 1,416.84 Lacs) (31.03.2021 : ₹2,323.00 Lacs)*	3,617.81	641.39
	Entities where Key Management Personnel and their relatives have significant influence	17.33	9.12
		<b>3,635.14</b>	<b>650.51</b>
Loan Receivable (including interest)	Subsidiaries (net of provision ₹ 183 lacs) (31.03.2021 : Nil)**	615.79	2,558.57
	Associate (net of fair value gain of ₹ 53.39 lacs) (31.03.2021 : net of fair value gain of ₹ 37.74 lacs)	438.75	551.32
		<b>1,054.54</b>	<b>3,109.89</b>
Other Receivable	Subsidiaries (net of provision ₹ 84.14 lacs) (31.03.2021 : Nil)	993.67	808.20
	Entities where Key Management Personnel and their relatives have significant influence	0.17	85.24
		<b>993.84</b>	<b>893.44</b>
Trade Payable	Entities where Key Management Personnel and their relatives have significant influence	221.42	76.42
Other Payable	Subsidiaries	1.02	-
Security Deposit Paid	Entities having significant influence over Company	-	7.00
	Key Management Personnel & Relatives	-	13.85
	Entities where Key Management Personnel and their relatives have significant influence	7.50	10.50
		<b>7.50</b>	<b>31.35</b>
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	8.25	-
Corporate Guarantee given	Subsidiaries	6,330.23	6,220.09
Letter of Comfort	Subsidiaries	2,024.59	1,976.96
Remuneration ,Sitting Fees & Commission Payable	Key Management Personnel & Relatives	553.20	568.50
Advance from Customer	Entities where Key Management Personnel and their relatives have significant influence	-	5.13

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.54 RELATED PARTY TRANSACTIONS : (Contd.)

#### Terms and conditions of transactions with related parties

The sales 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:

- a) Loans to subsidiaries carries interest and has a tenure of 3 year for the date of loan given.
- b) Loans to associate carries interest and are convertible to equity at the option of issuer / borrower or repayable on happening of certain event.
- c) Loan receivable from Emami Lanka (Pvt) Ltd. aggregating to ₹ 276.20 lacs (net of provision ₹ 183 lacs) is payable in FY 2023-24 as per the renewed/ revised agreement.

\* 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 ₹ 3,879 lacs and provided for doubtful trade receivables aggregating ₹ 2,323 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, 2022, there has been an increase by ₹ 53 lacs (net) on the basis of performance of the subsidiary in the current year, which comprises of increase in liability towards financial guarantee by ₹ 961 lacs and decrease in provision for doubtful trade receivable amounting to ₹ 908 lacs.

\*\* The Company has investments, loans, trade receivables and guarantees given with respect to its wholly owned subsidiary viz. Emami Lanka (Pvt) Limited. During the current year, the Company had performed an impairment assessment in connection with the total exposure in Emami Lanka (Pvt) Limited by examining its financial position and impaired its Loan receivable aggregating ₹ 183 lacs which is equivalent to negative net worth of Emami Lanka (Pvt) Limited.

### 3.55 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. 3.38 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 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. 3.8, 3.18 and 3.48.

# Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.55 CRITICAL ESTIMATES AND JUDGEMENTS (Contd.)

### 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. 3.22, 3.29, 3.40 and 3.43.

### 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.

### 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. 3.47

**3.56** The Board of Directors of the Company, at its meeting held on 3rd February 2022, 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 group and persons who are in control of the company, at a price not exceeding ₹550 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹16,200 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 2018. The Maximum Buyback Size was 9.94% of aggregate of the Company's paid up equity capital and free reserves based on the audited financial statements of the Company as at 31st March 2021, in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013 and SEBI Buy Back Regulations 2018



## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.56 (Contd.)

The Buyback commenced on 9th February 2022 and closed on 21st March 2022. The Company bought back an aggregate of 33,63,740 equity shares, utilizing a total of ₹ 16,121.45 lacs (excluding transaction costs of Buyback, Brokerage and tax) which represents 99.52% of the maximum Buyback size. These equity shares were extinguished in the month of March 2022 as per the records of the depositories. The Company bought back 33,63,740 equity shares in total cash consideration of ₹ 20,005.03 Lacs (including ₹ 128.40 lacs towards transaction costs of Buyback and ₹ 3,755.18 lacs towards Buyback distribution tax). These equity shares were extinguished in the month of March 2022 as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 7,224.80 lacs have been utilised from the securities premium, ₹ 12,780.23 lacs from general reserve for the Buyback. Further, capital redemption reserve of ₹ 33.64 lacs, representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.

**3.57** 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.

### 3.58 INFORMATION FOR EARNINGS PER SHARE AS PER IND AS 33

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
Net Profit after tax (₹ in Lacs)	85,067.76	47,512.80
Net Profit before considering MAT Credit Entitlement of earlier years (₹ in Lacs)	62,034.76	47,512.80
Weighted average number of shares (in Lac) (Refer Note no. 3.56)	4,442.59	4,446.82
<b>Earnings Per Share - Basic &amp; Diluted (₹)</b>	<b>19.15</b>	<b>10.68</b>
<b>Earnings Per Share before considering MAT Credit Entitlement of earlier years - Basic &amp; Diluted (₹)</b>	<b>13.97</b>	<b>10.68</b>

**3.59** 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.

### 3.60 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	2021-2022	2020-2021
India	266,835.49	240,490.55
Outside India	15,914.90	14,682.70
<b>Total revenue from contracts with customers</b>	<b>2,82,750.39</b>	<b>2,55,173.25</b>

Timing of revenue recognition	2021-2022	2020-2021
Goods transferred at a point in time	2,82,750.39	2,55,173.25

Contract balances		₹ in Lacs
Particulars	As at 31.03.2022	As at 31.03.2021
Trade receivables	19,354.50	9,971.77
<b>Contract liabilities</b>		
Advance from customers	515.28	815.52

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.

# Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.60 REVENUE FROM CONTRACTS WITH CUSTOMERS: (Contd.)

Set out below is the amount of revenue recognised from:

Particulars	₹ in Lacs	
	2021-2022	2020-2021
<b>Amounts included in contract liabilities at the beginning of the year</b>	<b>815.52</b>	<b>530.05</b>
Amount received during the year	515.28	815.52
Amount adjusted during the year	815.52	530.05
<b>Amounts included in contract liabilities at the end of the year</b>	<b>515.28</b>	<b>815.52</b>

### 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.

## 3.61 THE COMPANY HAS MADE A PROVISION OF ₹2,412.62 LACS (31.03.2021 - ₹1,886.44 LACS) TOWARDS REBATES AND DAMAGE RETURN:

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Opening Balance</b>	<b>1,886.44</b>	<b>1,930.44</b>
Provisions made during the year	2,412.62	1,886.44
Payment/reversals during the year	1,886.44	1,930.44
<b>Closing Balance</b>	<b>2,412.62</b>	<b>1,886.44</b>

## 3.62 RATIO ANALYSIS AND ITS ELEMENTS

Sl.	Particulars	Ratios		% Variance	Reason for Variance
		2021-2022	2020-2021		
(a)	Current ratio (in times)	1.22	1.83	33.21%	The variance is mainly on account of increase in working capital loans
(b)	Debt-Equity ratio (in times)	0.11	0.03	265.29%	The variance is mainly on account of increase in working capital loans
(c)	Debt service coverage ratio (in times)	10.76	6.29	70.94%	The variance is mainly on account of increase in working capital loans
(d)	Return on equity ratio (in %)	32.27%	26.68%	20.92%	-
(e)	Inventory turnover ratio (in times)	9.46	10.31	8.25%	-
(f)	Trade receivables turnover ratio (in times)	19.28	18.14	6.33%	-
(g)	Trade payables turnover ratio (in times)	6.05	6.15	1.56%	-
(h)	Net capital turnover ratio (in times)	18.32	6.16	197.43%	The variance is mainly on account of increase in working capital loans
(i)	Net profit ratio (in %)	21.94%	18.62%	17.83%	-
(j)	Return on capital employed (in %)	39.37%	40.22%	2.12%	-
(k)	Return on investment (in %)	16.63%	31.69%	47.53%	Decrease in return on investment in on account of decrease in dividend received during the year and reduction in fair value gain on equity and preference shares.

\*Net profit after tax means reported amount of profit for the period and it does not include MAT Credit Entitlement for earlier years.

## Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

**3.63** The Company is filling monthly statement of Inventories, Trade payables and Trade receivables to ICICI, HSBC, HDFC, CITI, DBS & Indusind bank for working capital loan. The below is summary of Quarterly reconciliation of statement filed to the banks and books of accounts

Quarter	Particulars of Securities provided	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of Difference
Dec-21	Trade Receivable	21,253	24,186	(2,933)
	Trade Payables	5,549	4,048	1,501
Sep-21	Trade Receivable	20,045	20,831	(786)
	Trade Payables	6,125	5,061	1,064
Jun-21	Trade Receivable	14,382	16,067	(1,685)
	Trade Payables	4,397	3,740	657
Mar-21	Trade Receivable	9,972	13,537	(3,565)
	Trade Payables	9,459	7,640	1,819
Dec-20	Trade Receivable	15,958	18,658	(2,700)
	Trade Payables	5,253	4,016	1,237
Sep-20	Trade Receivable	14,708	18,603	(3,895)
	Trade Payables	8,079	6,666	1,413
Jun-20	Trade Receivable	13,358	15,317	(1,959)
	Trade Payables	7,106	4,411	2,695

The quarterly statements submitted to banks were prepared and filed before the completion of financial statement closure activities including Ind AS adjustments / reclassification and regrouping as applicable, which led to these difference between final books of accounts and provisional quarterly statement submitted to banks.

Trade Payables includes only creditors for goods which is determined by the management through manual exercise and does not include creditors for services / provisional liabilities. Hence, the same have been excluded from the above table.

**3.64** The outbreak of Corona virus (COVID-19) pandemic globally and in India had caused significant disturbance and slowdown of economic activity. While the pandemic situation has improved significantly in this last nine months of the current year, the Company has taken into account the possible impact of COVID-19 in preparation of the audited standalone financial statements, including its assessment of recoverability of the carrying value of property, plant and equipment, intangible assets and deferred tax assets (including MAT credit) based on internal and external information upto the date of approval of these audited standalone financial statements and current indicators of future economic conditions. Further, management has assessed its liquidity position as on March 31, 2022 and does not anticipate any challenge in the Company's ability to continue as a going concern. As at date of the balance sheet, the management does not anticipate any adverse impact of the pandemic on it's business in foreseeable future.

# Notes to Standalone Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.65 OTHER STATUTORY INFORMATIONS

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (vii) The Company dose not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (ix) There are no events or transactions after the reporting period which is required to be disclosed under Ind AS 10.
- (x) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. The Company has total two Core Investment Company as part of the Group.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **S. R. BATLIBOI & CO. LLP**

Chartered Accountants

Firm Registration No: 301003E/E300005

For and on behalf of Board of Directors

**R S Goenka**

Chairman

DIN: 00152880

**Mohan Goenka**

Vice-Chairman &

Whole Time Director

DIN: 00150034

**H V Agarwal**

Vice-Chairman &

Managing Director

DIN: 00150089

**per Sanjay Kumar Agarwal**

Partner

Membership No: 060352

**S B Ganguly**

Director

DIN: 00012220

**N H Bhansali**

CEO -Finance, Strategy &

Business Development and CFO

FCA No: 055211

**A K Joshi**

Company Secretary

& VP-Legal

FCS No: 4976

Kolkata

13th May, 2022

# 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 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, 2022, 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 Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated 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 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, 2022, 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 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 Financial Statements' section of our report. We are independent of the Group and its 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 Financial Statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Consolidated 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 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 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 Financial Statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>(a) Recognition of Unused Minimum Alternate Tax (“MAT”) Credit (as described in note 3.51 of the Consolidated Financial Statements)</b></p> <p>The Holding Company had unrecognised MAT credit balance as at the end of previous year as one of its manufacturing facilities is eligible for availing income tax benefits under section 80IE of Income Tax Act, 1961 (IT Act).</p> <p>The aforesaid income tax benefit under section 80IE of IT Act would expire by financial year 2025-26 and also due to the improvement in pandemic situation, the Holding Company has reassessed its position and recognized MAT credit entitlement amounting to ₹ 28,809 lacs (₹ 5,776 lacs pertaining to current year) in the current year.</p> <p>In order to determine the utilization of MAT credit in future years, the management has projected its book profits and tax profits; and based on convincing other evidence including future projections, the accumulated MAT credit has been recognized in the current year.</p> <p>Significant management judgement is required to determine the forecasted profits, expected future market scenario, economic conditions, interpretation of tax laws and the management’s expansion plans, and these factors impact the timing of utilization of MAT credit.</p> <p>Accordingly, the recognition of MAT credit basis the forecasted profits is determined as a key audit matter in our audit of the Consolidated Financial Statements.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Assessed management’s assumptions that substantiate the probability that the unused MAT credit will be recovered through taxable profit 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.</li> <li>• Evaluated the basis used in determining the forecasted income of taxable and non-taxable units including allocations of costs</li> <li>• Reviewed correspondences/returns submitted to the relevant tax authorities and compared these with the basis for accounting entries.</li> <li>• Evaluated the adequacy of the disclosures made by the Company in this regard in the Consolidated Financial Statements.</li> </ul>
<p><b>(b) Revenue from sale of goods (as described in note 2.2.c, note 3.34 and note 3.64 to the consolidated financial statements)</b></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 in coterms, create complexity and judgment in determining sales revenues.</p> <p>The risk is, therefore, that revenue may not be 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 consolidated financial statements.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Considered the appropriateness of the Group’s revenue recognition policy in terms of Ind AS 115 ‘Revenue from contracts with customers’.</li> <li>• Assessed the design and tested the operating effectiveness of internal financial controls related to revenue recognition.</li> <li>• 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.</li> <li>• Selected sample of sales transactions made pre- and post-year end and tested the period of revenue recognition based on underlying documents.</li> <li>• 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.</li> <li>• Assessed the adequacy of relevant disclosures made in the Consolidated Financial Statements.</li> </ul>

## 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 annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 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 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated 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 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 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 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 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 Financial Statements, including the disclosures, and whether the Consolidated 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 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 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 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 Financial

Statements for the financial year ended March 31, 2022 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 Six (6) subsidiaries (direct and stepdown), whose financial statements include total assets of ₹ 36,546 lacs as at March 31, 2022, and total revenues of ₹ 42,151 lacs and net cash outflows of ₹ 227 lacs for the year ended on that date and One (1) subsidiary, whose financial statements include total assets of ₹ 1,021 lacs as at March 31, 2022, and total revenues of ₹ 1,066 lacs and net cash inflows of ₹ 16 lacs for the period from October 1, 2021 to March 31, 2022. 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 Financial Statements also include Group's share of net loss of ₹ 18 lacs and Group's share of total comprehensive loss of ₹ 18 lacs for the period from April 01, 2021 to September 30, 2021 as considered in the Consolidated Financial Statements, in respect of One (1) associate (which became subsidiary w.e.f. October 1, 2021) whose financial statements, other financial information have been audited by other auditor and whose report have been furnished to us by the Management.

Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, 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 associate, is based solely on the reports of such other auditors.

Certain of these 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 Financial Statements include unaudited financial statements and other unaudited financial information in respect of two (2) step-down subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 545 lacs as at March 31, 2022, and total revenues of ₹ 986 lacs and net cash outflows of ₹ 3 lacs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The Consolidated Financial Statements also include the Group's share of net loss of ₹ 1,263 lacs and Group's share of total comprehensive loss of ₹ 1,263 lacs for the year ended March 31, 2022, as considered in the Consolidated Financial Statements, in respect of one (1) associate and also include Group's share of net loss of ₹ 0.17 lacs and Group's share of total comprehensive loss of ₹ 0.17 lacs for the period from March 05, 2022 to March 31, 2022, as considered in the consolidated financial statements, in respect One (1) associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates 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 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 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the subsidiary company, incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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' paragraph 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 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 the Statement of 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 Financial Statements;
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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 subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 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 Consolidated Financial Statements of the Holding Company, its subsidiary company and associate companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary company, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its Consolidated Financial Statements – Refer Note 3.47 to the Consolidated 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, 2022;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and its associates, incorporated in India during the year ended March 31, 2022.
  - iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of its knowledge and belief, and as more fully disclosed in the note 3.72 to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of its knowledge and belief, and as more fully disclosed in the note 3.72 to the Consolidated Financial Statements, no funds have been received by the respective Holding Company or such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any

manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which is company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The interim dividend declared and paid during the year by the Holding Company and until the date of the audit reports is in accordance with section 123 of the Act. The Holding Company,

has not proposed any final dividend for the year.

No dividend has been declared or paid during the year by the subsidiary company 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:22060352AIYTX4212

Place of Signature: Kolkata

Date: May 13, 2022

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## Annexure 1 referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

### Re: Emami Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of respective auditor of the subsidiary company incorporated in India, we state that:

- (xxi) There are no qualifications or adverse remarks by the respective auditor in the Companies (Auditors Report) Order (CARO) report of the subsidiary company (incorporated in India) included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.

For **S.R. BATLIBOI & CO. LLP**

*Chartered Accountants*

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

*Partner*

Membership Number: 060352

UDIN:22060352AIYTX4212

Place of Signature: Kolkata

Date: May 13, 2022

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## Annexure 2 to the Independent Auditor's Report of even date on the Consolidated 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 Financial Statements of Emami Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associates, 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 Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated 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 Consolidated 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 Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

A company's internal financial control with reference to Consolidated 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 Consolidated 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 Consolidated Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated 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 Group and its associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such

internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2022, 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 the 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 Consolidated Financial Statements of the Holding Company, in so far as it relates to One (1) subsidiary which is company incorporated in India, is based on the corresponding report of the auditor of such subsidiary, 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:22060352AIYTX4212

Place of Signature: Kolkata

Date: May 13, 2022

# Consolidated Balance Sheet

as at 31st March, 2022

₹ in Lacs

	Notes	As at 31.03.2022		As at 31.03.2021	
<b>ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Property, Plant and Equipment	3.1	68,569.04		71,426.68	
(b) Capital Work-in-Progress	3.1	172.30		581.54	
(c) Investment Properties	3.2	5,412.69		5,304.07	
(d) Goodwill on Consolidation	3.3	2,415.35		-	
(e) Other Intangible Assets	3.3	56,011.26		35,343.51	
(f) Right of Use Assets	3.4	1,983.70		1,109.06	
(g) Intangible Assets under Development	3.3	135.41		61.83	
(h) Financial Assets					
(i) Investments	3.5				
a) Investment in Associates		5,606.50		1,762.78	
b) Others		20,710.81		14,879.15	
(ii) Loans	3.6	475.31		574.46	
(iii) Other Financial Assets	3.7	7,673.07		6,716.48	
(j) Deferred Tax Assets (Net)	3.8	28,380.81		-	
(k) Non-Current Tax Assets (Net)	3.9	-		37.99	
(l) Other Non-Current Assets	3.10	927.24	1,98,473.49	1,492.35	1,39,289.90
<b>2. Current Assets</b>					
(a) Inventories	3.11	35,761.43		30,044.65	
(b) Financial Assets					
(i) Investments	3.12	3,951.69		8,890.65	
(ii) Trade Receivables	3.13	32,091.87		23,175.31	
(iii) Cash and Cash Equivalents	3.14	2,757.29		1,981.15	
(iv) Bank Balance other than (iii) above	3.15	8,843.07		34,056.15	
(v) Loans	3.16	376.01		302.88	
(vi) Other Financial Assets	3.17	4,567.90		3,625.45	
(c) Current Tax Assets (Net)	3.18	84.71		-	
(d) Other Current Assets	3.19	18,841.03	1,07,275.00	10,602.75	1,12,678.99
<b>TOTAL ASSETS</b>			<b>3,05,748.49</b>		<b>2,51,968.89</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(a) Equity Share Capital	3.20		4,411.50		4,445.14
(b) Other Equity	3.21		2,03,247.87		1,71,819.86
<b>Total Equity attributable to owners of the Parent</b>			<b>2,07,659.37</b>		<b>1,76,265.00</b>
(c) Non-Controlling Interest			(230.09)		(88.71)
<b>Total Equity</b>			<b>2,07,429.28</b>		<b>1,76,176.29</b>
<b>LIABILITIES</b>					
<b>1. Non-Current Liabilities</b>					
(a) Financial Liabilities					
(i) Lease Liabilities	3.22	988.36		420.17	
(ii) Other Financial Liabilities	3.23	690.74		669.01	
(b) Provisions	3.24	2,523.13		2,296.58	
(c) Deferred Tax Liabilities (Net)	3.25	754.01		416.35	
(d) Other Non-Current Liabilities	3.26	1,790.52	6,746.76	1,973.33	5,775.44
<b>2. Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	3.27	26,371.12		9,190.93	
(ii) Lease Liabilities	3.28	796.06		463.33	
(iii) Trade Payables	3.29				
Total outstanding dues of Micro Enterprises & Small Enterprises		3,369.60		1,213.83	
Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		37,503.85		33,853.72	
(iv) Other Financial Liabilities	3.30	4,644.64		5,632.76	
(b) Other Current Liabilities	3.31	2,543.22		3,008.24	
(c) Provisions	3.32	14,641.92		14,284.79	
(d) Current Tax Liabilities (Net)	3.33	1,702.04	91,572.45	2,369.56	70,017.16
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>3,05,748.49</b>		<b>2,51,968.89</b>
<b>Summary of Significant Accounting Policies</b>	2				

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date  
For **S. R. BATLIBOI & Co. LLP**  
Chartered Accountants  
Firm Registration No: 301003E/E300005

For and on behalf of Board of Directors

**R S Goenka**  
Chairman  
DIN: 00152880

**Mohan Goenka**  
Vice-Chairman &  
Whole Time Director  
DIN: 00150034

**H V Agarwal**  
Vice-Chairman &  
Managing Director  
DIN: 00150089

per **Sanjay Kumar Agarwal**  
Partner  
Membership No: 060352

**S B Ganguly**  
Director  
DIN: 00012220

**N H Bhansali**  
CEO - Finance, Strategy &  
Business Development and CFO  
FCA No: 055211

**A K Joshi**  
Company Secretary  
& VP-Legal  
FCS No: 4976

Kolkata  
13th May, 2022

# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

₹ in Lacs

	Notes	2021-2022	2020-2021
<b>INCOME</b>			
Revenue From Operations	3.34	3,19,203.28	2,88,052.65
Other Income	3.35	9,525.00	7,027.16
<b>Total Income</b>	<b>(A)</b>	<b>3,28,728.28</b>	<b>2,95,079.81</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	3.36	90,030.40	70,854.08
Purchases of Stock-in-Trade		22,346.64	24,008.82
(Increase)/ Decrease in Inventories of Finished Goods, Stock in trade and Work-in-Progress	3.37	(4,589.40)	(1,940.38)
Employee Benefits Expense	3.38	31,777.29	30,917.33
Other Expenses	3.40	84,400.86	75,907.43
<b>Total Expenses before Exceptional items, Interest, Depreciation &amp; Amortisation and Tax</b>	<b>(B)</b>	<b>2,23,965.79</b>	<b>1,99,747.28</b>
<b>Earnings before Share of loss of Associates, Exceptional Items, Interest, Depreciation &amp; Amortisation and Tax</b>	<b>(A-B)</b>	<b>1,04,762.49</b>	<b>95,332.53</b>
Finance Costs	(C)	507.29	1,327.13
Depreciation & Amortisation Expense :	(D)		
a) Amortisation of Intangible Assets	3.3	24,056.67	26,785.45
b) Depreciation of Tangible Assets	3.1 & 3.2	8,682.38	9,247.63
c) Depreciation of Right of Use Assets	3.4	738.74	662.40
<b>Total Expenses before Exceptional items and Tax</b>	<b>(B+C+D)=E</b>	<b>2,57,950.87</b>	<b>2,37,769.89</b>
<b>Share of loss of Associates</b>	<b>F</b>	<b>(1,458.42)</b>	<b>(417.78)</b>
<b>Profit Before Exceptional Items and Tax</b>	<b>(A-E-F)=G</b>	<b>69,318.99</b>	<b>56,892.14</b>
Exceptional Items	(H)	(518.49)	-
<b>Profit Before Tax</b>	<b>(G-H)=I</b>	<b>68,800.50</b>	<b>56,892.14</b>
<b>Tax Expense:</b>	<b>(J)</b>		
Current Tax (Including MAT)	3.51	13,538.71	11,474.34
MAT Credit Entitlement		(5,775.55)	-
MAT Credit Entitlement for earlier years		(23,033.00)	-
Deferred Tax charge/(credit)		403.84	(53.08)
<b>Profit for the year</b>	<b>(I-J)=K</b>	<b>83,666.50</b>	<b>45,470.88</b>
<b>Other Comprehensive Income</b>			
<b>A Items that will not be reclassified to Profit or Loss in subsequent periods</b>			
Equity instrument through other comprehensive income		3,127.66	5,758.43
Remeasurement of the net defined benefit liability/asset		(154.12)	146.33
Income tax relating to remeasurement of the net defined benefit asset/liability		0.21	(26.52)
<b>B Items that will be reclassified to Profit or Loss in subsequent periods</b>			
Exchange difference on translation of foreign operations		88.25	256.87
<b>Total Other Comprehensive Income for the year (net of tax)</b>		<b>3,062.00</b>	<b>6,135.11</b>
<b>Total Comprehensive Income for the year</b>		<b>86,728.50</b>	<b>51,605.99</b>
<b>Profit attributable to:</b>			
Equityholders of the parent	L	83,898.50	45,469.91
Non-Controlling Interests		(232.00)	0.97
<b>Total Comprehensive Income attributable to:</b>			
Equityholders of the parent		86,960.50	51,608.46
Non-Controlling Interests		(232.00)	(2.44)
Earnings Per Equity Share	3.63		
(1) Basic (Face value of ₹ 1 each)		18.88	10.23
(2) Diluted (Face value of ₹ 1 each)		18.88	10.23
<b>Summary of Significant Accounting Policies</b>	<b>2</b>		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date  
For **S. R. BATLIBOI & Co. LLP**  
Chartered Accountants  
Firm Registration No: 301003E/E300005

For and on behalf of Board of Directors

**R S Goenka**  
Chairman  
DIN: 00152880

**Mohan Goenka**  
Vice-Chairman &  
Whole Time Director  
DIN: 00150034

**H V Agarwal**  
Vice-Chairman &  
Managing Director  
DIN: 00150089

per **Sanjay Kumar Agarwal**  
Partner  
Membership No: 060352

**S B Ganguly**  
Director  
DIN: 00012220

**N H Bhansali**  
CEO -Finance, Strategy &  
Business Development and CFO  
FCA No: 055211

**A K Joshi**  
Company Secretary  
& VP-Legal  
FCS No: 4976

Kolkata  
13th May, 2022

# Consolidated Cash Flow Statement

for the year ended 31st March, 2022

₹ in Lacs

	2021-2022	2020-2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>68,800.50</b>	<b>56,892.14</b>
<b>Adjustments for :</b>		
Profit on Sale/Fair Value of mutual funds and AIF	(5,141.38)	(2,830.38)
Depreciation and Amortisation Expenses	33,477.79	36,695.48
Finance Costs	507.29	1,327.13
Interest income on loans & deposits	(2,777.99)	(1,708.09)
Loss/(Profit) on Sale/Disposal of Property, Plant & Equipments (Net)	(81.62)	138.37
Share of loss of Associates	1,458.42	417.78
Unrealised Foreign Exchange Gain (Net)	-	(4.83)
Sundry balances written (back) (Net)	6.11	(38.51)
Provision for litigation written back	-	(562.11)
Profit on fair value of Derivatives	(299.55)	(1.47)
Provision for doubtful trade receivables	-	304.00
Provision for doubtful receivables	-	395.89
Profit on Fair Value of Loan	(53.39)	-
Gain on reversal of impairment of Investments in an Associate	-	(16.88)
Profit on fair value of investment in CCPS in associate	(341.34)	(1,090.74)
	<b>95,554.84</b>	<b>89,917.78</b>
<b>Adjustments for working capital changes :</b>		
Increase in Trade Payables and Other Liabilities	3,228.81	4,027.09
Increase in Inventories	(5,590.36)	(5,579.91)
Decrease/(Increase) in Trade Receivables	(8,573.94)	7,330.10
Decrease in Loans and Advances and Other Financial Assets	1,726.85	651.06
Decrease/(Increase) in Other Non Financial Assets	(8,120.67)	4,022.71
Increase/(Decrease) in Provisions	419.39	431.03
	<b>(16,909.92)</b>	<b>10,882.08</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>78,644.92</b>	<b>1,00,799.86</b>
Less : Direct Taxes Paid (net of refund)	14,259.57	8,647.03
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>64,385.35</b>	<b>92,152.83</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Property, Plant & Equipment	332.72	165.69
Interest Received	2,269.78	3,189.13
Purchases of Investments	(1,42,474.97)	(1,77,870.00)
Sale of Investments	1,48,680.09	1,76,724.76
Short term loans given	-	(1,500.00)
Proceeds from repayment of loan given	-	7,500.00
Purchase of Property, Plant & Equipment & Intangible Assets	(48,356.16)	(3,369.02)
Investments in alternative investment fund	(185.00)	-
Proceeds from alternative investment fund	134.50	808.41
Investment in CCPS of Associate	-	(150.00)
Investment in Equity Shares of Associate	(6,055.22)	-



## Cash Flow Statement

for the year ended 31st March, 2022

₹ in Lacs

	2021-2022	2020-2021
Fixed Deposits made	(12,065.55)	(61,308.57)
Proceeds from maturity of Fixed Deposit	34,229.49	33,114.69
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(23,490.32)</b>	<b>(22,694.91)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings	(7,996.59)	(17,350.74)
Buy Back of Shares including Transaction Costs and Taxes	(20,005.03)	(22,558.95)
Proceeds from Borrowings	5,000.00	18,739.10
Transfer from/(to) Escrow Account	-	5,003.60
Interest Paid	(446.53)	(1,326.80)
Dividend Paid	(35,561.10)	(35,561.10)
Corporate Dividend Tax paid	-	(1,908.14)
Payment of Principal Portion of Lease Liabilities	(712.46)	(633.68)
Cash Credit taken/(repaid) (net)	19,507.92	(13,220.87)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(40,213.79)</b>	<b>(68,817.58)</b>
<b>D. EFFECT OF FOREIGN EXCHANGE FLUCTUATION</b>	88.25	256.87
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C+D)</b>	<b>769.49</b>	<b>897.21</b>
Add- CASH & CASH EQUIVALENTS-OPENING BALANCE	1,981.15	1,083.94
Add- CASH & CASH EQUIVALENTS-ACQUIRED ON BUSINESS ACQUISITION*	6.65	-
<b>CASH &amp; CASH EQUIVALENTS-CLOSING BALANCE</b>	<b>2,757.29</b>	<b>1,981.15</b>
<b>Cash &amp; Cash Equivalents includes:</b>		
Balances with banks	2,507.83	1,395.16
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	51.62	-
Cheque-in-hand	176.80	561.21
Cash on hand	21.04	24.78
<b>Total Cash &amp; Cash Equivalents (Refer Note No. : 3.14)</b>	<b>2,757.29</b>	<b>1,981.15</b>

\*Refer Note No. 3.56

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

For and on behalf of Board of Directors

**R S Goenka**  
Chairman  
DIN: 00152880

**Mohan Goenka**  
Vice-Chairman &  
Whole Time Director  
DIN: 00150034

**H V Agarwal**  
Vice-Chairman &  
Managing Director  
DIN: 00150089

**per Sanjay Kumar Agarwal**  
Partner  
Membership No: 060352

**S B Ganguly**  
Director  
DIN: 00012220

**N H Bhansali**  
CEO -Finance, Strategy &  
Business Development and CFO  
FCA No: 055211

**A K Joshi**  
Company Secretary  
& VP-Legal  
FCS No: 4976

Kolkata  
13th May, 2022

# Consolidated Statements of Changes in Equity

for the year ended 31st March, 2022

Particulars	Equity Share Capital	OTHER EQUITY							Total Equity attributable to equityholders 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		
<b>Balance as at 1.04.2021</b>	<b>4,445.14</b>	<b>79.64</b>	<b>7,224.80</b>	<b>67,646.23</b>	<b>87,405.79</b>	<b>94.21</b>	<b>9,428.77</b>	<b>(59.58)</b>	<b>176,265.00</b>	<b>(88.71)</b>
Profit for the Year	-	-	-	83,898.50	-	-	-	-	83,898.50	(232.00)
<b>Other Comprehensive Income</b>										
Foreign Currency Translation Reserve	-	-	-	-	-	-	-	88.25	88.25	-
Fair value loss on Equity instrument through other comprehensive income	-	-	-	-	-	-	3,127.66	-	3,127.66	-
Remeasurement of the net defined benefit liability/ asset	-	-	-	(154.12)	-	-	-	-	(154.12)	-
Income Tax Effect	-	-	-	0.21	-	-	-	-	0.21	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,744.59</b>	<b>-</b>	<b>-</b>	<b>3,127.66</b>	<b>88.25</b>	<b>86,960.50</b>	<b>(232.00)</b>
Interim Dividend Paid#	-	-	-	(35,561.10)	-	-	-	-	(35,561.10)	-
Amount transferred to Capital redemption reserve upon Buyback of Equity Shares @	-	-	-	-	(33.64)	33.64	-	-	-	-
Buy back of shares @	(33.64)	-	(3,341.22)	-	(12,746.59)	-	-	-	(16,121.45)	-
Buyback distribution tax @	-	-	(3,755.18)	-	-	-	-	-	(3,755.18)	-
Transaction cost towards Buyback of Equity Shares @	-	-	(128.40)	-	-	-	-	-	(128.40)	-
NCI on consolidation	-	-	-	-	-	-	-	-	-	90.62
<b>Balance as at 31.03.2022</b>	<b>4,411.50</b>	<b>79.64</b>	<b>-</b>	<b>115,829.72</b>	<b>74,625.56</b>	<b>127.85</b>	<b>12,556.43</b>	<b>28.67</b>	<b>207,659.37</b>	<b>(230.09)</b>
<b>Balance as at 1.04.2020</b>	<b>4,531.81</b>	<b>79.64</b>	<b>29,295.50</b>	<b>57,617.61</b>	<b>87,492.46</b>	<b>7.54</b>	<b>3,670.34</b>	<b>(319.86)</b>	<b>182,375.04</b>	<b>(86.27)</b>
Profit for the Year	-	-	-	45,469.91	-	-	-	-	45,469.91	0.97
<b>Other Comprehensive Income</b>										
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)	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,589.72</b>	<b>-</b>	<b>-</b>	<b>5,758.43</b>	<b>260.28</b>	<b>51,608.43</b>	<b>(2.44)</b>
Interim Dividend Paid#	-	-	-	(35,561.10)	-	-	-	-	(35,561.10)	-
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)	-
Amount transferred to Capital redemption reserve upon Buyback of Equity Shares @	-	-	-	-	(86.67)	86.67	-	-	-	-
<b>Balance as at 31.03.2021</b>	<b>4,445.14</b>	<b>79.64</b>	<b>7,224.80</b>	<b>67,646.23</b>	<b>87,405.79</b>	<b>94.21</b>	<b>9,428.77</b>	<b>(59.58)</b>	<b>176,265.00</b>	<b>(88.71)</b>

# Refer Note No : 3.52

\*Refer Note No. 3.56 for disclosure of additions on account of business acquisition.

@ Refer Note No 3.61

Refer Note no. 3.21 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 **S. R. BATLIBOI & Co. LLP**  
Chartered Accountants  
Firm Registration No: 301003E/E300005

For and on behalf of Board of Directors

**R S Goenka**  
Chairman  
DIN: 00152880

**Mohan Goenka**  
Vice-Chairman &  
Whole Time Director  
DIN: 00150034

**H V Agarwal**  
Vice-Chairman &  
Managing Director  
DIN: 00150089

per **Sanjay Kumar Agarwal**  
Partner  
Membership No: 060352

**S B Ganguly**  
Director  
DIN: 00012220

**N H Bhansali**  
CEO - Finance, Strategy &  
Business Development and CFO  
FCA No: 055211

**A K Joshi**  
Company Secretary  
& VP-Legal  
FCS No: 4976

Kolkata  
13th May, 2022

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 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, 2022. 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 asset

The Group has prepared the Financial Statements on the Basis that it will continue to operate as a going concern.

The consolidated Ind AS financial statements were approved for issue in accordance with the resolution of the Board of Directors on 13th May, 2022.

### 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, 2022. 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, 2022.

#### 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 as inventory and property, plant & equipment, are eliminated in

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

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

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

to the associate 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 / in coterms.

#### 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

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

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 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 prorata 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.

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

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

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 in particular, the Group Considers the Impact of Health, safety and Environmental legislation in its assessment of expected useful lives and estimated residual values.

### 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 its undefined 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 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.

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## 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.

### 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-



## Notes to Consolidated Ind AS Financial Statements

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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.

### 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.

# Notes to Consolidated Ind AS Financial Statements

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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.

#### **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 asset and liabilities for which fair value is measured or disclosed in the financial statements are categories within the fair value hierarchy, describe 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 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

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and the level of the fair value hierarchy as explained above.

### I. 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.

#### 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

# Notes to Consolidated Ind AS Financial Statements

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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.

## 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

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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 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

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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).

### 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 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 profit attributable to the equity holders 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.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle,
- it is due to be settled within twelve months after the reporting period, or

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- 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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

#### Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.1 PROPERTY PLANT & EQUIPMENT (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block		
	As at 1.4.2021	Additions on Business Acquisition	Additions During The Year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2022	As at 1.4.2021	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2022	As at 31.3.2022	As at 31.3.2021
Freehold Land	5,668.33	243.64	-	-	(6.01)	5,905.96	-	-	-	-	-	5,905.96	5,668.33
Building (including roads)	35,715.12	31.52	424.64	-	30.71	36,201.99	5,966.29	1,255.70	-	26.65	7,248.64	28,953.35	29,748.83
Plant & Equipment	59,011.11	12.35	4,439.69	(504.66)	24.16	62,982.65	27,075.94	6,219.05	(263.99)	36.43	33,067.43	29,915.22	31,935.17
Furniture & Fixture	2,619.05	11.19	81.10	(53.77)	2.29	2,659.86	1,351.06	294.66	(48.22)	1.94	1,599.44	1,060.42	1,267.99
Computers	1,417.05	-	200.27	(5.37)	3.51	1,615.46	1,056.84	212.44	(5.30)	2.99	1,266.97	348.49	360.21
Office Equipment	3,781.45	6.85	265.92	(25.49)	8.55	4,037.28	2,065.14	417.14	(21.57)	4.49	2,465.20	1,572.08	1,716.31
Motor Vehicles	1,394.55	0.29	253.43	(28.87)	3.24	1,622.64	664.71	169.27	(27.12)	2.26	809.12	813.52	729.84
<b>Property, Plant and Equipment Total</b>	<b>1,09,606.66</b>	<b>305.84</b>	<b>5,665.05</b>	<b>(618.16)</b>	<b>66.45</b>	<b>1,15,025.84</b>	<b>38,179.98</b>	<b>8,568.26</b>	<b>(366.20)</b>	<b>74.76</b>	<b>46,456.80</b>	<b>68,569.04</b>	<b>71,426.68</b>
Capital Work- In-Progress*	581.54	-	115.35	(513.43)	(11.17)	172.30	-	-	-	-	-	172.30	581.54
<b>Total</b>	<b>1,10,188.20</b>	<b>305.84</b>	<b>5,780.40</b>	<b>(1,131.59)</b>	<b>55.28</b>	<b>1,15,198.13</b>	<b>38,179.98</b>	<b>8,568.26</b>	<b>(366.20)</b>	<b>74.76</b>	<b>46,456.80</b>	<b>68,741.33</b>	<b>72,008.22</b>

Refer Note No. 3.56 for disclosure of additions on account of business acquisition.

### (a) Title deeds of immovable property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lacs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Freehold land	12.00	Uttam Keot / Dhanjyoti Deka	No	9th June, 2015	These plots of land are having periodic patta, hence as per Assam Land rules, registration can be done of such land after completion of 10 years of "Purchase date/Agreement date".
Property, Plant & Equipment	Freehold land	4.35	Gopal Chandra Kalita	No	9th June, 2015	

### \*Capital Work-in-Progress ageing schedule - As at 31st March, 2022

Capital Work-in-Progress	Amount in Capital Work-in-Progress for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress #	125.42	46.88	172.30

# All project in progress includes capital-work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.

Note: (1) There are no Capital Work-in-Progress with ageing above 2 years.

(2) There are no projects as on reporting period where activity has been suspended.

## 3.2 INVESTMENT PROPERTIRS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1.4.2021	Additions During The Year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2022	As at 1.4.2021	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2022	As at 31.3.2022	As at 31.3.2021
<b>Investment Property</b>												
Building	6,221.30	188.21	-	40.58	6,450.09	917.23	114.12	-	6.05	1,037.40	5,412.69	5,304.07
<b>Investment Property Total</b>	<b>6,221.30</b>	<b>188.21</b>	<b>-</b>	<b>40.58</b>	<b>6,450.09</b>	<b>917.23</b>	<b>114.12</b>	<b>-</b>	<b>6.05</b>	<b>1,037.40</b>	<b>5,412.69</b>	<b>5,304.07</b>

Refer Note No. 3.48 for disclosure of fair value of investment property.



## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.3 INTANGIBLE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Gross Block					Depreciation					Net Block		
	As at 1.4.2021	Additions on Business Acquisition*	Additions During The Year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2022	As at 1.4.2021	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2022	As at 31.3.2022	As at 31.3.2021
Goodwill	1,458.05	2,415.35	-	-	-	3,873.40	1,458.05	-	-	-	1,458.05	2,415.35	(0.00)
<b>Other Intangible Assets</b>													
Software	3,566.68	85.75	227.25	-	(0.02)	3,879.66	2,284.64	358.76	-	(0.54)	2,642.86	1,236.80	1,282.04
Brands, Trade Marks & others#	1,79,558.75	989.15	43,420.36	-	(0.10)	2,23,968.16	1,45,497.28	23,697.91	-	(1.50)	1,69,193.70	54,774.46	34,061.47
Copyright	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Intangible Assets Total</b>	<b>1,83,125.43</b>	<b>1,074.90</b>	<b>43,647.61</b>	-	<b>(0.12)</b>	<b>2,27,847.82</b>	<b>1,47,781.92</b>	<b>24,056.67</b>	-	<b>(2.04)</b>	<b>1,71,836.56</b>	<b>56,011.26</b>	<b>35,343.51</b>
<b>Intangible Assets under Development</b>	<b>61.83</b>	-	<b>167.93</b>	<b>(94.35)</b>	-	<b>135.41</b>	-	-	-	-	-	<b>135.41</b>	<b>61.83</b>
<b>Grand Total</b>	<b>1,84,645.31</b>	<b>3,490.25</b>	<b>43,815.54</b>	<b>(94.35)</b>	<b>(0.12)</b>	<b>2,31,856.63</b>	<b>1,49,239.97</b>	<b>24,056.67</b>	-	<b>(2.04)</b>	<b>1,73,294.61</b>	<b>58,562.02</b>	<b>35,405.34</b>

\*Refer Note No. 3.56 for disclosure of additions on account of business acquisition.

#On 25th March 2022, the Company has acquired "Dermicool", one of the leading brands in Prickly Heat Powder and Cool Talc category for a consideration of ₹ 43,200 lacs. The Company has recorded this transaction as asset acquisition as per Ind AS 38 and recognised the Brand, Trade mark and others related Intangible assets.

Intangible Assets Under Development ageing schedule - As at 31st March, 2022

Intangible asset under development	Amount in Intangible asset under development for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress #	135.41	-	135.41

#All the projects in progress includes intangible assets under development, whose completion is neither overdue nor exceeded its cost compared to its original plan.

Note: (1) There are no Intangible assets under development with ageing above 3 years.

(2) There are no projects as on Reporting period where activity has been suspended.

### 3.4. RIGHT OF USE ASSETS (CURRENT YEAR)

₹ in Lacs

Particulars	Land	Buildings	Total
<b>Gross Block As at 1.4.2021</b>	314.51	1,869.26	2,183.77
Additions	-	1,715.72	1,715.72
Disposal	-	(1,142.98)	(1,142.98)
Exchange Fluctuation on Consolidation	-	18.74	18.74
<b>As at 31.3.2022</b>	<b>314.51</b>	<b>2,460.74</b>	<b>2,775.25</b>
Depreciation as at 1.4.2021	10.66	1,064.05	1,074.71
Charge for the year	5.33	733.41	738.74
Disposal	-	(1,028.16)	(1,028.16)
Exchange Fluctuation on Consolidation	-	6.26	6.26
<b>As at 31.3.2022</b>	<b>15.99</b>	<b>775.56</b>	<b>791.55</b>
Net Block As at 1.4.2021	303.85	805.21	1,109.06
<b>As at 31.3.2022</b>	<b>298.52</b>	<b>1,685.18</b>	<b>1,983.70</b>

Refer Note No. 3.53 for the related disclosures.

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.1 PROPERTY PLANT & EQUIPMENT (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block		
	As at 1.4.2020	Additions During The Year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2021	As at 1.4.2020	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2021	As at 31.3.2020
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
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
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
Office Equipment	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
Computers	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
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
<b>Property, Plant and Equipment Total</b>	<b>1,06,300.19</b>	<b>4,069.06</b>	<b>(675.40)</b>	<b>(87.19)</b>	<b>1,09,606.66</b>	<b>29,453.42</b>	<b>9,136.91</b>	<b>(373.23)</b>	<b>(37.12)</b>	<b>38,179.98</b>	<b>71,426.68</b>
Capital Work-In-Progress*	685.78	553.93	(658.06)	(0.11)	581.54	-	-	-	-	581.54	685.78
<b>Total</b>	<b>1,06,985.97</b>	<b>4,622.99</b>	<b>(1,333.46)</b>	<b>(87.30)</b>	<b>1,10,188.20</b>	<b>29,453.42</b>	<b>9,136.91</b>	<b>(373.23)</b>	<b>(37.12)</b>	<b>38,179.98</b>	<b>77,532.55</b>

### (a) Title deeds of immovable property not held in name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lacs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Freehold land	12.00	Uttam Keot / Dhanjyoti Deka	No	9th June, 2015	These plots of land are having periodic patta, hence as per Assam Land rules, registration can be done of such land after completion of 10 years of "Purchase date/ Agreement date".
Property, Plant & Equipment	Freehold land	4.35	Gopal Chandra Kalita	No	9th June, 2015	

### \*Capital Work-in-Progress ageing schedule - As at 31st March, 2021

Capital Work-in-Progress	Amount in Capital Work-in-Progress for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress #	520.63	60.91	581.54

# All project in progress includes capital-work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.

Note: (1) There are no Capital Work-in-Progress with ageing above 2 years.

(2) There are no projects as on reporting period where activity has been suspended.

## 3.2 INVESTMENT PROPERTIES (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block		
	As at 1.4.2020	Additions During The Year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 1.4.2021	As at 1.4.2020	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2021	As at 31.3.2020
<b>Investment Property</b>											
Building	6,255.94	-	(1.69)	(32.95)	6,221.30	811.01	110.72	(0.21)	(4.29)	917.23	5,304.07
<b>Investment Property Total</b>	<b>6,255.94</b>	<b>-</b>	<b>(1.69)</b>	<b>(32.95)</b>	<b>6,221.30</b>	<b>811.01</b>	<b>110.72</b>	<b>(0.21)</b>	<b>(4.29)</b>	<b>917.23</b>	<b>5,304.07</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.3 INTANGIBLE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Gross Block				Depreciation					Net Block		
	As at 1.4.2020	Additions During The Year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2021	As at 1.4.2020	For the year	Disposals/ Transfer	Exchange Fluctuation on Consolidation	As at 31.3.2021	As at 31.3.2021	As at 31.3.2020
Goodwill	1,458.05	-	-	-	1,458.05	1,458.05	-	-	-	1,458.05	-	-
<b>Other Intangible Assets</b>												
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	179,729.43	-	(169.56)	(1.12)	179,558.75	119,228.16	26,439.12	(169.57)	(0.43)	145,497.28	34,061.47	60,501.27
<b>Other Intangible Assets Total</b>	<b>183,074.81</b>	<b>219.38</b>	<b>(169.56)</b>	<b>0.80</b>	<b>183,125.43</b>	<b>121,166.48</b>	<b>26,785.45</b>	<b>(169.57)</b>	<b>(0.44)</b>	<b>147,781.92</b>	<b>35,343.51</b>	<b>61,908.33</b>
Intangible Assets under Development	119.21	91.69	(149.07)	-	61.83	-	-	-	-	-	61.83	119.21
<b>Grand Total</b>	<b>184,652.07</b>	<b>311.07</b>	<b>(318.63)</b>	<b>0.80</b>	<b>184,645.31</b>	<b>122,624.53</b>	<b>26,785.45</b>	<b>(169.57)</b>	<b>(0.44)</b>	<b>149,239.97</b>	<b>35,405.34</b>	<b>62,027.54</b>

#### Intangible Assets Under Development ageing schedule - As at 31st March, 2021

Intangible asset under development	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	Total
Projects in progress	37.57	22.46	1.80	61.83

For intangible asset under development, whose completion is overdue or has exceeded its cost compared to its original plan, schedule shall be given

Intangible asset under development	To be completed in		
	Less than 1 year	1-2 years	2-3 years
Projects in progress	32.77	18.96	1.80

Note:

- (1) There are no Intangible assets under development with ageing above 3 years.
- (2) There are no projects as on reporting period where activity has been suspended.

### 3.4. RIGHT OF USE ASSETS (PREVIOUS YEAR)

₹ in Lacs

Particulars	Land	Buildings	Total
<b>Gross Block As at 1.4.2020</b>	314.51	1,804.79	2,119.30
Additions	-	64.47	64.47
<b>As at 1.4.2021</b>	<b>314.51</b>	<b>1,869.26</b>	<b>2,183.77</b>
Depreciation as at 1.4.2020	5.33	396.81	402.14
Charge for the year	5.33	657.07	662.40
Exchange Fluctuation on Consolidation	-	10.17	10.17
<b>As at 1.4.2021</b>	<b>10.66</b>	<b>1,064.05</b>	<b>1,074.71</b>
Net Block As at 1.4.2020	309.18	1,407.98	1,717.16
<b>As at 1.4.2021</b>	<b>303.85</b>	<b>805.21</b>	<b>1,109.06</b>

Refer Note No. 3.53 for the related disclosures.

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.5 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Non Current</b>		
<b>Investments carried at amount determined using equity method of accounting (Unquoted, fully paid, unless otherwise stated)</b>		
<b>Equity shares</b>		
<b>In Associates</b>		
Helios Lifestyle Private Limited {Refer note (c) below}	4,657.31	768.40
1,31,092 (31.03.2021 - 72,261) Equity Shares of ₹ 10 each [net of share of loss during the year amounting to ₹ 1,439.54 lacs (31.03.2021 - ₹ 346.78 lacs)]		
Brillare Science Private Limited {Refer note (b) below}	-	994.38
Nil (31.03.2020 - 2,27,973) Equity shares of ₹ 10 each [net of share of loss during the year amounting to ₹ Nil lacs (31.03.2021 - ₹ 71 lacs)]		
TruNative F & B Pvt Ltd {Refer note (d) below}		
15,625 (31.03.2021 - Nil) Equity Shares of ₹ 10 each [net of share of loss during the year amounting to ₹ 0.88 lacs (31.03.2021 - Nil lacs)]	949.19	-
<b>(a)</b>	<b>5,606.50</b>	<b>1,762.78</b>
<b>Investments carried at FVTPL (Unquoted, fully paid)</b>		
<b>Preference Shares</b>		
<b>In Associates</b>		
Brillare Science Private Limited		
Nil (31.03.2021 - 15,00,000) shares of ₹ 10 each	-	1,240.74
<b>Units of Alternate Investment Fund</b>		
Fireside Ventures Investment Fund - I	7,262.25	3,452.63
1,324 (31.03.2021 - 1,307.20) Units of ₹ 1,00,000 each		
Sixth Sense India Opportunities Fund	116.09	-
11,000 (31.03.2021 - Nil) Units of ₹ 1,000 each		
<b>(i)</b>	<b>7,378.34</b>	<b>4,693.37</b>
<b>Investments Carried at FVTOCI</b>		
<b>Equity Shares (Quoted, fully Paid)</b>		
Emami Paper Mills Limited		
79,46,000 (31.03.2021 - 79,46,000) Equity Shares of ₹ 2 each	13,010.82	9,845.09
<b>Securities (Unquoted, fully Paid)</b>		
LOLI Beauty Inc.	312.55	340.69
12,28,261 (31.03.2021 - 12,28,261) Securities		
<b>(ii)</b>	<b>13,323.37</b>	<b>10,185.78</b>
<b>Investments Carried at Cost (Unquoted, fully Paid)</b>		
Navnirman Co-opertive Bank Limited	6.25	-
25,018 (31.03.2021 - Nil) Equity shares of ₹ 25 each		
Navnirman Co-opertive Bank Limited - Fixed Deposit	2.85	-
6% p.a. (31.03.2021 - Nil)		
<b>(iii)</b>	<b>9.10</b>	<b>-</b>
<b>(b) = (i) + (ii) + (iii)</b>	<b>20,710.81</b>	<b>14,879.15</b>
<b>Total (a) + (b)</b>	<b>26,317.31</b>	<b>16,641.93</b>
<b>Aggregate Amount of Quoted Investments &amp; Market Value thereof</b>	<b>13,010.82</b>	<b>9,845.09</b>
<b>Aggregate Amount of Unquoted Investments</b>	<b>13,306.49</b>	<b>6,796.84</b>
<b>Aggregate Amount of impairment in value of Investment</b>	<b>-</b>	<b>-</b>

### Note:

(a) Refer Note No. 3.50 for determination of fair value

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.5 INVESTMENTS (Contd.)

- (b) During the year, 15,00,000 preference shares of Brillare Science Private Limited (BSPL) has been converted into 3,49,155 equity shares which has resulted in an increase in Company's stake in BSPL from 34.70% to 57.36% and therefore it has become a subsidiary.
- (c) During the year, Holding Company had made a further investment in its associate i.e. Helios Lifestyle Private Limited (Helios) by subscribing/ acquiring to its Equity Shares, which has resulted in an increase in Holding Company's stake in Helios from 33.09% to 49.53%.
- (d) During the year, the Holding Company has acquired 20.65% of equity share capital of Tru Native F&B Private Limited and consequently it has become an associate.
- (e) Refer Note No. 3.57 for Goodwill & Brand of associates

### 3.6 LOANS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At Amortised Cost</b>		
<b>Unsecured, Considered Good</b>		
Loans to Related Parties ( Refer Note No. 3.58)	-	150.00
Loans to Employees	36.56	41.48
<b>At FVTPL</b>		
<b>Unsecured, Considered Good</b>		
Loans to Related Parties ( Refer Note No. 3.58)	438.75	382.98
<b>Total</b>	<b>475.31</b>	<b>574.46</b>

### 3.7 OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At amortised cost</b>		
<b>Unsecured, Considered Good unless otherwise stated</b>		
Incentive Receivable *	7,434.91	5,999.77
Less: Provision for Doubtful Receivables	(260.81)	(178.67)
Security Deposit		
- to related parties	7.50	31.35
- to others	491.47	474.54
Other Receivables		
- from others**	-	845.04
Less: Provision for doubtful receivables	-	(455.55)
<b>Total</b>	<b>7,673.07</b>	<b>6,716.48</b>

\* 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 31.03.2022	As at 31.03.2021
<b>Deferred Tax Assets</b>		
Tax impact of expenses allowable against taxable income in future years	6,984.11	4492.00
Mat Credit Entitlement (Refer Note No 3.51)	28,808.55	-
<b>Deferred Tax Liabilities</b>		
Tax impact arising out of temporary differences in depreciable assets	(5,383.67)	(3839.00)
Tax impact arising on fair value gain on financial instrument	(2,028.18)	(653.00)
<b>Total</b>	<b>28,380.81</b>	<b>-</b>

Refer Note No. 3.51

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.8 DEFERRED TAX ASSETS ( NET) (Contd.)

### 3.8(A) Movement in Deferred Tax Asset for the period ended 31st March 2022.

Particulars	01.04.2021	Recognised in Profit and Loss	On Account of Business Acquisition	31.03.2022
<b>Deferred Tax Assets</b>				
Tax impact of expenses allowable against taxable income in future years	4,492.00	2,492.11	-	6,984.11
Mat Credit Entitlement (Refer Note 3.51)	-	5,775.55	-	5,775.55
Mat Credit Entitlement for earlier years (Refer Note 3.51)	-	23,033.00	-	23,033.00
<b>Total Deferred Tax Asset</b>	<b>4,492.00</b>	<b>31,300.66</b>	<b>-</b>	<b>35,792.66</b>
<b>Deferred Tax Liabilities</b>				
Tax impact arising out of temporary differences in depreciable assets	(3,839.00)	(1,544.67)	-	(5,383.67)
Tax impact arising on fair value gain on financial instrument	(653.00)	(1,375.18)	-	(2,028.18)
<b>Total Deferred Tax Liabilities</b>	<b>(4,492.00)</b>	<b>(2,919.85)</b>	<b>-</b>	<b>(7,411.85)</b>
<b>Total Deferred Tax Asset (Net)</b>	<b>-</b>	<b>28,380.81</b>	<b>-</b>	<b>28,380.81</b>

### 3.8(B) Movement in Deferred Tax Liability for the period ended 31st March 2022.

Particulars	01.04.2021	Recognised in Profit and Loss	On Account of Business Acquisition#	Recognised in OCI	Others	31.03.2022
<b>Deferred Tax Liabilities</b>						
Tax impact arising out of temporary differences in depreciable assets	44.80	(47.56)	371.70	-	(9.94)	359.01
Tax impact arising out of temporary differences other than depreciable assets	371.55	23.66	-	(0.21)	-	395
<b>Total Deferred Tax Liabilities</b>	<b>416.35</b>	<b>(23.90)</b>	<b>371.70</b>	<b>(0.21)</b>	<b>(9.94)</b>	<b>754.01</b>
<b>Total Deferred Tax Liability (Net)</b>	<b>416.35</b>	<b>(23.90)</b>	<b>371.70</b>	<b>(0.21)</b>	<b>(9.94)</b>	<b>754.01</b>
<b>Total Deferred Tax charge/(credit) Recognised in Profit and Loss / OCI</b>	<b>-</b>	<b>(28,404.71)</b>	<b>-</b>	<b>0.21</b>	<b>-</b>	<b>-</b>

# Refer Note No 3.56

## 3.9 NON-CURRENT TAX ASSETS ( NET)

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Advance Income Tax (Net of Provision)	-	37.99
<b>Total</b>	<b>-</b>	<b>37.99</b>

## 3.10 OTHER NON-CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured, Considered Good unless otherwise stated</b>		
Capital Advances	522.49	993.72
Deposits with Government Authorities	357.08	362.58
Prepaid Expenses	47.67	136.05
<b>Total</b>	<b>927.24</b>	<b>1,492.35</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.11 INVENTORIES

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>(At lower of cost and net realisable value)</b>				
<b>Raw materials and Packing materials</b>				
Raw Materials	8,945.86		9,026.42	
Packing Materials	5,583.34	14,529.20	4,464.97	13,491.39
Work-in-Progress		618.75		446.80
Finished Goods		13,067.45		9,873.60
Stock-in-Trade		6,814.54		5,506.24
Stores and Spares		731.49		726.62
<b>Total</b>		<b>35,761.43</b>		<b>30,044.65</b>

- (a) During the year ended 31st March 2022, ₹ 220.14 lacs (31st March 2021: ₹ 131.90 lacs) was recognised as an expense for inventories carried at net realisable value.
- (b) Above includes Inventories in Transit:
- Raw Materials : ₹ 343.65 lacs ( 31.03.2021 : ₹ 624.21 lacs)
- Packing Materials : ₹ 660.94 lacs ( 31.03.2021 : ₹ 100.72 lacs)
- Finished Goods : ₹ 1,344.44 lacs ( 31.03.2021 : ₹ 302.84 lacs)
- Stock-in-Trade : ₹ 36.99 lacs ( 31.03.2021 : ₹ 238.23 lacs)
- (c) Above includes Stock-in-Trade lying with third parties ₹ 3,502.38 lacs (31.03.2021 : ₹ 1,050.51)
- (d) Refer Note No 3.27 for information on inventories pledged as security

### 3.12 INVESTMENTS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Current</b>		
<b>Investments carried at FVTPL (Unquoted)</b>		
<b>Units of Mutual Fund</b>		
<b>Nippon India Overnight Fund - Direct Growth Plan</b>	2,200.44	450.53
19,28,194 (31.03.2021 - 4,07,812) Units of ₹ 100 each		
<b>Tata Overnight Fund - Direct Growth Plan</b>	1,400.69	-
124,901 (31.03.2021 - Nil) Units of ₹ 1,000 each		
<b>Mahindra Manulife Overnight Fund - Direct Growth Plan</b>	350.56	-
31,858 (31.03.2021 - Nil) Units of ₹ 1,000 each		
<b>Nippon India Floating Rate Fund - Direct Growth Plan</b>	-	3,832.57
Nil (31.03.2021 - 1,06,49,590) Units of ₹ 10 each		
<b>Tata Money Market Fund - Direct Growth Plan</b>	-	1,903.39
Nil (31.03.2021 - 51,866) Units of ₹ 1,000 each		
<b>Mahindra Manulife Short Term Fund - Direct Growth Plan</b>	-	704.15
Nil (31.03.2021 - 69,97,971) Units of ₹ 10 each		
<b>Axis Liquid Fund - Direct Growth Plan</b>	-	500.03
Nil (31.03.2021 - 21,885) Units of ₹ 1,000 each		
<b>PGIM India Insta Cash Fund - Direct Plan Growth</b>	-	500.02
Nil (31.03.2021 - 1,86,534) Units of ₹ 100 each		
<b>Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan</b>	-	499.98
Nil (31.03.2021 - 1,74,104) Units of ₹ 100 each		
<b>ICICI Money Market Fund - Direct Growth Plan</b>	-	499.98
Nil (31.03.2021 - 1,69,323) Units of ₹ 100 each		
<b>Total</b>	<b>3,951.69</b>	<b>8,890.65</b>
<b>Aggregate Amount of Unquoted Investments</b>	<b>3,951.69</b>	<b>8,890.65</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.13 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At Amortised cost</b>		
<b>Secured</b>		
Considered Good	11,100.25	11,538.17
<b>Unsecured</b>		
Considered Good	20,991.62	11,637.14
Trade Receivable - Credit Impaired	280.58	357.80
<b>Subtotal</b>	<b>32,372.45</b>	<b>23,533.11</b>
Less: Allowance for Credit Impaired	280.58	357.80
<b>Total</b>	<b>32,091.87</b>	<b>23,175.31</b>

Set out below is the movement in the allowance for expected credit losses of trade receivables:

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>As at 1st April</b>	<b>357.80</b>	<b>103.46</b>
(Reversal)/Provision for expected credit losses	(77.22)	254.34
<b>As at 31st March</b>	<b>280.58</b>	<b>357.80</b>

- Refer Note No 3.27 for information on receivables secured against borrowings
- 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.
- Refer Note no 3.55 for credit risk and liquidity risk
- Refer note no 3.58 for information on receivables from related parties.
- Refer Trade Receivables ageing schedule below:

#### Trade Receivables Ageing - As at March 31, 2022

₹ in Lacs

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	24,332.77	6,013.05	760.92	302.57	562.77	119.79	<b>32,091.87</b>
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	118.36	162.22	-	<b>280.58</b>

#### Trade Receivables Ageing - As at March 31, 2021

₹ in Lacs

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	18,400.15	2,811.61	598.63	1,245.13	119.76	0.03	<b>23,175.31</b>
(ii) Undisputed Trade Receivables – credit impaired	-	100.00	44.65	213.15	-	-	<b>357.80</b>

Note: There are no disputed trade receivable outstanding as on March 31, 2022 and March 31, 2021



## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.14 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
Balances with Banks	2,507.83		1,395.16	
Fixed Deposits with Banks (Original Maturity of less than 3 Months)	51.62		-	
Cheque-in-Hand	176.80		561.21	
Cash on Hand	21.04	2,757.29	24.78	1,981.15
<b>Total</b>		<b>2,757.29</b>		<b>1,981.15</b>

### Changes in liabilities arising from financing activities

₹ in Lacs

Particulars	01.04.2021	Cash Flow	On Account of Ind AS 116	31.03.2022
Current Borrowings	9,190.93	17,180.19	-	26,371.12
Current Lease Liabilities	420.17	(712.46)	1,088.35	796.06
Non-Current Lease Liabilities	463.33	-	525.03	988.36
<b>Total</b>	<b>10,074.43</b>	<b>16,467.73</b>	<b>1,613.38</b>	<b>28,155.54</b>

₹ in Lacs

Particulars	01.04.2020	Cash Flow	On Account of Ind AS 116	31.03.2021
Current Borrowings	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
<b>Total</b>	<b>22,488.24</b>	<b>(12,454.10)</b>	<b>64.47</b>	<b>10,074.43</b>

\*It includes foreign currency translation adjustment of ₹ 12.09 lacs

### 3.15 OTHER BANK BALANCES

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>Other Bank Balances</b>				
Unpaid Dividend Account #	223.37		231.02	
Deposits with Original maturity of more than 3 months but less than 12 months *	8,619.70	8,843.07	33,825.13	34,056.15
<b>Total</b>		<b>8,843.07</b>		<b>34,056.15</b>

# Earmarked for payment of Unclaimed Dividend

\* Includes deposits amounting to ₹ 66.85 lacs (31.03.2021 : ₹ 55.74 lacs) under lien.

### 3.16 LOANS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At Amortised cost</b>		
<b>Unsecured, considered good</b>		
Security Deposits	86.22	-
Loans to Employees	219.00	302.88
Loans to Others	70.79	-
<b>Total</b>	<b>376.01</b>	<b>302.88</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.17 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>Unsecured, considered good</b>				
<b>At Amortised cost</b>				
Interest Receivable				
- from related parties (Refer Note No 3.58)	-		18.34	
- from others	146.36	146.36	248.50	266.84
Other Receivable				
- from related parties (Refer Note No 3.58)	0.17		85.24	
- from others	212.69	212.86	53.20	138.44
Security Deposit				
- to related parties	32.40		-	
- to others	29.68	62.08	-	-
Incentive Receivable*	826.85		3,137.64	
Less: Provision for Doubtful Receivables	(22.29)	804.56	-	3,137.64
Deposits with Original maturity of more than 3 months but less than 12 months		3,042.09		-
<b>At FVTPL</b>				
Derivative assets - Forward & Option #		299.95		82.53
<b>Total</b>		<b>4,567.90</b>		<b>3,625.45</b>

\* It include Subsidy, Export Incentives, GST Refund etc.

# Refer Note No. 3.50 for determination of fair value

### 3.18 CURRENT TAX ASSETS (NET)

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Advance Income Tax (Net of Provision)	84.71	-
<b>Total</b>	<b>84.71</b>	<b>-</b>

### 3.19 OTHER CURRENT ASSETS

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>Unsecured, considered good</b>				
Advances other than Capital Advances				
For goods and services	3,222.17		3,421.87	
To employees	43.94	3,266.11	21.28	3,443.15
Balances with Government Authorities		14,042.50		5,620.59
Prepaid Expenses		1,532.42		1,539.01
<b>Unsecured, considered doubtful</b>				
Advances other than Capital Advances				
For goods and services	47.35		47.35	
Less: Provision for Doubtful Advances	(47.35)	-	(47.35)	-
<b>Total</b>		<b>18,841.03</b>		<b>10,602.75</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.20 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Authorised</b>		
50,00,00,000 (31.03.2021-50,00,00,000) Equity Shares of Re 1/- each	5,000.00	5,000.00
<b>Issued</b>		
44,11,50,000 (31.03.2021 - 44,45,13,740) Equity Shares of ₹ 1/- each fully paid up	4,411.50	4,445.14
<b>Subscribed &amp; Paid up*</b>		
44,11,50,000 (31.03.2021 - 44,45,13,740) Equity Shares of ₹ 1/- each fully paid up	4,411.50	4,445.14
<b>Total issued, subscribed and fully paid up share capital</b>	<b>4,411.50</b>	<b>4,445.14</b>

\* Of the above, 22,69,67,619 (31.03.2021 : 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 31.03.2022		As at 31.03.2021	
	Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
Shares outstanding at the beginning of the year	4,44,513,740	4,445.14	4,53,180,768	4,531.81
Less : Shares bought back	3,363,740	33.64	8,667,028	86.67
<b>Shares outstanding at the end of the year#</b>	<b>4,41,150,000</b>	<b>4,411.50</b>	<b>4,44,513,740</b>	<b>4,445.14</b>

#Refer Note No. : 3.61 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.

#### (c) Shareholders holding more than 5% shares in the Holding Company

Names of the shareholders	As at 31.03.2022		As at 31.03.2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Sneha Gardens Private Limited	1,05,720,226	23.96	1,05,720,226	23.78
Sneha Enclave Private Limited	98,667,956	22.37	98,667,956	22.20

#### (d) Equity shares movement during 5 years preceding March 31, 2022

##### Equity shares issued as bonus

The Company allotted 2,269.67 lacs equity shares as fully paid up bonus shares by capitalisation of profits transferred from security premium in the quarter ended June 30, 2018, pursuant to an ordinary resolution passed after taking the consent of shareholders through postal ballot.

##### Equity shares extinguished on buy-back

The Company bought back 33,63,740 equity shares for an aggregate amount of ₹ 16,121.45 lacs being 0.76% of the pre-buyback total paid up equity share capital at ₹ 479.27 average cost per equity share. The Buyback commenced on 9th February, 2022 and got completed on 21st March, 2022.

The Company bought back 94,21,498 equity shares for an aggregate amount of ₹ 19,198.73 lacs being 2.08% of the pre-buyback total paid up equity share capital at ₹ 203.78 average cost per equity share. The Buyback commenced on 29th March, 2020 and got completed on 9th July, 2020.

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.20 EQUITY SHARE CAPITAL (Contd.)

#### (d) Equity shares held by Promoters as at the end of the current year

Promoter Name	No. of shares as at 01.04.2021	Change during the year	No. of shares at 31.03.2022	% of Total Shares	% change during the year
<b>A) Indian</b>					
<b>A1) Individuals / Hindu undivided Family</b>					
Priti A Sureka	1,16,09,702	34,95,000	1,51,04,702	3.42%	0.79%
Rohin Raj Sureka	35,00,000	(34,95,000)	5,000	-	-0.79%
Avishi Sureka	14,00,000	-	14,00,000	0.32%	-
Sachin Goenka	7,17,000	-	7,17,000	0.16%	-
Shobhna Agarwal	6,30,000	-	6,30,000	0.14%	-
Saswat Goenka	5,80,000	-	5,80,000	0.13%	-
Vibhash Vardhan Agarwal	5,73,478	-	5,73,478	0.13%	-
Manan Goenka	5,65,000	-	5,65,000	0.13%	-
Darsh Goenka	5,65,000	-	5,65,000	0.13%	-
Advay Goenka	5,54,000	-	5,54,000	0.13%	-
Jyoti Agarwal	4,88,000	-	4,88,000	0.11%	-
Reyansh Goenka	4,07,750	-	4,07,750	0.09%	-
Devarsh Goenka	4,07,750	-	4,07,750	0.09%	-
Radheshyam Goenka	3,92,076	-	3,92,076	0.09%	-
Chikky Goenka	3,71,700	-	3,71,700	0.08%	-
Smriti Agarwal	3,34,000	-	3,34,000	0.08%	-
Rachana Goenka	3,17,700	-	3,17,700	0.07%	-
Rajkumar Goenka	2,97,964	-	2,97,964	0.07%	-
Rachna Bagaria	2,70,000	-	2,70,000	0.06%	-
Indu Goenka	2,69,700	-	2,69,700	0.06%	-
Nimisha Goenka	2,44,000	-	2,44,000	0.06%	-
Reha Goenka	2,40,000	-	2,40,000	0.05%	-
Shreya Goenka	2,30,000	-	2,30,000	0.05%	-
Saroj Goenka	2,15,240	-	2,15,240	0.05%	-
Aditya Vardhan Agarwal HUF	2,04,278	-	2,04,278	0.05%	-
Shruti Goenka	1,96,130	-	1,96,130	0.04%	-
Radheshyam Agarwal	1,95,000	-	1,95,000	0.04%	-
Prashant Goenka	1,90,000	-	1,90,000	0.04%	-
Manish Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Mohan Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Sushil Kumar Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Usha Agarwal	1,73,096	-	1,73,096	0.04%	-
Harsh Vardhan Agarwal HUF	1,72,000	-	1,72,000	0.04%	-
Vihan Vardhan Agarwal	1,72,000	-	1,72,000	0.04%	-

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.20 EQUITY SHARE CAPITAL (Contd.)

Promoter Name	No. of shares as at 01.04.2021	Change during the year	No. of shares at 31.03.2022	% of Total Shares	% change during the year
Puja Goenka	1,69,398	-	1,69,398	0.04%	-
Jayant Goenka	1,56,254	-	1,56,254	0.04%	-
Mansi Agarwal	1,50,000	-	1,50,000	0.03%	-
Laxmi Devi Bajoria	1,43,000	-	1,43,000	0.03%	-
Manish Goenka	1,42,196	-	1,42,196	0.03%	-
Aditya Vardhan Agarwal	1,34,668	-	1,34,668	0.03%	-
Ashish Goenka	1,30,000	-	1,30,000	0.03%	-
Rashmi Goenka	1,21,400	-	1,21,400	0.03%	-
Santosh Goenka	1,15,640	-	1,15,640	0.03%	-
Harsha Vardhan Agarwal	1,10,266	-	1,10,266	0.02%	-
Sushil Kumar Goenka	1,09,900	-	1,09,900	0.02%	-
Richa Agarwal**	91,722	1,500	93,222	0.02%	-
Vidhishree Agarwal	80,000	-	80,000	0.02%	-
Vidula Agarwal	80,000	-	80,000	0.02%	-
Jayant Goenka	74,000	-	74,000	0.02%	-
Prashant Goenka HUF	74,000	-	74,000	0.02%	-
Ashish Goenka HUF	74,000	-	74,000	0.02%	-
Mohan Goenka	61,900	-	61,900	0.01%	-
Madan Lal Agarwal	60,000	-	60,000	0.01%	-
Jyoti Goenka	48,776	-	48,776	0.01%	-
Kusum Agarwal**	37,800	(1,500)	36,300	0.01%	-
Pradeep Kumar Agarwal	31,150	-	31,150	0.01%	-
Divya Agarwal	26,000	-	26,000	0.01%	-
Sangita Agarwal	26,000	-	26,000	0.01%	-
Shubham Agarwal	24,460	-	24,460	0.01%	-
Abhishek Agarwal	24,000	-	24,000	0.01%	-
Dhiraj Agarwal	16,750	-	16,750	-	-
Sumangal Agarwal	8,200	-	8,200	-	-
Vishal Agarwal	8,200	-	8,200	-	-
<b>Total (A1)</b>	<b>2,93,34,244</b>	<b>-</b>	<b>2,93,34,244</b>	<b>6.65%</b>	<b>-</b>
<b>A2) Body Corporate</b>					
Suraj Finvest Private Limited (formerly known as Sneha Gardens Private Limited)	10,57,20,226	-	10,57,20,226	23.96%	-
Sneha Enclave Private Limited	9,86,67,956	-	9,86,67,956	22.37%	-
Midkot Investments Private Limited	-	31,17,160	31,17,160	0.71%	0.71%
Tmt Viniyogan Limited*	30,33,160	(30,33,160)	-	-	-0.69%

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.20 EQUITY SHARE CAPITAL (Contd.)

Promoter Name	No. of shares as at 01.04.2021	Change during the year	No. of shares at 31.03.2022	% of Total Shares	% change during the year
Emami Capital Markets Limited*	84,000	(84,000)	-	-	-0.02%
Emami Paper Mills Ltd	9,33,000	-	9,33,000	0.21%	-
Emami Frank Ross Limited	10,000	-	10,000	-	-
<b>Total (A2)</b>	<b>20,84,48,342</b>	<b>-</b>	<b>20,84,48,342</b>	<b>47.25%</b>	<b>-</b>
<b>Total (A)</b>	<b>23,77,82,586</b>	<b>-</b>	<b>23,77,82,586</b>	<b>53.90%</b>	<b>-</b>
<b>B) Foreign</b>					
Amitabh Goenka	5,71,496	-	5,71,496	0.13%	-
Ritu Goenka	4,54,930	-	4,54,930	0.10%	-
Nikunj Goenka	2,65,000	-	2,65,000	0.06%	-
Yogesh Goenka	2,45,400	-	2,45,400	0.06%	-
Amitabh Goenka HUF	74,000	-	74,000	0.02%	-
<b>Total (B)</b>	<b>16,10,826</b>	<b>-</b>	<b>16,10,826</b>	<b>0.37%</b>	<b>-</b>
<b>Total (A + B)#</b>	<b>23,93,93,412</b>	<b>-</b>	<b>23,93,93,412</b>	<b>54.27%</b>	<b>-</b>

\* These Companies have been merged with Midkot Investments Private Limited with effect from 15th November, 2021.

\*\* % change is below the rounding off norms adopted by the company.

# The increase in promoters' share holding % is due to shares bought back in buyback process and extinguished.

#### (d) Equity shares held by Promoters as at the end of the previous year

Promoter Name	No. of shares as at 01.04.2020	Change during the year	No. of shares at 31.03.2021	% of Total Shares	% change during the year
<b>A) Indian</b>					
<b>A1) Individuals / Hindu undivided Family</b>					
Priti A Sureka	1,16,09,702	-	1,16,09,702	2.61%	-
Rohin Raj Sureka	35,00,000	-	35,00,000	0.79%	-
Avishi Sureka	14,00,000	-	14,00,000	0.31%	-
Sachin Goenka	7,17,000	-	7,17,000	0.16%	-
Shobhna Agarwal	6,30,000	-	6,30,000	0.14%	-
Saswat Goenka	5,80,000	-	5,80,000	0.13%	-
Vibhash Vardhan Agarwal	5,73,478	-	5,73,478	0.13%	-
Manan Goenka	5,65,000	-	5,65,000	0.13%	-
Darsh Goenka	5,65,000	-	5,65,000	0.13%	-
Advay Goenka	5,54,000	-	5,54,000	0.12%	-
Jyoti Agarwal	4,88,000	-	4,88,000	0.11%	-
Reyansh Goenka	4,07,750	-	4,07,750	0.09%	-
Devarsh Goenka	4,07,750	-	4,07,750	0.09%	-
Radheshyam Goenka	3,92,076	-	3,92,076	0.09%	-
Chikky Goenka	3,71,700	-	3,71,700	0.08%	-
Smriti Agarwal	3,34,000	-	3,34,000	0.08%	-
Rachana Goenka	3,17,700	-	3,17,700	0.07%	-

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.20 EQUITY SHARE CAPITAL (Contd.)

Promoter Name	No. of shares as at 01.04.2020	Change during the year	No. of shares at 31.03.2021	% of Total Shares	% change during the year
Rajkumar Goenka	2,97,964	-	2,97,964	0.07%	-
Rachna Bagaria	2,70,000	-	2,70,000	0.06%	-
Indu Goenka	2,69,700	-	2,69,700	0.06%	-
Nimisha Goenka	2,44,000	-	2,44,000	0.05%	-
Reha Goenka	2,40,000	-	2,40,000	0.05%	-
Shreya Goenka	2,30,000	-	2,30,000	0.05%	-
Saroj Goenka	2,15,240	-	2,15,240	0.05%	-
Aditya Vardhan Agarwal HUF	2,04,278	-	2,04,278	0.05%	-
Shruti Goenka	1,96,130	-	1,96,130	0.04%	-
Radheshyam Agarwal	1,95,000	-	1,95,000	0.04%	-
Prashant Goenka	1,90,000	-	1,90,000	0.04%	-
Manish Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Mohan Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Sushil Kumar Goenka HUF	1,74,000	-	1,74,000	0.04%	-
Usha Agarwal	1,73,096	-	1,73,096	0.04%	-
Harsh Vardhan Agarwal HUF	1,72,000	(172,000)	-	-	0.04%
Harsh Vardhan Agarwal	-	172,000	1,72,000	0.04%	-0.04%
Vihan Vardhan Agarwal	1,72,000	-	1,72,000	0.04%	-
Puja Goenka	1,69,398	-	1,69,398	0.04%	-
Jayant Goenka	1,56,254	-	1,56,254	0.04%	-
Mansi Agarwal	1,50,000	-	1,50,000	0.03%	-
Laxmi Devi Bajoria	1,43,000	-	1,43,000	0.03%	-
Manish Goenka	1,42,196	-	1,42,196	0.03%	-
Aditya Vardhan Agarwal	1,34,668	-	1,34,668	0.03%	-
Ashish Goenka	1,30,000	-	1,30,000	0.03%	-
Rashmi Goenka	1,21,400	-	1,21,400	0.03%	-
Santosh Goenka	1,15,640	-	1,15,640	0.03%	-
Harsha Vardhan Agarwal	1,10,266	-	1,10,266	0.02%	-
Sushil Kumar Goenka	1,09,900	-	1,09,900	0.02%	-
Richa Agarwal	91,722	-	91,722	0.02%	-
Vidhishree Agarwal	80,000	-	80,000	0.02%	-
Vidula Agarwal	80,000	-	80,000	0.02%	-
Jayant Goenka HUF	74,000	-	74,000	0.02%	-
Prashant Goenka HUF	74,000	-	74,000	0.02%	-
Ashish Goenka HUF	74,000	-	74,000	0.02%	-
Mohan Goenka	61,900	-	61,900	0.01%	-
Madan Lal Agarwal	60,000	-	60,000	0.01%	-
Jyoti Goenka	48,776	-	48,776	0.01%	-
Kusum Agarwal	37,800	-	37,800	0.01%	-

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.20 EQUITY SHARE CAPITAL (Contd.)

Promoter Name	No. of shares as at 01.04.2020	Change during the year	No. of shares at 31.03.2021	% of Total Shares	% change during the year
Pradeep Kumar Agarwal	31,150	-	31,150	0.01%	-
Divya Agarwal	26,000	-	26,000	0.01%	-
Sangita Agarwal	26,000	-	26,000	0.01%	-
Shubham Agarwal	24,460	-	24,460	0.01%	-
Abhishek Agarwal	24,000	-	24,000	0.01%	-
Dhiraj Agarwal	16,750	-	16,750	-	-
Sumangal Agarwal	8,200	-	8,200	-	-
Vishal Agarwal	8,200	-	8,200	-	-
<b>Total (A1)</b>	<b>2,93,34,244</b>	<b>-</b>	<b>2,93,34,244</b>	<b>6.60%</b>	<b>-</b>
<b>A2) Body Corporate</b>					
Sneha Gardens Private Limited	-	10,57,20,226	10,57,20,226	23.78%	23.78%
Bhanu Vyapaar Private Limited*	4,37,65,902	(4,37,65,902)	-	-	-9.85%
Raviraj Viniyog*	2,14,56,984	(2,14,56,984)	-	-	-4.83%
Prabhakar Viniyog*	2,04,91,492	(2,04,91,492)	-	-	-4.61%
Suraj Viniyog Private Limited*	2,00,05,848	(2,00,05,848)	-	-	-4.50%
Sneha Enclave Private Limited	-	9,86,67,956	9,86,67,956	22.20%	22.20%
Diwakar Viniyog Private Limited**	4,95,33,849	(4,95,33,849)	-	-	-11.14%
Suntrack Commerce Private Limited**	4,91,34,107	(4,91,34,107)	-	-	-11.05%
Tmt Viniyogan Limited	30,33,160	-	30,33,160	0.68%	-
Emami Paper Mills Ltd	9,33,000	-	9,33,000	0.21%	-
Emami Capital Markets Limited	84,000	-	84,000	0.02%	-
Emami Frank Ross Limited	10,000	-	10,000	-	-
<b>Total (A2)</b>	<b>20,84,48,342</b>	<b>-</b>	<b>20,84,48,342</b>	<b>46.89%</b>	<b>-</b>
<b>Total (A)</b>	<b>23,77,82,586</b>	<b>-</b>	<b>23,77,82,586</b>	<b>53.49%</b>	<b>-</b>
<b>B) Foreign</b>					
Amitabh Goenka	5,71,496	-	5,71,496	0.13%	-
Ritu Goenka	4,54,930	-	4,54,930	0.10%	-
Nikunj Goenka	2,65,000	-	2,65,000	0.06%	-
Yogesh Goenka	2,45,400	-	2,45,400	0.06%	-
Amitabh Goenka HUF	74,000	-	74,000	0.02%	-
<b>Total (B)</b>	<b>16,10,826</b>	<b>-</b>	<b>16,10,826</b>	<b>0.37%</b>	<b>-</b>
<b>Total (A + B)</b>	<b>23,93,93,412</b>	<b>-</b>	<b>23,93,93,412</b>	<b>53.86%</b>	<b>-</b>

\* These Companies have been merged with Sneha Gardens Private Limited with effect from 15th November, 2020.

\*\* These Companies have been merged with Sneha Enclave Private Limited with effect from 2nd February, 2021.



## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.21 OTHER EQUITY

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Retained Earnings</b>		
Opening balance	67,646.23	57,617.61
Net Profit for the year	83,898.50	45,469.91
Remeasurements of the Net Defined Benefit Plans (net of tax)	(153.91)	119.81
Interim Dividend#	(35,561.10)	(35,561.10)
Closing Balance	1,15,829.72	67,646.23
<b>Other Comprehensive Income</b>		
<b>Investment in Equity shares at fair value through Other Comprehensive Income</b>		
Opening Balance	9,428.77	3,670.34
Change during the year	3,127.66	5,758.43
Closing balance	12,556.43	9,428.77
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	(59.58)	(319.86)
Addition during the year	88.25	260.28
Closing Balance	28.67	(59.58)
<b>Other Reserves</b>		
<b>Capital Reserves</b>	79.64	79.64
<b>Securities Premium</b>		
Opening balance	7,224.80	29,295.50
Amount paid/payable upon Buy back ##	(3,341.22)	(17,868.00)
Buyback distribution tax ##	(3,755.18)	(4,179.87)
Transaction costs related to Buyback ##	(128.40)	(22.83)
Closing Balance	-	7,224.80
<b>Capital Redemption Reserve (CRR)</b>		
Opening balance	94.21	7.54
Appropriation from general reserve upon Buyback of equity shares ##	33.64	86.67
Closing Balance	127.85	94.21
<b>General Reserve</b>		
Opening Balance	87,405.79	87,492.46
Amount paid/payable upon Buy back ##	(12,746.59)	
Transfer to capital redemption reserve upon Buyback of equity shares ##	(33.64)	(86.67)
Closing Balance	74,625.56	87,405.79
<b>Total</b>	<b>2,03,247.87</b>	<b>1,71,819.86</b>

# Refer Note No. : 3.52

## Refer Note No. : 3.61

#### 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.

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.21 OTHER EQUITY (Contd.)

### 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.

## 3.22 LEASE LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Lease Liabilities #	988.36	420.17
<b>Total</b>	<b>988.36</b>	<b>420.17</b>

#Refer Note No. 3.53

## 3.23 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At amortised cost</b>		
<b>Unsecured</b>		
Trade Deposits	263.58	244.37
Security Deposits	427.16	424.64
<b>Total</b>	<b>690.74</b>	<b>669.01</b>

## 3.24 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Provision for Employee Benefits</b>		
Gratuity ( Refer Note No : 3.42)	2,523.13	2,296.58
<b>Total</b>	<b>2,523.13</b>	<b>2,296.58</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.25 DEFERRED TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Deferred Tax Liabilities</b>		
Tax impact arising out of temporary differences in depreciable assets	359.01	44.80
Tax impact arising out of temporary differences other than depreciable assets	395.00	371.55
<b>Total</b>	<b>754.01</b>	<b>416.35</b>

Refer Note no 3.8(B)

Refer Note no 3.51

### 3.26 OTHER NON-CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred Government grants *	1,790.52	1,973.33
<b>Total</b>	<b>1,790.52</b>	<b>1,973.33</b>

\* To be amortised to income over the life of the assets against which such grants are received/receivable.

### 3.27 BORROWINGS

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>At amortised cost</b>				
<b>Secured</b>				
<b>From Banks</b>				
Cash Credit ( including working capital demand loan)	10,437.37		4,177.75	
Packing Credit	1,357.85	11,795.22	2,226.66	6,404.41
(Cash Credit amounting to ₹ 5,400.00 Lacs (31.03.2021: ₹ 298.49 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 ₹ 4,815.63 Lacs (31.03.2021: ₹ 3,879.26 Lacs) is secured by the corporate guarantee of the Holding Company.)				
(Cash Credit amounting to ₹ 221.74 Lacs (31.03.2021: Nil) pertaining to a subsidiary is secured by hypothecation of immovable property of the said subsidiary.)				
<b>Unsecured</b>				
<b>From Banks</b>				
Cash Credit (including working capital demand loan)		14,500.00		-
Packing Credit		-		2,127.78
<b>Loan from Director</b>		75.90		658.74
<b>Total</b>		<b>26,371.12</b>		<b>9,190.93</b>

#### Notes :

- Cash credit amounting to ₹ 4,815.63 Lacs (31.03.2021 : ₹ 3,879 Lacs) carries an interest rate of LIBOR plus 1.5% (31.03.2021 : LIBOR plus 1.5%) and for balance Cash credit amounting to ₹ 20,057.75 Lacs (31.03.2021 : ₹ 298.49 Lacs) interest ranges between 4.00% - 10.00% (31.03.2020 : Interest rate 6.60% - 13.96%)
- Packing credit is repayable within 6 months & carries interest in the range of 1.00% - 4.60% (31.03.2021 : Interest rate 1.60% - 5.00%)
- Loan from directors are repayable on demand & carries an interest rate of 1.66% (31.03.2021 : Interest rate 2.75%)
- The group has not been declared wilful defaulter by any bank or financial Institution or other lender.

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.28 LEASE LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Lease Liabilities #	796.06	463.33
<b>Total</b>	<b>796.06</b>	<b>463.33</b>

# Refer Note no 3.53

### 3.29 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At amortised cost</b>		
Total outstanding dues of Micro Enterprises & Small Enterprises (Refer Note No. 3.45)	3,369.60	1,213.83
Total outstanding dues of creditors Other than Micro Enterprises & Small Enterprises	37,503.85	33,853.72
<b>Total</b>	<b>40,873.45</b>	<b>35,067.55</b>

(a) Refer Note No. 3.58 for information on receivables from related parties.

(b) Refer Note No. 3.55 for liquidity risk and foreign currency 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

#### Trade Payables Ageing - As at March 31, 2022

₹ in Lacs

Particulars	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
Total outstanding dues of Micro & Small Enterprises	316.64	3,052.96	-	-	-	<b>3,369.60</b>
Total outstanding dues of creditors other than Micro & Small Enterprises	20,058.21	17,182.27	221.43	5.59	36.35	<b>37,503.85</b>

#### Trade Payables Ageing - As at March 31, 2021

₹ in Lacs

Particulars	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
Total outstanding dues of Micro & Small Enterprises	68.96	1,144.87	-	-	-	<b>1,213.83</b>
Total outstanding dues of creditors other than Micro & Small Enterprises	15,010.95	17,403.88	1,044.76	335.21	58.92	<b>33,853.72</b>

### 3.30 OTHER FINANCIAL LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At amorised cost</b>		
Interest Accrued	98.57	37.47
Creditors for Capital Goods	650.10	296.96
Unpaid Dividends*	223.37	231.02
Employee Benefits	3,451.76	5,009.60

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.30 OTHER FINANCIAL LIABILITIES (Contd.)

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Deposit	0.49	-
Security Deposit	179.23	6.14
Other Payables	41.12	-
<b>At FVTPL</b>		
Derivative liabilities - Forward & Option	-	51.57
<b>Total</b>	<b>4,644.64</b>	<b>5,632.76</b>

\* Unpaid dividend does not include amount due and outstanding to be credited to Investor Education and Protection Fund.

### 3.31 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred Government Grant*	212.41	212.28
Advance from Customers	593.96	1,678.42
Duties & Taxes	1,736.85	1,117.54
<b>Total</b>	<b>2,543.22</b>	<b>3,008.24</b>

\* To be amortised to income over the life of the assets against which such grants are received/receivable.

### 3.32 PROVISIONS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Provision for Employee Benefits</b>		
Provident Fund (Refer Note No. 3.43)	473.14	400.57
Gratuity (Refer Note No. 3.42)	5.72	58.32
Leave Encashment	1,139.80	1,184.84
<b>Others</b>		
Provision for Litigations (Refer Note No. 3.44)	9,404.83	9,102.20
Provision for Rebates and Damage return (Refer Note. 3.65)	3,618.43	3,538.86
<b>Total</b>	<b>14,641.92</b>	<b>14,284.79</b>

### 3.33 CURRENT TAX LIABILITIES (NET)

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Direct Taxes (Net of Advances)	1,702.04	2,369.56
<b>Total</b>	<b>1,702.04</b>	<b>2,369.56</b>

### 3.34 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	2021-2022	2020-2021
<b>Revenue from contracts with customers</b>		
Sale of Products (Refer Note No. 3.64)	3,15,752.96	2,85,425.19
Other Operating Revenues*	3,450.32	2,627.46
<b>Total</b>	<b>3,19,203.28</b>	<b>2,88,052.65</b>

\* It includes amortisation of Capital Subsidy, Export incentives and GST Refund

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.35 OTHER INCOME

₹ in Lacs

Particulars	2021-2022	2020-2021
<b>Interest Received on financial assets carried at amortised cost</b>		
Loans & Deposits	2,777.99	1,708.09
Provision for impairment of equity investment in associate written back	-	16.88
Provision for litigation written back	-	562.11
<b>Income from financial assets carried at fair value through Profit or Loss</b>		
Profit on fair value of investment in CCPS	341.34	1,090.74
Profit on Sale / Fair Value of mutual funds and AIF	5,141.39	2,830.38
Profit on fair value of derivatives instruments	299.55	1.47
Profit on fair value of Loan	53.39	-
Profit on Sale of Property, Plant & Equipments (net)	81.62	-
Rent and Maintenance Charges Received	540.77	535.09
Sundry Balances Written Back	-	38.51
Miscellaneous Receipts	288.95	243.89
<b>Total</b>	<b>9,525.00</b>	<b>7,027.16</b>

### 3.36 COST OF MATERIALS CONSUMED

₹ in Lacs

Particulars	2021-2022	2020-2021
<b>Raw materials and Packing materials</b>		
Opening Stock	13,491.39	9,678.55
Addition on Business Acquisition (Refer Note No. 3.56)	1.58	-
Add : Purchases during the year	91,066.63	74,666.92
Less : Closing Stock	14,529.20	13,491.39
<b>Total</b>	<b>90,030.40</b>	<b>70,854.08</b>

### 3.37 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Lacs

Particulars	2021-2022	2020-2021
<b>(I) Opening Stock</b>		
Work-in-progress	446.80	407.98
Finished Goods	9,873.60	10,675.52
Stock in trade	5,506.24	2,848.10
Addition on Business Acquisition (Refer Note No. 3.56)	124.84	-
<b>(II) Closing Stock</b>		
Work-in-progress	618.75	446.80
Finished Goods	13,067.45	9,873.60
Stock in trade	6,814.54	15,826.64
<b>(I) - (II)</b>	<b>(4,549.26)</b>	<b>(1,895.04)</b>
<b>Add: Foreign Currency Translation Adjustment</b>	<b>(40.14)</b>	<b>(45.34)</b>
<b>Total</b>	<b>(4,589.40)</b>	<b>(1,940.38)</b>

### 3.38 EMPLOYEE BENEFIT EXPENSE

₹ in Lacs

Particulars	2021-2022	2020-2021
Salaries and Wages	28,581.61	27,964.82
Staff Contribution to Provident and Other Funds	1,766.12	1,529.18
Gratuity Expenses ( Refer Note No. 3.42)	723.68	656.49
Welfare expenses	705.88	766.84
<b>Total</b>	<b>31,777.29</b>	<b>30,917.33</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.39 FINANCE COSTS

₹ in Lacs

Particulars	2021-2022	2020-2021
Interest on debts & borrowings	400.32	1,224.74
Interest on lease liabilities (Refer Note No. 3.53)	106.97	102.39
<b>Total</b>	<b>507.29</b>	<b>1,327.13</b>

### 3.40 OTHER EXPENSES

₹ in Lacs

Particulars	2021-2022	2020-2021
Consumption of Stores and Spare parts	1,213.71	944.91
Power and Fuel	2,251.93	2,149.51
Rent (Refer Note No. 3.53)	685.21	467.33
Repairs & Maintenance :		
Building	276.32	177.23
Machinery	906.32	742.44
Others	1,890.27	1,747.82
Insurance	483.47	462.79
Freight & Forwarding	8,116.61	7,190.30
Directors' Fees and Commission	595.55	599.55
Advertisement & Sales Promotion	52,290.71	45,813.27
Packing Charges	5,726.28	5,312.72
Commission	1,192.79	984.59
Loss on Sale/Disposal of Property, Plant & Equipments (net)	-	138.37
Provision for doubtful receivables	-	395.89
Provision for doubtful trade receivables	-	304.00
Legal and Professional Fees	2,846.37	3,505.67
Travelling and Conveyance	2,008.54	1,265.77
Expenditure on CSR Activities	908.33	781.11
Loss on Impairment of Investment in an Associate	-	-
Foreign Exchange Loss (net)	-	45.68
Sundry Balances Written Back	6.11	-
Miscellaneous Expenses	3,002.34	2,878.48
<b>Total</b>	<b>84,400.86</b>	<b>75,907.43</b>

### 3.41 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.

The Group primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas operations as under :

₹ in Lacs

Revenue from Operation	2021-2022	2020-2021
India	270,948.46	242,743.19
Overseas *	48,254.82	45,309.46
<b>Total</b>	<b>319,203.28</b>	<b>288,052.65</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.41 SEGMENT INFORMATION (Contd.)

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 31.03.2022	As at 31.03.2021
India	131,976.17	112,077.94
Overseas *	3,650.82	3,241.10
<b>Total</b>	<b>135,626.99</b>	<b>115,319.04</b>

\* 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.

### 3.42 DEFINED BENEFIT PLAN (GRATUITY) :

(i) 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.

(ii) Details as per actuarial valuations recognised in the financial statements in respect of Employees benefit scheme for the group.

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>A Expenses Recognised in the income Statement</b>		
1 Current Service Cost	633.62	515.81
2 Past Service Cost	(45.71)	-
3 Loss/(Gain) on Settlement	-	-
4 Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	135.77	140.68
<b>5 Total Expenses recognised in the Statement of Profit and Loss</b>	<b>723.68</b>	<b>656.49</b>
<b>B Assets and Liability</b>		
1 Present value of Obligation	6,037.85	5,377.75
2 Fair Value of Plan Assets	3,509.00	3,022.55
3 Funded Status Deficit	(2,528.85)	(2,355.20)
<b>4 Net Liability recognised in Balance Sheet</b>	<b>(2,528.85)</b>	<b>(2,355.20)</b>
<b>C Change in Present Value of Obligation</b>		
1 Present value of Obligation as at beginning of period	5,377.75	4,934.82
2 Addition on Business Acquisition	12.27	-
3 Current Service Cost	633.62	515.81
4 Interest Expense or Cost	322.77	305.17
5 Re-measurement (or Actuarial) (gain)/loss arising from :		
- Change in demographic assumptions	(1.86)	-
- Change in financial assumptions	(22.87)	40.08
- Experience variance (i.e. Actual experience vs assumptions)	266.02	(22.40)



## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.42 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

₹ in Lacs

Particulars	Gratuity Funded	
	As at 31.03.2022	As at 31.03.2021
6 Past Service Cost	(45.71)	-
7 Benefits Paid	(519.59)	(395.73)
8 Foreign Currency Translation Reserve	15.45	-
<b>9 Present value of Obligation as at the end of period</b>	<b>6,037.85</b>	<b>5,377.75</b>
<b>D Change in Fair Value of Plan Assets</b>		
1 Fair Value of Plan Assets at beginning of period	3,022.55	2,572.00
2 Investment Income	187.27	164.49
3 Employer's Contribution	499.41	350.87
4 Benefits paid	(287.40)	(228.82)
5 Return on plan assets, excluding amount recognised in net interest expense	87.17	164.01
6 Acquisition Adjustment	-	-
<b>7 Fair Value of Plan Assets at end of period</b>	<b>3,509.00</b>	<b>3,022.55</b>
<b>E Other Comprehensive Income</b>		
1 Actuarial (gains)/losses		
- Change in demographic assumptions	(1.86)	-
- Change in financial assumptions	(22.87)	40.08
- Experience variance (i.e. Actual experience vs assumptions)	266.02	(22.40)
2 Return on plan assets, excluding amount recognised in net interest expense	(87.17)	(164.01)
<b>3 Components of defined benefit costs recognised in other comprehensive income</b>	<b>154.12</b>	<b>(146.33)</b>

#### (iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2022	As at 31.03.2021
Funds managed by Insurer	100.00%	100.00%

#### (iv) Assumptions

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial Assumptions</b>		
Discount Rate (%)	4.00% to 7.59%	4.25% to 6.78%
Salary Growth Rate (per annum)	5.00% to 10.00%	4.00% to 8.00%
<b>Demographic Assumptions</b>		
Mortality Rate	100% (% of IALM 12-14)	100% (% of IALM 12-14)
Withdrawal Rate (per annum)	13.30% to 30.20%	12.77% to 13.20%

#### (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 31.03.2022	As at 31.03.2021
Defined Benefit Obligation (Base)	6,037.85	5,377.75

₹ in Lacs

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.42 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.50% - 1%) (₹ in Lacs)	6,315.83	5,776.01	5,630.16	5,143.68
(% change compared to base due to sensitivity)	4.60%	(4.34)%	4.69%	(4.35)%
Salary Growth Rate (- / + 0.50% - 1%) (₹ in Lacs)	5,777.70	6,310.67	5,148.32	5,620.33
(% change compared to base due to sensitivity)	(4.31)%	4.52%	(4.27)%	4.51%
Attrition Rate (- / + 50% of present attrition rate) (₹ in Lacs)	6,186.25	5,916.82	5,565.13	5,254.29
(% change compared to base due to sensitivity)	2.46%	(2.00)%	3.48%	(2.30)%
Mortality Rate (- / + 10%) (₹ in Lacs)	6,023.84	6,022.27	5,375.99	5,375.21
(% change compared to base due to sensitivity)	(0.23)%	(0.26)%	(0.03)%	(0.05)%

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	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
The Company's best estimate of Contribution during the next year	500.00	300.00

##### c) Maturity Profile of Defined Benefit Obligation

Particulars	₹ in Lacs	
	2021-2022	2020-2021
Weighted average duration (based on discounted cashflows)	4 Years	4 Years

Expected cash flows over the next (valued on undiscounted basis):	₹ in Lacs	
	2021-2022	2020-2021
1 Year	1,975.64	1,760.48
2 to 5 Years	2,364.57	2,108.84
6 to 10 Years	2,092.16	1,764.56
More than 10 Years	2,365.06	2,004.19

#### (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.

## Notes to Consolidated Ind AS Financial Statements

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### 3.42 DEFINED BENEFIT PLAN (GRATUITY) : (Contd.)

**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.

### 3.43 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.

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
Accumulated Account Value of Employee's Fund	16,631.50	14,433.30
Interest Rate Guarantee Liability	468.10	435.76
<b>Present value of benefit obligation at end of the period</b>	<b>17,099.60</b>	<b>14,869.06</b>
Fair Value of Plan Assets	16,626.46	14,468.69
<b>Net Asset / (Liability)</b>	<b>(473.14)</b>	<b>(400.57)</b>

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
Interest Rate Guarantee Liability	468.10	435.76
Fund Reserve and Surpluses	5.04	(35.19)
<b>Net Liability</b>	<b>473.14</b>	<b>400.57</b>

(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2022	As at 31.03.2021
Government of India securities	12.30%	7.75%
State Government securities	34.49%	41.10%
High quality corporate bonds	34.65%	41.99%
Equity shares of listed companies	11.26%	4.72%
Special Deposit Scheme	1.02%	0.20%
Bank balance	1.40%	1.72%
Other Investments	4.88%	2.52%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

(iv) Assumptions

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate	5.95%	5.30%
Expected Guarantee Interest Rate	8.10%	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%

## Notes to Consolidated Ind AS Financial Statements

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### 3.43 DEFINED BENEFIT PLAN ( PROVIDENT FUND ) : (Contd.)

#### (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:

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
Defined Benefit Obligation (Base)	17,099.60	14,869.06

Particulars	As at 31.03.2022		As at 31.03.2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%) (₹ in Lacs)	17,109.57	17,089.95	14,878.26	14,860.19
(% change compared to base due to sensitivity)	0.06%	-0.06%	0.06%	-0.06%
Interest rate guarantee (-/+ 1%) (₹ in Lacs)	16,713.23	17,893.17	14,536.56	15,520.03
(% change compared to base due to sensitivity)	-2.26%	4.62%	-2.24%	4.38%

### 3.44 THE GROUP HAS MADE A PROVISION OF ₹ 1,189.00 LACS (31.03.2021 - ₹ 666.42 LACS) TOWARDS CASES WHICH ARE UNDER LITIGATION/DISPUTE DURING THE YEAR AS SHOWN BELOW:

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
Opening Balance	9,102.20	9,105.85
Provisions made during the year	1,189.00	666.42
Payment/reversals during the year	(886.37)	(670.07)
<b>Closing Balance</b>	<b>9,404.83</b>	<b>9,102.20</b>

### 3.45 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006 :

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year</b>		
- Principal amount due to micro and small enterprises	3,369.60	1,213.83
- Interest due on above	-	-
<b>Total</b>	<b>3,369.60</b>	<b>1,213.83</b>
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	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23 of MSMED Act 2006.	-	-

3.46 Security Deposit of ₹ Nil (31.03.2021 ₹ 5.35 lacs) given to Directors of the Holding Company against tenancies. (Maximum amount outstanding during the year ₹ 5.35 lacs (31.03.2021 ₹ 5.45 lacs).

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### 3.47 CONTINGENT LIABILITIES & COMMITMENTS

#### I) Contingent Liabilities

	₹ in Lacs	
(a) Claims against the Company not acknowledged as debt :	As at 31.03.2022	As at 31.03.2021
i) Excise Duty, GST and Customs demands	311.46	294.02
ii) Sales Tax demands under appeal	179.73	178.01
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.

	₹ in Lacs	
(b) Guarantees	As at 31.03.2022	As at 31.03.2021
Bank Guarantees	453.62	455.27

#### II) Commitments:

	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
(a) <b>Capital Commitments</b> : Estimated amount of commitments [net of advances of ₹ 538.67 Lacs (31.03.2021 - ₹ 1,249.16 Lacs)] on capital account not provided for	481.64	1,453.38

(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 ₹ 1,043.08 Lacs (P.Y. ₹ 2,408.32 Lacs ). In addition, the Group needs to maintain the average annual export turnover of ₹ 4,774.31 Lacs to meet the above export obligation. The Group is confident that the above export obligation will be met during the specified period.

### 3.48 INFORMATION REGARDING INCOME AND EXPENDITURE OF INVESTMENT PROPERTY

	₹ in Lacs	
Particulars	2021-2022	2020-2021
Income derived from investment properties	525.40	505.84
Less : Direct operating expenses (including repairs and maintenance)generating income from investment property	135.11	127.91
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>390.29</b>	<b>377.93</b>
Less: Depreciation	114.12	110.72
<b>Profit arising from investment properties before indirect expenses</b>	<b>276.17</b>	<b>267.21</b>

#### Reconciliation of fair value:

	₹ in Lacs	
Particulars	2021-2022	2020-2021
Fair value of opening balance of Investment property	7,220.00	6,811.78
Fair value adjustment on opening balance of Investment property	(705.34)	408.22
Fair value of transfer in/(out)	146.86	-
<b>Fair value of closing balance of Investment property</b>	<b>6,661.52</b>	<b>7,220.00</b>

These valuations are based on valuations performed by the management (other than registered valuer) 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.

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.49 CATEGORIZATION OF FINANCIAL INSTRUMENTS:

₹ in Lacs

Particulars	Carrying value /Fair value	
	As at 31.03.2022	As at 31.03.2021
<b>(i) Financial Assets</b>		
<b>a) Measured at FVTPL</b>		
- Investments in mutual funds / alternate investment fund (current and non current)	11,330.03	12,343.28
- Investments in Preference Shares	-	1,240.74
- Loans	438.75	382.98
- Other Financial Assets (Derivative assets - Forward & Option)	299.95	82.53
<b>b) Measured at FVTOCI</b>		
- Investments in Equity Shares	13,323.37	10,185.78
<b>c) Measured at Amortised Cost*</b>		
- Investments in Fixed deposit with Navnirman Co-opertive Bank Ltd.	2.85	-
- Investments in Equity Shares of Navnirman Co-opertive Bank Ltd.	6.25	-
- Loans (current and non current)	412.57	1,000.25
- Other Financial Assets (current and non current)	11,941.02	9,753.51
<b>TOTAL</b>	<b>37,754.79</b>	<b>34,989.07</b>
<b>(ii) Financial Liabilities</b>		
<b>a) Measured at Amortised Cost*</b>		
- Borrowings (Secured & Unsecured)	26,371.12	9,190.93
- Other Financial Liabilities (current and non current)	6,541.19	6,250.20
<b>b) Measured at FVTPL</b>		
- Other Financial Liabilities (Derivative Liabilities - Forward & Option)	-	51.57
<b>TOTAL</b>	<b>32,912.31</b>	<b>15,492.70</b>

\*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.

The Group has not disclosed fair value of Lease Liability as per Ind AS 107.

Investment in equity shares of associates which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

## 3.50 FAIR VALUE HIERARCHY

**Level 1**- Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**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).

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.50 FAIR VALUE HIERARCHY (Contd.)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022 & 31st March, 2021 :

₹ in Lacs

Particulars	Fair value measurement at end of the reporting year using			As at 31.03.2022
	Level 1	Level 2	Level 3*	Total
<b>Assets</b>				
Investments in mutual fund / alternate investment fund	-	11,330.03	-	<b>11,330.03</b>
Investments in Equity Shares	13,010.82	-	312.55	<b>13,323.37</b>
Loans	-	-	438.75	<b>438.75</b>
Derivative financial instruments - Derivative assets - Forward & Option	-	-	299.95	<b>299.95</b>
<b>Liability</b>				
Derivative financial instruments - Derivative liability - Forward & Option	-	-	-	-

₹ in Lacs

Particulars	Fair value measurement at end of the reporting year using			As at 31.03.2021
	Level 1	Level 2	Level 3*	Total
<b>Assets</b>				
Investments in mutual fund units / alternate investment fund	-	12,343.28	-	<b>12,343.28</b>
Investments in Equity Shares	9,845.09	-	340.69	<b>10,185.78</b>
Investments in Compulsorily Convertible Preference Shares	-	-	1,240.74	<b>1,240.74</b>
Loans	-	-	382.98	<b>382.98</b>
Derivative financial instruments - Derivative assets - Forward & Option	-	-	82.53	<b>82.53</b>
<b>Liability</b>				
Derivative financial instruments - Derivative liability - Forward & Option	51.57	-	-	<b>51.57</b>

\* 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
Loan	Income Approach Method	Yield to maturity	0.50% increase in Yield to Maturity rate will increase profit before tax by ₹ 6.27 Lacs and 0.50% decrease will decrease profit before tax by ₹ 6.39 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 ₹ 132.16 Lacs and 5% decrease will increase Profit before tax by ₹ 131.95 lacs
Unquoted Securities in Loli Beauty	Discounting Cash Flow Method	Discount Rate	1% increase in Discount rate will decrease profit before tax by ₹ 9.17 Lacs and 1% decrease will increase profit before tax by ₹ 9.95 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.

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.50 FAIR VALUE HIERARCHY (Contd.)

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 01.04.2020	782.75
Purchases /Addition	150.00
Disposal/Deletion	-
Fair Value Changes	1,114.19
<b>As at 31.03.2021</b>	<b>2,046.94</b>
Purchases /Addition	-
Disposal/Deletion	1,281.74
Fair Value Changes	286.05
<b>As at 31.03.2022</b>	<b>1,051.25</b>

### 3.51 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 :

Particulars	₹ in Lacs	
	2021-2022	2020-2021
Profit before Income Taxes	68,800.50	56,892.14
Enacted Tax Rate in India	34.94%	34.94%
Computed expected tax expenses	24,041.65	19,880.39
Tax Incentives under 80IE units	(19,223.04)	(13,588.32)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	3,415.00	4,329.73
Expenses not allowable	436.54	722.09
Tax impact of dividend received and undistributed profits of foreign subsidiary	437.50	585.37
Effect of differential tax rates applicable to Foreign Subsidiaries	(313.25)	(358.00)
Tax on realised gain on fair value of Mutual Fund/AIF set off against Short term carried forward losses	(568.89)	(533.00)
Deferred Tax Asset recognised during the year related to earlier years	(787.39)	-
Deferred Tax Asset not recognised	-	367.70
Adjustment to normal tax since MAT utilised	-	(343.00)
Impact of share of results of associates	509.63	146.00
MAT Credit recognised	(23,033.00)	-
Others	219.25	212.30
<b>Income Tax Expense</b>	<b>(14,866.00)</b>	<b>11,421.26</b>

#### Details of current tax (MAT) for the year :

Particulars	₹ in Lacs	
	2021-2022	2020-2021
Current tax / MAT	13,538.71	11,817.34
Less : MAT credit utilised	-	(343.00)
Less : MAT credit Entitlement	(5,775.55)	-
Less : MAT credit Entitlement for earlier years	(23,033.00)	-
Add : Deferred tax charge/(credit)	403.84	(53.08)
<b>Income Tax expense</b>	<b>(14,866.00)</b>	<b>11,421.26</b>
Income tax relating to remeasurement of the net defined benefit liability/ asset	(0.21)	26.52
<b>Total Income Tax Expense</b>	<b>(14,866.21)</b>	<b>11,447.78</b>



## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.51 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.

The Holding Company had unrecognized MAT credit balance as at the end of previous year as one of its manufacturing facilities i.e Pacharia, is eligible for availing income tax benefits under section 80IE of Income Tax Act, 1961 (IT Act). The aforesaid income tax benefit would expire by FY 2025-26 and also due to the improvement in pandemic situation, the Holding Company has reassessed its position and recognized MAT credit entitlement amounting to ₹ 28,808.55 lacs (₹ 5,775.55 lacs pertaining to current year) in the current year. In order to determine the utilization of MAT credit in future years, the management has projected its book profits and tax profits and based on the same, MAT credit has been recognized. Subsequent to the recognition of MAT credit amounting to ₹ 23,033 Lacs, there is an unrecognized MAT credit amounting to ₹ 5,224.93 Lacs which will expire between AY 2024-37, as it is not reasonably certain that such credit can be utilised against future taxable income.

Owing to the recognition of MAT credit entitlement relating to earlier years, the tax expense is lower by ₹ 23,033 lacs and profit after tax is higher by ₹ 23,033 lacs for the year ended March 31, 2022. This has positively impacted the EPS of the Holding Company by ₹ 5.18 per share for the year ended March 31, 2022.

### 3.52 DISTRIBUTION OF DIVIDEND

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Dividend on equity shares declared and paid :</b>		
1st Interim dividend for the year ended 31.03.2022 :- ₹ 4.00 per share (31.03.2021 :- ₹ 4.00 per share )	17,780.55	17,780.55
2nd Interim dividend for the year ended 31.03.2022 :- ₹ 4.00 per share (31.03.2021 :- ₹ 4.00 per share )	17,780.55	17,780.55
	<b>35,561.10</b>	<b>35,561.10</b>

Note : The Dividend declared or paid during the year by the Holding Company is in compliance with section 123 of the Companies Act, 2013

### 3.53 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 31.03.2022	As at 31.03.2021
<b>As at 1st April</b>	<b>1,109.06</b>	<b>1,717.16</b>
Addition during the year	1,715.72	64.47
Derecognition	(114.82)	-
Depreciation Expense	738.74	662.40
Foreign Currency Translation Reserve	12.48	(10.17)
<b>As at 31st March</b>	<b>1,983.70</b>	<b>1,109.06</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.53 LEASES (Contd.)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>As at 1st April</b>	<b>883.50</b>	<b>1464.80</b>
Addition during the year	1,715.72	64.47
Derecognition	(102.34)	-
Accretion of interest	106.97	102.39
Foreign Currency Translation Reserve	0.01	(12.09)
Payments	(819.43)	(736.07)
<b>As at 31st March</b>	<b>1,784.42</b>	<b>883.50</b>
Current	796.06	463.33
Non Current	988.36	420.17

The effective interest rate for lease liabilities is 6% to 10% , with maturity between 2023-2028

The following are the amounts recognised in Statement of Profit and Loss:

Particulars	₹ in Lacs	
	2021-2022	2020-2021
Depreciation expense of right-of use assets	738.74	662.40
Interest expenses on lease liabilities	106.97	102.39
Expense relating to other leases (including in other expenses)	685.21	467.33
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>1,530.92</b>	<b>1232.12</b>

Maturity analysis of lease liabilities are as follows:	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
1 Year	846.06	463.33
2 to 5 Years	1,016.52	420.17

#### 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 ₹ 413.09 Lacs (31.03.2021: ₹ 391.85 lacs).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
Within one year	-	160.76

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.54 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.

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Net Debt	23,712.40	7,238.89
Total equity attributable to owners of Parent	2,07,659.37	1,76,265.00
<b>Net Debt plus Total Equity</b>	<b>2,31,371.77</b>	<b>1,83,503.89</b>
<b>Gearing Ratio</b>	<b>10.25%</b>	<b>3.94%</b>

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 2022 and 31 March 2021.

### 3.55 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.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs comprehensive interest rate risk management. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

#### 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.

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.55 FINANCIAL RISK MANAGEMENT (Contd.)

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

₹ in Lacs

Particulars	As at 31.03.2022			As at 31.03.2021		
	USD	Euro	GBP	USD	Euro	GBP
Trade Receivables	2,092.44	-	-	919.78	-	-
<b>Net Exposure to Foreign Currency Risk (Assets)</b>	<b>2,092.44</b>	<b>-</b>	<b>-</b>	<b>919.78</b>	<b>-</b>	<b>-</b>
Trade Payables	894.55	1.01	14.78	787.83	-	14.03
Creditors for Capital Goods	-	241.07	-	-	-	-
Advance from Customers	-	-	-	862.96	-	-
Borrowings	-	-	-	4,548.42	-	-
<b>Net Exposure to Foreign Currency Risk (Liabilities)</b>	<b>894.55</b>	<b>242.08</b>	<b>14.78</b>	<b>6,199.21</b>	<b>-</b>	<b>14.03</b>
<b>Net Exposure to Foreign Currency Risk (Assets - Liabilities)</b>	<b>1,197.88</b>	<b>(242.08)</b>	<b>(14.78)</b>	<b>(5,279.43)</b>	<b>-</b>	<b>(14.03)</b>

### Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in Lacs

Particulars	Impact on profit before tax	
	2021-2022	2020-2021
<b>USD Sensitivity</b>		
INR/USD -Increase by 10%*	119.79	(527.94)
INR/USD -Decrease by 10%*	(119.79)	527.94
<b>Euro Sensitivity</b>		
INR/EUR-Increase by 10%*	(24.21)	-
INR/EUR-Decrease by 10%*	24.21	-
<b>GBP Sensitivity</b>		
INR/GBP-Increase by 10%*	(1.48)	(1.40)
INR/GBP-Decrease by 10%*	1.48	1.40

\* 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.

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.55 FINANCIAL RISK MANAGEMENT (Contd.)

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

#### 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 ₹ 32,091.87 Lacs and ₹ 23,175.31 Lacs as at 31.03.2022 and 31.03.2021 respectively. Trade receivables includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customer. 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 2022 and 31st March 2021.

₹ in Lacs

Particulars	As at 31.03.2022			As at 31.03.2021		
	Estimated total gross carrying amount at default	Expected Credit Loss-simplified approach	Net carrying amount	Estimated total gross carrying amount at default	Expected Credit Loss-simplified approach	Net carrying amount
Current but not due	24,332.77	-	24,332.77	18,400.15	-	18,400.15
Less than 6 months	6,013.05	-	6,013.05	2,911.61	100.00	2,811.61
6 months to 1 Year	760.92	-	760.92	643.28	44.65	598.63
1 to 2 Years	420.93	118.36	302.57	1,458.28	213.15	1,245.13
2 to 3 Years	724.99	162.22	562.77	119.76	-	119.76
More than 3 Years	119.79	-	119.79	0.03	-	0.03
<b>Total</b>	<b>32,372.45</b>	<b>280.58</b>	<b>32,091.87</b>	<b>23,533.11</b>	<b>357.80</b>	<b>23,175.31</b>

#### 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.

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Less than 1 year</b>		
Borrowings	26,371.12	9,190.93
Lease Liability	846.06	463.33
Interest Payable on Borrowings in future	179.20	49.08
Trade Payables	40,873.45	35,067.55
Other financial Liabilities	5,850.45	5,632.76
	<b>74,120.28</b>	<b>50,403.65</b>
<b>More than 1 year</b>		
Lease Liability	1,016.52	420.17
Other financial Liabilities	690.74	669.01
	<b>1,707.26</b>	<b>1,089.18</b>
<b>Total</b>	<b>75,827.54</b>	<b>51,492.83</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.56 GROUP INFORMATION

	Country of Incorporation	As at 31.03.2022	As at 31.03.2021
<b>ENTITIES HAVING SIGNIFICANT INFLUENCE OVER THE GROUP</b>			
Suraj Finvest Private Limited (Formerly known as Sneha Gardens Private Limited) (w.e.f. 2nd Feb 2021)	India	23.78%	23.78%
Sneha Enclave Private Limited (w.e.f. 2nd Feb 2021)	India	22.20%	22.20%
<b>SUBSIDIARIES</b>			
Emami Bangladesh Limited	Bangladesh	100.00%	100.00%
Emami International FZE	UAE	100.00%	100.00%
Emami Lanka (Pvt) Limited (Formerly known as Emami Indo Lanka (Pvt) Limited) (w.e.f. 4th Mar 2022)	Sri Lanka	100.00%	100.00%
Emami Overseas FZE - Subsidiary of Emami International FZE	UAE	100.00%	100.00%
Creme 21 GmbH - Subsidiary of Emami International FZE	Germany	100.00%	100.00%
Emami International Personal Care Trading LLC - Subsidiary of Emami International FZE (w.e.f 15th Feb, 2022)	UAE	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%
Brillare Science Private Limited (w.e.f 1st Oct, 2021)	India	57.36%	-
<b>ASSOCIATE</b>			
Helios Lifestyle Private Limited	India	49.53%	33.09%
Brillare Science Private Limited (up to 30th Sep,2021)	India	34.70%	34.70%
Tru Native F&B Private Limited (w.e.f 5th Mar, 2022)	India	20.65%	-

As at the balance sheet date, there are no subsidiaries that have non-controlling interests that are material to the Group.

#### Acquisition of Indian Subsidiary

During the year, 15,00,000 preference shares of BSPL has been converted into 3,49,155 equity shares which has resulted in an increase in Holding Company's stake in BSPL from 34.70% to 57.36% and therefore it has become a subsidiary.

The details of assets and liabilities acquired on acquisition of Acquiree are as under:-

Particulars	₹ in Lacs	
	As at 01.10.2021	
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant & Equipment	305.84	
Intangible Assets	11.19	
Intangible Assets acquired on acquisition	1,063.71	
Investment	8.95	
<b>Current Assets</b>		
Inventories	126.42	

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.56 GROUP INFORMATION (Contd.)

Particulars	₹ in Lacs	
	As at 01.10.2021	
Trade Receivables	266.57	
Cash and Cash equivalent	6.65	
Other Financial Assets	1.45	
Current Tax Assets (Net)	3.67	
Other Current Assets	35.67	
<b>Total Assets</b>	<b>1,830.12</b>	
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Long Term Provisions	10.18	
<b>Current Liabilities</b>		
Borrowings	668.52	
Trade Payables	246.23	
Other Financial Liabilities	214.32	
Other Current Liabilities	106.67	
Deferred Tax Liability on Intangible Assets	371.70	
<b>Total Liabilities</b>	<b>1,617.62</b>	
Net Assets taken over - C	212.50	
Non Controlling Interest -A	90.62	
Purchase Consideration paid - B	2,556.11	
Share of loss of Brillare from 1/4/21 till the date of conversion to subsidiary - D	18.88	
<b>Goodwill (A+B-C-D)</b>	<b>2,415.35</b>	

Note 1 : All the assets and liabilities acquired have been recorded at fair values as of conversion date.

Note 2: The total revenues for the Acquiree from the period October 01, 2021 till March 31, 2022 was ₹ 1,066.37 Lacs and Net loss after tax was ₹ (444.74) Lacs.

**3.57** The Group has identified that its only reportable segment and Cash generating unit (CGU) is "Personal and Healthcare", to which the goodwill and brand acquired through investment in associates, has been entirely allocated. The Group's share of carrying amount of goodwill and brand as at 31st March, 2022 is ₹ 4,301.47 lacs and ₹ 2,318.40 lacs (31st March, 2021 ₹ 549.21 Lacs and ₹ 2,105.33 Lacs) respectively.

#### Interest in Associates

##### Summarised financial information for material Associate :

The information disclosed reflects the amounts presented in the financial statements of the associate.

##### Summarised statement of balance sheet:

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
Current assets	3,654.08	1,942.67
Non-current assets	474.29	437.51
Current liabilities	(3,078.16)	(3,626.41)
Non-current liabilities	(291.40)	(293.43)
<b>Net Assets</b>	<b>758.81</b>	<b>(1,539.66)</b>
<b>Group's carrying amount of the investment</b>	<b>4,657.31</b>	<b>768.40</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### Summarised statement of profit and loss:

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Revenue from contract with customers	8,360.00	4,289.00
Cost of raw material and component consumed	(4,058.15)	(1,946.31)
Depreciation and Amortisation	(674.00)	(111.00)
Finance Cost	(102.63)	(121.00)
Employee benefit Expense	(1,509.00)	(846.00)
Other Expense	(5,285.00)	(2,336.43)
<b>Profit before Tax</b>	<b>(3,268.78)</b>	<b>(1,071.74)</b>
Income tax Expense	(156.11)	(24.24)
<b>Profit for the year</b>	<b>(3,112.67)</b>	<b>(1,047.50)</b>
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	-	2.58
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	-	(0.59)
<b>Total Comprehensive income for the year</b>	<b>(3,112.67)</b>	<b>(1,045.51)</b>

### Individually immaterial associate:

In addition to the interests in associate disclosed above, the Group also has interests in an individually immaterial associate that is accounted using the equity method.

₹ in Lacs

Particulars	As at 31.03.2022
Carrying amount of associate	949.19
Group's share of	
<b>Profit/(loss) for the year</b>	<b>0.88</b>
Other Comprehensive Income	-
<b>Total Comprehensive Income</b>	<b>0.88</b>

## 3.58 RELATED PARTY TRANSACTIONS

### A. Related Parties with whom transactions have taken place during the period

#### i) Entities having significant influence over the Company

- 1 Suraj Finvest Private Limited (Formerly known as Sneha Gardens Private Limited)
- 2 Sneha Enclave Private Limited

#### ii) Associate

- 1 Helios Lifestyle Private Limited
- 2 Tru Native F&B Private Limited (w.e.f 5th Mar 2022)

#### iii) Key Management Personnel

- 1 Shri R. S. Agarwal Chairman (Non Executive Director- w.e.f 1st Apr 2022)
- 2 Shri R. S. Goenka Executive Director (Non Executive Chairman - w.e.f 1st Apr 2022)
- 3 Shri Sushil Kr. Goenka Managing Director (Whole Time Director -w.e.f 1st Apr 2022)
- 4 Shri Mohan Goenka Executive Director (Vice-Chairman & Whole Time Director - w.e.f 1st Apr 2022)
- 5 Shri H. V. Agarwal Executive Director (Vice-Chairman & Managing Director- w.e.f 1st Apr 2022)
- 6 Smt. Priti A. Sureka Executive Director
- 7 Shri Prashant Goenka Executive Director
- 8 Sri N.H. Bhansali CEO - Finance, Strategy & Business Development and CFO



## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.58 RELATED PARTY TRANSACTIONS (Contd.)

9	Sri Arun Kumar Joshi	Company Secretary & VP- Legal
<b>iv) Other Directors</b>		
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 (Upto 2nd Aug'2021)	Independent Director
10	Shri Debabrata Sarkar	Independent Director
11	Smt. Mamta Binani (w.e.f 29th Oct'2021)	Independent Director
<b>v) Relatives of Key Management Personnel</b>		
1	Smt. Usha Agarwal	
2	Smt. Saroj Goenka	
3	Smt. Indu Goenka	
4	Smt. Rachna Bagaria	
5	Smt. Laxmi Devi Bajoria	
6	Ms. Jyoti Agarwal	
7	Ms. Puja 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	

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# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.58 RELATED PARTY TRANSACTIONS (Contd.)

### vi) Entities where Key Management Personnel and their relatives have significant influence

- 1 Emami Paper Mills Limited
- 2 Emami Frank Ross Limited
- 3 Pan Emami Cosmed Limited (Upto 8th Dec'2021)
- 4 Emami Realty Limited
- 5 Emami Agrotech Limited
- 6 CRI Limited
- 7 Midkot Investments Private Limited (w.e.f. 9th Dec'2021)
- 8 TMT Viniyogan Limited
- 9 Ravi Raj Viniyog Private Limited (Upto 1st Feb'2021)
- 10 Suntrack Commerce Private Limited (Upto 1st Feb'2021)
- 11 Diwakar Viniyog Private Limited (Upto 1st Feb'2021)
- 12 Bhanu Vyapaar Private Limited (Upto 1st Feb'2021)
- 13 Prabhakar Viniyog Private Limited (Upto 1st Feb'2021)
- 14 Aviro Vyapar Private Limited
- 15 AMRI Hospital Limited
- 16 Emami Vriddhi Commercial Private Limited
- 17 Emami Estates Private Limited
- 18 Emami Capital Markets Limited (Upto 8th Dec'2021)
- 19 Emami Group Of Companies Private Limited
- 20 Emami Home Private Limited
- 21 Dev Infracity Private Limited
- 22 Onest Limited (Formerly known as Emita Limited)
- 23 Pacific Healthcare Pvt. Limited
- 24 Khaitan & Co.
- 25 Khaitan & Co. LLP
- 26 Aditya Vardhan Agarwal HUF
- 27 Manish Goenka HUF
- 28 Mohan Goenka HUF
- 29 Prashant Goenka HUF
- 30 Sushil Kumar Goenka HUF

### vii) 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 Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.58 RELATED PARTY TRANSACTIONS (Contd.)

#### B. Disclosure of Transactions between the Company and Related Parties.

₹ in Lacs

Particulars	Associates		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	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
<b>1. Remuneration and Employee Benefits</b>										
<b>i) EXECUTIVE DIRECTORS</b>										
- Short Term Employee benefits	-	-	1,670.86	1,523.02	-	-	-	-	1,670.86	1,523.02
- Post Employment benefits	-	-	71.28	64.92	-	-	-	-	71.28	64.92
- Commission	-	-	500.00	500.00	-	-	-	-	500.00	500.00
<b>ii) OTHER DIRECTORS</b>										
- Sitting Fees	-	-	42.35	31.05	-	-	-	-	42.35	31.05
- Commission	-	-	53.20	68.50	-	-	-	-	53.20	68.50
<b>iii) CEO &amp; COMPANY SECRETARY</b>										
- Short Term Employee benefits	-	-	323.90	304.45	-	-	-	-	323.90	304.45
- Post Employment benefits	-	-	8.35	7.85	-	-	-	-	8.35	7.85
<b>2. Sales</b>										
- Sale of Goods	-	-	-	-	235.62	243.16	-	-	235.62	243.16
- Sale of Export Benefit Licence	-	-	-	-	-	126.91	-	-	-	126.91
<b>3. Other Income</b>										
- Rent, Maintenance & Other Charges Received	-	-	-	-	402.89	382.57	-	-	402.89	382.57
- Royalty Received	-	-	-	-	68.03	85.28	-	-	68.03	85.28
- Interest Received	59.43	21.08	-	-	-	-	-	-	59.43	21.08
- Miscellaneous Income	18.63	-	-	-	-	-	-	-	18.63	-
<b>4. Purchase</b>										
- Purchase of Properties plant and Equipment	-	-	-	-	0.96	-	-	-	0.96	-
- Purchase of Gift and Promotional Items	-	-	-	-	10.83	8.12	-	-	10.83	8.12
- Purchase of Stock in Trade	-	-	-	-	-	79.76	-	-	-	79.76
- Purchase of Raw Materials	-	-	-	-	-	0.74	-	-	-	0.74
<b>5. Other Expenses</b>										
- Rent, Maintenance & Other Charges Paid	-	-	12.80	12.80	51.04	70.68	21.98	5.29	85.82	88.77
- Donation Paid	-	-	-	-	691.74	678.63	-	-	691.74	678.63
- Miscellaneous Expenses	0.42	-	-	-	66.21	65.26	-	-	66.63	65.26
<b>6. Dividend Paid</b>	-	-	2,007.14	1,956.54	388.84	16,739.88	16,351.06	-	18,747.04	18,696.42
<b>7. Investment</b>	6,978.90	150.00	-	-	-	-	-	-	6,978.90	150.00
<b>8. Security Deposit Received</b>	-	-	-	-	8.25	-	-	-	8.25	-
<b>9. Refund against Security Deposit Paid</b>	-	-	13.85	0.20	3.00	-	7.00	-	23.85	0.20
<b>10. Refund against Loan Given</b>	150.00	-	-	-	-	-	-	-	150.00	-
<b>11. Refund against Security Deposit Received</b>	-	-	-	-	-	5.28	-	-	-	5.28
<b>12. Reimbursement of Expenses</b>	-	-	-	-	73.47	58.88	-	-	73.47	58.88
<b>13. Contribution to Provident Fund</b>	-	-	-	-	806.99	717.95	-	-	806.99	717.95

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.58 RELATED PARTY TRANSACTIONS (Contd.)

The details of amount due to or due from related parties as at March 31, 2022 and March 31, 2021 as follows :

Particulars	Related Party	₹ in Lacs	
		As at 31.03.2022	As at 31.03.2021
Investment	Associates Equity Shares (Net of Share of Loss)	5,606.74	1,762.78
	Associate Compulsorily Convertible Preference Shares	-	1,240.74
	Entities where Key Management Personnel and their relatives have significant influence	13,010.82	9,845.09
		<b>18,617.56</b>	<b>12,848.61</b>
Trade Receivable	Entities where Key Management Personnel and their relatives have significant influence	17.33	9.12
Loan Receivable (including interest)	Associate (net of fair value gain of ₹ 53.39 lacs) (31.03.2021 : net of fair value gain ₹ 37.74 lacs)	438.75	551.32
Other Receivable	Entities where Key Management Personnel and their relatives have significant influence	0.17	85.24
Trade Payable	Entities where Key Management Personnel and their relatives have significant influence	221.42	89.19
Security Deposit Paid	Key Management Personnel & Relatives	-	13.85
	Entities where Key Management Personnel and their relatives have significant influence	7.50	17.50
		<b>7.50</b>	<b>31.35</b>
Security Deposit Received	Entities where Key Management Personnel and their relatives have significant influence	8.25	-
Remuneration ,Sitting Fees & Commission Payable	Key Management Personnel & Relatives	553.20	568.50
Advance from Customer	Entities where Key Management Personnel and their relatives have significant influence	-	5.13

#### 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.

### 3.59 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. 3.42 for significant assumption used.

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.59 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 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, 3.18, 3.25, 3.33 and 3.51

#### 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 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. 3.24, 3.32, 3.44 & 3.47.

#### 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

#### 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.

# Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

## 3.59 CRITICAL ESTIMATES AND JUDGEMENTS (Contd.)

### 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. 3.50

## 3.60 ADDITIONAL INFORMATION

### a) Information as at and for the year ended 31st March 2022

₹ in Lacs

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent :</b>								
Emami Limited	100.56%	2,08,595.60	101.67%	85,067.76	103.24%	3,161.22	101.73%	88,228.98
<b>Subsidiaries :</b>								
Emami Lanka (Pvt) Limited	(0.09)%	(183.12)	(0.21)%	(174.43)	-	-	(0.20)%	(174.43)
Emami Bangladesh Limited	1.34%	2,770.73	3.10%	2,596.75	(1.12)%	(34.30)	2.95%	2,562.45
Emami International FZE	(1.70)%	(3,532.01)	1.29%	1,079.46	(5.06)%	(154.94)	1.07%	924.52
Emami Overseas FZE	(0.21)%	(438.97)	(0.01)%	(8.45)	-	-	(0.01)%	(8.45)
PharmaDerm Company SAE	(0.59)%	(1,226.66)	(0.27)%	(225.45)	-	-	(0.26)%	(225.45)
Emami International Personal Care Trading LLC	0.03%	58.49	-	(3.58)	-	-	-	(3.58)
Emami Rus LLC	0.46%	956.41	(0.91)%	(764.68)	-	-	(0.88)%	(764.68)
Creme 21 GmbH	0.02%	44.28	-	(1.14)	-	-	-	(1.14)
Brillare Science Private Limited	(0.19)%	(397.98)	(0.59)%	(494.63)	0.07%	2.24	(0.57)%	(492.39)
Intra-group eliminations	0.37%	782.51	(2.33)%	(1,946.69)	2.87%	87.78	(2.14)%	(1,858.91)
<b>Associate:</b>								
Helios Lifestyle Private Limited			(1.72)%	(1,439.04)		-	(1.66)%	(1,439.04)
Tru Native F&B Private Limited			-	(1.38)		-	-	(1.38)
Brillare Science Private Limited			(0.02)%	(18.00)				
<b>Total</b>	<b>100.00%</b>	<b>2,07,429.28</b>	<b>100.00%</b>	<b>83,666.50</b>	<b>100.00%</b>	<b>3,062.00</b>	<b>100.00%</b>	<b>86,728.50</b>

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.60 ADDITIONAL INFORMATION (Contd.)

#### b) Information as at and for the year ended 31st March 2021

₹ in Lacs

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent :</b>								
Emami Limited	99.86%	1,75,932.75	104.49%	47,512.80	96.80%	5,938.49	103.58%	53,451.29
<b>Subsidiaries :</b>								
Emami 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.	-	-	-	-	-	-	-	-
Diamond Bio-tech Laboratories Pty. Ltd.	-	-	-	-	-	-	-	-
Abache Pty Ltd.	-	-	-	-	-	-	-	-
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)
<b>Associate:</b>								
Helios Lifestyle Private Limited			(0.76)%	(346.78)		-	(0.67)%	(346.78)
Brillare Science Private Limited			(0.16)%	(71.00)		-	(0.14)%	(71.00)
<b>Total</b>	<b>100.00%</b>	<b>1,76,176.29</b>	<b>100.00%</b>	<b>45,470.88</b>	<b>100.00%</b>	<b>6,135.11</b>	<b>100.00%</b>	<b>51,605.99</b>

**3.61** The Board of Directors of the Holding Company, at its meeting held on 3rd February 2022, approved Buyback of the Holding Company's 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, at a price not exceeding ₹ 550 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 16,200 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 2018. The Maximum Buyback Size was 9.94% of aggregate of the Holding Company's paid up equity capital and free reserves based on the audited financial statements of the Holding Company as at 31st March 2021, in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013 and SEBI Buy Back Regulations 2018

The Buyback commenced on 9th February 2022 and closed on 21st March 2022. The Holding Company bought back an aggregate of 33,63,740 equity shares, utilizing a total of ₹ 16,121.45 lacs (excluding transaction costs of Buyback), which represents 99.52% of the maximum Buyback size. These equity shares were extinguished in the month of March 2022 as per the records of the depositories. The Holding Company bought back 33,63,740 equity shares in total cash consideration of ₹ 20,005.03 Lacs (including ₹ 128.40 lacs towards transaction costs of Buyback and ₹ 3,755.18 lacs towards Buyback distribution tax). These equity shares were extinguished in the month of March 2022 as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 7,224.80 lacs have been utilised from the securities premium, ₹ 12,780.23 lacs from general

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

reserve for the Buyback. Further, capital redemption reserve of ₹ 33.64 lacs, representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.

**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 INFORMATION FOR EARNINGS PER SHARE AS PER IND AS 33

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Net Profit after tax attributable to equityholders of the Parent (₹ in Lacs)	83,898.66	45,469.91
Net Profit before considering MAT Credit Entitlement of earlier years (₹ in Lacs)	60,865.66	45,469.91
Weighted average number of shares (in Lacs) Refer note no. 3.61	4,442.59	4,446.82
<b>Earnings Per Share - Basic &amp; Diluted (₹)</b>	<b>18.88</b>	<b>10.23</b>
<b>Earnings Per Share before considering MAT Credit Entitlement of earlier years - Basic &amp; Diluted (₹)</b>	<b>13.70</b>	<b>10.23</b>

### 3.64 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	2021-2022	2020-2021
India	2,68,277.36	2,40,490.59
Outside India	47,475.60	44,934.60
<b>Total revenue from contracts with customers</b>	<b>3,15,752.96</b>	<b>2,85,425.19</b>

₹ in Lacs

Timing of revenue recognition	2021-2022	2020-2021
Goods transferred at a point in time	3,15,752.96	2,85,425.19

### Contract balances

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Trade receivables	32,091.87	23,175.31
<b>Contract liabilities</b>		
Advance from customers	593.96	1,678.42

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.



## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.64 REVENUE FROM CONTRACTS WITH CUSTOMERS: (Contd.)

Set out below is the amount of revenue recognised from:

Particulars	₹ in Lacs	
	2021-2022	2020-2021
<b>Amounts included in contract liabilities at the beginning of the year</b>	<b>1,678.42</b>	<b>540.49</b>
Amount received during the year	593.96	1678.42
Amount adjusted during the year	1,678.42	540.49
<b>Amounts included in contract liabilities at the end of the year</b>	<b>593.96</b>	<b>1678.42</b>

#### 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.

### 3.65 The Group has made a provision of ₹ 3,618.43 Lacs (31.03.2021 - ₹ 3,538.86 Lacs) towards rebates and damage return:

Particulars	₹ in Lacs	
	As at 31.03.2022	As at 31.03.2021
<b>Opening Balance</b>	<b>3,538.86</b>	<b>3,794.18</b>
Provisions made during the year	3,618.43	3,538.86
Payment/reversals during the year	3,538.86	3,794.18
<b>Closing Balance</b>	<b>3,618.43</b>	<b>3,538.86</b>

3.66 The Holding Company is filing monthly statement of Inventories, Trade payables and Trade receivables to ICICI, HSBC, HDFC, CITI, DBS & Indusind Bank for working capital loan. The below is summary of Quarterly reconciliation of statement filed to the banks and books of accounts.

Quarter	Particulars of Securities provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	₹ in Lacs
				Amount of Difference
Dec-21	Trade Receivable	21,253	24,186	(2,933)
	Trade Payables	5,549	4,048	1,501
Sep-21	Trade Receivable	20,045	20,831	(786)
	Trade Payables	6,125	5,061	1,065
Jun-21	Trade Receivable	14,382	16,067	(1,685)
	Trade Payables	4,397	3,740	656
Mar-21	Trade Receivable	9,972	13,537	(3,565)
	Trade Payables	9,459	7,640	1,818
Dec-20	Trade Receivable	15,958	18,658	(2,700)
	Trade Payables	5,253	4,016	1,237
Sep-20	Trade Receivable	14,708	18,603	(3,895)
	Trade Payables	8,079	6,666	1,413
Jun-20	Trade Receivable	13,358	15,317	(1,959)
	Trade Payables	7,106	4,411	2,695

The quarterly statements are submitted to banks were prepared and filed before the completion of financial statement closure activities including Ind AS adjustments / reclassification and regrouping as applicable, which led to these difference between final books of accounts and provisional quarterly statement submitted to banks.

Trade Payables includes only creditors for goods which is determined by the management through manual exercise and does not include creditors for services / provisional liabilities. Hence, the same have been excluded from the above table.

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

**3.67** The current economic crisis in Sri Lanka and Russia has led to currency devaluation. This has resulted in recognition of an expense of ₹ 518.49 Lacs towards exchange loss arising on foreign currency obligations of Emami Lanka Pvt Ltd, Emami Rus LLC and Emami International FZE, Dubai. This expense has been disclosed as an exceptional item in the consolidated financial statements for the year ended March 31, 2022

**3.68** The accompanying consolidated financial statements includes unaudited financial statements and other unaudited financial information in respect of : Two (2) step-down subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 545 Lacs as at March 31, 2022, and total revenues of ₹ 986 Lacs and net cash outflows of ₹ 3 Lacs for the year ended March 31, 2022, whose financial statements and other financial information have not been audited by any auditor. The management believes that there would not be any significant impact, had these financial statements been subjected to audit by the auditors.

**3.69** The accompanying consolidated financial statements includes unaudited financial statements and other unaudited financial information in respect of : One (1) associate, whose financial statements includes the Group's share of net loss of ₹ 1,263 Lacs and Group's share of total comprehensive loss of ₹ 1,263 Lacs for the year ended March 31, 2022 and One (1) associate, whose financial statements include Group's share of net loss of ₹ 0.17 Lacs and Group's share of total comprehensive loss of ₹ 0.17 Lacs for the period from March 05, 2022 to March 31, 2022, as considered in the Statements whose financial statements and other financial information have not been audited by any auditor. The management believes that there would not be any significant impact, had these financial information been subjected to audit by the auditors.

**3.70** The outbreak of Corona virus (COVID-19) pandemic globally and in India had caused significant disturbance and slowdown of economic activity. While the pandemic situation has improved significantly in this last nine months of the current year, the Group has taken into account the possible impact of COVID-19 in preparation of the audited consolidated financial statement, including its assessment of recoverability of the carrying value of property, plant and equipment, intangible assets and deferred tax assets (including MAT credit) based on internal and external information upto the date of approval of these audited Consolidated financial statement and current indicators of future economic conditions. Further, management has assessed its liquidity position as on March 31, 2022 and does not anticipate any challenge in the Group's ability to continue as a going concern. As at date of the balance sheet, the management does not anticipate any adverse impact of the pandemic on it's business in foreseeable future.

### 3.71 OTHER STATUTORY INFORMATIONS

- (i) The Group and its Associates does not have any Benami property, where any proceeding has been initiated or pending against the Group and its Associates for holding any Benami property.
- (ii) The Group and its Associates do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Group and its Associates have not traded or invested in Crypto currency or Virtual Currency during the financial year.

## Notes to Consolidated Ind AS Financial Statements

as at & for the year ended 31st March, 2022

### 3.71 OTHER STATUTORY INFORMATIONS (Contd.)

- (iv) The Group and its Associates have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Group and its Associates have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (Whether recorded in writing or otherwise) that the Group shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Group and its Associates does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (vii) The Group and its Associates do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (viii) The Group and its Associates have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (ix) There are no events or transactions after the reporting period which is required to be disclosed under Ind AS 10.
- (x) The Holding Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. The Holding Company has total two Core Investment Company as part of the Group.

The accompanying notes are an integral part of these consolidated 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 Goenka**

Chairman

DIN: 00152880

**Mohan Goenka**

Vice-Chairman &

Whole Time Director

DIN: 00150034

**H V Agarwal**

Vice-Chairman &

Managing Director

DIN: 00150089

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

**S B Ganguly**

Director

DIN: 00012220

**N H Bhansali**

CEO -Finance, Strategy &

Business Development and CFO

FCA No: 055211

**A K Joshi**

Company Secretary

& VP-Legal

FCS No: 4976

Kolkata

13th May, 2022

## FORM NO. AOC 1

### Statement Containing salient features of the financial statement of Subsidiaries / Associate companies / joint ventures

Pursuant first proviso to sub-section (3) of section 129 read with  
rule 5 of Companies (Accounts) Rules, 2014

#### PART A- SUBSIDIARIES

₹ in Lacs

1	SI. No.	1	2	3	4	5	6	7	8	9
2	Name of the Subsidiary Company	Emami Bangladesh Limited	Emami Lanka (Pvt) Ltd	Emami International FZE	Emami Overseas FZE	Pharmaderm Company S.A.E	Emami Rus (LLC)	Crema 21 GMBH	Emami Personal Care Trading LLC	Brillare Science Private Limited
3	Name of the Holding Company	Emami Limited	Emami Limited	Emami Limited	Emami International FZE	Emami Overseas FZE	Emami International FZE	Emami International FZE	Emami International FZE	Emami Limited
4	% of shareholding of Holding company	100%	100%	100%	100%	90.60%	99.99%	100.00%	100.00%	57.36%
5	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
6	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	BDT INR 0.8840 per BDT	LKR INR 0.2581 per LKR	AED INR 20.6982 per AED	AED INR 20.6982 per AED	EGP INR 4.1658 per EGP	RUBLE INR .9230 per RUBLE	EURO INR 84.2100 per EURO	AED INR 20.6982 per AED	INR
7	Share capital	27.82	4.78	18.98	3.08	168.46	16.72	20.01	61.35	100.61
8	Reserves & Surplus	2,742.91	(187.90)	(3,550.99)	(442.04)	(1,395.12)	939.69	24.27	(2.85)	(397.98)
9	Total assets	15,976.60	1,016.06	15,783.04	1,433.89	224.83	2,111.85	451.95	93.69	1,021.33
10	Total Liabilities	13,205.87	1,199.18	19,315.05	1,872.85	1,451.49	1,155.44	407.67	35.20	1,419.31
11	Investments	-	-	417.37	-	-	-	-	-	9.10
12	Turnover	15,512.81	1,799.81	21,464.99	-	-	3,417.35	989.98	-	1,066.37
13	Profit before taxation	3,866.34	(165.81)	1,079.46	(8.45)	(225.45)	(732.63)	(1.14)	(3.58)	(448.33)
14	Provision for taxation	1,269.59	8.62	-	-	-	25.22	-	-	(3.59)
15	Profit after taxation	2,596.75	(174.43)	1,079.46	(8.45)	(225.45)	(757.85)	(1.14)	(3.58)	(444.74)
16	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes: Names of subsidiaries which are yet to commence operations- Emami Overseas FZE , Pharmaderm Company S.A.E and Emami Personal Care Trading LLC.

## Statement pursuant to Section 129(3) of the Companies Act , 2013 related to Associate Companies and Joint Ventures

## PART B : ASSOCIATES AND JOINT VENTURES

₹ in Lacs

Name of Associate	Helios Lifestyle private limited	Tru Native F&B Private Limited
1 Last Balance Sheet Date (Unaudited)	31.03.2022	31.03.2022
2 Shares of Associate held by the Company on the year end Number	131,092	15,625
Amount of investment in Associate (₹ in lacs)	7,273.09	950.00
Extent of Holding (%)	49.53%	20.65%
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 (₹ in lacs)	375.84	210.16
6 Profit/(Loss) for the year (₹ in lacs)	(2701.51)	(118.37)
i. Considered in consolidation (₹ in lacs)	(1439.04)	(1.38)
i. Not Considered in consolidation (₹ in lacs)	(1262.47)	(116.99)

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 Goenka**

Chairman

DIN: 00152880

**Mohan Goenka**

Vice-Chairman &amp;

Whole Time Director

DIN: 00150034

**H V Agarwal**

Vice-Chairman &amp;

Managing Director

DIN: 00150089

per **Sanjay Kumar Agarwal**

Partner

Membership No: 060352

**S B Ganguly**

Director

DIN: 00012220

**N H Bhansali**

CEO -Finance, Strategy &amp;

Business Development and CFO

FCA No: 055211

**A K Joshi**

Company Secretary

&amp; VP-Legal

FCS No: 4976

Kolkata

13th May, 2022









## BusinessLine

COVER STORY

### Cash rich Emami flexes its muscles again

After a bad patch, the FMCG major is back in the game reducing its pledged shares and propping for acquisitions.

BY ANURAG KUMAR



After a bad patch, the FMCG major is back in the game reducing its pledged shares and propping for acquisitions. The company is also looking to acquire more brands in the FMCG space. The company has a strong track record of acquisitions and is looking to continue this trend. The company has a strong track record of acquisitions and is looking to continue this trend.

## mint

### Emami triumphs in a rough FY21 and its shares reflect that

## FINANCIAL EXPRESS

### Much room for growth in first 5 years: Emami on Dermicool

WITHUN DASGUPTA  
Kolkata, March 29

**EMAMI ON TUESDAY** said brands operating in the niche category with high margins and low multinational presence are a strong strategic fit for the company, and added that the Dermicool brand offers great synergy with its existing business.

During a conference call organised by IIFL Securities on Emami's acquisition of Dermicool, the company said it is looking to acquire more brands in the FMCG space. The company has a strong track record of acquisitions and is looking to continue this trend.

Right now, our strategy would be first to gain what we have lost over the last 2-3 years, what they (Dermicool) lost over the last two-three years. Then we will, of course, go for the (larger) penetration and launch different stock-keeping units variants in different geographies.

—MOHAN GOENKA, DIRECTOR, EMAMI



## Business Standard

### Emami plans to go aggressive on start-up investments



## GULF NEWS

BUSINESS

**ON FOCUS**  
Business Leaders of the UAE: Emami - "Encouraging a culture of agility and continuous transformation is the core for value creation"

In conversation with Prashant Goenka, Director, Emami

Publisher, November 20, 2021 18:57 (Gulf News Report)

## The Statesman

### Emami registers two-fold jump in Q1 net profit

## THE ECONOMIC TIMES

### Emami Acquires 19% in Consumer Startup

## Business Standard

### Emami founders make way to let sons take over

Mohan Goenka and Harsha V Agarwal will helm the organisation from April 1

BY ANURAG KUMAR

Kolkata, February

First among consumer goods (FMCG) firm Emami on Thursday unveiled a succession plan with the founder-directing the "renewal" of the firm and the next generation taking the driver's seat.

In a board meeting held on Thursday, chairman R S Goenka and R S Goenka expressed their desire to step down from their current executive positions. Agarwal was chairman and Goenka a director on the company's board.

In a statement, the company said the board unanimously decided to appoint Goenka as non-executive chairman while re-designating Agarwal as chairman.

The board will not accept any emboluments for their new positions, the company said.

The decision to restructure the board, Goenka said, was part of succession planning of the FMCG business of the group.

The board unanimously re-designated Mohan Goenka and Harsha V Agarwal as vice chairman-non-executive director and vice chairman-non-executive director, respectively, to steer the company, subject to shareholder approval.

Mohan Goenka is the eldest son of R S Goenka and Harsha Agarwal is the youngest son of R S Goenka.

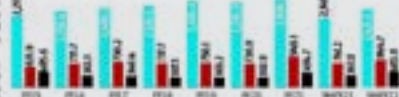
The company also said that the board decided to appoint R S Goenka as a director and R S Goenka as a director.

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## RECOVERY PATH

Quarterly consolidated figures in Rupees



Company data as of March 31, 2022

The company's FY21 net profit was up 5% compared to FY20. The company's FY21 net profit was up 5% compared to FY20.

The company's FY21 net profit was up 5% compared to FY20. The company's FY21 net profit was up 5% compared to FY20.

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## Milestone More Than SKIN DEEP

You don't find many global business leaders who have worked in just one company their entire career (apart from a billion USD IPO company). For them, there aren't many sectors like the Emami Limited Director Harsha Agarwal.

Harsha Agarwal is the youngest son of R S Goenka. He has worked for Emami since he was 10 years old. He has worked for Emami since he was 10 years old.

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# STRONG INSIDE ALL DAY SET OUTSIDE



SUN



POLLUTION



CHEMICAL  
TREATMENT

damage hair and make them unmanageable.

Emami 7 Oils in One hair oil, has the power of 7 unique oils like **Argan, Walnut** and **Almond**. This awesome mix penetrates into the roots of damaged hair making them **UP TO 20X STRONGER\*** from the inside and keep them **ALL DAY SET** on the outside.

*"Because beautiful hair  
kaun nahin chahta!"*  
Katrina Kaif

emami\*  
**7 OILS™**  
IN ONE  
NON STICKY HAIR OIL





# emami\* limited

Corporate Identification Number: L63993WB1983PLC036030

**Registered Office:** Emami Tower, 687, Anandapur,  
E.M. Bypass, Kolkata-700107, West Bengal, India.

Phone No. +91 33 66136264

website: www.emamilttd.in, e-mail: investor@emamigroup.com

## Notice

NOTICE is hereby given that the **39<sup>th</sup> Annual General Meeting** of the Members of Emami Limited will be held on Friday, September 9, 2022 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, 2022 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, 2022.
2. To confirm the payment of two Interim Dividends aggregating to ₹ 8/- per equity share declared for the financial year 2021-22.
3. To appoint a Director in place of Smt. Priti A Sureka (DIN 00319256) who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Shri Prashant Goenka (DIN 00703389) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Mohan Goenka (DIN 00150034) who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider re-appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company and fix their remuneration and to pass following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon the recommendation of the Audit Committee and Board of Directors of the Company, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm

registration No. 301003E/ E300005), be and are hereby re-appointed as Statutory Auditors of the Company for the second term of five years from the conclusion of this 39<sup>th</sup> Annual General Meeting till the conclusion of the 44<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027, at such remuneration as may be decided by the Board of Directors of the Company based on the recommendation of the Audit Committee in consultation with the Auditors plus applicable taxes and reimbursement of out of pocket expenses incurred by them for the purpose of audit."

### SPECIAL BUSINESS:

7. Appointment of Shri Anand Nandkishore Rathi (DIN: 00112853) as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Shri Anand Nandkishore Rathi (DIN: 00112853), who was appointed as an Additional Director under the category of Independent Director of the Company by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an

Independent Director, not liable to retire by rotation and to hold office for a term of 5 (Five) Years from 2<sup>nd</sup> August, 2022 to 1<sup>st</sup> August, 2027, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of the Directors be and is hereby authorized to do all acts, deeds and things as it may in its absolute discretion deem necessary, as may be deemed proper and expedient to give effect to this aforesaid Resolution and to settle any question or doubt that may arise in the said regard."

8. Appointment of Shri Anjani Kumar Agrawal (DIN: 08579812) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Shri Anjani Kumar Agrawal (DIN: 08579812), who was appointed as an Additional Director under the category of Independent Director of the Company by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term of 5 (Five) Years from 2<sup>nd</sup> August, 2022 to 1<sup>st</sup> August, 2027, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of the Directors be and is hereby authorized to do all acts, deeds and things as it may in its absolute discretion deem necessary, as may be deemed proper and expedient to give effect to this aforesaid Resolution and to settle any question or doubt that may arise in the said regard."

9. Appointment of Shri Anjan Snehmoy Chatterjee (DIN: 00200443) as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Shri Anjan Snehmoy Chatterjee (DIN: 00200443), who was appointed as an Additional Director under the category of Independent Director of the Company by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term of 2 (Two) Years from 2<sup>nd</sup> August, 2022 to 1<sup>st</sup> August, 2024, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of the Directors be and is hereby authorized to do all acts, deeds and things as it may in its absolute discretion deem necessary, as may be deemed proper and expedient to give effect to this aforesaid Resolution and to settle any question or doubt that may arise in the said regard."

10. Appointment of Smt. Avani Vishal Davda (DIN: 07504739) as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Smt. Avani Vishal Davda (DIN: 07504739), who was appointed as an Additional Director under the category of Independent Director of the Company by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term of 2 (Two) Years from 2<sup>nd</sup> August, 2022 to 1<sup>st</sup> August, 2024, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of the Directors be and is hereby authorized to do all acts, deeds and things as it may in its absolute discretion deem necessary, as may be deemed proper and expedient to give effect to this aforesaid Resolution and to settle any question or doubt that may arise in the said regard."

11. Appointment of Shri Rajiv Khaitan (DIN: 00071487) as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Shri Rajiv Khaitan (DIN: 00071487), who was appointed as an Additional Director under the category of Independent Director of the Company by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his

candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term of 2 (Two) Years from 2<sup>nd</sup> August, 2022 to 1<sup>st</sup> August, 2024, upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of the Directors be and is hereby authorized to do all acts, deeds and things as it may in its absolute discretion deem necessary, as may be deemed proper and expedient to give effect to this aforesaid Resolution and to settle any question or doubt that may arise in the said regard."

12. 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 2022-23 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 13<sup>th</sup> May 2022.

**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."

13. 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 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), as amended from time to time, a sum not exceeding 1% (one percent) per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Non-executive Directors of



the Company including Independent Directors or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner as may be directed by the Board of Directors on recommendation of Nomination & Remuneration Committee and such payments shall be made in respect of the profits of the Company for each

year, for a period of five years, commencing from April 1<sup>st</sup>, 2023.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary in this matter."

#### Registered Office:

Emami Tower,  
687, Anandapur  
E.M. Bypass  
Kolkata 700107  
Date: 29<sup>th</sup> July, 2022

**By Order of the Board**

**A.K. Joshi**

*Company Secretary & VP-Legal*  
FCS 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 and 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](mailto:scrutinizermkb@gmail.com) and to the Company [investor@emamigroup.com](mailto:investor@emamigroup.com) or to M/s Maheshwari Datamatics Pvt. Ltd., Registrar & Share Transfer Agent of the Company at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto: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 M/s Maheshwari Datamatics Pvt. Ltd.
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 Saturday, September 3, 2022 to Friday, September 9, 2022 (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. 6-13 as set out above is annexed hereto.

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, (Firm registration No. 301003E/E300005), were appointed as the Statutory Auditors from the conclusion of 34<sup>th</sup> Annual General Meeting of the Company for a period of five years upto the conclusion of 39<sup>th</sup> Annual General Meeting. The Audit Committee and the Board, unanimously, recommends reappointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants for the 2<sup>nd</sup> term of five years from conclusion of 39<sup>th</sup> Annual General Meeting upto conclusion of 44<sup>th</sup> Annual General Meeting, accordingly approval of the shareholders has been sought by way of the ordinary resolution as set out in item no. 6.

## 8. RECEIVING NOTICE OF AGM & 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 39<sup>th</sup> AGM along with the Annual Report 2021-22 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 39<sup>th</sup> AGM and the Annual Report for the Financial Year 2021-22 including therein the Audited Financial Statements will be available on the Company's website at [www.emamiltd.in](http://www.emamiltd.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 their view/download.
- ❖ 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](mailto:investors@emamigroup.com) / [mdpldc@yahoo.com](mailto:mdpldc@yahoo.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 shareholders may send requests to the Company's investor email id: [investors@emamigroup.com](mailto:investors@emamigroup.com).

## 9. GENERAL INFORMATION FOR SHAREHOLDERS

- ❖ Members are informed that the final dividend amount for the Financial year ended 2014-15 remaining unclaimed shall become due for transfer on September 9, 2022 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 2014-15 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.emamiltd.in](http://www.emamiltd.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](http://www.emamilttd.in).

- ❖ The Company has appointed Mr. Raj Kumar Banthia, Practicing Company Secretary (ACS- 17190), partner of M/s. MKB & Associates, Practicing 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, not later than two working days of conclusion of the Meeting, to the Managing Director or any other person authorized by the Board.
- ❖ The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website [www.emamilttd.in](http://www.emamilttd.in) and on the notice board of the Company at its registered office and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the results are declared and simultaneously communicated to the Stock Exchanges where the Company's shares are listed. 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. Friday, September 9, 2022.
- ❖ 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<sup>st</sup> 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](mailto:mdpldc@yahoo.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 Securities (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 <b>Monday, September 5, 2022</b>	Up to 5.00 P.M. (IST) on <b>Thursday, September 8, 2022</b>

- (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. Friday, September 2, 2022** 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"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>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 your vote during the remote e-Voting period or joining virtual meeting &amp; 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.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>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 &amp; voting during the meeting.</p>



Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(g) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- (i) The shareholders should log on to the e-voting website <https://www.evotingindia.com>
- (ii) Click on Shareholders.
- (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](http://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:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders 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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> <li>• 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 (v).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 the relevant Emami Limited on which you choose 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) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.

**(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 will be mapped automatically & can be delink in case of any wrong mapping.
- 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 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](mailto:scrutinizermkb@gmail.com) and to the Company at [investor@emamigroup.com](mailto:investor@emamigroup.com) or to M/s Maheshwari Datamatics Pvt. Ltd., Registrar & Share Transfer Agent of the company at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto: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.

(xviii) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

**B. INSTRUCTIONS FOR SHAREHOLDERS 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 shareholders, 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 shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- ❖ Shareholders 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 THROUGH VC / OAVM:**

- ❖ Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders 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.
- ❖ Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- ❖ Further shareholders 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.
- ❖ If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
- ❖ All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 22 55 33.

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 Wednesday, August 31, 2022 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 Saturday, September 3, 2022 to Wednesday, September 7, 2022. 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 on investors@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. Members who want to inspect such documents can mail the request to investors@emami.com .

#### **F. GENERAL INFORMATION FOR SHAREHOLDERS**

- ❖ Members are informed that the final dividend amount for the Financial year ended 2014-15 remaining unclaimed shall become due for transfer on September 9, 2022 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 2014-15 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](http://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](http://www.emamilttd.in).

- ❖ The Company has appointed Mr. Raj Kumar Banthia, Practicing Company Secretary (ACS- 17190), partner of M/s. MKB & Associates, Practicing 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, not later than two working days of conclusion of the Meeting, to the Managing Director or any other person authorized by the Board.
- ❖ The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website [www.emamilttd.in](http://www.emamilttd.in) and on the notice board of the Company at its registered office and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the results are declared and simultaneously communicated to the Stock Exchanges where the Company's shares are listed. 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. Friday, September 9, 2022.
- ❖ 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<sup>st</sup> 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 ShareTransfer Agent at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).

**Registered Office:**

Emami Tower,  
687, Anandapur  
E.M. Bypass  
Kolkata 700107  
Date: 29<sup>th</sup> July, 2022

**By Order of the Board**

**A.K. Joshi**  
*Company Secretary & VP-Legal*  
FCS 4976



## Explanatory Statement pursuant to Section 102 of The Companies Act, 2013 in respect of resolutions at item no. 6 to 13

### Item No 6

The Shareholders of the company at its meeting held on August 2, 2017 had approved the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm registration No 301003E/E300005), as the Statutory Auditors of the Company for a period of five years from the conclusion of 34<sup>th</sup> Annual General Meeting (AGM) till the conclusion of 39<sup>th</sup> AGM.

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm registration No 301003E/E300005) are eligible to be re-appointed as the Statutory Auditors of the Company for a further period of 5 Years and have given their consent to act as the Auditors of the Company and have confirmed that the said re-appointment, if made, will be in accordance with the conditions prescribed under Sections 139 of the Act and are not disqualified for appointment under Section 141 and other relevant provisions of the Act and the rules or regulations made thereunder. As confirmed to the Audit Committee, the Auditors have reported their independence from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the ethical requirement relevant to the audit.

The Board of Directors of the Company ("the Board"), on the recommendation of the Audit Committee ("the Committee"), at its meeting held on May 13, 2022 approved the reappointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm registration No 301003E/E300005) as the Statutory Auditors for a further period of five years from the conclusion of 39<sup>th</sup> AGM till the conclusion of the 44<sup>th</sup> AGM to be held in the year 2022. The reappointment is subject to approval of the shareholders of the Company. On the recommendation of Audit Committee, the Board had fixed remuneration of ₹ 103 lacs to Statutory Auditors for conducting the audit for the financial year 2021-22, excluding taxes. The fee for the 2<sup>nd</sup> term will be aligned with the existing remuneration and services to be rendered by them during the 2<sup>nd</sup> term.

Besides the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, technical knowledge

etc., and found to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

S.R. Batliboi & Co. LLP (FRN 301003E/E300005), ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India ("ICAI"). The Audit Firm was registered with ICAI in the year 1949 and is a limited liability partnership firm ("LLP") incorporated in India. The Audit Firm is part of S.R. Batliboi & Affiliates network of audit firms, which is registered with ICAI. It has registered office in Kolkata and has 7 branch offices in various cities in India.

It is primarily engaged in providing audit and assurance services to its clients and has valid Peer Review Certificate.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends this Resolution for your approval.

### Item No 7 to 11

The second term of appointment of Dr. K. N. Memani, Dr. Y. P. Trivedi, Shri S. B. Ganguly, Shri A. K. Deb and Shri P. K. Khaitan, independent directors of the Company will complete on August 1, 2022. The Nomination and remuneration committee have considered and recommended eminent person to take up the role of independent Directors in the Company in place of the retiring directors.

The Board of Directors of the Company based on the recommendation of Nomination & Remuneration Committee has appointed:

- Shri Anand Nandkishore Rathi (DIN: 00112853) and Shri Anjani Kumar Agrawal (DIN: 08579812) as an Additional Directors under the category of Independent Director for a term of 5 (Five) years from 2<sup>nd</sup> August, 2022 to 1<sup>st</sup> August, 2027 subject to approval of shareholders in the ensuing Annual General Meeting by way of Special Resolutions.
- Shri Anjan Snehmoy Chatterjee (DIN: 00200443), Smt. Avani Vishal Davda (DIN: 07504739) and Shri Rajiv Khaitan (DIN: 00071487) as Additional Directors under the category of Independent Director for a term of 2 (Two) years from 2<sup>nd</sup> August, 2022 to 1<sup>st</sup> August, 2024 subject to approval of shareholders in the ensuing Annual General Meeting by way of Special Resolutions.

The Company requires Independent Directors to inter alia have skill sets such as Leadership of managing large Organization, ability to use experience in Visioning, Strategic planning,

Financial and Risk Management and Innovation & Marketing exposure and Supply Chain management etc. The Nomination and Remuneration Committee of the Board of Directors believes them to possess the above attributes and skills.

The Company has received notice under Section 160 of the Act from shareholders proposing the candidature of Shri Anand Nandkishore Rathi, Shri Anjani Kumar Agrawal, Shri Anjan Snehmoy Chatterjee, Smt. Avani Vishal Davda and Shri Rajiv Khaitan for the office of Independent Directors of the Company.

The Company has also received consent from them to act as Directors in terms of section 152 of the Act and a declaration that they are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

In the opinion of the Board of Directors, they fulfil the conditions specified in the Act and the rules made thereunder, for their appointment as Independent Directors of the Company. They are independent of the management and possess appropriate skills, experience and knowledge. The Company has received declarations from them confirming that they meet the criteria of independence under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subject to appointment, copy of the letter of appointment of the Independent Directors setting out the terms and conditions of appointment shall be available for inspection by the Members electronically.

The Independent Directors shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in such meetings and profit related commission within the limits stipulated under Section 197 of the Act as recommended by the Nomination and Remuneration Committee and approved by the Board.

#### **Brief Profiles of Independent Directors are given below:-**

##### **Shri Anand Nandkishore Rathi:-**

Shri Anand Nandkishore Rathi, aged about 76 Years, Chartered Accountant (Gold medalist), Founder of the "Anand Rathi Group", leading financial and investment experts in India and South-East Asia. He is the former President of Bombay Stock Exchange (1999). Before establishing his own enterprise, Shri Rathi had a long and illustrious career as a core member of "Birla Group". He was the youngest President of Indian Rayon (now known as Aditya Birla Nuvo), Instrumental in shaping the group's cement business and spearheading its foray into diverse businesses in manufacturing and services.

##### **Shri Anjani Kumar Agrawal:-**

Shri Anjani Kumar Agrawal, aged about 64 years, Chartered Accountant, (National Rank holder), CIA (IIA USA) and INSEAD Alumni, Former Partner of Ernst & Young (E & Y), retired in June 2019, having almost 40 years of professional experience, of which 26 years as a partner at EY. Shri Agrawal has been National committee member and speaker at National Industry Associations like CII, FICCI, FIMI, ICC, IIA, IMC etc. worked closely with Central Government, NiTI Aayog on Policy making & strategy and has published more than 25 Thought Leadership reports on various sectors including Metals, Mining, Power etc.

##### **Shri Anjan Snehmoy Chatterjee:-**

Shri Anjan Snehmoy Chatterjee, aged about 63 years, Industrialist, Sector – Hospitality and Advertising. Management Graduate from Institute of Hotel Management and Catering Technology, Kolkata, Prior to the setting own business, Shri Chatterjee had worked with Taj Group of Hotels in Mumbai and Anand Bazar Patrika ( ABP Group) in marketing department. In 1985, he started his own advertising agency by the name "Situations Advertising" and In 1992, he started his first restaurant named Only Fish in Mumbai and later the specialty Chinese restaurant brand Mainland China.

##### **Smt. Avani Vishal Davda :-**

Smt. Avani Vishal Davda, aged about 43 years, MBA (NMIMS), Graduated from H.R. College of Commerce and Economics, first CEO at Tata Starbucks, the youngest CEO in the Tata Group (at age 33). Business leader with diverse experience in operating and leadership roles across consumer, retail and hospitality industry. She has successfully demonstrated skill in creating premium brand experience in the consumer and retail space. As the founding CEO, she successfully set up the JV Company and created the right leadership and cultural environment that resulted in aggressive expansion of over 85 Starbucks stores in India in 3 years. Her strengths lie in developing business strategy and the ability to execute with a sharp focus on business sustainability through growth and profitability. In 2014, she ranked 13 on 'The Most Innovative Women in Food and Drink' list in Fortune and Food & Wine.

##### **Shri Rajiv Khaitan:-**

Shri Rajiv Khaitan, aged about 62 years, is a Senior Partner of Khaitan & Co. LLP in the Corporate & Commercial practice group in the Bengaluru office. With over 30 years of experience in general legal practice and a focus on business laws, he heads the corporate and commercial practice group including the defence, hospitality, technology and real estate practices at Bengaluru.



The Board of Directors recommends the above resolutions for approval of the Members by way of Special Resolutions.

Additional information with respect to each of the appointee independent directors pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India Regulation is annexed to this Notice.

Except the appointees, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the respective resolution of their appointment.

#### Item No 12

Upon the recommendation of the Audit Committee, the Board of Directors in its meeting held on May 13, 2022, has re-appointed M/s. V. K. Jain & Co., Cost Accountants at a remuneration of Rs. 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 Ayurvedic Medicines and cleaning preparations of the Company for the financial year 2022-23. 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,

#### Registered Office:

Emami Tower,  
687, Anandapur  
E.M. Bypass  
Kolkata 700107  
Date: 29<sup>th</sup> July, 2022

financially or otherwise in this Resolution.

#### Item No 13

Upon the recommendation of Nomination and Remuneration committee the Board of Directors have approved the payment of commission not exceeding 1% (one percent) per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Non-executive Directors of the Company including Independent Directors or some or any of them (other than the Managing Director and Whole-time Directors) and such payments shall be made in respect of the profits of the Company for each year.

Accordingly, it is proposed that in terms of Section 197 of the Act, the Non- Executive Directors including Independent Directors be paid, for each of the five consecutive financial years commencing from April 1<sup>st</sup>, 2023, commission not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the said Directors in accordance with the directions given by the Board upon recommendation of Nomination and Remuneration Committee.

All the Non-Executive Directors including Independent Directors of the Company are concerned or interested in the Resolution 13 of the Notice to the extent of the commission that may be received by each of them.

Other than above Directors, none of the Directors or key managerial personnel of the Company or their relatives, are concerned or interested, financially or otherwise in this Resolution.

**By Order of the Board**

**A.K. Joshi**

*Company Secretary & VP-Legal*

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## 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	Smt. Priti A Sureka	Shri Prashant Goenka	Shri Mohan Goenka	Shri Anand Nandkishore Rathi	Shri Anjani Kumar Agrawal	Shri Anjan Snehmoy Chatterjee	Smt. Avani Vishal Davda	Shri Rajiv Khaitan
<b>Category</b>	Executive Director	Executive Director	Executive Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director
<b>Director Identification Number</b>	00319256	00703389	00150034	00112853	08579812	00200443	07504739	00071487
<b>Date of Birth/ Age</b>	23/05/1972 / 50 years	30-10-1973 / 49 years	21-01-1973 / 49 years	25/06/1946 / 76 years	18/07/1958/ 64 years	16/02/1959 / 63 years	09/02/1979 / 43 years	13/04/1960 / 62 years
<b>Nationality</b>	Indian	Indian	Indian	Indian	Indian	Indian	Indian	Indian
<b>Date of first Appointment on the Board</b>	30-01-2010	20-01-2014	15-01-2005	02-08-2022	02-08-2022	02-08-2022	02-08-2022	02-08-2022
<b>Experience in Specific Functional Area</b>	Extensive Knowledge about Research & Development, Quality Control and Market Research	Extensive knowledge and experience in International marketing and business operations	Extensive knowledge and experience / supervises brand development, marketing, Sales and Investors Relations	Finance & Investment, Accountancy	Corporate Governance, Strategic Risk Management, Sustainability strategy, GRC transformation, Sustainable Development Goals, Sustainability Reporting, Policy frameworks	Over 30 years of experience in Advertising and Hospitality industry.	Leadership, Business Development, Strategy making	Broad range of Experience in Corporate, tax, contracts, real estate, business and intellectual property right laws
<b>Qualifications</b>	B.A. English (Hons) and a graduate alumnus of the Harvard Business School	MBA from Cardiff University, UK	MBA from Cardiff University, UK	Chartered Accountant	Chartered Accountant	Graduate from IIM, Kolkata	MBA, NMIMS; Bachelor's degree, H.R. College of Commerce & Economics	LL.B., University of Calcutta
<b>Terms and Conditions of Appointment / Re-appointment</b>	Not applicable	Not applicable	Not applicable	As mentioned in explanatory statement to item no. 7 of the Notice	As mentioned in explanatory statement to item no. 8 of the Notice	As mentioned in explanatory statement to item no. 9 of the Notice	As mentioned in explanatory statement to item no. 10 of the Notice	As mentioned in explanatory statement to item no. 11 of the Notice
<b>Details of remuneration sought to be paid</b>	Not applicable	Not applicable	Not applicable	As mentioned in explanatory statement to item no. 7 of the Notice	As mentioned in explanatory statement to item no. 8 of the Notice	As mentioned in explanatory statement to item no. 9 of the Notice	As mentioned in explanatory statement to item no. 10 of the Notice	As mentioned in explanatory statement to item no. 11 of the Notice
<b>Last drawn remuneration</b>	134.80 lacs	134.80 lacs	143.20 lacs	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Relationship with other Directors and Key Managerial Personnel</b>	Daughter of Shri R. S Agarwal, sister of Shri A. V. Agarwal and Shri H. V. Agarwal	None	Son of Shri R. S. Goenka	None	None	None	None	None
<b>Directorship in other Listed Companies</b>	Not applicable	Not applicable	Not applicable	Anand Rathi Wealth Limited;	Firstsource Solutions Limited; Hindustan Zinc Limited;	Speciality Restaurants Limited	Niit Limited; Mahindra Logistics Limited; Persistent Systems Limited;	Himatsingka Seide Limited

Name	Smt. Priti A Sureka	Shri Prashant Goenka	Shri Mohan Goenka	Shri Anand Nandkishore Rathi	Shri Anjani Kumar Agrawal	Shri Anjan Snehmoy Chatterjee	Smt. Avani Vishal Davda	Shri Rajiv Khaitan
<b>Chairman/ Member in the Committees of the Boards of Listed Companies</b>	<p><b>Chairman:</b> None</p> <p><b>Member:</b></p> <p>1. Share transfer Committee – Emami Limited</p> <p>2. Risk Management Committee - Emami Limited</p> <p>3. Corporate Social Responsibility Committee - Emami Limited</p> <p>4. Finance Committee -Emami Limited</p>	<p><b>Chairman:</b> None</p> <p><b>Member:</b></p> <p>1. Stakeholders Relationship Committee -Emami Limited</p> <p>2. Corporate Social Responsibility Committee - Emami Limited</p>	<p><b>Chairman:</b></p> <p>1. Share Transfer Committee - Emami Limited</p> <p><b>Member:</b></p> <p>1. Stakeholders Relationship Committee -Emami Limited</p> <p>2. Risk Management Committee - Emami Limited</p> <p>3. Corporate Social Responsibility Committee - Emami Limited</p> <p>4. Finance Committee -Emami Limited</p>	<p><b>Chairman:</b></p> <p>1. Risk Management Committee - Anand Rathi Wealth Limited</p> <p>2. Corporate Social Responsibility Committee - Anand Rathi Wealth Limited</p> <p><b>Member:</b></p> <p>1. Audit Committee - Anand Rathi Wealth Limited</p> <p>2. Nomination and Remuneration Committee - Anand Rathi Wealth Limited</p>	<p><b>Chairman:</b></p> <p>1. Nomination And Remuneration Committee - First Source Solutions Limited</p> <p>2. Audit Committee- Hindustan Zinc Limited</p> <p>3. Stakeholder Relationship Committee - Hindustan Zinc Limited</p> <p>4. Risk Management Committee - Hindustan Zinc Limited</p> <p><b>Member:</b></p> <p>1. Audit Committee - First Source Solutions Limited</p> <p>2. Stakeholder Relationship Committee - First Source Solutions Limited</p> <p>3. Corporate Social Responsibility Committee - First Source Solutions Limited</p> <p>4. Nomination And Remuneration Committee - Hindustan Zinc Limited</p>	<p><b>Chairman:</b> None</p> <p><b>Member:</b></p> <p>1. Stakeholders Relationship Committee - Specialty Restaurants Limited</p> <p>2. Audit Committee - Specialty Restaurants Limited</p>	<p><b>Chairman:</b></p> <p>1. Risk Management Committee - Mahindra Logistics Ltd</p> <p><b>Member:</b></p> <p>1. Audit Committee - Mahindra Logistics Ltd</p> <p>2. Audit Committee - Persistent Systems Limited</p> <p>3. Corporate Social Responsibility Committee - Persistent Systems Limited</p> <p>4. Executive Committee - Persistent Systems Limited</p>	<p><b>Chairman:</b> None</p> <p><b>Member:</b></p> <p>1. Audit Committee - Himatsingka Seide Limited</p> <p>2. Nomination And Remuneration Committee - Himatsingka Seide Limited</p> <p>3. Stakeholder Relationship Committee - Himatsingka Seide Limited</p>
<b>Listed entities from which the Director has resigned in the past three years</b>	None	None	None	None	None	None	None	OnMobile Global Ltd
<b>No. of Shares held in the Company as on 31<sup>st</sup> March, 2022</b>	1,51,04,702	1,90,000	61,900	NIL	1,600	NIL	NIL	NIL
<b>Number of meetings of the Board attended during the year (FY 2021-2022)</b>	5 (Five)	6 (Six)	6 (Six)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable