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FOR THE

heaven



MAY GIVE, AND THE

earth

MAY GROW, BUT

emami*

CARES

PERFORMANCE REPORT, 2000-2001

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CORPORATE INFORMATION

CHAIRMAN
Shri R. S. Agarwal

DIRECTORS
Shri R. S. Goenka
Shri R. K. Goenka
Shri Suresh Kr. Goenka
Shri M. L. Jain
Shri P. S. Patwari
Shri S. N. Bihani
Dr. S. C. Sarkar

MANAGING DIRECTOR
Shri Sushil Kr. Goenka

SECRETARY
Shri A. K. Joshi

AUDITORS
M/s. Saxena & Co.
Chartered Accountants

BANKERS
Canara Bank
ICICI Bank Ltd.
Indian Bank

WORKS
Kolkata
Pondicherry

REGISTERED OFFICE
Stephen House, 6A, R. N. Mukherjee Road
Kolkata 700 001

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Emami has tapped into the wisdom of the ages. In a refreshingly modern way.



Ayurveda remedies represent a system of medicine that is in harmony with nature.

Ayurveda, literally translated, means 'the science or knowledge of life'. Ayurveda believes that everything in life - our diet, our leisure space, our working life, our relationship with friends and family - is inter-connected. They influence our physical and mental well-being.

The Ayurvedic conclusion is that a disharmony in this inter-connection causes ailments and diseases.

Emami's healing is in line with the Ayurvedic prescription: it helps re-establish the harmony between the individual and the environment.

Emami has successfully combined traditional Ayurveda research with scientific laboratory practices to make products that are safe, mild and effective.

As a result, Emami Limited is one of India's largest and most respected names in the nature-based health care and personal care business.

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The Ayurveda market - in India and the world

Emami addresses a large market. The market for alternative medicines in India is worth Rs 42000 mn (USD 913 mn). Ayurvedic medicine accounts for 84 percent of this market.

Spending on alternative medicines in India increased by 69 per cent over the last decade while in the world market it grew by 30 percent. Driven by two inter-related factors: an increase in income and fashion consciousness.

The target consuming segment: 500 million over the next five years. The World Health Organisation has projected that the global market for traditional medicine will grow to $ 5 trillion by 2050.

The market for traditional health care products has grown aggressively in the West despite a low population of doctors who prescribe traditional health care products.

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The essential Emami

Emami Limited is headquartered in Kolkata but enjoys a presence.



The organisation is more than 25 years old. It researches, manufactures and markets effective personal and health care products, based on the **time-tested** *virtues of* Ayurveda and herbal care.



The **brand** is Emami's principal growth driver. It was valued at Rs 265 crores in March 2000 by Ernst & Young. To distinguish its product lines, the Company's products are sold under the Emami and Himani brands.

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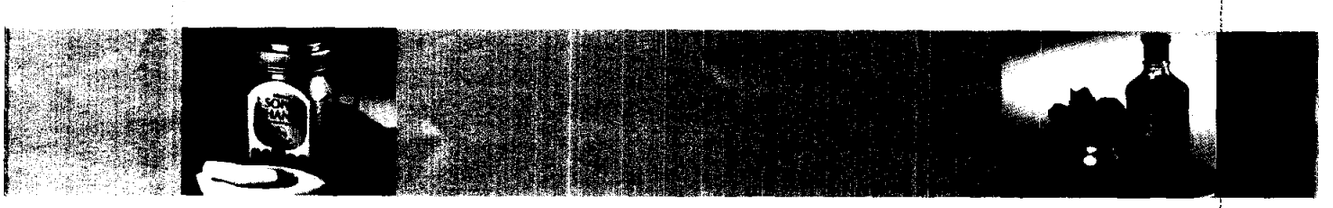
The Company's principal products include Boroplus Antiseptic Cream, Boroplus Prickly Heat Powder, Naturally Fair Pearls Cream, Navratna Oil, Sona Chandi Chyawanprash, Nirog Dant Powder Lal, Gold Turmeric Cream, Mentho Plus Pain Balm and Fast Relief.



Emami Limited's manufacturing plants are located in Kolkata and Pondicherry. Its offices are spread across 24 cities in India. The distribution network is supported by 2000 distributors and 1.5 million retail outlets.

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Emami is a rapidly growing organisation. In 2000-01, the Company reported a turnover of Rs 210 crores and a profit after tax of Rs 21 crores.



Emami Limited has been promoted by the Kolkata-based Agarwals and Goenkas. The Company's shares are listed on the Mumbai and Calcutta Stock Exchanges.

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This is what Emami stands for

MISSION

To sharpen consumer insights, to understand and meet their needs with **value-added differentiated** products which are **safe**, *effective and fast.*

To integrate our dealers, distributors, retailers and suppliers into the Emami family thereby **strengthening their ties** with the Company.

To recruit, develop and motivate the best talents in the country and provide them with an environment which is **demanding and challenging.**

To strengthen and foster in the employees, a strong emotive **feeling of oneness** with the Company.

To uphold the principles of **corporate governance** and move towards decentralisation to generate long-term maximum return for all stakeowners.

To contribute wholeheartedly towards the environment and society and to emerge as a **model corporate citizen.**

To bring down the political boundaries, bridge the seas and emerge as a significant player in the markets worldwide. **To globalise** in real terms.

VISION

VALUES

RESPECT FOR PEOPLE

We treat individuals with dignity and respect. We continue to be honest, open and ethical in all our interactions with dealers, distributors, retailers, suppliers, shareholders, customers - and with each other.

CONSUMER DELIGHT

We recognise that our business can succeed only if we can create and keep customers. We manufacture products that offer value for money, are differentiated and deliver safe, effective and fast solutions.

INTEGRITY

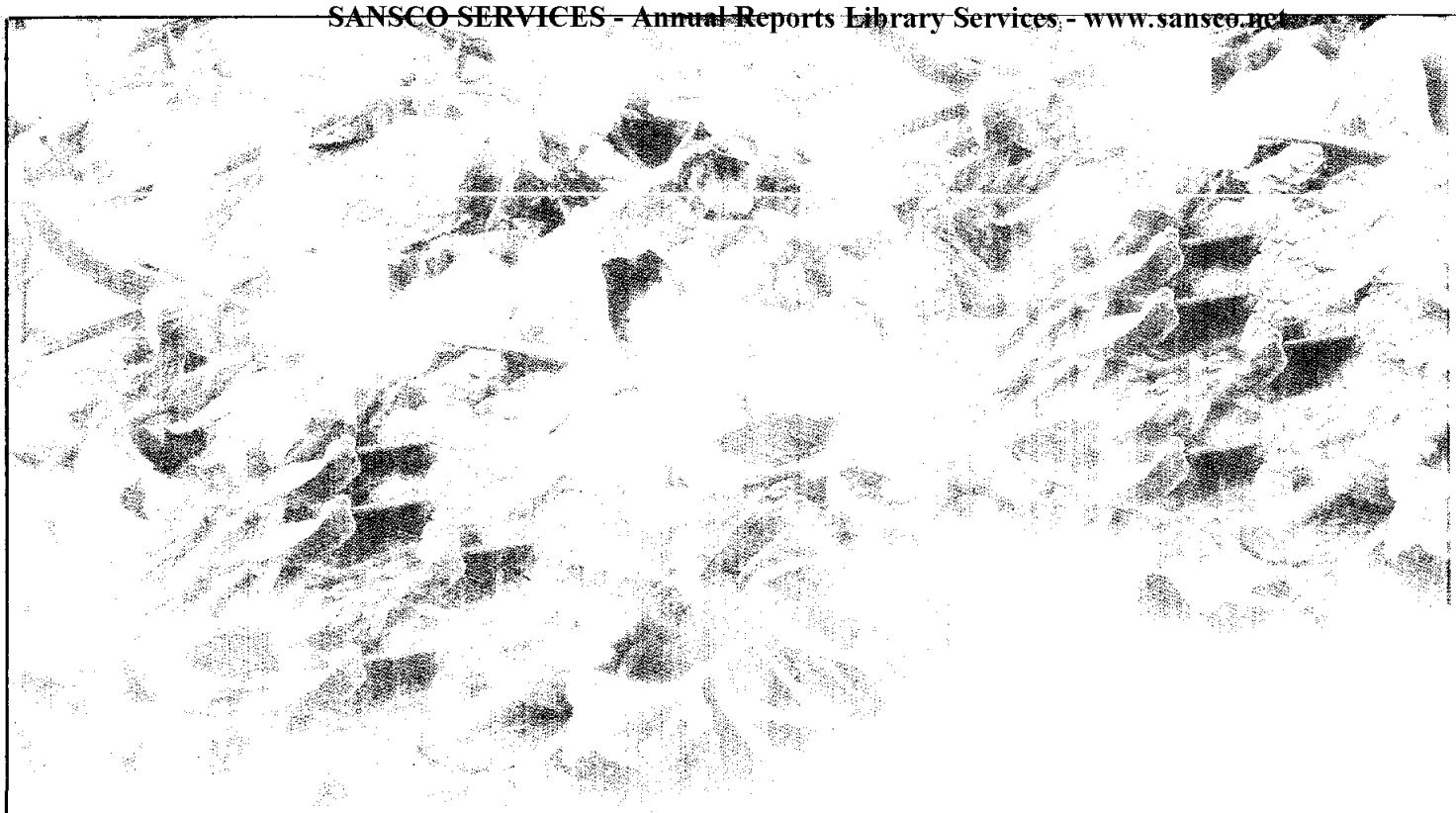
People at every level are expected to adhere to the highest standards of business ethics. Anything less is unacceptable. Our ethical conduct transcends beyond policies. It is ingrained in our corporate tradition transferred from one generation of employees to another. We comply with applicable government laws and regulations in the geographies where we are present.

QUALITY

We are committed to excellence in everything we do. Our credo: There is always a better

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A Company which, with the help of nature, caters to the consumer needs and their inner cravings for dreams of better life in the fields of personal and healthcare, both in India and throughout the world.

way. We think creatively, continuously innovate and pursue new ideas to achieve uncommon solutions to common problems.

TEAMWORK

Teamwork is the cornerstone of our business that helps deliver value to our customers. We work together across titles, job responsibilities and organisational structure to share knowledge and expertise.

THE RIGHT ENVIRONMENT

It is our responsibility to create an environment that helps employees realise their full potential.

LEADERSHIP

We recognise that we can be a leading Company through active delegation and by creating leaders at every level of the organisation.

COMMUNITY DEVELOPMENT

We continue to contribute to the communities in which we operate and address social issues responsibly. Our products are safe to make and use. We conserve natural resources and invest in a better environment.

TRANSPARENCY AND SHAREHOLDER VALUE

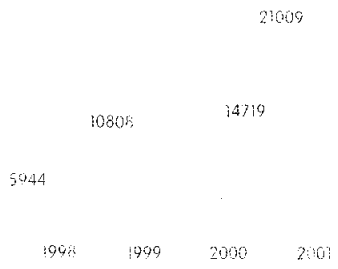
We continue to be driven by our conscience and regulatory standards to deliver value to our shareholders, commensurate with our management and financial strength.

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Emami's growth was impressive in 2000-01

Emami's Total Income crossed the Rs 200 crore mark in 2000-01 to Rs. 210.21 crores, a jump of 41.65 per cent over the corresponding figure of Rs 148.40 crores in 1999-2000. Efficient working and a strong brand basket strengthened Emami's EPS from Rs 30.37 in 1999-2000 to Rs 36.76, a jump of 21.04 per cent.



The Company registered a healthy increase in its pre-interest profit from Rs 21.08 crores in 1999-2000 to Rs 28.82 crores in 2000-01, a jump of 36.72 per cent. Net profit increased by 21.06 per cent to Rs 20.64 crores. The RONW was a high 50.10 per cent.

Navratna Oil emerged as the market leader in the thick oil category.

The Company's Boroplus Prickly Heat Powder reached second place in the national market share.

Boroplus Antiseptic Cream, the Company's flagship product, retained the number one position in its category with increased market share.

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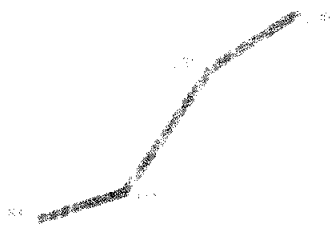
Sona Chandi Chyawanprash, launched in 1999-2000, emerged as the major player in its segment.

Exports increased by 50 per cent from Rs 6 crores in 1999-2000 to Rs 9 crores in 2000-01. Exports were made to various countries like USA, UK, Australia, Canada, Africa, Caribbean and the Middle East.

A factory at Kolkata was accredited with the ISO 9002 certification.

The Company's distributors increased from 1234 in 1998-99 to 2000 in 2000-01, a growth of 62.07 per cent, to cater to the growing demands.

The Company increased its manufacturing capacities for all products with a capital investment of Rs 9 crores.



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