



I am

India

Emami Limited
Annual Report 2011-12



Corporate information

Chairman

Shri R.S. Agarwal

Managing Director

Shri Sushil Kr. Goenka

Directors

Shri R.S. Goenka

Shri Viren J. Shah

Shri K.N. Memani

Shri Y.P. Trivedi

Shri S.K. Todi

Shri Sajjan Bhajanka

Shri Amit Kiran Deb

Shri S.B. Ganguly

Padmashree Vaidya S. Chaturvedi

Shri Mohan Goenka

Shri A.V. Agarwal

Shri H.V. Agarwal

Smt. Priti Sureka

Company Secretary & AVP-Legal

Shri A.K. Joshi

Auditors

M/s S.K. Agrawal & Co

Chartered Accountants

Board Committees

Audit Committee

Shri S.K. Todi – Chairman

Shri R.S. Goenka

Shri Amit Kiran Deb

Shri S.B. Ganguly

Remuneration Committee

Shri Amit Kiran Deb – Chairman

Shri S.B. Ganguly

Shri S.K. Todi

Share Transfer Committee

Shri Mohan Goenka – Chairman

Shri A.V. Agarwal

Shri H.V. Agarwal

Smt Priti Sureka

Investors' Grievance Committee

Shri S.K. Todi – Chairman

Shri S.B. Ganguly

Shri Mohan Goenka

Shri H.V. Agarwal

Finance Committee

Shri R.S. Goenka – Chairman

Shri Sushil Kr. Goenka

Shri Mohan Goenka

Shri A.V. Agarwal

Shri H.V. Agarwal

Smt Priti Sureka

Corporate Governance Committee

Shri S.B. Ganguly – Chairman

Shri R.S. Goenka

Shri Y.P. Trivedi

Shri Amit Kiran Deb

Bankers

Canara Bank

ICICI Bank Ltd.

State Bank of India

HDFC Bank

The Hongkong and Shanghai Banking
Corporation Limited

Registrar & Share Transfer Agent

Maheswari Datamatics Private Limited

6, Mangoe Lane, Kolkata – 700001

West Bengal, India

Tel: +91-33-2248 2248

Fax: +91-33-2248 4787

Email: mdpl@cal.vsnl.net.in

Registered office

Emami Tower

687, Anandapur, EM Bypass

Kolkata 700 107, West Bengal

Tel : +91-33-6613 6264

Fax: +91-33-6613 6600

Email: contact@emamigroup.com

Our presence

Seven factories

Five regional offices

32 depots

Five overseas subsidiaries

Over 60 countries

Website

www.emamigroup.com

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India - A land of unified diversity.
Differently consistent. Consistently different.

Where vibrancy is not just about colour but the pace of life.
Where variety is not about product choice but content of opinion.
Where experience is not only the wisdom of the ages but the reality of the present.

Where faith and fashion are practiced with fervor. Where voices, religions and cultures merge into an oceanic democracy. Where the farmers co-exist with IT engineers. Where savings for future and gold buying are age-old traditions for all, whether rich or poor. Where people seeks to the forests to unwind and elephants still walk city streets. Where the tallest mountains in the world reside alongside some of the largest deserts. Many faces. One face.

Where malls share space with mandis. Where ayurveda rubs shoulders with atomic research. Where Marx is invoked in the same breath as Mohammed. Where AB could be Atal Behari or Amitabh Bachchan. Many hearts. One soul.

Where a company like Emami has created 300 products to cater to the needs of the next-door neighbour as well as a Shah Rukh Khan. The bus conductor as well as a Tendulkar. One company. Many users.

Emami responds to the needs of the people of India, as diverse and as unique as they are. Emami products are vast in range and reach. Constantly innovating, preserving legacy, thriving in diversity and finding pattern in chaos to connect with the people of India.

Emami. Not just providing for people. But touching their lives.





highlights of 2011-12

Corporate

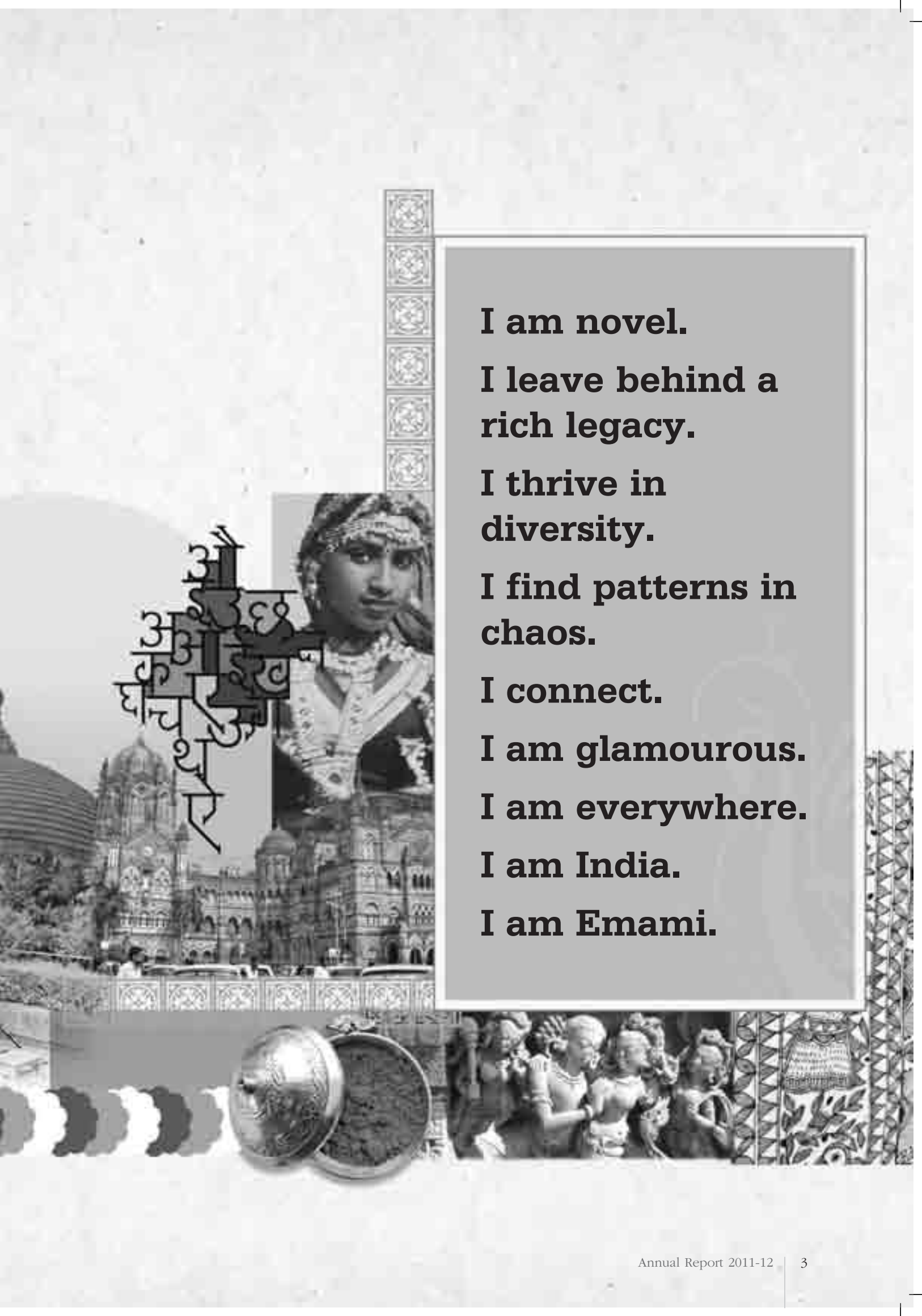
- Consolidated net sales grew **16.6%** to ₹ **1,454** crores.
- International business grew **13%** to ₹ **187** crores.
- EBIDTA grew **17%** to ₹ **297** crores.
- PAT grew **13.2%** to ₹ **259** crores.
- EPS grew **13.2%** to ₹ **17.11**
- Market capitalisation of over ₹ **6,100** crores (as on 31st March 2012).

Operations

- The Bangladesh unit is expected to commence operations in the second half of FY 2012-13.
- Established state-of-the-art research and innovation centre spread across 30,000 square feet in Kolkata.

Marketing and distribution

- Leadership strengthened in major power brands - Navratna Oil, Boroplus Antiseptic Cream, Fair & Handsome and Zandu Balm.
- Strong geographical presence with Navratna brand today being available in 36 lakh outlets

The background of the page is a collage of Indian cultural elements. On the left, there is a black and white photograph of a large, ornate temple with multiple domes and spires. Overlaid on this is a portrait of a woman in traditional Indian attire, including a sari and jewelry. To the right of the woman is a vertical strip of decorative patterns. Below the woman is a large, stylized 'Om' symbol. At the bottom left, there is a photograph of a metal pot (kalash) with a coconut on top. To the right of the pot is a photograph of a group of women in traditional attire. The entire page is framed by a decorative border.

I am novel.

**I leave behind a
rich legacy.**

**I thrive in
diversity.**

**I find patterns in
chaos.**

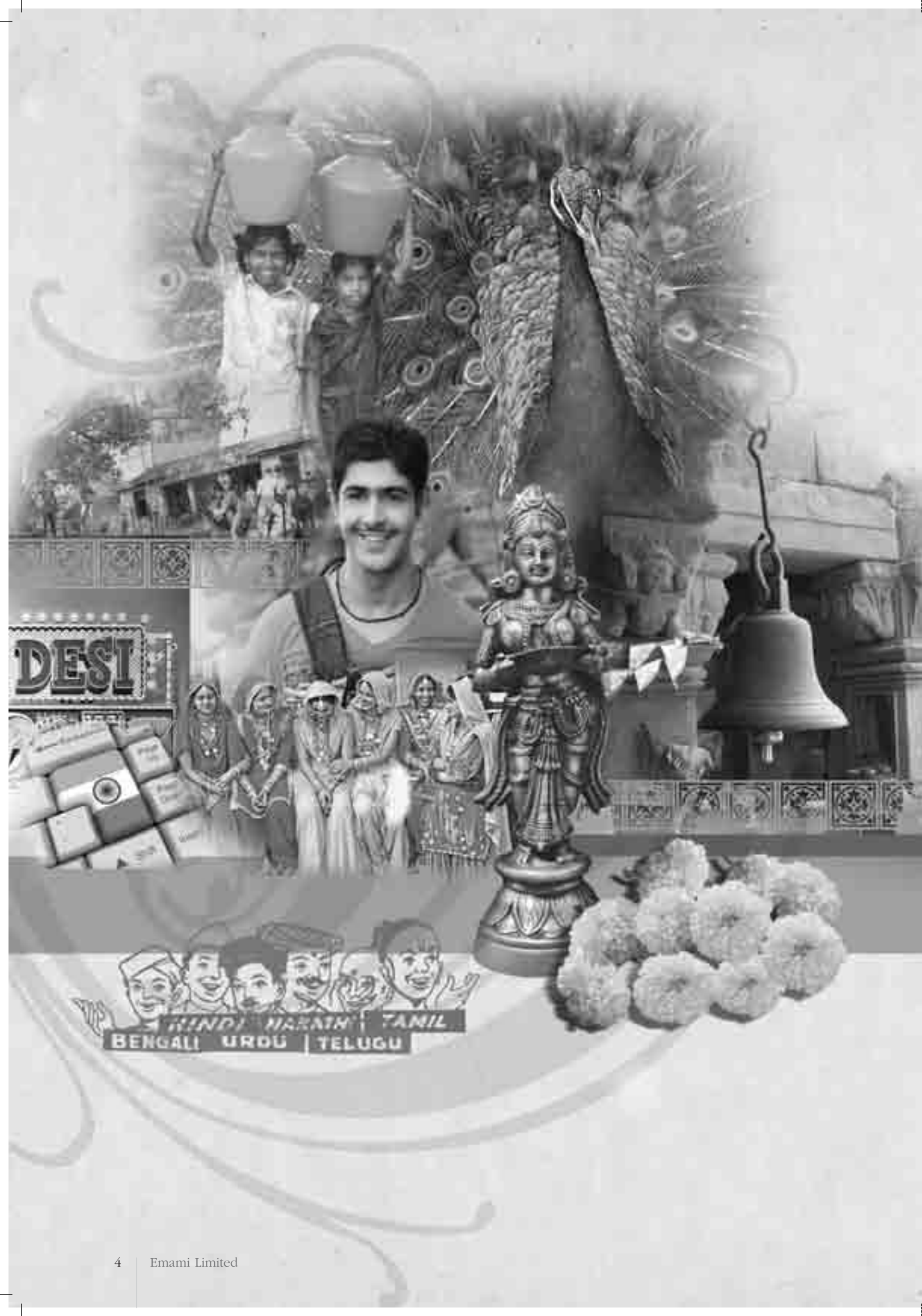
I connect.

I am glamorous.

I am everywhere.

I am India.

I am Emami.





INNOVATIVE PROBLEM SOLVING IS AN INDIAN REFLEX ACTION. PRESENT AN INDIAN WITH A PROBLEM AND IT IS LIKELY THAT HE/SHE WILL COME UP WITH AN INNOVATIVE SOLUTION TO IT.

At Emami, we have an attractive record in this respect.

For years, the doubters claimed that whatever needed to be developed for the personal care market had already been launched. There was no way in which we could improve upon.

At Emami, we disagreed.

We recognised a significant niche where we could make a mark and distinguish ourselves. These ideas were derived not by locking ourselves in a room and arriving at solutions. But by travelling extensively across the country, seeing how people lived, understanding their small needs, devising concepts to plug preference gaps, scaling these ideas into products and graduating them into household brands. Besides, our deep understanding of Ayurveda helped us blend these ideas with modern science to innovate new products.

- The recognition that men often sheepishly used women's creams to lighten their skintone, helped create an entire men's fairness cream category.
- The insight that the market for prickly heat powders remained seasonal even as the need for a talc remained perennial, catalysed the creation of a cooling talc category that became an industry standard.
- Complaints by consumers about the traditional stickiness of hair oil resulted in the creation of a relatively lighter equivalent.
- A resistance to buy into large rubefacients resulted in the creation of containers of 1.2 ml equivalent, the smallest in the market, enhancing affordability and accelerating offtake.

The result is that 'If it is Emami, it must be novel.'

Thanks to Emami, I finally have a product that meets my requirement!

I work as a sales executive and my job requires me to travel across the city. I am exposed to the sunlight and my skin gets extremely tanned. Earlier, I had no other option but to use a fairness cream meant for women until Emami launched Fair & Handsome especially for men. It is much more effective on my skin than other fairness creams. I am really thankful to Emami. *Arjun Khurana, Delhi*

॥ वक्रतुण्ड महाकाय सूर्यकोटि समप्रभः ॥





i Leave behind a rich legacy

ENRICHING EXPERIENCE. THE UTILITY OF AN INTERACTION FOR MOST INDIANS IS THE VALUE THAT YOU LEAVE WITH THEM AT THE END OF IT.

At Emami, we cherish this attribute.

We have not only conducted our business in a profitable way, we have also inspired the credibility that translated into an attractive market capitalisation.

For instance, Emami reported a profit after tax of ₹ 259 cr in 2011-12. The Company had an attractive market capitalisation of ₹ 6100 cr as on 31st March 2012. The initial investors of Emami, who invested ₹1000 for 100 shares which eventually became ₹ 4000 after the rights issue, are presently proud owners of Emami shares worth

over ₹ 2.25 cr. The Emami share that was offered at ₹ 70 in the public issue in March 2005 had appreciated over 11 times at the close of 2011-12. The Emami scrip has delivered returns of over 160% to QIP investors in the last three years. Not surprisingly, the Company reported an EVA of ₹ 167 cr in 2011-12, indicating that it generated a return that was higher than the cost of employed capital (debt plus equity). The Company's EVA as a percentage of capital employed also improved to 18.6% from 15.5% in the previous year.

The result is that 'If it is Emami, it must be profitable.'

Thanks to Emami, I could finance my daughter's marriage!

I have never been into the share market. Seven years ago, a friend of mine who is regular in the share markets advised me to invest in a FMCG company called Emami and told me that it is going to benefit you over the long term. I invested ₹ 1 lac in the stock and held it. Last year my daughter's marriage got fixed and I needed money to finance the same. I recalled my investment in Emami. When I sold the stock, I was surprised to get ₹ 12 lac. I didn't have to take a loan and it was sufficient for a grand wedding. An investment worth making. *Tarak Pandey, Balasore*

