



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
(till 31st May 2023)

Directors
Anand Rath
C. K. Dhanuka
Debabrata Sarkar
Anjani Kr. Agrawal

Anjan Chatterjee
Avani V Davda
Rajiv Khaitan
Mamta Binani
Sushil K Goenka
Aditya V Agarwal
Priti A Sureka
Prashant Goenka

Auditors
S.R. Batliboi & Co. LLP
Chartered Accountants

Audit Committee
Anand Rath, Chairman
R. S. Goenka
C. K. Dhanuka
Debabrata Sarkar
Anjani Kr. Agrawal

Nomination and Remuneration Committee
Anand Rath, Chairman
C. K. Dhanuka
Anjani Kr. Agrawal

Risk Management Committee
R.S. Goenka, Chairman
Debabrata Sarkar
Sushil K. Goenka
Mamta Binani
Mohan Goenka
Harsha V. Agarwal
Priti A Sureka

Stakeholders' Relationship Committee
C.K. Dhanuka, Chairman
Rajiv Khaitan
Mohan Goenka
Harsha V. Agarwal
Prashant Goenka

Corporate Social Responsibility Committee
Sushil K. Goenka, Chairman
Anjan Chatterjee
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
Rajiv Khaitan, Chairman
R. S. Goenka
Avani V Davda
Mamta Binani

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

Buyback Committee
R.S. Goenka, Chairman
S.K. Goenka
Mohan Goenka
Harsha V. Agarwal

CONTENTS

EMAMI LIMITED | ANNUAL REPORT 2022-23



Founders' Statement
A New Resilient Emami

04

Natural Capital

92

EMAMI'S SUSTAINABLE JOURNEY TO BUILD A BETTER WORLD



Basis of preparation and presentation	2
Editorial overview	2
Corporate snapshot	3
Founders' statement	4
Board of Directors	6
10-year performance highlights & charts	8
Managing Director's review	10

Cover story **RESILIENCE** OUR FOUNDATION FOR GROWTH 14

Emami's integrated value-creation report	18
Our Capitals	18
Key Capitals and how they performed in 2022-23	20
Key initiatives	22
Stakeholder engagement	24
Risk management	26
Economy & sector review	30
Financial Capital	34
Brand Capital	36
Navratna: The cool, cooler, coolest brand	38
Pain Management: India's preferred and trusted pain reliever	40
BoroPlus: Elevating Skincare and building trust	42
Kesh King: The King of oils	44
Male grooming: Capitalising on the up wave	46
Dermicool: Acquired to grow	48
Healthcare: How we strengthened our healthcare business in 2022-23	50

Manufacturing Capital	54
Operations	54
Raw materials management	58
Quality Assurance	60
Packaging	64
Supply Chain Management	66
Intellectual Capital	68
R&D	68
Information Technology	73
Human Capital	74
Social and Relationship Capital	78
Governance Review	78
Sales & Distribution	80
International Business	84
CSR	88
Awards and Accolades	96
Statutory Section	97-192
Directors' Report	97
Corporate Governance Report	118
Business Responsibility & Sustainability Report	155
Financial Section	193-380
Standalone Financial Statements	193
Consolidated Financial Statements	282



Emami Limited
Annual Report 2022-23

Our presence

70 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.emamiltl.in
CIN: L63993WB1983PLC036030

BASIS OF PREPARATION AND PRESENTATION

Scope of reporting

Reporting period: The report, published annually, provides material information relating to the Company's strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance from 1st April, 2022 to 31st March, 2023.

Reporting boundary: This report covers information on Indian and international operations of the Company and its subsidiaries.

Financial and non-financial reporting: The report extends beyond financial reporting and

includes non-financial performance including ESG parameters, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to enhance value.

Report alignment

This report aligns with the principles and guidelines of the:

- International <IR> framework of the International Integrated Reporting Council (IIRC)
- United Nations Sustainable Development Goals (UNSDGs)
- United Nations Global Compact Principles (UNGC)

- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE)
- The Companies Act, 2013 (and the rules made thereunder)
- Indian Accounting Standards and International Financial Reporting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

Forward-looking statements

Certain statements in this document constitute 'forward looking statements', which involve known and unknown risks and opportunities, other uncertainties, and important factors that could turn out to be materially different following the publication of actual results.

These forward-looking statements speak only as of the date of this document. The Company undertakes no obligation to update publicly, or release any revisions, to these forward-looking statements, to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events.

Editorial Board

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

Editorial overview

There has been a significant volatility in the FMCG personal & health care space. This has affected all such players, Emami included.

There were two alternatives on how we could have responded to the reality. One, we could have said 'Let us wait for the sluggishness to consume itself.' Two, we could have said 'We have seen such slowdown in the past and will keep investing in our business with the objective to be future-ready.'

Emami responded with the second alternative during the year under review. The Company continued to invest in its business drivers, the result of a deeper conviction in the categories we are present in and the India growth story.

At Emami, we believe that more Indians will consume personal & health care products; more Indians will seek benign Ayurveda-based interventions; more Indians will seek to buy a larger range of products from trusted brands; more Indians will seek to buy most from stores closest to their presence; more Indians will buy through e-commerce or modern trade platforms.

Interestingly, this will not be true only for our presence in India.

At Emami, we see this reality unfolding across countries with a demographic profile like India's. As a responsive Company, we are growing our presence wider and deeper in these international geographies. The result is Emami is now acquiring a global personality with its deep Indian roots; Emami is acquiring a modern face without yielding its access to ancient wisdom.

The Company continues to make right investments and bridge required gaps, which would yield dividends going ahead. This ability to bridge cultures, regions, consumers, channels and categories provides the Company with the optimism that it will be among the first FMCG personal care and healthcare companies to capitalise with effectiveness and efficiency as soon as consumer sentiment revives.



CORPORATE SNAPSHOT



OUR VISION
Making people
healthy and
beautiful, naturally



OUR MISSION

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

To make Emami synonymous with natural beauty and health in the consumers mind

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

To strengthen and foster in the employees, strong emotive feelings of oneness with the Company through commitment to their future

To uphold the principles of corporate governance

To encourage decision making ability at all levels of the organisation

Pedigree

- The Company was promoted and founded by childhood friends RS Agarwal and RS Goenka; the Company commenced commercial operations in 1974.
- The Company is currently led by second-generation promoters supported by a team of experienced professionals.

Presence

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

Products

- The Company is engaged in the manufacture and distribution of personal care and healthcare products (marked by a distinctive natural and ayurvedic leaning).
- The Company's prominent brands comprise Navratna, Zandu, BoroPlus, Kesh King, Fair and Handsome, Mentho Plus, 7 Oils in One and Dermicool, among others.
- More than 140 Emami products are sold every second across the world

We strive...

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

sold in 70 countries across the globe.

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

You can access more information on Emami Limited at www.emamilt.in

A NEW RESILIENT EMAMI

Dear shareowners,

If there is one thing that has marked the history of Emami, it has been the capacity to believe in itself, the market and India.

From the time we went into business during the early '70s, we believed that our consumers would always seek to protect their beauty and health from external challenges in a natural way.

This conviction remains unshaken. On the contrary, this conviction has been reinforced by the fact that India's population has got larger (we are presently the most populous market in the world), aspirations have increased, communication and distribution channels have made it easier to buy and the overall price-value proposition of our products has increased on account of economies of scale.

However, we are also convinced that there will be junctures in our existence when the business turns sluggish. There are reasons for those moments to be challenging – partly because of revenue sluggishness and partly because of an altered capital allocation priority.

At Emami, we are responding to the current challenge with the same conviction that was validated each time in the past. We continued to repose faith in our business during the last financial year; we

continued our investments behind our brands, distribution and IT initiatives. The objective behind this spending was to make more differentiated products, distribute them wider or deeper, offer the consumer the convenience to buy from where it would be easiest and invest in digitalisation.

We believe that by the virtue of these investments, Emami is building a new 'Resilient Emami' avatar that is expected to respond faster and in a more informed manner to changes in the marketplace. Even though the full impact of our investments were not realised fully in the last financial year, we believe that they have gone a long way strengthening the core of the Company.

The Emami of the future will be nimbler and more efficient; it will offer a wider complement of products that become habit-forming; it will acquire complementary companies or brands that enhance value. It will address more effectively the need for enhanced value for all stakeholders, validating its commitment to responsible citizenship.

RS Agarwal and RS Goenka
Founders



Left to right: RS Agarwal and RS Goenka



Emami is building a new 'Resilient Emami' avatar that is expected to respond faster and in a more informed manner to changes in the marketplace



R S Agarwal

Founder & Chairman Emeritus

R. S. Goenka

Founder & Non-Executive Chairman

Harsha V. Agarwal

Vice Chairman & Managing Director

Mohan Goenka

Vice Chairman & Wholetime Director



Anand Rathi

Independent Director

C. K. Dhanuka

Independent Director

Debabrata Sarkar

Independent Director

Anjani Kr. Agrawal

Independent Director

BOARD OF DIRECTORS

- © Chairman

Ⓜ Member
- Audit Committee

Nomination & Remuneration Committee

Risk Management Committee

Stakeholders' Relationship Committee

Buyback Committee

CSR Committee

Share Transfer Committee

Corporate Governance Committee

Finance Committee



Anjan Chatterjee

Independent Director

Avani V Davda

Independent Director

Rajiv Khaitan

Independent Director

Mamta Binani

Independent Director



Sushil K Goenka

Wholetime Director

Aditya V Agarwal

Non-Executive Director

Priti A Sureka

Wholetime Director

Prashant Goenka

Wholetime Director

10-YEAR PERFORMANCE HIGHLIGHTS

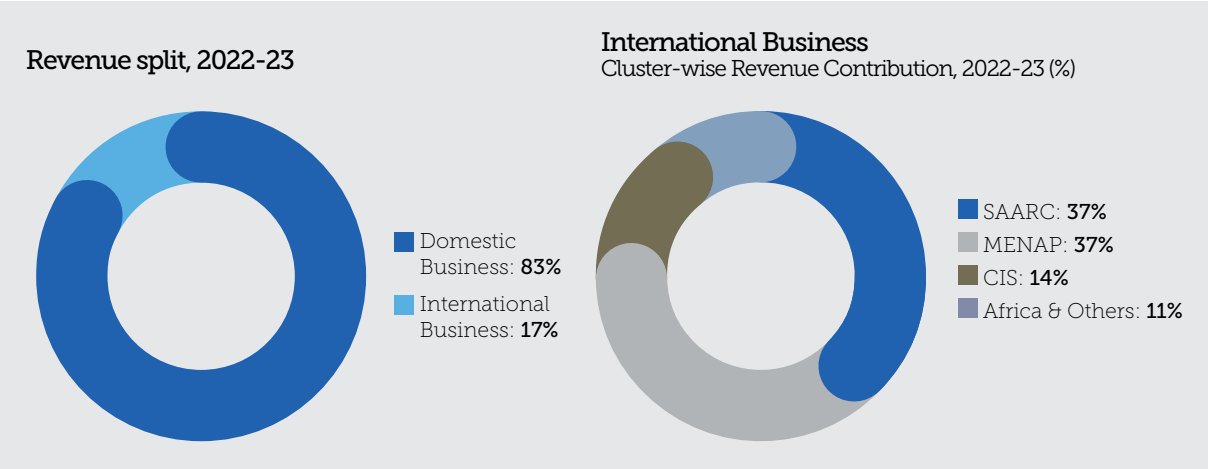
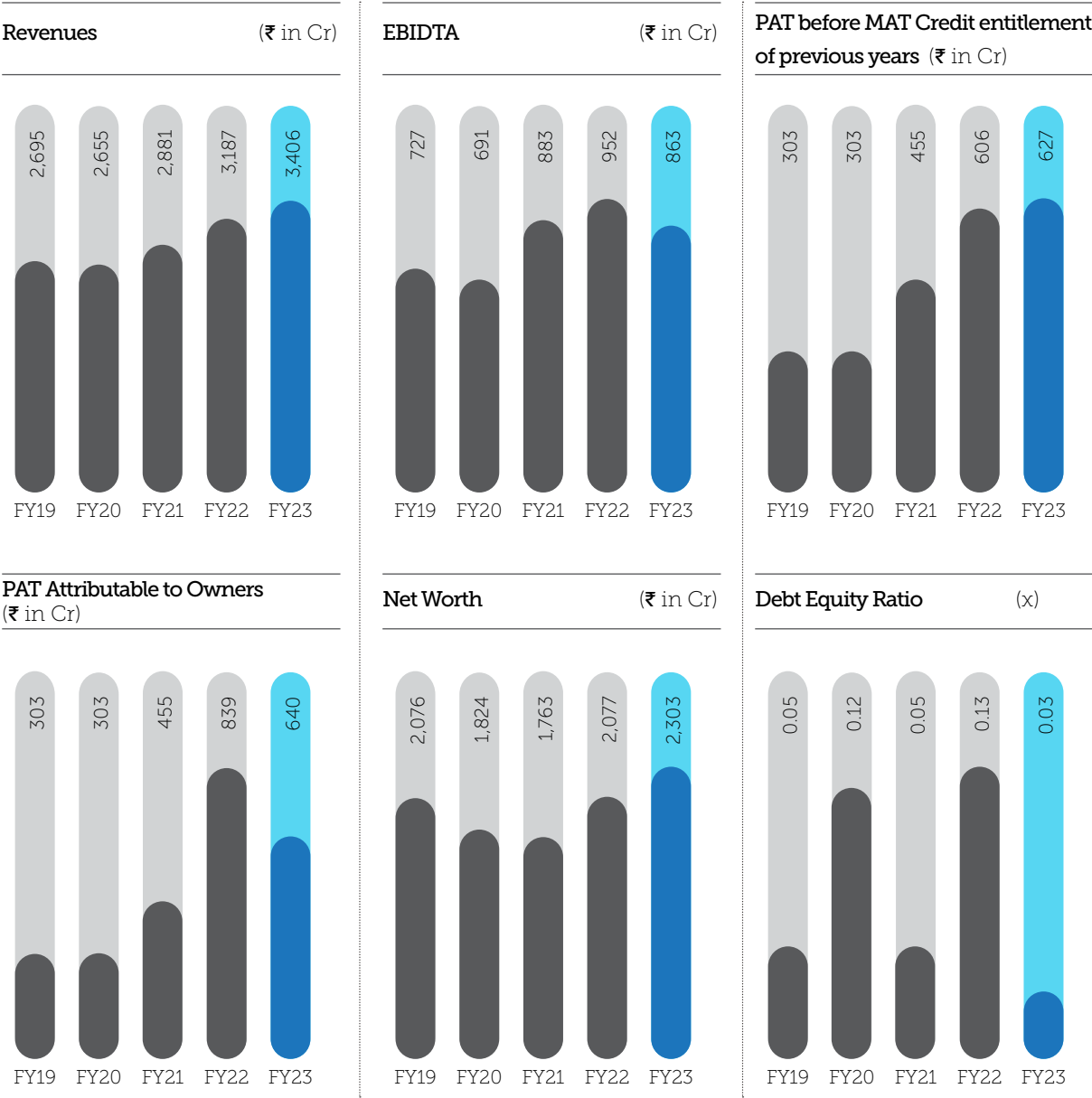
(₹ in Cr)										
PARTICULARS**	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
A OPERATING RESULTS										
Revenue from Operations	3,405.73	3187.22	2,880.53	2,654.88	2,694.63	2,540.83	2,527.74	2,397.55	2,067.67	1,727.65
EBITDA	862.76	952.37	883.05	690.55	727.22	719.44	759.13	687.27	543.12	447.04
PBT (after exceptional items & loss of associate)	669.55	688.01	568.92	373.58	403.41	392.56	423.62	422.77	588.99	467.53
PAT before MAT Credit entitlement of previous years	627.41	606.34	454.70	302.92	303.23	307.14	340.42	363.53	482.15	412.87
PAT (attributable to owners)	639.57	838.99	454.70	302.92	303.23	307.14	340.42	363.53	482.15	412.87
Adjusted PAT#	789.46	854.41	722.55	572.50	561.53	550.72	602.12	576.19	488.10	423.49
B FINANCIAL POSITION :										
Fixed Assets (Net Block)	1,251.68	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
Liquid Investments	113.37	39.52	88.91	68.33	7.86	128.06	33.32	11.93	496.57	289.22
Other Assets	1,744.81	1,670.96	1,292.52	1,142.93	1,102.19	844.23	558.62	643.24	734.55	605.30
Total assets	3,109.85	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
Equity Share Capital	44.12	44.12	44.45	45.32	45.39	22.70	22.70	22.70	22.70	22.70
Reserves & Surplus	2,258.68	2,032.48	1,718.20	1,778.43	2,030.67	1,990.91	1,732.00	1,588.91	1,289.34	874.01
Net Worth	2,302.80	2,076.60	1,762.65	1,823.75	2,076.06	2,013.61	1,754.70	1,611.61	1,312.04	896.71
Minority Interest	9.96	(2.30)	(0.89)	(0.86)	(0.20)	0.57	1.41	4.10	4.56	0.01
Loan Funds	73.61	263.71	91.91	210.23	109.87	325.91	472.95	671.44	35.88	45.02
Deferred Tax Liabilities / (Assets) (Net)	(350.24)	(276.27)	4.16	3.46	16.04	14.67	28.16	9.04	22.12	4.79
Capital Employed	2,036.13	2,061.74	1,857.84	2,036.58	2,201.77	2,354.77	2,257.22	2,296.18	1,374.60	946.53
C KEY RATIOS										
ROE (%) ***	38.09	46.28	40.99	31.39	27.05	27.35	34.31	35.75	37.20	47.23
ROCE (%) ***	36.62	40.54	38.89	28.11	25.50	23.39	26.68	25.09	35.51	44.74
Debt - Equity Ratio	0.03	0.13	0.05	0.12	0.05	0.16	0.27	0.42	0.03	0.05
EBIDTA Margin (%)	25.33	29.84	30.66	26.01	26.94	28.32	30.03	28.67	26.27	25.88
Adjusted PAT Margin (%)	23.18	26.77	25.08	21.56	20.84	21.67	23.82	24.03	23.61	24.51
Interest Cover	91.59	137.72	43.87	18.78	19.85	12.44	8.30	8.82	115.57	87.85
D EQUITY SHARE DATA*										
Earnings Per Share (₹)	14.49	18.88	10.23	6.68	6.68	6.77	7.50	8.01	10.62	9.10
Adjusted PAT per Share (₹) #	17.90	19.23	16.26	12.63	12.37	12.13	13.26	12.69	10.75	9.33
Dividend per Share (₹)	8.00	8.00	8.00	4.82	4.19	4.21	4.21	4.21	4.15	4.09
Book Value per Share (₹)	52.20	46.74	39.65	40.24	45.74	44.36	38.66	35.50	28.90	19.75

* Earlier 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 + Amortisation of all Intangible Assets + Exceptional items - MAT credit entitlement of earlier year

*** On Adjusted PAT and excluding MAT Credit availed for earlier years from Net Worth & Capital Employed



EMAMI DELIVERED A CREDITABLE PERFORMANCE IN 2022-23



Harsha V. Agarwal,
Vice Chairman
and Managing Director,
reviews the Company's
performance
of 2022-23

Overview

India is witnessing exciting times. The country is the fastest growing major economy and the fifth largest in the world. During the last few years, growth has broad-based on account of a range of reforms and government initiatives such as the increased minimum support prices (MSP) of crops to support agriculture and a host

of other incentives to boost the manufacturing & services sector. India has also strengthened its foundation through the implementation of structurally strategic initiatives like Goods & Services Tax, demonetisation, infrastructure development and enhanced regulatory controls to resist global headwinds and emerge as a faster growing global economy.

India comprises a young population. Rising digital literacy, media penetration and growing incomes cum aspirations are paving the way for exciting times. A widening start-up eco-system that supports innovations and new ideas is accelerating the growth of an emerging India.

The performance of India's personal and health care sector during the last financial year must

be explained within a context. Sharp seasonal disruption, with summers and winters becoming irregular, marked by either less or excessive rains, floods and cold, affected established purchase patterns. Increased inflation during the last financial year also affected disposable incomes. Further, with the waning of the pandemic, a sharp decline in the offtake of pain management and immunity-based healthcare products was also registered.

These challenges notwithstanding, the dark clouds began to clear by the close of the last financial year. Inflation had begun to moderate, rural demand had begun to return by the end of the last quarter, and rising monthly GST inflows validated the health of the national economy. The result is that following a brief downtrend, the Indian economy appears to have returned to growth, reinforcing the country's position as the world's fastest growing economy.

2022-23 performance

In the light of these realities, Emami delivered a creditable performance.

While Emami revenues grew 7%, this number covered a number of positive features. For instance, if one takes away the pain management and healthcare portfolio (both having high bases, being COVID contextual categories) sales grew by 17%.

Despite volatile international markets (Russia, Ukraine, Sri Lanka, Nepal and Bangladesh), the Company's global business grew 20%.

The Company's e-commerce business grew 82% during the last year and 303% in the last three years, now accounting for 9.3% of our domestic net sales.

Our EBIDTA margins (excluding strategic investments) were at 26.9%, close to the pre-COVID levels; including strategic investments, EBITDA margins stood at 25.3%, one of the highest in the industry.

On the domestic front, Emami continued its investments in Project Khoj, its flagship rural footprint expansion project. The Company added close to 11,000 towns and reached around 52,000 towns and villages at the end of 2022-23. Under the chemist project, the Company added almost 31,000 chemists last year, which totals around 1.3 lac chemists across the country. In days to come, Emami will focus on the consolidation of the chemist project and leverage this expansion to its optimum.

The Company's e-commerce business grew 82% during the last year and 303% in the last three years, now accounting for 9.3% of our domestic net sales.

The Company's modern trade revenues grew 37%, marked by a widening presence across hypermarkets and departmental

store chains.

Sustained interventions and marketing efforts for all our brands ensured that they did not lose any market shares and, in fact, cemented their leadership position across their respective categories. The innovation pipeline continued to plug gaps in the existing portfolio, and I am happy to share that Emami launched more than 20 products in the domestic business in 2022-23 with a majority being digital-first launches on our D2C portal Zanducare.

The Company introduced digital-first brands like 7 Oils in One Organic Oils, Kesh King Organics Shampoo, Zandu Seniorz Range, Zandu Wellness Juices, Zandu Infusions Range, Zandu Apple Cider Vinegar, Zandu Stevia and Zandu Aroma Therapy range, among others, which were well received.

The Company strengthened its capital allocation through the acquisition of the prominent Dermicool brand that contributed to the overall growth along with Navratna Cool Talc, validating the Company's leadership in the Prickly Heat & Cool Talc categories.

One of the most decisive initiatives by the Company was manifested in its digitalisation. The Company made strategic investments that are expected to pay across the foreseeable future. Emami increased its stake in The Man Company and Brillare, graduating them into subsidiaries. These investments will not only deepen our digital



At Emami, we recognise that the future will be increasingly digital and more battles will be fought in the digital space. In view of this, direct to consumer and e-commerce will play an important role in the Company's growth, with the distribution graduating to omni-channel engagements with consumers.

insights but also complement growth.

At Emami, we recognise that the future will be increasingly digital and more battles will be fought in the digital space. In view of this, direct-to-consumer and e-commerce will play an important role in the Company's growth, with the distribution network graduating to omni-channel engagements with consumers.

The Company not only digitised its sales and distribution but sourcing as well. While increased e-commerce strengthened the Company's topline, the digitisation of the back-end strengthened the bottomline by reducing systemic waste and plugging systemic inefficiency.

Besides, we believe that a growing e-commerce environment will catalyse innovation, moderating the cost of new product launches, enhancing our success strike rate and generating a superior capital efficiency related to new product introductions.

Outlook

The outlook at Emami continues to be positive. With inflation moderating, we do not foresee any cost pressures ahead; margins are likely to bounce back during the current year. With the rural outlook continuing to be sound, we are confident of good growth from the personal care and healthcare businesses. The international business seems to have stabilised and is projected for healthy double-digit growth. We invest for the long-term and we will continue investing across e-commerce, modern trade, international business, people and distribution etc. We have focused on strengthening our core and are confident to reap superior results.

We look to the future with enhanced confidence and optimism.

THE FOUNDERS WITH OUR SECOND GENERATION LEADERS



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

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

RESILIENCE: OUR FOUNDATION FOR GROWTH

“THAT WHICH DOES
NOT KILL ME, MAKES
ME STRONGER”

FRIEDRICH NIETZSCHE

Overview

There is a growing respect for the word **Resilience** across businesses the world over.

At a time of unexpected global events – trade wars, military wars, fuel inflation, energy switches, currency challenges and structural political shifts – there is a premium on the capacity to run stable long-term business.

At Emami, resilience has been embedded in our governance fabric. We would like to communicate to our stakeholders that even as we remain optimistic about how our markets will play out in the long-term, there is always an underlying preparedness that during short phases, realities may diverge, growth may stagger, consumers may hesitate and our retrospective growth average could be threatened.

Even as we are wired for growth, we are structured to protect.

The result of this preparedness is that during periods of slowdown, Emami will continue to grow, albeit slower. Besides, the Company will continue to remain profitable, add to its net worth, remain liquid, remain debt-free and protect its credit-rating.

This is the fundamental assurance that we make to our stakeholders. We must also assure them that as soon as the consumption sentiment revives, Emami would – by the virtue of having invested through the downturn – enhance its capacity to stage a vigorous rebound and return to its longstanding record of outperformance.

In view of this, there is a commitment to protect the Company's downside during periods of slowdown and liberate the upsides during recovery.

Initiatives

At Emami, this resilience is assured by the various initiatives that the Company has undertaken during the slowdown. This is a test of the Company's commitment; when most companies hold back on investments, Emami seeks to walk the road less travelled. The Company continues to make prudent investments, with the object of strengthening the business model and preparing it for recovery. The result is that each time the sector rebound, the Company has been empowered to grow faster than the broader market.

This commitment to invest in the slowdown – as the Company is now doing – has been marked by tested and validated priorities.

One, we bring to any slowdown the conviction that we are invested in the business for the long-term. This immediately realigns the needle of our

strategic thinking, deepening our commitment to keep building the business in a responsible manner that takes our long-term competitiveness ahead.

Two, even when we do invest for the long-term, we never lose sight of our capital allocation discipline. All investments that we make in the business must have attractively low payback periods and sustainable growth seeded into them thereafter. In view of this, we do not make unrelated investments marked by a one-time allocation and outcome; we seek to invest in platforms where every incremental spending would be relatively modest with a disproportionate outcome. These investments have generally comprised allocations towards capacity de-bottlenecking that have moderated our overall capital cost per unit of production down to one of the lowest in the sector, a buffer across market cycles.

Three, resilience at Emami comprises the capacity to keep a prudent balance of cash on the books after making strategic investments. This balance is influenced by a recognition that we are in business to develop and market healthcare and personal care FMCG products and not to nurse cash on our books (that generate a sub optimal return when compared with our core business). The result is that we nurse a balance of adequate cash designed to protect our liquidity, credit rating and stakeholder confidence during extended slowdowns but also stay adequately invested to provide the next growth spike.

Four, we invest in attractive brands or companies that enjoys a synergic fit with our products and where we believe that we would be able to take those acquired brands into the next league through the validated 'Emami effect'. This has been conclusively validated across

the last 15 years when our acquisitions – one of them being the largest in the personal care sector when concluded – have been invested, strengthened, repositioned and monetised. The result is that the acquisitions made have all been progressively turned around, validating Emami's commitment to value accretive investments and resilient outcomes.

Five, we recognise the latent advantages of a slowing market, where most competitors are also holding back on investments. We have always believed that the best sectorial opportunities emerge during these challenging phases: capital assets become cheaper, the incremental competition that could have emerged had the market been buoyant is now absent and various service providers are willing to moderate their costs in exchange for procurement visibility. The result is that we think it is more profitable to invest in a slowdown than retreating into a defensive

shell. As an extension of this reality, the Company continued to deepen its digital platform during the last few years even as offtake remained erratic. The Company remains convinced that the next growth round will be captured by companies with a stronger digital focus, cost efficiencies and wider portfolio platforms, generating cost economies on the one hand and market responsiveness on the other.

Six, at Emami we believe that there is no better time to launch a new product than during a slowdown. During such markets, brand building runs deeper, there is a greater commitment to build for the long-term, and there is a marked decline in competitive heat that could have influenced our decisions towards hastiness. This is what we have done in the last three years: through brand repositioning, extensions and new launches. We believe that by the virtue of being a first-mover (in specific categories) and a

fast-mover, we send out a strong signal to our trade partners and consumers: that we continue to believe that the consumption-driven Indian market will grow as soon as macro-fundamentals correct.

Seven, like a committed mechanic who seeks to derive more from the engine, we will keep encouraging our teams to identify waste, generate more from less and seek a better way of doing things. The result is that during every slowdown, we have not slashed costs, which would have been the easier thing to do; we have examined our cost structures to remove wasteful processes and redundancy. The result is that each slowdown has only made us more competitive.

Emami, as a strategy, has thus taken steps to insulate itself from macro economic risks by creating a room to rethink, restructure and re-imagine , leading to resilience.

