



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, 2018.

1. Performance highlights

It was yet another difficult year for the company. Domestic demand continued to be sluggish in the first half due to trade disruption followed by GST implementation which has recovered gradually and is improving consistently. Subdued growth and geo-political uncertainties also impacted the global business. The year 2017-18 was therefore marked with volatility and disruptions. Your company however continued to perform consistently well in these challenging times and deliver better results. With sales at ₹2541 crores, Emami has registered an overall growth of 0.5 % in the turnover. EBIDTA at ₹719.4 Crores has also grown by -5.2% over previous year.

While all the power brands have performed satisfactorily, new Launches viz. Fair & Handsome facewash, 7 oils in 1, HE Deodorant, Emami Diamond Shine hair colour etc. have also performed well. In order to strengthen its market, the company continued to spend aggressively on advertisements and brand building. Steps have also been taken to improve the distribution and increase rural reach. Besides, efficiency improvement and cost optimisation have been followed vigorously across all the

functions of the organisation. Further, manufacturing capacity has been augmented by setting up a state of the art mega project at Pachoria in Guwahati, Assam at the planned outlay of around ₹300 Crores over a period of last 18 months. The unit has already commenced operations in February, 2017.

With implementation of GST and regularization of formal economy coupled with initiatives taken by the government to improve infrastructure, agriculture and industry across all segments, significant consumer growth is expected in the times to come. Emami is poised to take full benefit of this emerging opportunity.

Financial Results

(₹ lac)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Operating income	2,36,427	2,34,128	2,54,083	2,52,774
Profit before interest, depreciation and taxation	72,772	78,420	73,894	79,021
Interest	3,317	5,762	3,431	5,801
Depreciation and amortisation	30,531	30,467	31,086	30,858
Profit before taxation	38,924	42,191	39,377	42,362
Less: Provision for taxation				
- Current tax	6,565	7,524	7,275	8,394
- Deferred tax (net)	7	1,363	-49	1,299
- Provision for taxation of earlier years	-	68	-	68
- MAT Credit Entitlement	1400	-1,400	1400	-1,400
Profit after taxation	30,952	34,637	30,751	34,001
Share of minority interest	-	-	-84	-41
Profit after minority interest	30,952	34,637	30,835	34,042
Share of Profit/(loss) of associate	-	-	-121	-
Cash profit	61,482	65,104	61,800	64,900
Balance brought forward	42,148	30,996	46,404	35,986
Profit available for appropriation	73100	65,633	77,118	70,028
Appropriation				
Debenture redemption reserve	-	-	-	-
General reserve	-	-	-	-
Interim dividend	-	3,972	-	3,972
Final dividend	11,916	15,888	11,916	15,887
Corporate dividend tax	2,298	3,683	2,298	3,683
Adjustment on account of change in Non controlling Interest	-	-	-	140
Remeasurement of net defined benefit plans (net of tax)	(196)	(58)	(173)	(58)
Balance carried forward	59,082	42,148	63,077	46,404
	73,100	65,633	77,118	70,028

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 2017-18.

3. Dividend

Your Directors are pleased to recommend a dividend of ₹7 per share (700% on the Company's share capital). The dividend is subject to approval of shareholders at the ensuing Annual General Meeting. The dividend, if approved, will be paid to members whose names appear in the Register of Members on the record date to be fixed by Share Transfer Committee as authorised by the Board. With respect to the shares held in dematerialised form, it would be paid to the members whose names are furnished by NSDL and CDSL as owners on the said date. The total dividend outgo for the financial year ended March 31, 2018 would amount to ₹191.54 crore including the dividend distribution tax. The dividend pay out ratio works out to 61.90%. The Dividend is recommended as per Dividend Distribution Policy of the company.

4. Transfer to reserve

Your Directors do not propose to transfer any amount to the general reserve.

5. Material changes and commitments

No material changes and commitments have occurred from the date of close of the financial year till the date of this Report, which might affect the financial position of the Company.

6. Share capital

During the year under review the Company has not altered its share capital.

7. Bonus

The Board of Directors of your Company has recommended in its meeting held on 3rd May, 2018 the issue of bonus shares in ratio of 1:1, i.e., one equity share for every 1 existing equity shares subject to the approval of members. The approval of the members is being sought through a postal ballot process. The bonus shares shall be allotted to the members as on the record date to be announced after the approval of bonus issue by members. The bonus shares shall be eligible for dividend that may be declared for the financial year 2018-19 and thereafter.

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 all locations of the country. Their 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 (SEBI Listing Regulations, 2015) and corporate policies.

Shri Manoj Agarwal, Chief Risk Officer and Senior Vice President - Audit & Controls, acts as the Internal Auditor of the Company under Section 138 of the Companies Act, 2013.

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. Your Company's internal audit department and risk management system have been accredited with ISO 9001:2015 and ISO 31000:2009 certifications, respectively.

9. 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.

10. Subsidiary companies, joint ventures and associate companies

A. Subsidiary Companies

Pursuant to Section 134 of the Companies Act 2013 and Rule 8(1) of the Companies (Accounts) Rules 2014, the report on performance and financial position of subsidiaries included in the Consolidated Financial Statements of the Company. The Company is having a policy on determining materiality of subsidiary which is available at www.emamilttd.in/investor-

info/pdf/Policy-for-Determining-Materiality-of-Subsidiaries.pdf. As of March 31, 2018, your Company has the following subsidiary companies:

- i) Emami Bangladesh Ltd., wholly-owned subsidiary of Emami Limited
- ii) Emami International FZE, wholly-owned subsidiary of Emami Limited
- iii) Emami Overseas FZE, UAE, wholly-owned subsidiary of Emami International FZE
- iv) Pharma Derm S A E Co, Egypt, 90.60% subsidiary of Emami Overseas FZE
- v) Fravin Pty. Ltd., Australia, 85% subsidiary of Emami International FZE
- vi) Greenlab Organics Ltd., Australia, a subsidiary of Fravin Pty. Ltd.
- vii) Diamond Bio-tech Laboratories Pty. Ltd., Australia, a subsidiary of Fravin Pty. Ltd.
- viii) Abache Pty Ltd, Australia, a subsidiary of Diamond Bio-tech Laboratories Pty. Ltd.
- ix) Emami Indo Lanka (Pvt) Ltd., Sri Lanka a wholly-owned subsidiary of Emami Limited (w.e.f. 03.07.2017)

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 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, and kept open for inspection at the registered office of the Company.

Brief financials and operations of subsidiary companies are given hereunder:

Emami Bangladesh Ltd.

Emami Bangladesh Ltd., a wholly-owned subsidiary of Emami Limited, 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, 2018, the Company clocked revenues worth ₹8884 lacs (previous year ₹10710 lacs) and profit after tax of ₹1265 lacs (previous year ₹1548 lacs).

Emami International FZE

Emami International FZE, a wholly-owned subsidiary of Emami Limited, was incorporated on November 12, 2005 in the Hamriyah Free Zone, Sharjah, the 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, 2018, the Company clocked revenues worth ₹17430 lacs (previous year ₹14971 lacs) and profit after tax of ₹(339) lacs (previous year ₹(198) lacs).

Emami Overseas FZE

Emami Overseas FZE, a wholly-owned subsidiary of Emami International 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, 2018, the Company recorded revenues worth Nil (previous year: nil) but due to other income the profit of the company is ₹804 lacs (previous year loss of ₹10 lacs).

Pharma Derm S. A. E. Co.

Pharma Derm S. A. E. Co. is a 90.60% subsidiary of Emami Overseas FZE and was registered on September 6, 1998 under the relevant Companies Act of Egypt.

The Company was set up so as to manufacture pharmaceuticals, disinfectants, cosmetics, chemicals, among others. The management of the Company was taken over by Emami Overseas FZE in FY2010-11 and the Company has not yet commenced operations due to volatile market conditions.

During the financial year ended March 31, 2018, the Company has business activities and recorded revenues worth ₹326 Lacs (previous year ₹164 Lacs) and profit after tax of ₹(529) lacs (previous year ₹(0.40) lacs).

Fravin Pty. Ltd.

Fravin Pty. Ltd. (Australia based subsidiary) is a 85% of Emami International FZE, was promoted

by leading trichologist and internationally-renowned coiffeur, Peter Francis. With major strengths in research, development and manufacture of natural and organic personal care products, Fravin is a recipient of various prestigious awards in recognition of its qualitative excellence. Fravin, together with its group companies, manufactures a full range of hair care and skin care products certified by various certification bodies in Australia and United states such as the Australian Certified Organic and the United States Department of Agriculture, to name a few.

During the financial year ended March 31, 2018, the Company clocked revenues worth ₹147 lacs (previous year: ₹140 lacs) and Profit/(loss) after tax of ₹(251) lacs (previous year loss of ₹(324) lacs).

Diamond Bio Tech Laboratories Pty. Ltd.

Diamond Bio Tech Laboratories Pty. Ltd., an Australia-based subsidiary of Fravin, is involved in the export of organic products.

During the financial year ended March 31, 2018, the Company recorded Nil revenues (previous year: nil) and Profit after tax of ₹(20) lacs (previous year loss of ₹(31) lacs).

Greenlab Organics Limited

Greenlab Organics Limited UK, a UK-based subsidiary of Fravin Pty. Ltd., is involved in registration of brands and related activities. However, it is yet to commence operations.

Abache Pty. Ltd.

Abache Pty. Ltd., a subsidiary of Diamond Bio-Tech Laboratories Pty. Ltd., Abache has several personal care products in its portfolio. Abache was awarded the first place in the 'Green Formulations' category at the Sustainable Beauty Awards 2014 held in Paris.

During the financial year ended March 31, 2018, the Company earned Nil revenues (previous year ₹39 lacs) and Profit after tax of ₹(12) lacs (previous year loss of ₹(35) lacs).

Emami Indo Lanka (Pvt) Ltd.

Emami Indo Lanka (Pvt) Ltd., Sri Lanka a wholly-owned subsidiary (WOS) of Emami Limited. Sri Lanka is a potential FMCG market. With an objective of having third-party manufacturing

facility there for launching of some of the company's products, a WOS company has been established on 3rd July 2017.

During the period ended March 31, 2018, the Company earned revenues of ₹402 Lacs and Profit/(loss) after tax of ₹(35) Lacs.

B. Joint ventures and associate companies

The Company has made strategic investment in Helios Life Style Private Limited (Helios), a company engaged in online male grooming segment. The Company has subscribed equity shares representing 20.45% of the share capital of Helios during the year under review.

During the Financial year ended March 31, 2018, the Helios has earned revenues of ₹172 Lacs and Profit/(loss) after tax of ₹(121) Lacs.

11. Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

12. Non-convertible debentures

The Company issued, listed redeemable non-convertible debentures worth ₹300 crore and same have been redeemed during the financial year 2017-18.

13. 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, 2018, stood at ₹201362 lacs as against ₹175469 lacs at the end of the previous year.

14. Secretarial Standards of ICSI

The Ministry of Corporate Affairs has mandated SS-1, SS-2 and SS-3 with respect to board meetings, general meetings and payment of dividend respectively. The Company is in compliance with the same.

15. Auditors and Auditors' Reports

Statutory audit

Your Company's Auditors, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm registration No 301003E/E300005), were appointed as the Statutory Auditors from the conclusion of this 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company

subject to ratification by members every year. The Company has received a certificate from the Auditor under section 141 of the Companies Act 2013 to the effect that they are eligible to continue as Statutory Auditors of the Company.

Secretarial audit

Pursuant to the provisions of Section 204 of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s MKB & Associates, Practicing Company Secretaries, as its secretarial auditor to undertake the secretarial audit for FY 2017-18. 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.

Cost auditor

Your Company's cost accountants, M/s. V.K. Jain & Co., were appointed by the Board of Directors at its meeting held on May 4, 2017 to audit the cost accounting records, as may be applicable to the Company for the FY 2017-18 and their remuneration has been approved at the previous Annual General Meeting.

M./S V. K. Jain & Co, have been reappointed as cost auditors for the financial year 2018-19 as required under the Companies Act 2013 and the remuneration payable to the cost auditors is required to be placed before the members in the ensuing annual general meeting (AGM) for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to them is included in the notice convening the AGM. The Board recommends the same for approval by members at the ensuing AGM.

16. Conservation energy, technology and foreign 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. Extract of Annual Returns

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the annual return in form MGT 9 is annexed herewith and forms part of this Report. (Annexure III)

18. Corporate social responsibility

Corporate social responsibility forms an integral part of your Company's business activities. Your Company is a responsible corporate citizen, supporting activities which benefit the society as a whole. 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. The Company has duly fulfilled its CSR obligations for FY 2017-18.

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 2017-18 is annexed herewith and forms part of this report. (Annexure IV).

19. Directors and key managerial personnel

In accordance with provisions of Section 152 of the Act read with Rules made thereunder, Shri H.V. Agarwal (DIN 00150089), Smt. Priti A Sureka (DIN 00319256) and Shri Prashant Goenka (00703389) are liable to retire by rotation at the 35th AGM and being eligible, offer them selves for reappointment.

At the 34th Annual General Meeting of the Company held on 2nd August 2017, the Shareholders have reappointed Shri R.S. Agarwal as an Executive Chairman of the Company for a period of five years w.e.f. April 1, 2017 and Shri R.S. Goenka, as Whole-time Director of the Company upon completion of his existing term on November 7, 2017 for a period therefrom till March 31, 2022.

Independent Directors namely, Shri K. N. Memani, Shri Y. P. Trivedi, Shri M. D. Mallya, Shri S. B. Ganguly, Shri P.K. Khaitan and Shri Amit Kiran Deb were reappointed as Independent Directors of the Company for the another term of five years effective from the 34th Annual General Meeting of the Company.

Shri C. K. Dhanuka was appointed as an Independent Director of the Company for a term of five years at the 34th AGM of the Company.

Shri Sajjan Bhajanka, ceased to be Director effective from 2nd August 2017 upon completion of his term of appointment as an Independent Director.

The Company has received declarations from all the Independent Directors that they meet the criteria of independence as prescribed in the Companies Act and SEBI Listing Regulations, 2015.

None of the Directors of the Company is disqualified for being appointed as Director, as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

A brief resume of the Directors proposed to be reappointed, is provided in the Notice of the Annual General Meeting forming part of the Annual report.

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, 2018 is attached as part of the Annual Report.

21. Dividend Distribution Policy

The company has formulated a Dividend Distribution Policy which is disclosed in Annexure VI. The same is also displayed on the website of the Company, www.emamiltd.in/investor-info/pdf/Dividend_Distribution_Policy_Emamiltd.pdf.

22. Board induction, training and familiarization programme for Independent Directors

Prior to the appointment of an Independent Director, the Company sends 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 Director is also explained in detail 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/booklets about the business and operations of the Company.

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 familiarization programme for the Independent Directors can be accessed at: <http://www.emamiltd.in/investor-info/pdf/EmamiLtdFamiliarizationProgrammeForIndependentDirectors.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 and 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, they include:

- Attendance
- Preparedness for the meeting
- Staying updated on developments
- Active participation in meetings
- Constructive contributions/positive attributes
- Engaging with and challenging management team without being confrontational or obstructive
- Protection of stakeholder interests
- Contribution to strategic planning
- Carrying out responsibilities as per the code of conduct

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 criteria suggested by SEBI vide circular dated 5th January 2017.

24. Number of meetings of the Board

The Board of Directors held four meetings during the year on May 4, 2017, August 2, 2018, October 25, 2017 and January 29, 2018. The maximum time gap between any two meetings was less than 120 days as stipulated under SEBI's Listing Requirements, 2015. The details of Board Meetings held and attendance of Directors are provided in the Report on Corporate Governance forming part of this report.

25. Separate meeting of Independent Directors

Details of the separate meeting of the Independent Directors held and attendance of Independent Directors therein are provided in the Report on Corporate Governance forming part of this report.

26. Committees of the Board

The Company has constituted/reconstituted various Board level committees in accordance with the requirements of Companies Act 2013. 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

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.

27. Whistleblower policy

The Company has established an effective whistle blower policy (vigil mechanism) and procedures for its Directors and employees; details of which are provided in the Report on Corporate Governance which forms part of this report. The policy on vigil mechanism may be accessed on the Company's website at: <http://www.emamiltd.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 at the 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 also seeks to provide well-balanced and performance-related compensation packages, taking into account shareholder interests, 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 at the company's website <http://www.emamiltd.in/investor-info/index.php#Compliance> and annexed the Directors' Report which forms part of the Annual Report (Annexure VII).

29. Related party transactions

All related party transactions entered into by the Company during the financial year were at arm's length. During the year the Audit Committee had granted an omnibus approval for transactions which were repetitive in nature for one financial year and all such omnibus approvals were reviewed by the Audit Committee on a quarterly basis. No material contracts or arrangements with related parties were entered into during the year under review. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for the necessary review and approval. Your Company's policy on related party transactions, as approved by the Board, can be accessed at: <http://www.emamiltd.in/investorinfo/pdf/>

The Company has developed and adopted relevant SOPs for the purpose of monitoring and controlling such transactions.

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. During the year, the company has granted loans, guarantee and investment in its wholly owned subsidiary(ies) for

their business purpose. The company has also subscribed securities of other bodies corporate as strategic investors and the said bodies corporate have issued the said securities for their business purpose.

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 V)

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. Such system also complies with the requirements of ISO 31000: 2015 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.

The Company has established a policy against sexual harassment for its employees. The policy allows every employee to freely report any such act and prompt action will be taken thereon. The policy lays down severe punishment for any such act. Further, your Directors state that during the year under review, there were no cases of sexual harassment reported to the Company pursuant to the sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility statement, the Directors confirm that:

- I. In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and no material departures have been made therefrom.
- 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 at March 31, 2018 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 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 the same are adequate and operating effectively.