

Date: 23<sup>rd</sup> September, 2017

To,  
Dept. of Corporate Services,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001  
**Company Code: 533161**

To,  
The Listing Department,  
National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai 400051  
**Company Code: EMMBI**

Dear Sirs,

**Sub: Submission of Annual Report under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The 23<sup>rd</sup> Annual General Meeting of the Company was held on 22<sup>nd</sup> September, 2017 and the meeting commenced at 10.30 a.m. at the Registered Office of the Company at 99/2/1&9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U. T. of Dadra & Nagar Haveli, Silvassa 396230. The Meeting got concluded at 11.10 a.m. on the same day.

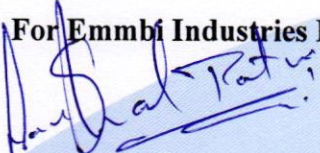
Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith a soft copy of the Annual Report for the financial year 2016-17.

We request you to take the same on your records.

Thanking you,

Yours faithfully,

**For Emmbi Industries Limited**

  
**Kaushal Patvi**  
**Company Secretary**

Encl. As Above





## Brighter Every Way...

Emmbi Industries began as a twinkle in the eyes of first-generation entrepreneurs, Makrand and Rinku Appalwar. An opportunity spotted in 1994 saw the birth of Emmbi in the November of 1994 with one small manufacturing unit in Silvassa. Since then, Emmbi has grown from strength to strength, transforming into a leading global polymer company.

**The Whizz** Our philosophy and guiding principles are embodied in our corporate symbol - the "Whizz". It stands for the energy and flexibility that we bring to our business. The ribbons embody the freedom and the flexibility that we encourage. Their upward slant represents our ambition and vision.

**Our colours** represent the qualities we are known for.

Yellow stands for the optimism and the energy that we bring to the table. It

embodies our creative bent of mind, as we innovate to find tailor-made solutions to our customers' problems.

Green embodies the freshness of our ideas, and our responsibility to the environment, community and our society.

Blue represents the loyalty that we bring to our customers, partners, shareholders and employees alike. It speaks to the gratitude that we feel to our blue-collared employees who are the backbone of not just Emmbi, but of industry at large.

The result of this philosophy is seen in the value we bring to our stakeholders. And ultimately, has been able to deliver sustainable business performance and better returns to you, the investor.

## Brands Under Umbrella



### emmbi Jalasanchay

Emmbi Jalasanchay is brand which deals in the products which are used for the Storage, Transportation & Conservation of Water. Most popular products among those are Pond Liner, Flexible Water Tank, Check Dam & Lapeta Pipe.



### emmbi Krishirakshak

Emmbi Krishirakshak range is designed with the focus on the concept of "Crop Protection at Physical Level". This will help farmers to avoid the use of harmful Chemical Fertilisers, Pesticides, Weedicides & Fungicides, to create human friendly Organic Food. The range includes Mulch Films, Fruit Protection Covers and Silage Bags.



### emmbi AquaSave

Emmbi AquaSave is a result of dedicated trials for more than 8 years focused on the saving loss of water by percolation. We use the HTCPM material for sub-surface lining of clay canals in the Indian canal systems for major irrigation projects.



### emmbi innovation lab

Emmbi Innovation Lab is certified R&D centre approved by Department of Scientific & Industrial Research Ministry of Science & Technology of Govt. of India.



### emmbi CleanTec

CONTAMINATION-FREE PRODUCTION SYSTEM

CleanTec is a special manufacturing system for "contamination-free production". The products produced under this range are used for food- and pharma-grade applications.



Dr. M is our mascot that we created to engage better with our customers.

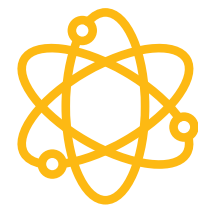


# Our Business Divisions



## Water Conservation

Water scarcity is a problem not just in India, but the world over. Emmbi Industries applies its expertise in polymer science and engineering to create a range of products that help in the storage, transportation, conservation and harvesting of water, apart from fulfilling the irrigation needs of farmers across the country. The newest division within our company, it has already helped conserve over 13 million liters of water in India and promises to contribute increasingly to our revenues.



## Advanced Composites

“Composites” refers to a product range that brings together two or more distinct materials in the final application. Our Advanced Composites focuses on creating products that combine polymers with a number of protective films or coatings. The idea is to create a barrier between hazardous material and humans. So, these products find application in removal of hazardous waste like asbestos and medical waste and as Safety Films, to protect workers in hazardous environments.



## Specialty Packaging

Specialty Packaging is the oldest division within Emmbi, and one that contributes the lion’s share of revenues currently. This division creates a range of packaging solutions for a global customer base across industries as diverse as chemicals, e-commerce, food, pharma and more. Ranging from the basic Flexible Intermediate Bulk Container to highly specialized ones like the “aroma-seal” variety, these products are primarily used in the bulk transportation of materials.



## Agro Polymers

As the name suggests, this division (along with Water Conservation, the youngest) applies our expertise in polymers to create a range of products suited to agricultural applications. India is still a predominantly agrarian economy and these products – like fermentation and crop protection systems, hail-control products and weed-management products – have directly helped our farmers improve their crop yields, while helping our economy.

## Emmbi in action

From transportation of material to protecting humans to conserving water and improving crop yields – Emmbi’s products find a myriad of applications in over fifty countries worldwide. Here are some examples of our products in action:



Water scarcity is a global problem. In India, the problem is even more acute, since we are dependent on monsoons. Emmbi Jalasanchay Pond Liners (above) help alleviate this problem by creating large artificial ponds that farmers can use to store water and to irrigate their crops.



Asbestos Removal Bags (L) and Safety Films (below) help protect humans from hazardous material



Fall Arrest Systems (below) like airbags, from our Advanced Composite division, are used in health and safety applications.



Our Specialty Packaging division creates differentiated products like Food-grade FIBCs (below) for bulk transport of food items.



Emmbi Jalasanchay is our brand of water conservation products with a purpose of addressing the global water crisis. Shown on the right is a product innovation which is Emmbi created. It eases the transportation of water by mounting a flexible tank on a bicycle. The design of this water tank was successfully patented.



Emmbi Krishirakshak is our brand that provides crop protection solutions for farmers. Shown above is our range of Mulch Films that helps protect sensitive crops like Strawberries, from hail and frost. These products are manufactured by our Agri Products division.

Flexible Water Tanks from our Water Conservation division help in storage of water. These bags are durable, inexpensive, besides being easy to store and transport. Shown below is our Aquasave range of products.







## **A circle is a reflection of eternity. It has no beginning and no end.**

The Circle, as a form is perhaps the perfect manifestation of Sustainability. For, it has no beginning and no end. Each 'end' on the circle represents a new beginning, just as each act of a business impacts its future course.

Sustainability, as a theme, has only recently gained currency. Businesses are slowly but surely realizing that they can no longer afford not to think of the bigger picture. For many businesses around the world, Sustainability has largely been about reducing, reusing and recycling.

At Emmbi, we think of Sustainability in a slightly more holistic manner, quite like the proverbial circle of life. We recognize that a business has responsibilities to a wide variety of stakeholders including employees, customers, investors, and the communities we serve in addition to the environment. Therefore, to us, the term Sustainability has always encompassed all these sets of stakeholders. Apart from making our business sustainable environmentally, we have constantly endeavoured to bring sustained prosperity to our workers (who we consider the back-bone of our business). We constantly innovate to bring sustained value to our customers, whether it is in the form of new products, better-performing versions of existing ones, or new services. And we continually look for ways and means of bringing sustained prosperity to the communities we serve.

The upshot of all these efforts is sustained value creation for our investors. And that, to us, sums up sustainability – sustained prosperity for all

Above: Sunrise over Planet Earth, as seen from space. It reminds us of the enduring and comforting nature of the sun, and of life itself.

# Corporate Information

## BOARD OF DIRECTORS

Mr. Makrand M. Appalwar  
Chairman & Managing Director

Mrs. Rinku M. Appalwar  
Executive Director & CFO

Mr. Sanjay R. Rathī  
Independent Director

Mr. Prashant K. Lohiya  
Independent Director

Dr. Venkatesh G. Joshi  
Independent Director

## COMPANY SECRETARY

Mr. Kaushal R. Patvi

## STATUTORY AUDITORS

K. J. Shah & Associates

## SECRETARIAL AUDITORS

Sanjay Dholakia & Associates

## REGISTERED OFFICE

99/2/1& 9, Madhuban Industrial Estate,  
Madhuban Dam Road, Rakholi Village,  
U.T. of Dadra & Nagar Haveli,  
Silvassa – 396 230  
Tel: +91 (0260) 320 0948  
Fax: 022 6784 5506  
Email: info@emmbi.com  
www.emmbi.com

## COMPANY IDENTIFICATION NUMBER (CIN)

L17120DN1994PLC000387

## BOARD COMMITTEES

### Audit Committee

Mr. Sanjay R. Rathī (Chairman)  
Mr. Prashant K. Lohiya  
Dr. Venkatesh G. Joshi  
Mrs. Rinku M. Appalwar

### Nomination & Remuneration Committee

Mr. Sanjay R. Rathī (Chairman)  
Mr. Prashant K. Lohiya  
Dr. Venkatesh G. Joshi

### Committee of Directors Committee

Mr. Makrand M. Appalwar (Chairman)  
Mr. Sanjay R. Rathī  
Mrs. Rinku M. Appalwar

## BANKERS

Punjab National Bank  
ICICI Bank  
Axis Bank

## SHARE TRANSFER AGENTS

Datamatics Financial Services Limited  
Plot No. B-5, Part B Crosslane  
MIDC, Marol, Andheri (E), Mumbai 400 093.  
Tel: 022 - 66712151-56  
Fax: 022 - 66712161  
Email: investorsqry@dfssl.com

## Corporate Social Responsibility Committee

Dr. Venkatesh G. Joshi (Chairman)  
Mr. Sanjay R. Rathī  
Mr. Prashant K. Lohiya  
Mrs. Rinku M. Appalwar

## Stakeholders Relationship Committee

Mr. Prashant K. Lohiya (Chairman)  
Mr. Sanjay R. Rathī  
Mrs. Rinku M. Appalwar



# Contents

|  |    |
|--|----|
| Corporate Information                    | 2  |
| Chairman's Address                       | 5  |
| Your Directors                           | 8  |
| Notice of Annual General Meeting (AGM)   | 9  |
| Directors Report                         | 14 |
| Annexures to Directors Report            | 19 |
| Management Discussion and Analysis       | 36 |
| Analysis of Financial Statements         | 43 |
| Corporate Governance Report              | 46 |
| Corporate Governance Certificate         | 56 |
| Certifications and Declarations          | 57 |
| Independent Auditors' Report 2016-17     | 58 |
| Annexure to Independent Auditors' Report | 59 |
| Balance Sheet                            | 64 |
| Statement of Profit & Loss               | 65 |
| Cash Flow Statement                      | 66 |
| Significant Accounting Policies          | 68 |
| Notes on Financial Statements            | 70 |
| Attendance Slip                          | 79 |
| Proxy Form                               | 81 |

# LETTER FROM THE CHAIRMAN





Dear Fellow Shareholders,

I am happy to report that it has once again been a very rewarding year for us, with the plans on paper getting translated into businesses through strategic planning and timely execution, and subsequently reflecting in enhanced earnings. I'm an advocate of the government's initiative of demonetisation plan as it lead the government to add 9.1 million new taxpayers in 2016-17, an 80% increase over the typical yearly rise and predicted an annual increase of 25.4% in income tax collections India. We at Emmbi make 100% of all transactions including labourer salary, or sale in the rural markets through banking channels. I feel that in addition to demonetisation, landmark reforms such as the GST, and decisive actions in resolving NPAs etc. augurs well in strengthening the structural fundamentals of the country.

Global growth for calendar 2016 was at 3%, a stable average growth rate, however was divergent across economies. North America one of our largest



**'Sustainability' to us, is Sustainable Products and Services, and Sustainable Employment, leading to Sustainable Value Creation for all our stakeholders.**

markets, rebounded strongly in the second half of the year. Demand in Europe despite the Brexit vote, continued to be strong. Economists, and bankers remain positive on overall growth for the next two years, with the gradual uptick in demand, aided by stimulus expected to outweigh any geo-political risks. Closer home we experienced an eventful year, whilst the economy exhibited smart growth rates in the first two quarters, the effects of demonetisation has temporarily dampened growth numbers in the second half of fiscal '17. India is expected to grow in the region of 7%, making it one of the fastest growing economies in the world.

I had brought to your attention that the long-term growth of a company is based on 3 fundamental pillars 1. Sustainable Operations, 2. Ability to focus on need based products, and 3. Stage wise expansion for efficient capital allocation. I hope that you have perused the annual report for the year ended March 2017 and would see for yourself how we are reinforcing the operational and financial parameters of the business. In the latter part of this address you would see how at Emmbi we are interpreting 'Sustainability' as 'Sustainable Products and Services', 'Sustainable Employment' leading to 'Sustainable Value Creation'.

**Focused Approach on Building Sustainable Business Practices:** I have always stressed that sustainability at Emmbi goes well beyond the one-dimensional and commonly interpreted 'environment-friendly' outlook. We believe that for an enterprise to be profitable in

the long run, it has to build a responsible business practise that keeps creating value. We haven't rested on our past laurels, and keep improving year over year. A few years ago we had outlined that we would be reducing our dependence on the commoditised Speciality Packaging business, and focus on Advanced Composites range of value added products. Going forward we have ensured that this is sustainable through investments in R&D, innovations, and need identification across our four business verticals.

To highlight a few we have launched "Aroma Lock" series of product that locks in the aromas of sensitive products such as coffee, tea and like commodities. In water conservation part of our business vertical we have created the world's 'largest width pond liner' under "Emmbi Jalasanchay" brand. Through this business, we have managed to create a "Manmade Water Storage Capacity" in excess of over 1300 million litres. This



**We completed  
"Emmbi Clean Tech"—a  
contamination-free  
production system for  
the food and pharma  
sectors.**

year also saw the  
completion of the  
p o s i t i v e  
p r e s s u r e  
integrated clean  
room facility that  
finds application in the

food and pharmaceutical sectors. The 2,400 MT  
p.a. has since gone into production, and it is expected to  
contribute significantly over the next three years.

At a strategic level, we entered the B2C segment; both from  
de-risking our business and capturing high margins. Over the  
next three years we anticipate this to contribute to one fourth  
of the combined business which will maintain optimal  
customer mix. Our annual performance for the financial year  
2017 has remained impressive both in terms of revenues and  
earnings. The company recorded a double digit top line growth  
in revenues to ₹ 2,410 million and a record profit of ₹ 127  
million.

Today we are rapidly advancing in a digital age, where people  
are debating about driverless cars, and connected devices, At  
Emmbi we have commenced base level automation by our  
concerted efforts to bring about process improvements on the  
shop floor that result in optimal allocation of human resources  
and increasing operational efficiency. We have also invested in  
a training centre, "Gurukul", where we invite subject matter and  
industry experts for their valuable inputs and  
skill-improvement of our employees. These initiatives have led  
to improvements in human yields, employee profitability and  
created a healthy work atmosphere with low attrition rates.

The Emmbi foundation has been regularly involved in making  
contributions to initiatives like "Swacch Bharat" of the

Government of India towards promotion of sanitation. We are  
also continually reviewing and improving our efforts to lessen  
the domestic refuse from our surroundings and nurture a  
society of cleanliness and health. Emmbi Foundation also  
financially supports critically ill patients for treatment and  
rehabilitation. We also run an educational and sports  
scholarship programme for young talent of the country.

The continual emphasis on Research and Product  
Development, Process Improvements, Human Capital  
Development, and being a responsible Citizen to the Society  
has ensured a healthy double-digit growth across all financial  
metrics. I would like to place on record my sincere appreciation  
to the Board of Directors for their guidance. Let me once again  
take this opportunity to place on record my appreciation to the  
investors, the stakeholders, customers, Government authorities  
and business associates at all levels for showing faith in us.

Sincerely yours,

**Makrand M. Appalwar**

**Chairman and Managing Director**

20th May, 2017



*Emmbi Jalsanchay Pond Liner (above) makes it very simple  
and economical for farmers to create artificial ponds or  
reservoirs, thereby assuring them of a regular supply of  
water for their irrigation needs.*



# Your Directors



**Mr. Makrand M. Appalwar,  
Chairman & Managing Director**

Mr. Makrand M. Appalwar a first generation entrepreneur was instrumental in envisioning, and transforming Emmbi from a trading company, to a large-scale manufacturer. He has over two decades of experience in the polymer industry, and is the recipient of many awards. He lays great emphasis on teamwork, mentors the sales

team, drives product development, and is continually seeking ways to enhance sustainability, in the ecosystem around Emmbi.

Makrand is a graduate Electronics & Telecommunication Engineer, from Maharashtra Institute of Technology, Pune, (India) and an alumnus of MIT Sloan School of Management, Boston (US).



**Mrs. Rinku M. Appalwar  
Director & CFO**

Mrs. Rinku M. Appalwar, the cofounder oversees the finance, purchase, logistics, and administrative functions of the company. She is a firm believer in setting high standards and this has translated to her being felicitated as the leading lady in manufacturing for three years in a row. Rinku was instrumental in taking the

company public, and ensuring it's five-fold growth in five years from the time Emmbi became a publicly traded company.

Rinku is a graduate in Chemistry from Mumbai University and an alumnus of IIM Bangalore.



**Dr. Venkatesh G. Joshi  
Independent Director**

Dr. Venkatesh G. Joshi is an eminent personality in the field of medicine, who has overseen more than 10,000 surgeries, as an anaesthetist. He is a faculty at the prestigious RA Poddar Medical College in addition to being a speaker at various national and international conferences. He is also an advocate of Ayurveda, and a

researcher.

Dr. Joshi graduated in medicine from the Marathwada University, and later obtained an MD in Ayurveda from Mumbai University.



**Mr. Sanjay R. Rathi  
Independent Director**

Mr. Sanjay R. Rathi is Fellow member of the Institute of Company Secretaries of India, and Commerce and Law (General) graduate. He has twenty-six years of experience in industry and service sector in field of Corporate Laws and M & A Activities. During his tenure he had handled various assignments in field of

Secretarial and Legal, Finance, Project Management and Administration. He has worked in various executive and strategic management capacities and also worked as corporate consultant and advised many bodies corporate.



**Mr. Prashant K. Lohiya  
Independent Director**

Mr. Prashant K. Lohiya is a practicing Chartered Accountant, in the fields of Accounting, Auditing, Taxation, finance and management consulting. He has over 20 years of experience across various industries, and has presented papers on various accounting, and taxation topics.

As the chairman of the audit committee his experience is very valuable to the company.

**The Company has  
diverse board which  
leverages on the skills  
& knowledge, industry  
or related professional  
experience, age &  
gender, which helps  
the Company to retain  
it's competitive  
advantage**

# Notice of the Annual General Meeting



## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the members of Emmbi Industries Limited will be held on 22nd September, 2017, Friday, at the Registered office of the Company at 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230 at 10.30 a. m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, together with the Reports of the Board of Directors and the Auditors thereon;
2. To declare and approve payment of Dividend of ₹ 0.50 per Equity Share for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Mrs. Rinku M. Appalwar (DIN 00171976) who retires by rotation and, being eligible, offers herself for re-appointment.
4. Appointment of Statutory Auditors of the Company and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/S. R. Daliya & Associates, Chartered Accountants (Firm Registration No. 102060W), be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors K. J. Shah & Associates, Chartered Accountants (Firm Registration No. 127308W.), to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the twenty eighth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

Registered Office:  
99/2/1 & 9, Madhuban Industrial Estate,  
Madhuban Dam Road, Rakholi Village,  
U.T. of Dadra & Nagar Haveli,  
Silvassa 396 230

Date: 20th May, 2017  
Place: Mumbai

**By Order of the Board of Directors  
For Emmbi Industries Limited**

**Kaushal R. Patvi  
Company Secretary**

### NOTES

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during normal business hours on working days up to the date of AGM.



6. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, 15th September, 2017 to Friday, 22nd September, 2017 (both days inclusive).
7. The members are requested to:
  - a) Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of bank account details to their respective depository participants(s). We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.
  - b) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Datamatics Financial Services Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Datamatics Financial Services Limited.
  - c) Address all correspondences, including dividend matters and change in address to the Share Transfer Agents, M/S. Datamatics Financial Services Limited, Plot No. B -5, MIDC, Part B Cross Lane, Marol, Andheri (East), Mumbai 400 093, Tel. No. 66712151-56; Fax No. 66712011; e-mail id: investorsqry@dfssl.com.
  - d) Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Datamatics Financial Services Limited for assistance in this regard.
  - e) In case of joint holders attending the AGM, 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.
  - f) Quote ledger folio numbers, Client ID and DP ID in all their correspondence.
  - g) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
  - h) Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.
8. The dividend, if declared at the Annual General Meeting, would be paid/dispatched on or before 22nd October, 2017 to those persons or their mandates:
  - (a) whose names appear as Beneficial Owners as at the end of the business hours on 15th September, 2017 in the list of Beneficial Owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
  - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 15th September, 2017.
9. (a) Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of NECS/ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations.
- (b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to the Registrar and Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.
10. Members wishing to claim dividends of previous years, which remain unclaimed, are requested to correspond with Mr. Kaushal Patvi, Compliance Officer and Company Secretary, at the Company's Corporate Office. Members are requested to note that Dividends not encashed or claimed within seven years from the date of transfer to the Company's unpaid dividend account, will, as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
11. The Securities and Exchange Board of India (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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Datamatics Financial Services Limited.
- 12. Members holding shares in physical mode are requested to register their e-mail ID's with the Datamatics Financial Services Limited the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to their respective Depository Participants in respect of shares held in electronic form.**
- 13. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to info@emmbi.com mentioning your Folio/DP ID & Client ID. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.**

14. Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote by electronic means, as an alternative to vote physically at the Annual General Meeting (AGM), and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
15. The Board has appointed Mr. Sanjay Dholakia, Practising Company Secretary, Membership No. FCS 2655 & CP 1798 as the Scrutinizer to scrutinise the e-voting/ballot process in a fair and transparent manner and to count the votes cast in favour or against the resolutions proposed from item No. 1 to 4 of the Notice as mentioned herein above and to comply with the provisions of Section 108 of the Companies Act, 2013. He will submit his report within 72 hours from the date of conclusion of AGM to the Chairman of the Company and the same will be uploaded on the website of the Company.
16. The instructions for shareholders voting electronically are as under:
- The voting period begins on Tuesday, September 19, 2017 from 9.00 a.m. and ends on Thursday, September 21, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 15, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
  - The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. 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 only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Meeting through electronic voting system or poll paper.
  - Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evotingindia.com](http://www.evotingindia.com).
  - The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
  - The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.emmbi.com](http://www.emmbi.com). The Company shall simultaneously forward the results to the National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - 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.
  - If you are a first time user follow the steps given below:

|  |  |
|--|--|
|  | For Members holding shares in Demat Form and Physical Form   |
| 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>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</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 (iv).</li> </ul>   |

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.



- (xix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xx) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xxi) 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.
- (xxii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxiii) Note for Non – Individual Shareholders and Custodians
- 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.
- (xxiv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Registered Office:  
99/2/1 & 9, Madhuban Industrial Estate,  
Madhuban Dam Road, Rakholi Village,  
U.T. of Dadra & Nagar Haveli,  
Silvassa 396 230

**By Order of the Board of Directors**  
For Emmbi Industries Limited

Date: 20th May, 2017  
Place: Mumbai

**Kaushal R. Patvi**  
**Company Secretary**

## **Explanatory Statement**

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 of the accompanying Notice:

### **Item No. 4**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.


The Companies Act 2013 (“the Act”) was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lays down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor of the same company. The incumbent auditors, auditors K. J. Shah & Associates, Chartered Accountants (Firm Registration No. 127308W) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 23rd AGM.

The audit committee of the Company has proposed and on May 20, 2017 the Board has recommended the appointment of R. Daliya & Associates, Chartered Accountants (Firm Registration No. 102060W) as the statutory auditors of the Company. R. Daliya & Associates will hold office for a period of five consecutive years from the conclusion of the 23rd Annual General Meeting of the Company till the conclusion of the 28th Annual General Meeting of the Company to be held in 2022. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year.

R. Daliya & Associates have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 & 142 of the Act.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

# Sustainable Employment: The heart of the sustainable enterprise



At Emmbi Industries, our blue-collared workers are at the core of Emmbi's spectacular journey. It is their effort equally, that is we have reached these heights of success. In a sense therefore, the virtuous spiral of sustainable growth begins with our workers. Our philosophy on sustainable employment is simple – give our workers an environment conducive to their continuing to stay with the company.

**Training for Skilling:** We believe that workers will stay in a job if they love doing what they do. So, we invest significant resources to help our workers obtain the skills that help them secure, and stay in the job of their choice. In fact, we extend this philosophy of training to our partners' employees too. So, our distributors had their employees trained as Certified Jalasanchay Technicians, which not only ensured repair and maintenance service for our products, but also helped our distributors gain continued business.

**Worker Benefits:** We believe that happy employees create a profitable enterprise. So, we supplement our training effort with benefits that enable a better standard of living for our workers. Educational Scholarships for workers' children and the Sahyog Store help create a happier, more prosperous work-force.

**Fairness:** Honest and unbiased Performance Evaluation through the Balanced Scorecard ensures fairness in promotions and remuneration, besides spelling out a definite career path for our employees.

The results are visible in Emmbi enjoying one of the lowest attrition rates in the industry.



# Directors' Report



## **T**he Members, Emmbi Industries Limited

Your Directors are presenting the 23rd Annual Report of your Company and the Audited Accounts for the year ended 31st March, 2017. Your Company has posted yet another year of good performance, in its operations. The highlights of the results are set out below:

### FINANCIAL RESULTS (₹ IN MILLION)

| Particulars                               | Year ended<br>on 31 March<br>2017 | Year ended<br>on 31 March<br>2016 |
|---|-----------------------------------|-----------------------------------|
| Gross Sales                               | 2,409.89                          | 2176.66                           |
| Less: Excise Duty                         | 119.19                            | 97.31                             |
| Net Sales                                 | 2,290.70                          | 2079.35                           |
| Other income                              | 0.88                              | 13.06                             |
| Total revenue                             | 2,291.59                          | 2092.42                           |
| Expenditure                               | 2,116.44                          | 1949.62                           |
| Profit before tax                         | 175.14                            | 142.79                            |
| Tax expenses                              | 47.86                             | 36.84                             |
| Profit after Tax                          | 127.28                            | 105.95                            |
| Expenses of earlier year                  | 0                                 | 0                                 |
| Balance                                   | 127.28                            | 105.95                            |
| Balance brought forward                   | 280.03                            | 184.73                            |
| Profit available for appropriation        | 407.32                            | 290.68                            |
| Dividend distribution tax of earlier year | 0.02                              | 0                                 |
| Balance available for appropriation       | 407.30                            | 290.68                            |
| Appropriations:                           |                                   |                                   |
| Adjustment relating to fixed assets       | 0                                 | 0                                 |
| Proposed Dividend                         | 0                                 | 8.85                              |
| Distribution tax on Dividend              | 0                                 | 1.80                              |
| Balance carried to Balance Sheet          | 407.30                            | 280.03                            |

### OPERATIONS

During the year under review, your Company has achieved Revenue from Operations and the Income aggregating to ₹ 2291.59 million as against ₹ 2092.42 million during the previous year, registering an increase of about 9.52% over the previous year. Profit after providing for taxes is ₹ 127.28 million as against ₹ 105.95 million during the previous year, registering an increase of about 20.13% over the previous year. There is no change in the nature of business of the Company.

### DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.50 per share of the face value of ₹ 10/- each for the year ended on 31st March, 2017 (₹ 0.50 per share for the previous year) subject to the Members' approval. The dividend payment amounts to ₹ 8.85 Million. In addition ₹ 1.80 Million is payable towards distribution tax on dividend.

### TRANSFER TO RESERVES

Out of the Total Profit After Tax of ₹ 127.28 million for the financial year, NIL amount is proposed to be transferred to the General Reserve.

### EXPORTS

Value of Exports during the year under review were ₹ 1080.87 million as against ₹ 1086.29 million. Exports in the current financial year contributed to 47.18% in the net sales. Company has expanded its presence in 52 countries which has resulted healthy growth in the territory of operation.

### HUMAN RESOURCE DEVELOPMENT

As a manufacturer we understand, and appreciate the value of human capital, and in its development. We continue to align the skill sets and capabilities of our current workforce, and the talent available in the market with the organization's ongoing and future business plans, to maximize return on investment and secure continual success. We also emphasise this through the blue colour in the company's logo, as it reflects the loyalty and trust that we bring to our blue collared workforce.

The human resource philosophy and strategy of your company has been designed to attract and retain the best talent on offer. In practice it creates and nurtures work place challenges that keep employees engaged, motivated and innovative.

A robust manpower planning process ensures that all steps from business requirements to sourcing and staffing are seamlessly aligned.

Your Company has been successful in building a performance oriented culture with high levels of engagement and empowerment in an environment of teamwork. This is reflective of its staff right from the factory to the corporate office. We have started various self-development initiatives that includes relevant training programmes and seminars, that addresses the needs of the workforce as well as the senior management.

Our continued self-development initiatives include relevant training programmes and seminars, that addresses the needs of the workforce as well as the senior management.

**We have built a performance-oriented culture with high levels of engagement**

## QUALITY INITIATIVES

“Manufacturing” is the heart of Emmbi’s activities. In order to achieve the improvement in the manufacturing, company has adopted the concepts of Lean manufacturing. We are successfully practicing the same and the result can be seen in the increase of defect free production in year after year. The efforts of Lean Enterprise Management has led to higher productivity and increased profitability. The above initiatives and our continuous adherence to strict quality standards has created tangible as well as intangible benefits to strengthen brand Emmbi.

## AUDITORS

R. Daliya & Associates, Chartered Accountants (Firm Registration No. 102060W), be and is hereby appointed as Auditors of the Company in place of the retiring auditors K. J. Shah & Associates, Chartered Accountants (Firm Registration No. 127308W.), to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the twenty eighth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

## OBSERVATIONS – AUDITOR & SECRETARIAL AUDITOR

There are no qualifications, reservations or adverse remarks contained in the Auditors Report and Secretarial Audit Report and therefore, there are no further explanations to be provided for in this Report.

**Lean Enterprise Management has led to higher productivity and improved profitability**

## MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

Your Directors further states that there are no material changes and commitment affecting the financial position of the Company which have occurred between the end of the Financial year of the Company to which the Financial statements relate and the date of the Report.

## DEPOSITS FROM PUBLIC

During the financial year under review, the Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from Public was outstanding as on the date of the Balance Sheet.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators / courts that would impact the going concern status of the Company and its future operations.

## DIRECTORS’ RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (i) that in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the directors had 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, 2017 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 this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis;
- (v) the directors, further state that they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively and
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

All the Independent Directors have provided the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6).

## BOARD MEETINGS

During the year under review, Four (4) Board Meetings were convened and held. Detailed information on the meetings of the Board and all its Committees are included in the report on Corporate Governance, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the listing regulations.

## AUDIT COMMITTEE

The Board has constituted the Audit Committee which comprises of Mr. Sanjay Rathi, Independent Director as Chairman and Mr. Prashant Lohiya, Independent Director, Dr. Venkatesh Joshi, Independent Director, Mrs. Rinku Appalwar, Executive Director as the members. More details on the Committee are given in the Corporate Governance Report which forms part of this Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act, 2013 which comprises of which comprises of Dr. Venkatesh Joshi, Independent Director as Chairman and Mr. Sanjay Rathi, Independent Director, Mr. Prashant Lohiya,

Independent Director, Mrs. Rinku Appalwar, Executive Director as the members. The Corporate Social Responsibility Policy is available on the Company's website [www.emmbi.com](http://www.emmbi.com). The Terms of reference of the Corporate Social Responsibility Committee, number and dates of meetings held, and attendance of the Directors are given separately in the attached Corporate Governance Report (refer Annexure - 4).

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Company has constituted a Nomination and Remuneration Committee pursuant to Section 178(1) of the Companies Act, 2013 which comprises of Mr. Sanjay Rath, Independent Director as Chairman and Mr. Prashant Lohiya, Independent Director, and Dr. Venkatesh Joshi, Independent Director as the members. More details on the Committee are given in the Corporate Governance Report which forms part of this Annual Report. The Company has defined the policy on Director's appointment and payment of remuneration including criteria for determining qualifications, positive attributes, independence of a Director. The nomination & remuneration policy adopted by the Company has been posted on the Company's website [www.emmbi.com](http://www.emmbi.com).

**Our Silvassa unit  
was accorded  
in-house R&D  
Recognition by  
the Ministry of  
Science &  
Technology**

#### **LOANS, GUARANTEE & INVESTMENTS**

The Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC. & FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:**

The information as required under Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings is given below:

1. CONSERVATION OF ENERGY:
  - a. Steps are taken to institutionalized process of identifying and understanding increase and decrease in energy use by monitoring energy consumption trends to determine future energy use when planning future changes in the business and diagnose specific areas of wasted energy.
  - b. Significant reductions in energy consumption and cost of production of goods have been observed by the implementation of above referred measures.
  - c. Implementation of referred measures have resulted in increased facility reliability as well as improved equipment performance.
2. TECHNOLOGY ABSORPTION:
  - (A) Research and Development:
 

The Silvassa unit of the company located at 99/2/1&9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U. T. of Dadra & Nagar Haveli Silvassa 396 230 was accorded In-house R&D recognition up to 31.03.2018 from DSIR, Ministry of Science & Technology, Govt. of India, New Delhi.

Since Inception of the company and in pursuit of R & D endeavors the company is regularly incurring expenditure on R & D on the following activities

    - Design and Development of New Products;
    - Continuous improvement of existing products for enhanced durability and performance;
    - Product optimization using advanced technology;
    - Testing and adaptation of New Materials ;
    - New processes, up gradation & production process improvement of existing processes;
    - Redesigning of the manual processes in to Automation;
    - Environment compliance by products and processes.
  - (B) Benefits:
 

Benefits derived as a result of R & D: It has resulted in the improvement of quality of the products and reduced operation cost. Up gradation of products to the new requirements has been possible because of R & D done in the company on a continuous basis. This has resulted into enhanced customer satisfaction, new business opportunities, reduced costs, higher quality and adapting the latest technologies.
  - (C) Future Plan of action:
 

Future R&D efforts will continue along similar lines, as at present, but with more focus, thrust and endeavours. The company is planning to apply to Government of India for recognition of its Research & Development activities at Silvassa under "In-house R&D Centre" during the current year.
  - (D) Expenditure on R&D:
 

The expenditure on R&D activities incurred during the year is given hereunder:

| Particulars  | Amount<br>(₹ IN MILLION) |
|--|--------------------------|
| Capital Expenditure  | 47.21                    |
| Revenue Expenditure  | 18.74                    |
| Total R&D Expenditure                                      | 65.95                    |
| Total Turnover   | 2290.70                  |
| Total R&D Expenditure as a<br>percentage of Total turnover | 2.88%                    |



### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. During the year the Company has exports (FOB value) worth ₹ 1035.49 millions.

(₹ IN MILLION)

| Particulars               | 2016-17 | 2015-16 |
|---------------------------|---------|---------|
| Foreign Exchange Earnings | 1035.49 | 1053.33 |
| Foreign Exchange Outgo    | 31.47   | 40.01   |

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013, Mrs. Rinku M. Appalwar (DIN 00171976), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible offers herself for re-appointment.

The following are the Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013:

| Sr. No. | Name of the Person      | Designation                  |
|---------|-------------------------|------------------------------|
| 1       | Mr. Makrand M. Appalwar | Chairman & Managing Director |
| 2       | Mrs. Rinku M. Appalwar  | Chief Financial Officer      |
| 3       | Mr. Kaushal R. Patvi    | Company Secretary            |

### BOARD PERFORMANCE

The performance evaluation of the non-executive directors is done by the Board annually. This evaluation is based on the attendance and contribution of the member at the board/committee meetings. The process also considers core competency, expertise, personnel characteristic and specific responsibility of the concerned Director. The performance evaluation of the Chairman & Managing Director and the Chief Financial Officer was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the entire evaluation procedure.

### PREVENTION OF SEXUAL HARASSMENT POLICY

The Pursuant Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 seeks to protect women colleagues against sexual harassment at their work place. The internal committee constituted under the said act has confirmed that no complaint/case has been filed/pending with the Company during the financial year 2016-17.

### RELATED PARTY TRANSACTIONS

The Company has not entered into any contracts or arrangements with related parties referred to in Section 188(3) of the Companies Act, 2013.

### EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form No. MGT 9, as provided under sub-section (3) of Section 92 of the Companies Act, 2013, forms part of the Board's Report as Annexure 1.

### RISK MANAGEMENT POLICY

A statement including development and implementation of a risk management policy for the Company is attached to the Directors Report and forms a part of the Board's Report as Annexure 2.

### SECRETARIAL AUDIT

As required under Section 203 of the Companies Act, 2013 Secretarial Audit Report as obtained from M/s. Sanjay Dholakia & Associates, Practising Company Secretary is attached and forms part of the Board Report as Annexure 3.

### DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company has a wholly owned subsidiary in the name of Emmbi Scandinavia and form AOC-1 forms a part of the Board's Report and is attached as Annexure 5.

### MANAGERIAL REMUNERATION

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2017 is given in a separate Annexure to this Report. The above Annexure is not being sent along with this Report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company before the 23rd Annual General Meeting and upto the date of the ensuing Annual General Meeting during the business hours on working days. None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an adequate system of internal control procedures which is commensurate with the size and nature of its business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board.

**Our  
whistle-blower  
policy is in line  
with our intent to  
adhere to the  
highest standards  
of corporate  
governance**

## WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy in place for vigil mechanism. The said policy has been formulated keeping in view of the amendments in the Companies Act, 2013 and Listing Regulations. The said policy may be referred to, at the Company's official website, [www.emmbi.com](http://www.emmbi.com).

## CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's secretarial auditors confirming the compliance of conditions on Corporate Governance as stipulated in the Listing Regulations is annexed thereto.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management discussion and analysis report has been attached to this report and forms a part of this report.

## ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the Company's Board of Directors, shareholders, customers, dealers, suppliers, banks, financial institutions, Export Promotion Council, Trade Bodies, Government authorities, other semi Government & local authorities, Administration of Union Territory of Dadra & Nagar Haveli, Stock Exchanges and business associates at all levels during the year under review.

The Directors also wish to place on record their deep appreciation for the committed services and excellent work done by the employees of the Emmbi family at all levels during the year.

For and on behalf of the board of Directors

Place: Mumbai  
Date: 20th May, 2017

**Makrand M. Appalwar**  
Chairman & Managing Director  
DIN: 00171950

## With Jalasanchay, Emmbi is helping de-risk irrigation.



Our Jalasanchay range of Pond Liners is ensuring that the element of chance is taken out of irrigation. With an artificial pond, farmers no longer have to be solely reliant on the monsoons, when it comes to their crops. A government subsidy on pond liners only makes it that much more easy on the farmers.

  
**Jalasanchay**

# Annexures to the Directors' Report



## Annexure 1 to Director's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

### I REGISTRATION & OTHER DETAILS

|     |  |   |
|-----|--|---|
| i   | CIN  | L17120DN1994PLC000387   |
| ii  | Registration Date  | November 29, 1994   |
| iii | Name of the Company  | Emmbi Industries Limited  |
| iv  | Category/Sub-category of the Company                                       | Company limited by shares<br>Indian Non-Government Company  |
| v   | Address of the Registered office & contact details                         | 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U. T. of Dadra & Nagar Haveli, Silvassa 396 230, India, Tel. No.: +91 (0260) 320 0948                                   |
| vi  | Whether listed company   | Yes, Listed on BSE Limited & National Stock Exchange of India Limited (NSE)   |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any | Datamatics Financial Services Limited<br>Plot No. B-5, Part B Crosslane, MIDC, Marol, Andheri (East), Mumbai 400 093.<br>Tel: 022 - 66712151-56. Fax: 022 - 66712161. Email: investorsqry@dfssl.com |

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|-------|--|----------------------------------|------------------------------------|
| 1     | Manufacture of plastic products              | 222                              | 88%                                |
| 2     | Trading of plastic products                  | 479                              | 12%                                |

### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| SL No | Name & Address  | CIN/GLN | HOLDING/SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|---|---------|-------------------------------|------------------|--------------------|
| 1     | Global Bag s.r.o<br>Oblekovic 355, 671 81<br>ZNOJMO, Czech Republic | NA      | Associate                     | 25.00            | 2(6)               |
| 2     | Emmbi Scandinavia ApS<br>Kongensgade 103<br>7000 Fredericia         | NA      | Subsidiary                    | 100.00           | 2(87)(ii)          |

### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

#### (i) CATEGORY-WISE SHAREHOLDING

| CATEGORY OF SHAREHOLDERS |                           | NO OF SHARES HELD AT THE BEGINNING OF THE YEAR |          |             |                   | NO OF SHARES HELD AT THE END OF THE YEAR |          |             |                   | % CHANGE DURING THE YEAR |
|--------------------------|---------------------------|--|----------|-------------|-------------------|--|----------|-------------|-------------------|--------------------------|
|                          |                           | DEMAT  | PHYSICAL | TOTAL       | % OF TOTAL SHARES | DEMAT                                    | PHYSICAL | TOTAL       | % OF TOTAL SHARES |                          |
| (i)                      | (ii)                      | (iii)  | (iv)     | (v)         | (vi)              | (vii)                                    | (viii)   | (ix)        | (x)               | (xi)                     |
| A.                       | PROMOTER & PROMOTER GROUP |  |          |             |                   |  |          |             |                   |                          |
| (1)                      | Indian                    |  |          |             |                   |  |          |             |                   |                          |
|                          | (a) Individual/HUF        | 75,17,910                                      | 0        | 75,17,910   | 42.50             | 74,96,521                                | 0        | 74,96,521   | 42.38             | (0.12)                   |
|                          | (b) Central Government    | 0  | 0        | 0           | 0.00              | 0  | 0        | 0           | 0.00              | 0                        |
|                          | (c) State Government(s)   | 0  | 0        | 0           | 0.00              | 0  | 0        | 0           | 0.00              | 0                        |
|                          | (d) Bodies Corporates     | 27,18,100                                      | 0        | 27,18,100   | 15.36             | 27,24,300                                | 0        | 27,24,300   | 15.40             | 0.04                     |
|                          | (e) Bank/FI               | 0  | 0        | 0           | 0.00              | 0  | 0        | 0           | 0.00              | 0.00                     |
|                          | (f) Any other             | 0  | 0        | 0           | 0.00              | 0  | 0        | 0           | 0.00              | 0                        |
|                          | SUB TOTAL (A) (1)         | 1,02,36,010                                    | 0        | 1,02,36,010 | 57.86             | 1,02,20,821                              | 0        | 1,02,20,821 | 57.78             | (0.08)                   |



| CATEGORY OF SHAREHOLDERS  | NO OF SHARES HELD<br>AT THE BEGINNING OF THE YEAR |          |             |                         | NO OF SHARES HELD<br>AT THE END OF THE YEAR |          |             |                         | % CHANGE<br>DURING THE YEAR |
|---|---|----------|-------------|-------------------------|---|----------|-------------|-------------------------|-----------------------------|
|   | DEMAT   | PHYSICAL | TOTAL       | % OF<br>TOTAL<br>SHARES | DEMAT                                       | PHYSICAL | TOTAL       | % OF<br>TOTAL<br>SHARES |                             |
| (2) Foreign   |   |          |             |                         |   |          |             |                         |                             |
| (a) NRI- Individuals  | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (b) Other Individuals   | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (c) Bodies Corp.  | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (d) Banks/FI  | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (e) Any other   | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| SUB TOTAL (A) (2)   | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| Total Shareholding of Promoter<br>(A)= (A)(1)+(A)(2)                              | 1,02,36,010                                       | 0        | 1,02,36,010 | 57.86                   | 1,02,20,821                                 | 0        | 1,02,20,821 | 57.78                   | (0.08)                      |
| B. PUBLIC SHAREHOLDING  |   |          |             |                         |   |          |             |                         |                             |
| (1) Institutions  |   |          |             |                         |   |          |             |                         |                             |
| (a) Mutual Funds  | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (b) Banks/FI  | 0   | 0        | 0           | 0.00                    | 19,230                                      | 0        | 19,230      | 0.11                    | 0.11                        |
| (c) Central Government  | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (d) State Government(s)   | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (e) Venture Capital Fund  | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (f) Insurance Companies   | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (g) FIIs/ Foreign Portfolio Investors   | 0   | 0        | 0           | 0.00                    | 2,53,398                                    | 0        | 2,53,398    | 1.43                    | 1.43                        |
| (h) Foreign Venture Capital Funds   | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (i) Others (specify)  | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| SUB TOTAL (B)(1)  | 0   | 0        | 0           | 0.00                    | 2,72,628                                    | 0        | 2,72,628    | 1.54                    | 1.54                        |
| (2) Non Institutions  |   |          |             |                         |   |          |             |                         |                             |
| (a) Bodies corporates   |   |          |             |                         |   |          |             |                         |                             |
| (i) Indian  | 9,44,360  | 0        | 9,44,360    | 5.34                    | 11,87,063                                   | 0        | 11,87,063   | 6.71                    | 1.37                        |
| (ii) Overseas   | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (b) Individuals   |   |          |             |                         |   |          |             |                         |                             |
| (i) Individual shareholders holding nominal share capital upto ₹1 lakhs           | 42,84,217   | 10       | 42,84,227   | 24.22                   | 41,04,591                                   | 10       | 41,04,601   | 23.20                   | (1.02)                      |
| (ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs | 19,72,335   | 0        | 19,72,335   | 11.15                   | 15,12,112                                   | 0        | 15,12,112   | 8.55                    | (2.60)                      |
| (c) Any other   |   |          |             |                         |   |          |             |                         |                             |
| (i) NRI Rep   | 1,25,186  | 0        | 1,25,186    | 0.71                    | 1,68,542                                    | 0        | 1,68,542    | 0.95                    | 0.24                        |
| (ii) NRI Non-Rep  | 1,03,212  | 0        | 1,03,212    | 0.58                    | 1,82,079                                    | 0        | 1,82,079    | 1.03                    | 0.45                        |
| (iii) Foreign Bodies  | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (iv) Foreign National   | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| (v) Clearing Members  | 24,620  | 0        | 24,620      | 0.14                    | 33,504                                      | 0        | 33,504      | 0.19                    | 0.05                        |
| (vi) Trusts   | 300   | 0        | 300         | 0.00                    | 8,900                                       | 0        | 8,900       | 0.05                    | 0.05                        |
| SUB TOTAL (B)(2)  | 74,54,230   | 10       | 74,54,240   | 42.14                   | 71,96,791                                   | 10       | 71,96,801   | 40.68                   | (1.46)                      |
| Total Public Shareholding<br>(B)= (B)(1)+(B)(2)                                   | 74,54,230   | 10       | 74,54,240   | 42.14                   | 74,69,419                                   | 10       | 74,69,429   | 42.22                   | 0.08                        |
| Total (A+B)   | 1,76,90,250                                       | 10       | 1,76,90,250 | 100.00                  | 1,76,90,240                                 | 10       | 1,76,90,250 | 100.00                  | (0.00)                      |
| C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS                                       | 0   | 0        | 0           | 0.00                    | 0   | 0        | 0           | 0.00                    | 0                           |
| Grand Total (A+B+C)   | 1,76,90,250                                       | 10       | 1,76,90,250 | 100.00                  | 1,76,90,240                                 | 10       | 1,76,90,250 | 100.00                  | (0.00)                      |

## (ii) SHARE HOLDING OF PROMOTERS

| SL NO | SHAREHOLDER'S NAME                 | SHAREHOLDING AT THE BEGINNING OF THE YEAR |                              |  | SHAREHOLDING AT THE END OF THE YEAR |                              |  | % CHANGE IN<br>SHAREHOLDING<br>DURING THE YEAR |
|-------|------------------------------------|---|------------------------------|--|-------------------------------------|------------------------------|--|--|
|       |                                    | No. Of<br>Shares                          | % of total<br>of the company | % of shares pledged<br>encumbered to<br>total shares | No. Of<br>Shares                    | % of total<br>of the company | % of shares pledged<br>encumbered to<br>total shares |  |
| 1     | Mr. Makrand M. Appalwar            | 37,82,550                                 | 21.38                        | 0.00   | 38,24,850                           | 21.62                        | 0.00   | 0.24   |
| 2     | Mrs. Rinku M. Appalwar             | 22,89,210                                 | 12.94                        | 0.00   | 22,96,460                           | 12.98                        | 0.00   | 0.04   |
| 3     | Maithili Agrotech Private Limited  | 10,60,500                                 | 5.99                         | 0.00   | 10,61,200                           | 6.00                         | 0.00   | 0.01   |
| 4     | Emmbi Laboratories Private Limited | 16,57,600                                 | 9.37                         | 0.00   | 16,63,100                           | 9.40                         | 0.00   | 0.03   |
| 5     | Miss Maithili M. Appalwar          | 10,61,750                                 | 6.00                         | 0.00   | 10,65,250                           | 6.02                         | 0.00   | 0.02   |
| 6     | Mrs. Mitravinda M. Appalwar        | 3,12,725                                  | 1.76                         | 0.00   | 2,38,311                            | 1.35                         | 0.00   | (0.41)   |
| 7     | Late Moreswar Balwant Appalwar     | 25  | 0.00                         | 0.00   | 0                                   | 0.00                         | 0.00   | 0.00   |
| 8     | Mr. Avinash R. Laddha              | 53,950                                    | 0.31                         | 0.00   | 53,950                              | 0.31                         | 0.00   | 0.00   |
| 9     | Mr. Prashant K. Lohiya             | 6,250                                     | 0.04                         | 0.00   | 6,250                               | 0.04                         | 0.00   | 0.00   |
| 10    | Mr. Kailashchandra B. Lohiya       | 4,550                                     | 0.03                         | 0.00   | 4,550                               | 0.03                         | 0.00   | 0.00   |
| 11    | Mrs. Sarla K. Lohiya               | 3,000                                     | 0.02                         | 0.00   | 3,000                               | 0.02                         | 0.00   | 0.00   |
| 12    | Mr. Sanjay R. Rath                 | 2,100                                     | 0.01                         | 0.00   | 2,100                               | 0.01                         | 0.00   | 0.00   |
| 13    | Mrs. Sangeeta S. Rath              | 1,050                                     | 0.00                         | 0.00   | 1,050                               | 0.00                         | 0.00   | 0.00   |
| 14    | Mrs. Sushiladevi R. Rath           | 750                                       | 0.00                         | 0.00   | 750                                 | 0.00                         | 0.00   | 0.00   |
| Total |                                    | 1,02,36,010                               | 57.86                        | 0.00   | 1,02,20,821                         | 57.78                        | 0.00   | (0.08)   |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

| SL NO | NAME OF THE SHAREHOLDER            | SHAREHOLDING AT THE BEGINNING OF THE YEAR                                     |                                  | DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC) |               |              | CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/16 TO 31/03/17) |                                  |
|-------|------------------------------------|---|----------------------------------|--|---------------|--------------|--|----------------------------------|
|       |                                    | No. of shares at the beginning of the yr (01/04/16)/ end of the yr (31/03/17) | % of total shares of the Company |  | No. of shares | Reason       | No. of shares  | % of total shares of the Company |
| 1     | Mr. Makrand M. Appalwar            | 37,82,550   | 21.38                            | 01.04.16   |               |              |  |                                  |
|       |                                    |   |                                  | 15.07.16   | 500           | Buy          | 37,83,050  | 21.39                            |
|       |                                    |   |                                  | 22.07.16   | 39,575        | Transfer     | 38,22,625  | 21.61                            |
|       |                                    |   |                                  | 12.08.16   | 25            | Buy          | 38,22,650  | 21.61                            |
|       |                                    |   |                                  | 30.09.16   | 1,000         | Buy          | 38,23,650  | 21.61                            |
|       |                                    |   |                                  | 07.10.16   | 1,200         | Buy          | 38,24,850  | 21.62                            |
|       |                                    | 38,24,850   | 21.62                            | 31.03.17   |               |              | 38,24,850  | 21.62                            |
| 2     | Mrs. Rinku M. Appalwar             | 22,89,210   | 12.94                            | 01.04.16   |               |              |  |                                  |
|       |                                    |   |                                  | 22.04.16   | 750           | Buy          | 22,89,960  | 12.95                            |
|       |                                    |   |                                  | 15.07.16   | 1,000         | Buy          | 22,90,960  | 12.95                            |
|       |                                    |   |                                  | 07.10.16   | 1,500         | Buy          | 22,92,460  | 12.96                            |
|       |                                    |   |                                  | 14.10.16   | 4,000         | Buy          | 22,96,460  | 12.98                            |
|       |                                    | 22,96,460   | 12.98                            | 31.03.17   |               |              | 22,96,460  | 12.98                            |
| 3     | Miss. Maithili M. Appalwar         | 10,61,750   | 6.00                             | 01.04.16   |               |              |  |                                  |
|       |                                    |   |                                  | 14.10.16   | 3,500         | Buy          | 10,65,250  | 6.02                             |
|       |                                    | 10,65,250   | 6.02                             | 31.03.17   |               |              | 10,65,250  | 6.02                             |
| 4     | Emmbi Laboratories Private Limited | 16,57,600   | 9.37                             | 01.04.16   |               |              |  |                                  |
|       |                                    |   |                                  | 04.11.16   | 2000          | Buy          | 16,59,600  | 9.38                             |
|       |                                    |   |                                  | 24.02.17   | 3,500         | Buy          | 16,63,100  | 9.40                             |
|       |                                    | 16,63,100   | 9.40                             | 31.03.17   |               |              | 16,63,100  | 9.40                             |
| 5     | Maithili Agrotech Private Limited  | 10,60,500   | 5.99                             | 01.04.16   |               |              |  |                                  |
|       |                                    |   |                                  | 22.04.16   | 700           | Buy          | 10,61,200  | 6.00                             |
|       |                                    | 10,61,200   | 6.00                             | 31.03.17   |               |              | 10,61,200  | 6.00                             |
| 6     | Late Moreshwar Balwant Appalwar    | 25  | 0.00                             | 01.04.16   |               |              |  |                                  |
|       |                                    |   |                                  | 17.06.16   | 25            | Transmission | 25   |                                  |
|       |                                    | 0   | 0.00                             | 31.03.17   |               |              | 0  | 0.00                             |
| 7     | Mrs. Mitravinda Moreshwar Appalwar | 3,12,725  | 1.77                             | 01.04.16   |               |              |  |                                  |
|       |                                    |   |                                  | 22.07.16   | 79,150        | Transfer     | 2,33,575   | 1.32                             |
|       |                                    |   |                                  | 18.11.16   | 1             | Buy          | 2,33,576   | 1.32                             |
|       |                                    |   |                                  | 25.11.16   | 3,035         | Buy          | 2,36,611   | 1.34                             |
|       |                                    |   |                                  | 02.12.16   | 1,700         | Buy          | 2,38,311   | 1.35                             |
|       |                                    | 2,38,311  | 1.35                             | 31.03.17   |               |              | 2,38,311   | 1.35                             |



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| SL NO | NAME OF THE SHAREHOLDER      | SHAREHOLDING AT THE BEGINNING OF THE YEAR                                     |                                  | DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC) |               |                     | CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/16 TO 31/03/17) |                                  |
|-------|------------------------------|---|----------------------------------|--|---------------|---------------------|--|----------------------------------|
|       |                              | No. of shares at the beginning of the yr (01/04/16)/ end of the yr (31/03/17) | % of total shares of the Company |  | No. of shares | Reason              | No. of shares  | % of total shares of the Company |
| 1     | Sanjay Gulabchand Bafna      | 1,29,867  | 0.73                             | 01.04.16   |               |                     |  |                                  |
|       |                              |   |                                  | 22.04.16   | 1,750         | Transfer            | 1,28,117   | 0.72                             |
|       |                              |   |                                  | 06.05.16   | 1,000         | Transfer            | 1,27,117   | 0.72                             |
|       |                              |   |                                  | 20.05.16   | 3,500         | Transfer            | 1,23,617   | 0.70                             |
|       |                              |   |                                  | 03.06.16   | 1,000         | Transfer            | 1,22,617   | 0.69                             |
|       |                              |   |                                  | 17.06.16   | 500           | Transfer            | 1,22,117   | 0.69                             |
|       |                              |   |                                  | 24.06.16   | 500           | Transfer            | 1,21,617   | 0.69                             |
|       |                              |   |                                  | 30.06.16   | 500           | Transfer            | 1,21,117   | 0.68                             |
|       |                              |   |                                  | 12.08.16   | 1,000         | Transfer            | 1,20,117   | 0.68                             |
|       |                              |   |                                  | 26.08.16   | 525           | Transfer            | 1,19,592   | 0.68                             |
|       |                              |   |                                  | 09.09.16   | 100           | Transfer            | 1,19,492   | 0.68                             |
|       |                              |   |                                  | 16.09.16   | 600           | Transfer            | 1,18,892   | 0.67                             |
|       |                              |   |                                  | 23.09.16   | 450           | Transfer            | 1,18,442   | 0.67                             |
|       |                              |   |                                  | 07.10.16   | 300           | Transfer            | 1,18,142   | 0.67                             |
|       |                              |   |                                  | 14.10.16   | 600           | Transfer            | 1,17,542   | 0.66                             |
|       |                              |   |                                  | 21.10.16   | 700           | Transfer            | 1,16,842   | 0.66                             |
|       |                              |   |                                  | 28.10.16   | 200           | Transfer            | 1,16,642   | 0.66                             |
|       |                              |   |                                  | 03.02.17   | 500           | Transfer            | 1,16,142   | 0.66                             |
|       |                              |   |                                  | 10.02.17   | 200           | Transfer            | 1,15,942   | 0.66                             |
|       |                              |   |                                  | 17.03.17   | 100           | Transfer            | 1,15,842   | 0.66                             |
|       |                              | 1,15,842  | 0.66                             | 31.03.17   |               |                     | 1,15,842   | 0.66                             |
| 2     | Aakash Filaments Pvt. Ltd. # | 1,80,947  | 1.02                             | 01.04.16   |               |                     |  |                                  |
|       |                              |   |                                  | 08.04.16   | 3             | Buy                 | 1,80,950   | 1.02                             |
|       |                              | 1,80,950  | 1.02                             | 31.03.17   | -             |                     | 1,80,950   | 1.02                             |
| 3     | Umaiya Trading Pvt. Ltd. #   | 89,012  | 0.50                             | 01.04.16   | -             | Nil movement during |  |                                  |
|       |                              | 89,012  | 0.50                             | 31.03.17   | -             | the year            | 89,012   | 0.50                             |
| 4     | Ronak Gupta #                | 2,52,052  | 1.42                             | 01.04.16   |               |                     |  |                                  |
|       |                              |   |                                  | 06.05.16   | 28,623        | Buy                 | 2,80,675   | 1.59                             |
|       |                              |   |                                  | 13.05.16   | 69,404        | Buy                 | 3,50,079   | 1.98                             |
|       |                              |   |                                  | 20.05.16   | 35,079        | Transfer            | 3,15,000   | 1.78                             |
|       |                              |   |                                  | 27.05.16   | 55,000        | Buy                 | 3,70,000   | 2.09                             |
|       |                              |   |                                  | 03.06.17   | 20,000        | Buy                 | 3,90,000   | 2.21                             |
|       |                              |   |                                  | 10.06.17   | 10,000        | Buy                 | 4,00,000   | 2.26                             |
|       |                              |   |                                  | 17.06.16   | 30,000        | Buy                 | 4,30,000   | 2.43                             |
|       |                              |   |                                  | 30.06.16   | 28,233        | Transfer            | 4,01,767   | 2.27                             |
|       |                              |   |                                  | 15.07.16   | 15,000        | Transfer            | 3,86,767   | 2.19                             |
|       |                              |   |                                  | 22.07.16   | 1,14,767      | Transfer            | 2,72,000   | 1.54                             |
|       |                              |   |                                  | 29.07.16   | 22,220        | Transfer            | 2,49,780   | 1.41                             |
|       |                              |   |                                  | 05.08.16   | 708           | Buy                 | 2,50,488   | 1.42                             |
|       |                              |   |                                  | 12.08.16   | 30,474        | Transfer            | 2,20,014   | 1.24                             |
|       |                              |   |                                  | 19.08.16   | 75,000        | Transfer            | 1,45,014   | 0.82                             |
|       |                              |   |                                  | 26.08.16   | 46,517        | Transfer            | 98,497   | 0.56                             |
|       |                              |   |                                  | 02.09.16   | 5,317         | Transfer            | 93,180   | 0.53                             |
|       |                              |   |                                  | 09.09.16   | 5,180         | Transfer            | 88,000   | 0.50                             |
|       |                              |   |                                  | 16.09.16   | 36,319        | Transfer            | 51,681   | 0.29                             |
|       |                              |   |                                  | 07.10.16   | 18,141        | Transfer            | 33,540   | 0.19                             |
|       |                              |   |                                  | 28.10.16   | 801           | Transfer            | 32,739   | 0.19                             |
|       |                              |   |                                  | 04.11.16   | 755           | Transfer            | 31,984   | 0.18                             |
|       |                              |   |                                  | 11.11.16   | 141           | Transfer            | 31,843   | 0.18                             |
|       |                              |   |                                  | 18.11.16   | 12,876        | Transfer            | 18,967   | 0.11                             |
|       |                              |   |                                  | 25.11.16   | 2,532         | Transfer            | 16,435   | 0.09                             |
|       |                              |   |                                  | 02.12.16   | 16,435        | Transfer            | -  | 0.00                             |
|       |                              |   | 0.00                             | 31.03.17   |               |                     | -  | 0.00                             |
| 5     | Vishanji Shamji Dedhia       | 1,77,000  | 1.00                             | 01.04.16   |               |                     |  |                                  |
|       |                              |   |                                  | 03.06.16   | 10,000        | Buy                 | 1,87,000   | 1.06                             |
|       |                              |   |                                  | 17.03.17   | 7,000         | Transfer            | 1,80,000   | 1.02                             |
|       |                              |   |                                  | 31.03.17   | 20,000        | Transfer            | 1,60,000   | 0.90                             |
|       |                              | 1,60,000  | 0.90                             | 31.03.17   |               |                     | 1,60,000   | 0.90                             |
| 6     | Gopinath Mohanti #           | 1,11,115  | 0.63                             | 01.04.16   |               |                     |  |                                  |
|       |                              |   |                                  | 10.07.16   | 10,000        | Transfer            | 1,01,115   | 0.57                             |
|       |                              |   |                                  | 10.02.17   | 15,000        | Transfer            | 86,115   | 0.49                             |
|       |                              |   |                                  | 17.03.17   | 85,000        | Transfer            | 1,115  | 0.01                             |
|       |                              | 1,115   | 0.01                             | 31.03.17   |               |                     | 1,115  | 0.01                             |



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| SL NO | NAME OF THE SHAREHOLDER         | SHAREHOLDING AT THE BEGINNING OF THE YEAR                                     |                                  | DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC) |               |          | CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/16 TO 31/03/17) |                                  |
|-------|---------------------------------|---|----------------------------------|--|---------------|----------|--|----------------------------------|
|       |                                 | No. of shares at the beginning of the yr (01/04/16)/ end of the yr (31/03/17) | % of total shares of the Company |  | No. of shares | Reason   | No. of shares  | % of total shares of the Company |
| 7     | UNIFI Financial Pvt. Ltd. *     | -   | 0                                | 01.04.16   |               |          |  |                                  |
|       |                                 |   |                                  | 13.05.16   | 51,961        | Buy      | 51,961   | 0.29                             |
|       |                                 |   |                                  | 27.05.16   | 47,000        | Buy      | 98,961   | 0.56                             |
|       |                                 |   |                                  | 24.06.16   | 26,039        | Buy      | 1,25,000   | 0.71                             |
|       |                                 |   |                                  | 30.06.16   | 25,000        | Buy      | 1,50,000   | 0.85                             |
|       |                                 |   |                                  | 19.08.16   | 16,477        | Buy      | 1,66,477   | 0.94                             |
|       |                                 |   |                                  | 26.08.16   | 36            | Buy      | 1,66,513   | 0.94                             |
|       |                                 |   |                                  | 23.09.16   | 10,587        | Buy      | 1,77,100   | 1.00                             |
|       |                                 | 1,77,100  | 1.00                             | 31.03.17   |               |          | 1,77,100   | 1.00                             |
| 8     | J M Global Equities Pvt. Ltd. * | 93,977  | 0.53                             | 01.04.16   |               |          |  |                                  |
|       |                                 |   |                                  | 08.04.16   | 7,652         | Transfer | 84,738   | 0.48                             |
|       |                                 |   |                                  | 22.04.16   | 6             | Buy      | 86,331   | 0.49                             |
|       |                                 |   |                                  | 29.04.16   | 6             | Transfer | 86,325   | 0.49                             |
|       |                                 |   |                                  | 06.05.16   | 1,682         | Buy      | 88,007   | 0.50                             |
|       |                                 |   |                                  | 13.05.15   | 6,106         | Transfer | 81,901   | 0.46                             |
|       |                                 |   |                                  | 20.05.16   | 2             | Transfer | 81,899   | 0.46                             |
|       |                                 |   |                                  | 27.05.16   | 4,498         | Buy      | 86,397   | 0.49                             |
|       |                                 |   |                                  | 03.06.16   | 12            | Buy      | 86,409   | 0.49                             |
|       |                                 |   |                                  | 10.06.16   | 706           | Transfer | 85,703   | 0.48                             |
|       |                                 |   |                                  | 17.06.16   | 893           | Transfer | 84,810   | 0.48                             |
|       |                                 |   |                                  | 24.06.16   | 1,609         | Buy      | 86,419   | 0.49                             |
|       |                                 |   |                                  | 30.06.16   | 1,26,995      | Buy      | 2,13,414   | 1.21                             |
|       |                                 |   |                                  | 01.07.16   | 2,947         | Buy      | 2,16,361   | 1.22                             |
|       |                                 |   |                                  | 08.07.16   | 9,266         | Transfer | 2,07,095   | 1.17                             |
|       |                                 |   |                                  | 15.07.16   | 2,442         | Transfer | 2,04,653   | 1.16                             |
|       |                                 |   |                                  | 22.07.16   | 6,570         | Transfer | 1,98,083   | 1.12                             |
|       |                                 |   |                                  | 05.08.16   | 150           | Buy      | 1,98,233   | 1.12                             |
|       |                                 |   |                                  | 12.08.16   | 2,427         | Transfer | 1,95,806   | 1.11                             |
|       |                                 |   |                                  | 19.08.16   | 500           | Transfer | 1,95,306   | 1.10                             |
|       |                                 |   |                                  | 26.08.16   | 1,163         | Transfer | 1,94,143   | 1.10                             |
|       |                                 |   |                                  | 02.09.16   | 6,949         | Buy      | 2,01,092   | 1.14                             |
|       |                                 |   |                                  | 09.09.16   | 1,804         | Buy      | 2,02,896   | 1.15                             |
|       |                                 |   |                                  | 16.09.16   | 1,597         | Transfer | 2,01,299   | 1.14                             |
|       |                                 |   |                                  | 23.09.16   | 6,095         | Buy      | 2,07,394   | 1.17                             |
|       |                                 |   |                                  | 30.09.16   | 1,049         | Transfer | 2,06,345   | 1.17                             |
|       |                                 |   |                                  | 07.10.16   | 3,145         | Buy      | 2,09,490   | 1.18                             |
|       |                                 |   |                                  | 14.10.16   | 69            | Transfer | 2,09,421   | 1.18                             |
|       |                                 |   |                                  | 21.10.16   | 3,647         | Transfer | 2,05,774   | 1.16                             |
|       |                                 |   |                                  | 28.10.16   | 6,340         | Transfer | 1,99,434   | 1.13                             |
|       |                                 |   |                                  | 04.11.16   | 5,847         | Transfer | 1,93,587   | 1.09                             |
|       |                                 |   |                                  | 11.11.16   | 3,047         | Buy      | 1,96,634   | 1.11                             |
|       |                                 |   |                                  | 18.11.16   | 4,002         | Buy      | 2,00,636   | 1.13                             |
|       |                                 |   |                                  | 25.11.16   | 333           | Transfer | 2,00,303   | 1.13                             |
|       |                                 |   |                                  | 02.12.16   | 250           | Buy      | 2,00,553   | 1.13                             |
|       |                                 |   |                                  | 09.12.16   | 500           | Buy      | 2,01,053   | 1.14                             |
|       |                                 |   |                                  | 16.12.16   | 991           | Buy      | 2,02,044   | 1.14                             |
|       |                                 |   |                                  | 30.12.16   | 500           | Transfer | 2,01,544   | 1.14                             |
|       |                                 |   |                                  | 06.01.17   | 13,854        | Transfer | 1,87,690   | 1.06                             |
|       |                                 |   |                                  | 13.01.17   | 3,370         | Transfer | 1,84,320   | 1.04                             |
|       |                                 |   |                                  | 20.01.17   | 1,792         | Transfer | 1,82,528   | 1.03                             |
|       |                                 |   |                                  | 27.01.17   | 1,464         | Buy      | 1,83,992   | 1.04                             |
|       |                                 |   |                                  | 10.02.17   | 427           | Transfer | 1,83,565   | 1.04                             |
|       |                                 |   |                                  | 17.02.17   | 3,000         | Buy      | 1,86,565   | 1.06                             |
|       |                                 |   |                                  | 24.02.17   | 2,419         | Transfer | 1,84,146   | 1.04                             |
|       |                                 |   |                                  | 03.03.17   | 371           | Buy      | 1,84,517   | 1.04                             |
|       |                                 |   |                                  | 10.03.17   | 13,084        | Transfer | 1,71,433   | 0.97                             |
|       |                                 |   |                                  | 17.03.17   | 6,504         | Transfer | 1,64,929   | 0.93                             |
|       |                                 |   |                                  | 24.03.17   | 7,313         | Transfer | 1,57,616   | 0.89                             |
|       |                                 |   |                                  | 31.03.17   | 15,000        | Transfer | 1,42,616   | 0.81                             |
|       |                                 | 1,42,616  | 0.81                             | 31.03.17   |               |          | 1,42,616   | 0.81                             |
| 9     | Andrey S Purushottam *          | -   | 0                                | 01.04.16   |               |          |  |                                  |
|       |                                 |   |                                  | 31.12.16   | 20,000        | Buy      | 20,000   | 0.11                             |
|       |                                 |   |                                  | 20.01.17   | 84,756        | Buy      | 1,04,756   | 0.48                             |
|       |                                 |   |                                  | 27.01.17   | 10,000        | Buy      | 1,14,756   | 0.65                             |
|       |                                 | 1,14,756  | 0.65                             | 31.03.17   |               |          | 1,14,756   | 0.65                             |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| SL NO | NAME OF THE SHAREHOLDER   | SHAREHOLDING AT THE BEGINNING OF THE YEAR                                     |                                  | DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC) |               |                              | CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/16 TO 31/03/17) |                                  |
|-------|---------------------------|---|----------------------------------|--|---------------|------------------------------|--|----------------------------------|
|       |                           | No. of shares at the beginning of the yr (01/04/16)/ end of the yr (31/03/17) | % of total shares of the Company |  | No. of shares | Reason                       | No. of shares  | % of total shares of the Company |
| 10    | Sharekhan Limited *       | 15,921  | 0.09                             | 01.04.16   |               |                              |  |                                  |
|       |                           |   |                                  | 01.04.16   | 730           | Buy                          | 16,651   | 0.09                             |
|       |                           |   |                                  | 08.04.16   | 489           | Buy                          | 17,140   | 0.10                             |
|       |                           |   |                                  | 15.04.16   | 7,677         | Buy                          | 24,817   | 0.14                             |
|       |                           |   |                                  | 22.04.16   | 8,208         | Transfer                     | 16,609   | 0.09                             |
|       |                           |   |                                  | 29.04.16   | 3,689         | Transfer                     | 12,920   | 0.07                             |
|       |                           |   |                                  | 06.05.16   | 7,108         | Buy                          | 20,028   | 0.11                             |
|       |                           |   |                                  | 13.05.16   | 5,501         | Buy                          | 25,529   | 0.14                             |
|       |                           |   |                                  | 20.05.16   | 17,220        | Buy                          | 42,749   | 0.24                             |
|       |                           |   |                                  | 27.05.16   | 20,089        | Transfer                     | 22,660   | 0.13                             |
|       |                           |   |                                  | 03.06.16   | 10,471        | Buy                          | 33,131   | 0.19                             |
|       |                           |   |                                  | 10.06.16   | 12,780        | Transfer                     | 20,351   | 0.12                             |
|       |                           |   |                                  | 17.06.16   | 572           | Buy                          | 20,923   | 0.12                             |
|       |                           |   |                                  | 24.06.16   | 4,147         | Transfer                     | 16,776   | 0.10                             |
|       |                           |   |                                  | 30.06.16   | 15,320        | Buy                          | 32,096   | 0.18                             |
|       |                           |   |                                  | 01.07.16   | 5,061         | Transfer                     | 27,035   | 0.15                             |
|       |                           |   |                                  | 08.07.16   | 15,769        | Buy                          | 42,804   | 0.24                             |
|       |                           |   |                                  | 15.07.16   | 2,657         | Buy                          | 45,461   | 0.26                             |
|       |                           |   |                                  | 22.07.16   | 14,121        | Transfer                     | 31,340   | 0.18                             |
|       |                           |   |                                  | 29.07.16   | 11,547        | Transfer                     | 19,793   | 0.11                             |
|       |                           |   |                                  | 05.08.16   | 987           | Buy                          | 20,780   | 0.12                             |
|       |                           |   |                                  | 12.08.16   | 2,061         | Buy                          | 22,841   | 0.13                             |
|       |                           |   |                                  | 19.08.16   | 7,752         | Transfer                     | 15,089   | 0.09                             |
|       |                           |   |                                  | 26.08.16   | 5,091         | Buy                          | 20,180   | 0.11                             |
|       |                           |   |                                  | 02.09.16   | 3,527         | Transfer                     | 16,653   | 0.09                             |
|       |                           |   |                                  | 09.09.16   | 4,679         | Transfer                     | 11,974   | 0.07                             |
|       |                           |   |                                  | 16.09.16   | 4,034         | Buy                          | 16,008   | 0.09                             |
|       |                           |   |                                  | 23.09.16   | 1,790         | Transfer                     | 14,218   | 0.08                             |
|       |                           |   |                                  | 30.09.16   | 10,159        | Buy                          | 24,377   | 0.14                             |
|       |                           |   |                                  | 07.10.16   | 13,385        | Transfer                     | 10,992   | 0.06                             |
|       |                           |   |                                  | 14.10.16   | 4,125         | Transfer                     | 6,867  | 0.04                             |
|       |                           |   |                                  | 21.10.16   | 971           | Transfer                     | 5,896  | 0.03                             |
|       |                           |   |                                  | 28.10.16   | 5,894         | Buy                          | 11,790   | 0.07                             |
|       |                           |   |                                  | 04.11.16   | 580           | Transfer                     | 11,210   | 0.06                             |
|       |                           |   |                                  | 11.11.16   | 1,930         | Transfer                     | 9,280  | 0.05                             |
|       |                           |   |                                  | 18.11.16   | 7,262         | Buy                          | 16,542   | 0.09                             |
|       |                           |   |                                  | 25.11.16   | 9,946         | Transfer                     | 6,596  | 0.04                             |
|       |                           |   |                                  | 02.12.16   | 973           | Buy                          | 7,569  | 0.04                             |
|       |                           |   |                                  | 09.12.16   | 439           | Transfer                     | 7,130  | 0.04                             |
|       |                           |   |                                  | 16.12.16   | 771           | Transfer                     | 6,359  | 0.04                             |
|       |                           |   |                                  | 23.12.16   | 3,941         | Buy                          | 10,300   | 0.06                             |
|       |                           |   |                                  | 30.12.16   | 753           | Transfer                     | 9,547  | 0.05                             |
|       |                           |   |                                  | 06.01.17   | 1,157         | Transfer                     | 8,390  | 0.05                             |
|       |                           |   |                                  | 13.01.17   | 1,830         | Transfer                     | 6,560  | 0.04                             |
|       |                           |   |                                  | 20.01.17   | 9,780         | Buy                          | 16,340   | 0.09                             |
|       |                           |   |                                  | 27.01.17   | 7,669         | Transfer                     | 8,671  | 0.05                             |
|       |                           |   |                                  | 03.02.17   | 1,931         | Buy                          | 10,602   | 0.06                             |
|       |                           |   |                                  | 10.02.17   | 13,419        | Buy                          | 24,021   | 0.14                             |
|       |                           |   |                                  | 17.02.17   | 3,923         | Buy                          | 27,944   | 0.16                             |
|       |                           |   |                                  | 24.02.17   | 6,121         | Transfer                     | 21,823   | 0.12                             |
|       |                           |   |                                  | 03.03.17   | 318           | Transfer                     | 21,505   | 0.12                             |
|       |                           |   |                                  | 10.03.17   | 14,031        | Buy                          | 35,536   | 0.20                             |
|       |                           |   |                                  | 17.03.17   | 77,760        | Buy                          | 1,13,296   | 0.64                             |
|       |                           |   |                                  | 24.03.17   | 1,145         | Buy                          | 1,14,441   | 0.65                             |
|       |                           |   |                                  | 31.03.17   | 3,146         | Buy                          | 1,17,587   | 0.67                             |
|       |                           | 1,17,587  | 0.67                             | 31.03.17   |               |                              | 1,17,587   | 0.67                             |
| 11    | Mrunalini Rajesh Pandit * | 60,000  | 0.34                             | 01.04.16   |               |                              |  |                                  |
|       |                           |   |                                  | 17.06.16   | 25            | Buy                          | 60,025   | 0.34                             |
|       |                           |   |                                  | 22.07.16   | 39,575        | Buy                          | 99,600   | 0.56                             |
|       |                           |   |                                  | 12.08.16   | 25            | Transfer                     | 99,575   | 0.56                             |
|       |                           | 99,575  | 0.56                             | 31.03.17   |               |                              | 99,575   | 0.56                             |
| 12    | Vinay Gopinath Pai        | 1,08,000  | 0.61                             | 01.04.16   |               |                              |  |                                  |
|       |                           |   |                                  |  |               | Nil movement during the year |  |                                  |
|       |                           | 1,08,000  | 0.61                             | 31.03.17   |               |                              | 1,08,000   | 0.61                             |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| SL NO | NAME OF THE SHAREHOLDER                    | SHAREHOLDING AT THE BEGINNING OF THE YEAR                                     |                                  | DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC) |               |          | CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/16 TO 31/03/17) |                                  |
|-------|--|---|----------------------------------|--|---------------|----------|--|----------------------------------|
|       |  | No. of shares at the beginning of the yr (01/04/16)/ end of the yr (31/03/17) | % of total shares of the Company |  | No. of shares | Reason   | No. of shares  | % of total shares of the Company |
| 13    | Mohur Investment & Consultancy Pvt. Ltd. # | 1,00,000  | 0.57                             | 01.04.16   |               |          |  |                                  |
|       |  |   |                                  | 15.04.16   | 1,00,000      | Transfer | -  | 0.00                             |
|       |  | -   | 0                                | 31.03.17   |               |          | -  | 0.00                             |
| 14    | Sarita Gupta #                             | 98,795  | 0.56                             | 01.04.16   |               |          |  |                                  |
|       |  |   |                                  | 15.07.16   | 6,900         | Transfer | 91,895   | 0.52                             |
|       |  |   |                                  | 22.07.16   | 100           | Transfer | 91,795   | 0.52                             |
|       |  |   |                                  | 26.08.16   | 79,123        | Transfer | 12,672   | 0.07                             |
|       |  |   |                                  | 02.09.16   | 12,672        | Transfer | -  | 0.00                             |
|       |  | -   | 0                                | 31.03.17   |               |          | -  | 0.00                             |
| 15    | Hidden Champions Fund *                    | -   | 0                                | 01.04.16   |               |          |  |                                  |
|       |  |   |                                  | 17.03.17   | 46,848        | Buy      | 46,848   | 0.27                             |
|       |  |   |                                  | 24.03.17   | 65,799        | Buy      | 1,12,647   | 0.64                             |
|       |  |   |                                  | 31.03.17   | 67,482        | Buy      | 1,80,129   | 1.02                             |
|       |  | 1,80,129  | 1.02                             | 31.03.17   | -             |          | 1,80,129   | 1.02                             |
| 16    | Ashok Maganlal Shah                        | 1,01,971  | 0.58                             | 01.04.16   |               |          |  |                                  |
|       |  |   |                                  | 28.10.16   | 31            | Transfer | 1,01,940   | 0.58                             |
|       |  |   |                                  | 06.01.17   | 142           | Transfer | 1,01,798   | 0.58                             |
|       |  |   |                                  | 03.02.17   | 167           | Transfer | 1,01,631   | 0.57                             |
|       |  | 1,01,631  | 0.57                             | 31.03.17   |               |          | 1,01,631   | 0.57                             |
| 17    | R. V. Raghunandhan                         | 96,455  | 0.55                             | 01.04.16   |               |          |  |                                  |
|       |  |   |                                  | 08.04.16   | 1,788         | Transfer | 94,667   | 0.54                             |
|       |  |   |                                  | 15.04.16   | 6,791         | Transfer | 87,876   | 0.50                             |
|       |  |   |                                  | 29.04.16   | 1,015         | Transfer | 86,861   | 0.49                             |
|       |  |   |                                  | 06.05.16   | 86,861        | Transfer | -  | 0.00                             |
|       |  | -   | 0                                | 31.03.17   |               |          | -  | 0.00                             |

\* Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder is one of the Top 10 shareholders as on 31-03-2017.

# Ceased to be in the list of Top 10 shareholders as on 31-03-2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2016.

(v) Shareholding of Directors & KMP

| SL NO | NAME OF THE SHAREHOLDER                                 | SHAREHOLDING AT THE BEGINNING OF THE YEAR                                     |                                  | DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC) |               |                 | CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/16 TO 31/03/17) |                                  |
|-------|---|---|----------------------------------|--|---------------|-----------------|--|----------------------------------|
|       |   | No. of shares at the beginning of the yr (01/04/16)/ end of the yr (31/03/17) | % of total shares of the Company |  | No. of shares | Reason          | No. of shares  | % of total shares of the Company |
| 1     | Mr. Makrand M. Appalwar<br>Chairman & Managing Director | 37,82,550   | 21.3821                          | 01.04.16   |               |                 |  |                                  |
|       |   |   |                                  | 15.07.16   | 500           | Buy             | 37,83,050  | 21.39                            |
|       |   |   |                                  | 22.07.16   | 39,575        | Buy             | 38,22,625  | 21.61                            |
|       |   |   |                                  | 12.08.16   | 25            | Buy             | 38,22,650  | 21.61                            |
|       |   |   |                                  | 30.09.16   | 1,000         | Buy             | 38,23,650  | 21.61                            |
|       |   |   |                                  | 07.10.16   | 1,200         | Buy             | 38,24,850  | 21.62                            |
|       |   | 38,24,850   | 21.6212                          | 31.03.17   |               |                 | 38,24,850  | 21.62                            |
| 2     | Mrs. Rinku M. Appalwar<br>CFO & Director                | 22,89,210   | 12.9405                          | 01.04.16   |               |                 |  |                                  |
|       |   |   |                                  | 22.04.16   | 750           | Buy             | 22,89,960  | 12.95                            |
|       |   |   |                                  | 15.07.16   | 1,000         | Buy             | 22,90,960  | 12.95                            |
|       |   |   |                                  | 07.10.16   | 1,500         | Buy             | 22,92,460  | 12.96                            |
|       |   |   |                                  | 14.10.16   | 4,000         | Buy             | 22,96,460  | 12.98                            |
|       |   | 22,96,460   | 12.9815                          | 31.03.17   |               |                 | 22,96,460  | 12.98                            |
| 3     | Mr. Sanjay R. Rathi<br>Non-Executive Director           | 2,100   | 0.01                             | 01.04.16   | 0             | Nil movement    |  |                                  |
|       |   | 2,100   | 0.01                             | 31.03.17   | 0             | during the year | 2,100  | 0.01                             |
| 4     | Mr. Prashant K. Lohiya<br>Non-Executive Director        | 6,250   | 0.03                             | 01.04.16   | 0             | Nil movement    |  |                                  |
|       |   | 6,250   | 0.03                             | 31.03.17   | 0             | during the year | 6,250  | 0.03                             |



(v) Shareholding of Directors & KMP

| SL NO | NAME OF THE SHAREHOLDER                | SHAREHOLDING AT THE BEGINNING OF THE YEAR                                     |                                  | DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC) |               |                 | CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/16 TO 31/03/17) |                                  |
|-------|--|---|----------------------------------|--|---------------|-----------------|--|----------------------------------|
|       |  | No. of shares at the beginning of the yr (01/04/16)/ end of the yr (31/03/17) | % of total shares of the Company |  | No. of shares | Reason          | No. of shares  | % of total shares of the Company |
| 5     | Dr. Venkatesh G. Joshi                 | 0   | 0.00                             | 01.04.16   | 0             | Nil movement    |  |                                  |
|       | Non-Executive Director                 | 0   | 0.00                             | 31.03.17   | 0             | during the year | 0  | 0.00                             |
| B     | Key Managerial Personnel (KMP's)       |   |                                  |  |               |                 |  |                                  |
| 1     | Mr. Makrand M. Appalwar                | 37,82,550   | 21.3821                          | 01.04.16   |               |                 |  |                                  |
|       | Chairman & Managing Director           |   |                                  | 15.07.16   | 500           | Buy             | 37,83,050  | 21.39                            |
|       |  |   |                                  | 22.07.16   | 39,575        | Buy             | 38,22,625  | 21.61                            |
|       |  |   |                                  | 12.08.16   | 25            | Buy             | 38,22,650  | 21.61                            |
|       |  |   |                                  | 30.09.16   | 1,000         | Buy             | 38,23,650  | 21.61                            |
|       |  |   |                                  | 07.10.16   | 1,200         | Buy             | 38,24,850  | 21.62                            |
|       |  | 38,24,850   | 21.6212                          | 31.03.17   |               |                 | 38,24,850  | 21.62                            |
| 2     | Mrs. Rinku M. Appalwar                 | 22,89,210   | 12.9405                          | 01.04.16   |               |                 |  |                                  |
|       | CFO & Director                         |   |                                  | 22.04.16   | 750           | Buy             | 22,89,960  | 12.95                            |
|       |  |   |                                  | 15.07.16   | 1,000         | Buy             | 22,90,960  | 12.95                            |
|       |  |   |                                  | 07.10.16   | 1,500         | Buy             | 22,92,460  | 12.96                            |
|       |  |   |                                  | 14.10.16   | 4,000         | Buy             | 22,96,460  | 12.98                            |
|       |  | 22,96,460   | 12.9815                          | 31.03.17   |               |                 | 22,96,460  | 12.98                            |
| 3     | Mr. Kaushal R. Patvi                   | 0   | 0.00                             | 01.04.16   | 0             | Nil movement    |  |                                  |
|       | Company Secretary & Compliance Officer | 0   | 0.00                             | 31.03.17   | 0             | during the year | 0  | 0.00                             |

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ IN MILLIONS)

|   | Secured Loans excluding deposits | Unsecured Loans | Total Indebtedness |
|---|----------------------------------|-----------------|--------------------|
| Indebtedness at the beginning of the financial year |                                  |                 |                    |
| i) Principal Amount                                 | 573.25                           | 50.33           | 623.58             |
| ii) Interest due but not paid                       | 0.27                             | 0.00            | 0.27               |
| iii) Interest accrued but not due                   | 0.00                             | 0.00            | 0.00               |
| Total (i+ii+iii)                                    | 573.52                           | 50.33           | 623.85             |
| Change in Indebtedness during the financial year    |                                  |                 |                    |
| Additions   | 139.70                           | 79.50           | 219.20             |
| Reduction   | 0.00                             | 57.64           | 57.64              |
| Net Change  | 139.70                           | 21.86           | 161.56             |
| Indebtedness at the end of the financial year       |                                  |                 |                    |
| i) Principal Amount                                 | 713.22                           | 72.20           | 785.41             |
| ii) Interest due but not paid                       | 0.50                             | 0.00            | 0.50               |
| iii) Interest accrued but not due                   | 0.00                             | 0.00            | 0.00               |
| Total (i+ii+iii)                                    | 713.72                           | 72.19           | 785.91             |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(AMOUNT IN ₹)

| SI No.    | PARTICULARS OF REMUNERATION  | NAME OF THE MD/WTD/DIRECTOR |                    | TOTAL AMOUNT |
|-----------|--|-----------------------------|--------------------|--------------|
|           |  | Makrand. M. Appalwar        | Rinku. M. Appalwar |              |
| 1         | Gross salary   |                             |                    |              |
| (a)       | Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | 78,00,000                   | 72,00,000          | 1,50,00,000  |
| (b)       | Value of perquisites u/s 17(2) of the Income tax Act, 1961                   | 22,100                      | 22,100             | 44,200       |
| (c)       | Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961    | -                           | -                  | -            |
| 2         | Stock option   | -                           | -                  | -            |
| 3         | Sweat Equity   | -                           | -                  | -            |
| 4         | Commission   | -                           | -                  | -            |
|           | as % of profit   | -                           | -                  | -            |
|           | others (specify)   | -                           | -                  | -            |
| 5         | Others, please specify   | -                           | -                  | -            |
| Total (A) |  | 78,22,100                   | 72,22,100          | 1,50,44,200  |

**B. Remuneration to other directors:**
**(AMOUNT IN ₹)**

| Sl No. | PARTICULARS OF REMUNERATION                 | NAME OF THE DIRECTORS |                    |                    | TOTAL AMOUNT |
|--------|---|-----------------------|--------------------|--------------------|--------------|
|        |   | Sanjay R. Rathi       | Prashant K. Lohiya | Venkatesh G. Joshi |              |
| 1      | Independent Directors                       |                       |                    |                    |              |
| (a)    | Fee for attending board/ committee meetings | 50,000                | 50,000             | 50,000             | 1,50,000     |
| (b)    | Commission                                  | —                     | —                  | —                  | —            |
| (c)    | Others, please specify                      | —                     | —                  | —                  | —            |
|        | Total (1)                                   | 50,000                | 50,000             | 50,000             | 1,50,000     |
| 2      | Other Non Executive Directors               |                       |                    |                    |              |
| (a)    | Fee for attending board/ committee meetings | —                     | —                  | —                  | —            |
| (b)    | Commission                                  | —                     | —                  | —                  | —            |
| (c)    | Others, please specify                      | —                     | —                  | —                  | —            |
|        | Total (2)                                   | —                     | —                  | —                  | —            |
|        | Total (B)=(1+2)                             | 50,000                | 50,000             | 50,000             | 1,50,000     |
|        | Total Managerial Remuneration*              |                       |                    |                    | 1,51,94,200  |

\* Total remuneration to Managing Director, Whole-Time Director and other Directors (being the total of A and B).

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**
**(AMOUNT IN ₹)**

| Sl No. | PARTICULARS OF REMUNERATION  | KEY MANAGERIAL PERSONNEL                   |  |   | TOTAL AMOUNT |
|--------|--|--|--|---|--------------|
|        |  | Managing Director<br>(Makrand M. Appalwar) | Chief Financial Officer<br>(Rinku M. Appalwar) | Company Secretary<br>(Kaushal R. Patvi) |              |
| 1      | Gross salary   |  |  |   |              |
| (a)    | Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | 78,00,000                                  | 72,00,000                                      | 7,31,163                                | 1,57,31,163  |
| (b)    | Value of perquisites u/s 17(2) of the Income tax Act, 1961                   | 39,600                                     | 39,600   | -                                       | 79,200       |
| (c)    | Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961    | -  | -  | -                                       | -            |
| 2      | Stock option   | -  | -  | -                                       | -            |
| 3      | Sweat Equity   | -  | -  | -                                       | -            |
| 4      | Commission as % of profit others (specify)                                   | -  | -  | -                                       | -            |
| 5      | Others, please specify   | -  | -  | -                                       | -            |
|        | Total  | 78,39,600                                  | 72,39,600                                      | 7,31,163                                | 1,58,10,363  |

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

| TYPE                         | SECTION OF THE COMPANIES ACT | BRIEF DESCRIPTION | DETAILS OF PENALTY/ PUNISHMENT COMPOUNDING FEES IMPOSED | AUTHORITY (RD/NCLT/COURT) | APPEAL MADE IF ANY (GIVE DETAILS) |
|------------------------------|------------------------------|-------------------|---|---------------------------|-----------------------------------|
| A. COMPANY                   |                              |                   |   |                           |                                   |
| Penalty                      | Nil                          | Nil               | Nil   | Nil                       | Nil                               |
| Punishment                   | Nil                          | Nil               | Nil   | Nil                       | Nil                               |
| Compounding                  | Nil                          | Nil               | Nil   | Nil                       | Nil                               |
| B. DIRECTORS                 |                              |                   |   |                           |                                   |
| Penalty                      | Nil                          | Nil               | Nil   | Nil                       | Nil                               |
| Punishment                   | Nil                          | Nil               | Nil   | Nil                       | Nil                               |
| Compounding                  | Nil                          | Nil               | Nil   | Nil                       | Nil                               |
| C. OTHER OFFICERS IN DEFAULT |                              |                   |   |                           |                                   |
| Penalty                      | Nil                          | Nil               | Nil   | Nil                       | Nil                               |
| Punishment                   | Nil                          | Nil               | Nil   | Nil                       | Nil                               |
| Compounding                  | Nil                          | Nil               | Nil   | Nil                       | Nil                               |

# The building blocks of the Sustainable Enterprise

If it is the workers' hands that shape the enterprise then it is the products and services that the enterprise makes, that keeps its advantage over the competition, sustainable. At Emmbi, we realize that products – however innovative – can always be copied. And sooner, rather than later, there will be a competitor that offers similar (if not the same) products at a cheaper price.

Sustainable business means NOT having to rely on price as your only differentiator!

Which is why, the focus at Emmbi on constant innovation. In the year gone by, we have innovated not just in terms of products, but services as well. On the products side, innovations like creating the world's widest pond liner have created solid value for the farmer, in terms of a much more reliable (and leak-resistant) pond liner. In fact, our innovations in the area of water conservation have already helped save in excess of 13 million liters of water! It is this focus on being one step ahead of the competition that led us to build a dedicated positive-pressure facility to produce Food-grade FIBCs. This, along with innovations that lock the aroma in, ensure a competitive advantage for Emmbi.

But innovations are not the domain of products alone. We know that an increasing part of our business is dependent on service – especially on the retail side. So, we have focused on training not just our own personnel, but also those of our distributors, to be able to add solid value to the end customer. So, we have undertaken a program to train and certify our distributors' personnel to install our Jalasanchay line of pond liners correctly.





## **A sustainable product strategy is often a matter of perspective.**

A constant focus on innovation is at the heart of creating a sustainable product line. As much as that is about creating newer products, we believe that a large part of innovation lies in the manner in which one defines one's business.

Emmbi Industries began its journey in 1995, as a manufacturer of Flexible Intermediate Bulk Containers. For all practical purposes then, we were a packaging company. However, our success in innovating product lies primarily in our ability to refine our playing field.

Today, Emmbi no longer sees itself as a mere packaging company, but as an expert in polymer material science. Looking at that way, there are innumerable applications that our expertise can be put to. So, we're able to create artificial ponds just as well as we're able to create Bulk Packaging solutions.

In fact, we began developing the ideal pond liner as far back as in 2009. Our efforts finally bore fruit, when our first Pond Liner was sold, in 2016

# Annexures to the Directors' Report



## ANNEXURE 2 TO THE DIRECTORS' REPORT

### Business Risk

Unforeseen factors, be it related to industry, regulations, and/or the economy could affect business in an adverse manner, that could lead to impairment to income and capital. Also in a capital-intensive industry, any downward swings in revenues could be detrimental to earnings.

Emmbi is not in an industry that is overtly exposed to governmental regulations, and the fact that we have been profitable since inception and is a regular dividend payer mitigates the business risk to a large extent. We operate at 83%, a 20% jump from the previous year. This and outsourcing some non-core activities would further improve the distribution of fixed costs. We consciously ensure that our production is not concentrated on one unit and is spread across five locations to mitigate any eventuality. We also maintain cordial and healthy relationship with workers, ensuring their safety and wellbeing.

### Financial Risk

Emmbi's capital structure is very conservative, and it's cash flows adequate to meet obligations when due. Also the fair value of assets, far exceed the book value providing additional buffer in the event of a remote outlier. We are also rated investment grade with a positive outlook on our debt, and are confident that in the next few years this would only improve given the growth in our business, and growth. In addition we do not rely on one lender, and have a consortium of banks, and are constantly engaging with newer banks, who are more than willing to do business with us.

### Liquidity Risk

We maintain adequate cash at all times. Contrary to peers, we do majority purchases on an advance payment basis (not due to the fact that suppliers, are unwilling to provide credit, but to take advantage of the prices), despite that we have ample liquidity, and do not lock up our operating cash flow in non-core or unproductive assets. Inventories and debtors are managed prudently, and impairments negligible. We have this year increased our dividend pay out which also cements that Emmbi is a very liquid company.

### Single Product Risk

Emmbi's product line is well diversified with over 180 products, and no single client contributes to more than 5% of total revenues. We have strategically reduced our dependence on low margin products.

### Single Geography Risk

Emmbi exports to over 51 countries, and are not exposed to a single market or its vagaries. In the years to come we should be expanding the reach to more countries, and clients with establishment of our own offices.

### Foreign Exchange Risk

Emmbi has an internal policy to hedge all its export revenues, and it has no exposure to foreign currency borrowings. The company also does not trade, or speculate in the foreign currency market or make any opportunistic positions.

### Enterprise Wide Risk

We are compliant with international best practices, as can be noted from the continual certifications, and the periodic audits. The Management at Emmbi does not view risks in silos, however analyses, how it can impact the whole organisation. We have a very efficient ERP system that would also have a module for managing uncertainties. We have also got accredited as an R&D House by the Government of India, who have also commended us on our risk management practices.



## ANNEXURE 3 TO DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

[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,  
EMMBI INDUSTRIES LIMITED  
Silvassa.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by EMMBI INDUSTRIES LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the EMMBI INDUSTRIES LIMITED 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 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:

I 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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the 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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: There were no further issue of securities during the year under review.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective October 28, 2014): There were no ESOPS issued during the year under review.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: There were no debt securities which are listed on the Stock Exchange.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: There were no proposals for delisting of its Equity shares during the year under review and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: There were no Buy Back of its Equity shares during the year under review.
- (vi) As per Management representation letter following are laws applicable to Company:
  - (a) Applicable state and local municipal laws;
  - (b) Applicable state and local labour laws;
  - (c) Applicable Intellectual Property laws;



We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective July 1, 2015;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements), 2015 made effective 1st December 2015,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above.

I further report that

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.

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.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

I 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.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

**For SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY R DHOLAKIA)**  
**Practising Company Secretary**  
**Proprietor**  
**Membership No. 2655 /CP No. 1798**

Date: 20th May 2017  
Place: Mumbai

#### **Annexure A**

To,  
The Members,  
EMMBI INDUSTRIES LIMITED  
Silvassa.

My 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. My examination was limited to the verification of procedure 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 SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY R DHOLAKIA)**  
**Practising Company Secretary**  
**Proprietor**  
**Membership No. 2655 /CP No. 1798**

Date: 20th May 2017  
Place: Mumbai

## ANNEXURE 4

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of The Companies Act, 2013 and Rule 9 of The Companies (Corporate Social Responsibility) Rules, 2014]

- |   |  |   |
|---|--|---|
| 1 | A brief outline of the Company's CSR Policy, including overview of Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs.                            | The Company has framed a CSR Policy in compliance with the Provisions of Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <a href="http://www.emmbi.com/EmmbiDustBin.aspx">http://www.emmbi.com/EmmbiDustBin.aspx</a> |
| 2 | The Composition of the CSR Committee   | Dr. Venkatesh Joshi<br>Mr. Sanjay Rathi<br>Mr. Prashant Lohiya<br>Mrs. Rinku Appalwar   |
| 3 | Average Net Profit of the Company for last three financial years: Average Net Profit   | ₹ 9,58,88,902   |
| 4 | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)   | ₹ 19,17,780   |
| 5 | Details of CSR spent during the financial year:<br>a) Total amount to be spent for the financial year;<br>b) Amount unspent, if any;<br>c) Manner in which the amount spent during the financial year is detailed below: | The Company has spent ₹ 12,52,720<br>₹ 6,65,060<br><br>Details given below  |

(AMOUNT IN ₹)

| (1)<br>Sl.<br>No. | (2)<br>CSR project<br>or activity<br>identified   | (3)<br>Sector in which<br>the Project<br>is covered    | (4)<br>Projects or<br>programs:<br>1) Local area<br>or other<br>2) Specify the<br>State and district<br>where projects<br>or programs was<br>undertaken | (5)<br>Amount outlay<br>(budget) Project<br>or programs<br>wise | (6)<br>Amount spent on the<br>projects or programs<br>Sub-heads<br>1) Direct expenditure<br>on projects or<br>programs<br>2) Overheads | (7)<br>Cumulative<br>expenditure<br>up to the<br>reporting<br>period | (8)<br>Amount spent:<br>Direct or through<br>implementing<br>agency |
|-------------------|---|--|---|---|--|--|---|
| 1                 | Promoting Traditional Arts and Culture  | Protection of national heritage, art & culture         | Maharashtra   | 30,000  | 25,000   | 25,000   | Implementing Agency: Emmbi Foundation*                              |
| 2                 | Promoting Education   | Promoting Education                                    | Bangalore   | 30,000  | 20,000   | 20,000   |   |
| 3                 | Health Programme- Providing treatment for Cancer Patients   | Promoting health care including preventive health care | Maharashtra   | 2,00,000  | 1,00,000   | 1,00,000   |   |
| 4                 | Health Programme- Providing treatment for Cancer Patients   | Promoting health care including preventive health care | Maharashtra   | 1,00,000  | 72,000   | 72,000   |   |
| 5                 | Health Outreach Programme Medical Units and camps for primary and preventive healthcare including diagnostics | Promoting health care including preventive health care | Silvassa  | 3,00,000  | 2,17,395   | 2,17,395   |   |

| (AMOUNT IN ₹)     |   |  |   |   |  |  |   |
|-------------------|---|--|---|---|--|--|---|
| (1)<br>Sl.<br>No. | (2)<br>CSR project<br>or activity<br>identified   | (3)<br>Sector in which<br>the Project<br>is covered    | (4)<br>Projects or<br>programs:<br>1) Local area<br>or other<br>2) Specify the<br>State and district<br>where projects<br>or programs was<br>undertaken | (5)<br>Amount outlay<br>(budget) Project<br>or programs<br>wise | (6)<br>Amount spent on the<br>projects or programs<br>Sub-heads<br>1) Direct expenditure<br>on projects or<br>programs<br>2) Overheads | (7)<br>Cumulative<br>expenditure<br>up to the<br>reporting<br>period | (8)<br>Amount spent:<br>Direct or through<br>implementing<br>agency |
| 6                 | Health Outreach Programme Medical Units and camps for primary and preventive healthcare including diagnostics | Promoting health care including preventive health care | Silvassa  | 7,00,000  | 5,78,325   | 5,78,325   | Implementing Agency: Emmbi Foundation*                              |
| 7                 | Community Development   | Promoting Education                                    | Kolkata   | 3,00,000  | 2,00,000   | 2,00,000   |   |
| 8                 | Promoting and Culture Traditional Arts  | Protection of national heritage, art & culture         | Maharashtra   | 30,000  | 25,000   | 25,000   |   |
| 9                 | Education Scholarship Programme   | Promoting Education                                    | Silvassa  | 5,000   | 2,000  | 2,000  |   |
| 10                | Education Scholarship Programme   | Promoting Education                                    | Silvassa  | 5,000   | 2,000  | 2,000  |   |
| 11                | Education Scholarship Programme   | Promoting Education                                    | Silvassa  | 5,000   | 2,000  | 2,000  |   |
| 12                | Education Scholarship Programme   | Promoting Education                                    | Silvassa  | 5,000   | 3,000  | 3,000  |   |
| 13                | Education Scholarship Programme   | Promoting Education                                    | Silvassa  | 5,000   | 2,000  | 2,000  |   |
| 14                | Education Scholarship Programme   | Promoting Education                                    | Silvassa  | 5,000   | 2,000  | 2,000  |   |
| 15                | Education Scholarship Programme   | Promoting Education                                    | Silvassa  | 5,000   | 2,000  | 2,000  |   |

\* Emmbi Foundation is a Trust within the meaning of The Maharashtra Public Trust Act, 1950 and has a comprehensive approach towards development with an overall aim to create and support meaningful and innovative activities that address some of India's most pressing developmental challenges, with the aim of enabling lives, living and livelihood for a stronger and inclusive India.

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. The company has been identifying appropriate CSR projects and programs in the villages around Silvassa by involving the local bodies and elected representatives, village communities, self-governing organizations and Government agencies. Several long term projects have been identified and are under implementation and would take time for completion. Company has laid out a clear road map for achieving the desired results enunciated in its CSR policy and is confident of meeting the statutory requirement.
7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Place: Mumbai  
Date: 20th May, 2017

(Makrand Appalwar)  
Chairman & Managing Director  
DIN: 0000171950

(Dr. Venkatesh Joshi)  
Chairman of CSR Committee  
DIN: 0001234871



## ANNEXURE 5

### Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

| Sl. No. | Particulars   | Details               |
|---------|---|-----------------------|
| 1.      | Name of the subsidiary  | Emmbi Scandinavia ApS |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | April to March        |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | EURO                  |
| 4.      | Share capital   | 0.47                  |
| 5.      | Reserves & surplus  | -6.34                 |
| 6.      | Total assets  | 0.02                  |
| 7.      | Total Liabilities   | 5.90                  |
| 8.      | Investments   | -                     |
| 9.      | Turnover  | -                     |
| 10.     | Profit before taxation  | -2.48                 |
| 11.     | Provision for taxation  | -                     |
| 12.     | Profit after taxation   | -2.48                 |
| 13.     | Proposed Dividend   | Nil                   |
| 14.     | % of shareholding   | 100                   |

@ The exchange rate is of ₹ 69.2476

As per proviso 4 to Rule 6 of the Companies (Accounts) Amendment Rules, 2015 the consolidation of a foreign subsidiary is not applicable.

For and on behalf of the Board of Directors of Emmbi Industries Limited

Makrand M. Appalwar  
Managing Director

Rinku M. Appalwar  
CFO & Director

Kaushal R. Patvi  
Company Secretary

  
**emmbi**  
**AquaSave**  
HTCPM Canal Liner



*Emmbi AquaSave's HTCPM canal liner with superior tear resistance and higher width makes it ideal for lining large canals.*

# Management Discussion and Analysis

## Forward Looking Statements

The estimation and expectation made in this report may differ from actual performance due to extraneous factors such as economic conditions, governmental policies, regulations, and other factors. The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

## Economy and Outlook

Global GDP growth in 2016 was at 3.00% as per IMF world economic outlook – January 2017, and is expected to rise to 3.50% in 2017, and 3.60% in 2018. Amongst the OECD economies, despite the easy monetary policy, growth in US contracted, however the major countries in the EU had modest improvements. Japan was flat, whilst Canada showed a smart improvement, whilst the UK also experienced a visible drop in growth. China was flat, while the Latin American Giant, Brazil contracted for a second year in a row. Growth in both oil and non-oil exporters remained mixed with geo-political factors weighing down heavily in the Middle East and Turkey. At the Global level, there was a visible improvement in both consumer durables, and capital goods, in the second half of year. The main factors for this was a recovery in investments, driven by infrastructure, and real estate

**Trade has the potential to grow if movements of goods and services across borders flow freely**

investments in China offsetting the drag in the commodity prices, and end of inventory cycle in the US. The growth in world merchandise trade was poor at 1.30% in 2016, however has been forecasted to rise between 1.80% and 3.00%.

Trade has the potential to grow if movements of goods and services across borders flow freely, however policy makers attempts to address job losses, and placing restrictions on imports can affect the recovery. The outlook for the years ahead is likely to be influenced by three factors (1) US monetary and tax policies. (2) Political uncertainty in middle-east economies (3) China's structural changes to a consumption based economy.

## Indian economy and outlook

The Indian economy grew at close to 7%, and became one of the fastest growing nation in the G20. In fiscal '17 the Government consumption acted as a catalyst for India's growth, and so did exports. However private capital formation and imports of goods declined. A good monsoon compared to the previous two years, ensured availability of crops, agricultural income, and rural spending. Growth was also aided by private consumption in urban areas buoyed by higher public wages and consumption.

**In fiscal '17, the Government consumption acted as a catalyst for growth, and so did exports**

Disruption in trade under demonetization had a temporary effect in last quarter of CY16. Due to exchange of old currency notes of higher denomination of ₹ 500/- and ₹ 1,000/- with new currency notes, the cash economy was impacted the most. The organised economy had some impact but was short lived and business could adapt to the requirements in shortest possible time. As a net importer of commodities the country also benefited from lower commodity prices particularly crude oil, that along with the above factors helped control inflation and lower the current account deficit.





Challenges remain in 2017-18, on account of the subdued manufacturing, slower growth of exports, and lower capital expenditure by private sector. Going forward lower borrowing costs, and the fading effects of demonetisation are expected to override the negatives. The implementation of the GST is expected to not only lower logistics cost, and improve tax collections, however send a positive signal to both domestic and international investors. Other favourable indicators include a moderate level of inflation, lower Current Account Deficit (CAD), fiscal consolidation and the transitory impact of demonetisation and a stable macro-economic environment. IMF in its latest world economic outlook report indicates that India's GDP will grow by ~7.2% for fiscal '17-'18 and by ~7.7% in fiscal '18-'19.

## Sector Performance

The world is witnessing an exponential growth in the usage and consumption of polymers. Production that used to range at 340 million tons p.a. in 2010 is expected to cross 540 tons by 2020 (Source: Global Polymer News), a compounded annual growth of nearly 10%. The completely man-made nature of

polymers makes innovation and creation of new materials virtually limitless. The Polymer sector in India is estimated at over \$33 billion (\$30 billion in 2015), (Source: Global Polymer News) and this is expected to grow at upwards of 8% over the next five years. Despite being the world's third largest market behind the US and China, India lags in the per capita consumption of polymers at just over 10kgs (World Average 30kgs) as per FICCI report on plastic industry 2017. With increased sales of automobiles, the government's initiatives of lining canals, ponds etc., and demand for packing material increasing on account of retail growth this sector is slated to grow at double digits in the coming years.

**The Polymer sector in India is expected to grow at upwards of 8% over the next five years**

| Segment  | Share 2017 | Share 2016 | Product Applications  |
|--|------------|------------|---|
| <br>Water Conservation    | 18%        | 15%        | Transportation, Storage, Irrigation, Conservation, Harvesting of water.   |
| <br>Advanced Composites   | 45%        | 44%        | Human Safety, Transportation & Management of Hazardous Material, Protective films & Fabrics.  |
| <br>Specialty Packaging | 33%        | 38%        | Chemicals, e-commerce, Oil & Water, Polymer Packaging.  |
| <br>Agro Polymers       | 4%         | 3%         | Yield Improvement in Agri & Dairy industry via Crop Protection Systems, Flexible Fermentation Storage, Radiation & Hailstorm Control, Weed management |

## Emmbi Industries' International and Domestic Business

### Product Range

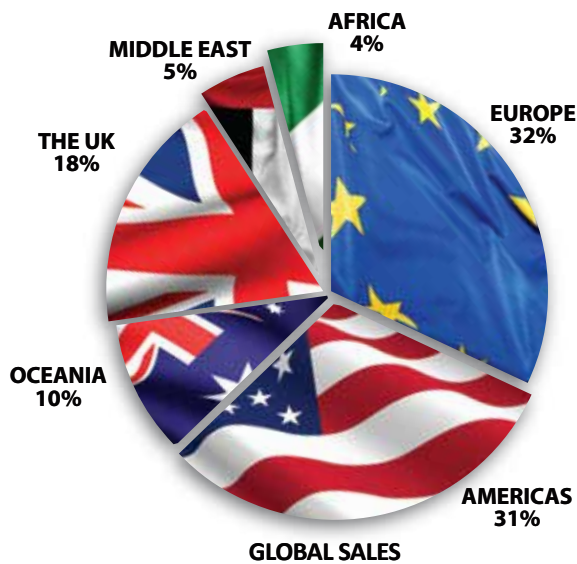
We are proud to state that we have over 40 individual products that cater to a client base of over 200. The products are classified into four business segments – Speciality Packaging, Advance Composites, Water Conservation and Agri Products

### International Business

Revenues from Exports stood at ₹ 1,048 million representing ~44% of the total revenue of ₹ 2,410 million in FY17. Our export business is spread across 54 countries with North America being the largest contributor. In addition to diversification across geographies, Emmbi's clientele include a wide range of industries.

Our focus market continues to be North America, based on few strong parameters - it being the one of the largest polymer consuming economy in the world giving rise to ever growing demand, the characteristics





and adaptability of this market, deep understanding of this market because of more than a decade of experience, and our strong clientele, we believe our risks are mitigated. In all other markets, across verticals we restrict our exposure not more than 5% across each country, and below 4% per client. Moreover, our strategy to keep recessionary trends in check is not only to add clients, however add new geographies as well.

### Domestic Business

The domestic business continues to register solid growth driven by the value-added products. We took a brave decision a few years ago to gradually scale down the low margin products of speciality packaging business, so that both financial and operational resources can be better allotted to high margin products. We are constantly driving our efforts to efficiently allocate capital resources. This strategy has surely paid off as the 30% growth in domestic revenues has been from high margin products. The water conservation segment, and the agri-business growth was in line with our expectations, and in the years to come forward we expect a robust growth from these segments.

We strongly feel that this growth is sustainable on account of many fronts some of which we list below,

1. As India urbanises there will be a faster growth in consumption of polymer products as seen in other economies like US and China.
2. A shift in the conventional usage to a more practical and faster adaption of polymer applications. This shift is very evident and is happening at a rapid rate because of wide application and affordability - be it the switch from Jute to Polypropylene bags, or concrete to polymer lined canals, glass to polymer syringes etc.
3. Emmbi's drive towards innovation, highest level of quality control, understanding of the client needs and long-standing credibility with clients makes it a first choice provider for existing clients, and serves as a strong referral base.
4. The move into the consumer segment, and the investments in brand 'Emmbi'. As Emmbi rapidly transforms from a primarily B2B company to a consumer-facing one, the importance of a strong brand pull to generate revenues and create value can not be over-stressed.

**30% of our growth in the domestic revenues has been from high-margin products**

## Retail Operations

The success of and the interest we garnered for some of our unique products such as the collapsible water tanks, crop covers, made us enter into the B2C market. This has paid off and we anticipate that in about three years from now, this segment should contribute to 25% of overall revenues.

In rural India the demand for water conservation products has been very high and with larger thrust from government towards rural economy. The government of India targets of building 10 lakh ponds per year, out of which 1.1 lakh ponds in Maharashtra and 60,000 ponds in Rajasthan alone opens a big opportunity for Emmbi industries. The retail reach to consumer created by our company has started bearing fruits. During the FY17 our retail business has grown by 18%.

Our existing retail distribution of pond liner product is in the state of Maharashtra & Rajasthan. In the next few months we intend to increase our retail distribution network to other states in the country.

New brands like “Emmbi Jalasanchay” for our water conservation business vertical and “Emmbi Krishirakshak” for our agro polymer business vertical will help rural people, as farmers are adopting new technologies for agriculture. Challenging factors for farmers are uncertainty of water availability and weather conditions. In water conservation part of our business vertical we have created the world’s ‘largest width pond liner’ under “Emmbi Jalasanchay” brand which will help farmers to conserve and preserve water and will also help them to have multiple crop rotations in a year. In agro polymer part of our business vertical we have developed various products like crop cover, mulch films which will help to increase yield of farmer and grow produce organically.

**Our retail  
business grew  
by 18% during  
the financial  
year 2017**

## Emmbi's Operations

### Plant Capacity and Utilisation

Capacity at 93% have registered a growth of 12 % over the previous year, and we would be reaching full utilisation, and perhaps cross this by FY 2019. We have installed a 2,400 tonnes capacity for positive pressure integrated clean room facility at Silvassa to address the gaps in India for high-grade food and pharmaceutical packaging.

### Risk Management

#### 1. Inventories Management

Emmbi's strategy of managing business in a non-speculative nature, translates down to its inventory management policies.

##### a) RM inventory management

The management's strategy is to ensure that the orders in pipeline are matched with the right inventory levels. This

process is followed by making immediate procurement of raw materials as soon as the purchase order is released.

This helps us to mitigate the fluctuation in price of raw material (crude oil or any derivative). Moreover the relationship between crude prices, and polymer prices is not entirely direct. Polypropylene - (a derivate of crude oil) that goes into our products, along with the actual crude constitutes less than 15% of the total raw material component.

In addition, the fall in crude oil prices have brought down the prices of polymers.

##### b) Finished goods inventory management

Emmbi's strategy of managing business in a non-speculative nature, translates down to its inventory

management policies. We always make it a point to match the order pipeline to the inventory levels.

The lowered cost of funds lead to 8.34% of savings aiding in better management of working capital requirements.

### **Credit Rating for Bank Facilities**

The CARE Ratings of the Company has been upgraded for Long Term Funds to CARE BBB+ Positive Outlook and for Short Term Funds to CARE A3+.

## **2. Currency risk management**

Emmbi has an internal policy to hedge all its export revenues, and it has no exposure to foreign currency borrowings. The company also does not trade, or speculate in the foreign currency market or make any opportunistic positions. Despite this linkage, we as a policy continue to apply effective hedge mechanisms.

### **Quality and Adherence**

We adhere to the latest international standards, and believe in adapting the best practices in the industry, be it people, processes, quality of our products or internal systems. We are in the process of "Integrated Management System" (IMS) a customised combination of ISO 9001 & OSAHAS 18000 and ISO 14000. This is in addition to the certification of ISO 9001:2008 that your company possess.

### **People and Processes**

We continue in investing and developing existing talent, and source human resources when needed. We continue to conduct workshops on both technical and soft skills with the help of internally created teams and external experts hired from reputable organization. We have in place a 'Whistle Blower' policy keeping in check with the best practices (Detailed in the Corporate Governance Section).

For bringing down the attrition rate in the blue collared work force one of the initiative is a structured skill up-gradation programme. We have also launched initiatives for rewarding the blue collared employees with highest attendance for three months. Also we have a specialised grievance handling programme to sensitively and effectively handle their

### **Information Technology**

This year we have integrated our plants located at five different locations in Silvassa, the head offices in Mumbai, and the offices overseas through an integrated ERP Platform. The successful implementation of ERP system would provide timely information for managerial decision-making and the Company to manage enterprise wide risk. We believe in addition to providing timely reports this would reduce costs, and aid us immensely in managerial decision making.

### **Research & Department**

The company's policy of continuous innovation, and investing in home-grown research over the years, has helped us in getting an accredited full-fledged R&D Development centre by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. This not only helps us getting tangible benefits like tax breaks, excise and VAT benefits, preferred bidder for Government projects etc. We also get invaluable intangible benefits such as visibility in the international arena, through government initiatives. The R&D activities have lead to product innovation resulting in building niche product portfolio, in moving up the value chain and attracting higher margins, strengthening the product portfolio of the Company.

The R&D expenses in FY17 was ₹ 65.95 million as against ₹ 39.03 million in FY16.



**We are now  
accredited as a  
full-fledged  
R&D Centre by  
the Government  
of India**

## Financial Highlights With Respect to Operational Performance

| (₹ in Millions)<br>Particulars                 | F.Y 2016-2017   | F.Y 2015-2016 |
|--|-----------------|---------------|
| Sales and Other Income                         | <b>2,409.89</b> | 2,092.42      |
| Net Profit after Interest Depreciation and Tax | <b>127.28</b>   | 105.95        |

We continued to impress both in terms of revenues, and earnings to shareholders. During the FY17, total revenue of Emmbi industries grew by 11% to ₹ 2410 mn, EBITDA grew by 11% to ₹ 2410 mn, PAT grew by 20% to Rs. 127 mn. The EBITDA margin improved to 12.4% and PAT margin improved to 5.3% in FY17. The EPS of the company grew by 20% to ₹ 7.2/share. We also declared dividend @ of ₹ 0.50 per equity share of ₹10/- each for the financial year ended 31st March, 2017.

In the past, debt gearing was high due to elongated working capital. In FY16, debt: equity ratio was at 0.9. However, with better working capital control and increasing share of domestic sales, debt gearing has improved. In FY17, debt: equity came in at 0.9x. Going forward, with expansion in place and minimal incremental capex, we maintain target debt equity mix of 0.5.

**For & On Behalf of the Board of Directors**

**Makrand M. Appalwar**

**Chairman & Managing Director**

**Mumbai, 20th May, 2017**

## Supporting organic farming, with Krishirakshak.



### Range of Products that physically protects crops

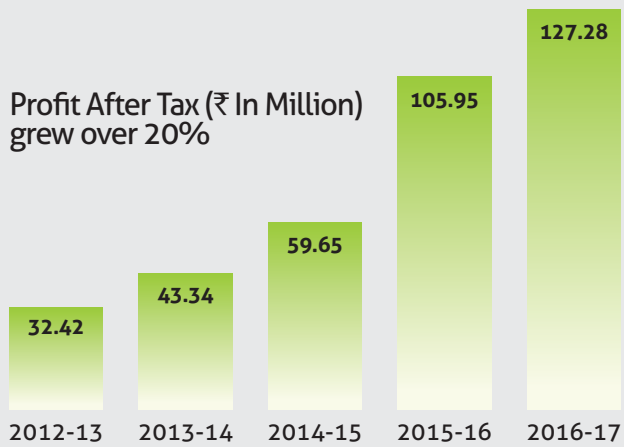
Emmbi's Krishirakshak crop protection products are designed to create a physical barrier between crops and pests, insects, excessive rain or frost just as effectively as chemical agents, without the potential harm. This makes the range uniquely suited for organic farming.

**emmbi**  
**Krishirakshak**

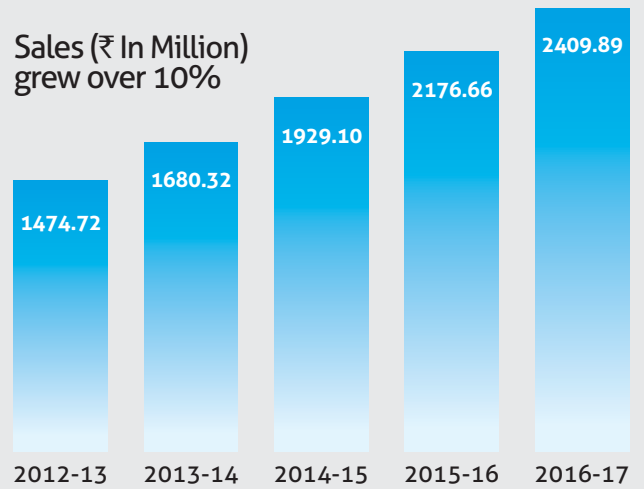


# Analysis of Financial Statements

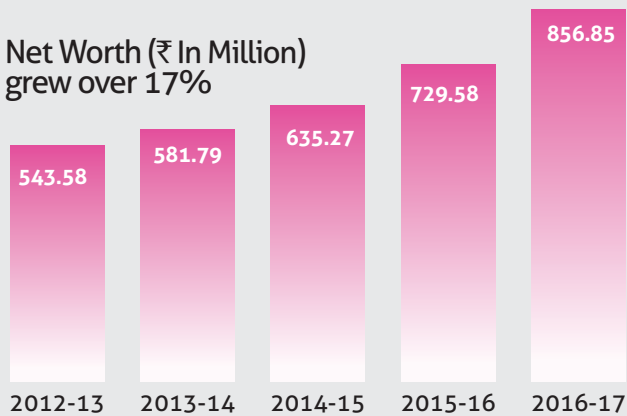
Profit After Tax (₹ In Million)  
grew over 20%



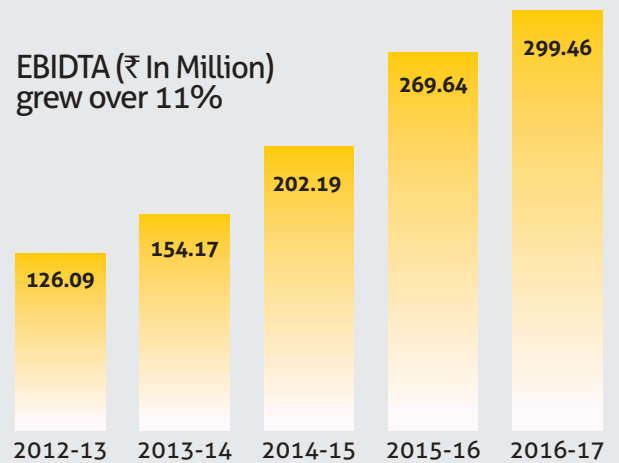
Sales (₹ In Million)  
grew over 10%



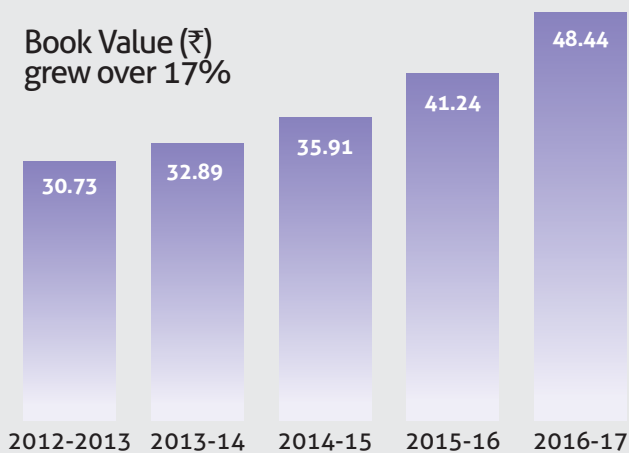
Net Worth (₹ In Million)  
grew over 17%



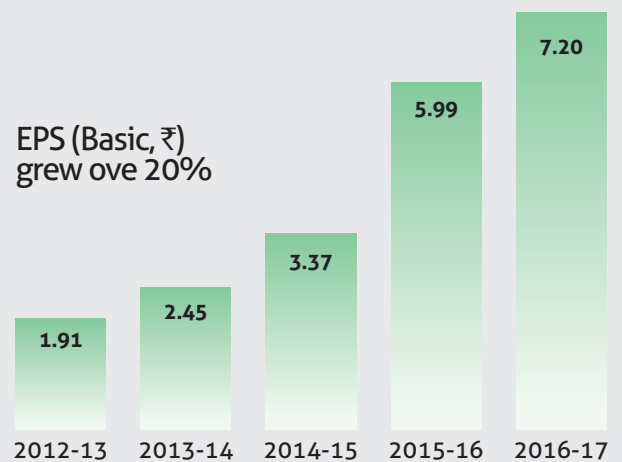
EBIDTA (₹ In Million)  
grew over 11%



Book Value (₹)  
grew over 17%



EPS (Basic, ₹)  
grew over 20%



Statement of Income

Revenue from Operations

The top-line growth of 10.71% was aided by increase in sales. Growth was in line with the strategy of reducing dependence on low margin business, and focusing on margin driven segments, and products. Whilst there was de-growth (9.02%) in the Speciality Packaging business, which was a conscious decision by the company to exit certain low margin products, Advance Composites registered a smart climb of 36.51%. The Water Conservation and Agri Product segments also clocked high double-digit increases in revenues and contribute to almost 20% of the total revenues

Cost of Operations

The increase in the cost of operations at 11%, was lower than the growth in revenues, and the overall margins witnessed smart improvements. EBITDA at ₹ 299 million (PY. ₹ 270 million) registered an impressive growth of 11%. Manufacturing expenses were lower compared to the previous year, on account on account of both economies of scale (operational leverage), as well as adoption of innovative methods to lower costs. Purchases were higher to aid the increased sales, and as always the company augments purchases in the last quarter to mitigate any shortfall in raw materials availability.

Cost of Finance

Finance costs stood at ₹ 83 million (PY. ₹ 90 million) despite incremental borrowings, as incremental debt was utilised to retire high cost debt. We believe the recent upgrade on the company’s credit ratings, coupled with the possibility of a declining rate scenario would help in the overall reduction in interest costs. Depreciation and amortisation expenses stood at ₹ 42 million (PY. ₹ 37 million).

Profits and Distribution

Emmbi industries continued to improve it’s profit margins, and delivered results with Profits after Tax at ₹ 127 million (a 20% growth), and the management, and the board decided to reward the shareholders by paying the dividend to ₹ 0.50 per equity share.

Balance Sheet Items

Emmbi has always prided itself in growing conservatively, with minimum risks to shareholders, and it’s stakeholders.

Assets and Deployment

Assets for the year stood at ₹ 2,010 million (PY. ₹ 1,651 million), the 22.00% growth primarily on account of investments in the new line, since operational.

Current Assets

Inventories stood at the year-end stood at ₹ 633 million (PY. ₹ 570 million) or almost five months at 113 days (147 days). This was an improvement despite the 12.83% growth in revenues, and tapping new markets. The average inventories holding is normally three months, however as

highlighted earlier, the primary supplier of raw materials to the industry normally shutdown their plant for maintenance in March, so as a prudent principle the company maintains higher inventories in the last quarter.

Cash in hand decreased to ₹ 4 million (PY. ₹ 10 million) to meet advances for the factory expansion; Receivables at ₹ 384 million (PY. ₹ 321 million) was in line with the growth in business, and the collection period improved to 47 days (53days). The company is very prudent in extending credit terms to its suppliers, and this is well below the industry average.

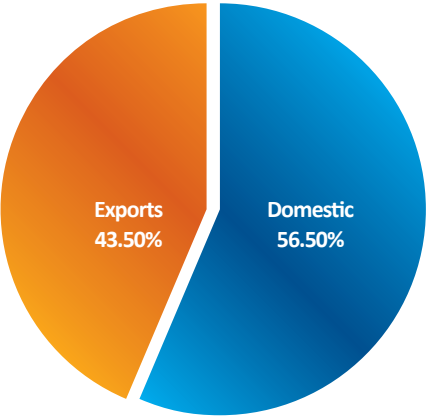
Fixed Assets

The company expanded its factory operations, through an additional investment in building and machinery, research and development by ₹ 210 million(PY. ₹ 71 million).

Capital and Borrowings

The growth was financed through a mix of internal accruals, additional term borrowings, and working capital. Debt-Equity was at the same level and very conservative at 0.35% (PY. 0.25%), and the current ratio at a healthy 1.31% (PY. 1.27%). This indicated that liquidity, and the solvency parameters are strong, and the ability to absorb unforeseen shocks. The company’s payables to creditors stood at 32 days, and the company uses the policy of both cash, and credit towards its purchases.

Total net worth increased to ₹ 857 million (PY. ₹ 730 million), whilst overall bank borrowings reduced to ₹ 747 million (PY. ₹ 591 million). In the course of the year the company repaid it’s obligations, as per schedule.



Solution for Domestic Waste Management

Replacing conventional bulky rigid bins to more environment friendly, cost-effective flexible options.

# Responsible Business: The only way to ensure that business stays in business

Emmbi realizes that creating stakeholder value is of utmost importance to a business. But at the same time, we have only one planet that we would leave behind for our future generations. So, it the moral duty of every corporation to go about its business in a manner that is minimally damaging to the environment.

That is why, at Emmbi, we ensure that our business practices and manufacturing processes are geared to vhave a minimal impact on the planet.

We're able to do this by intelligently re-engineering our products so that it is economically viable to recycle them, and ease the load on the environment. We'd like to see the day when a bag made from recycled polymer is as inexpensive – if not more – as one made from virgin polymer.

While focused on creating stakeholder value, Emmbi is also equally conscious of the environment. We realize that most industries do tend to damage the environment, even if it is minimally. So, we ensure our business practices are geared to have a minimal ecological impact.

The Emmbi Foundation also regularly engages with the communities that we work with. A significant amount of effort and resources are spent on developing and upkeeping of the villages around our plants.

## Why recycling must make Business Sense, first.

For any recycling effort to be successful, the cost of recycling the product has to be affordable. Which is why, we focus on creating products from Homopolymers. Doing so obviates the need for cutting, sorting and processing an FIBC, before it can be recycled. And that, in turn, makes it economically viable for the customer or the intermediary , to recycle the product, thereby easing the load on the environment.

# Corporate Governance Report

## I. Company's philosophy on Corporate Governance

Corporate governance seeks to raise the standards of corporate management, strengthen the Board systems, significantly increase its effectiveness and ultimately serve the objective of maximizing the shareholders' value. Corporate Governance ensures fairness, transparency and integrity of the management.

The Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, lenders, government, suppliers, dealers, customers, etc. and accordingly lays great emphasis on regulatory compliances. The Company firmly believes that Corporate Governance is a powerful tool to sub serve the long-term growth of the Company and continues to give high priority to the principles and practice of Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of Corporate Governance as laid down in the Listing Regulations

The responsibility for putting the recommendations into practice lies directly with the Board of Directors and the Management of the Company. The driving forces of Corporate Governance at Emmbi Industries Limited are its core values, which are belief in people, entrepreneurship, customer orientation and the pursuit of excellence..



## CORPORATE GOVERNANCE AT EMMBI

## II. BOARD OF DIRECTORS

### 1. COMPOSITION AND CATEGORY:

The composition of the board of directors should ensure that the board can attend to the common interests of all shareholders and meet the company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the board can function effectively as a collective body. The composition of the Board of Directors also takes into account the development phase of the Company, the special requirements of the industry and the needs of the Company's operations. Both genders are represented in the Board of Directors.

| Category                              | Name of Directors  |
|---------------------------------------|--|
| Promoter Executive Directors          | Mr. Makrand M. Appalwar<br>Chairman & Managing Director                |
|                                       | Mrs. Rinku M. Appalwar<br>Executive Director & Chief Financial Officer |
| Non-Executive & Independent Directors | Mr. Sanjay R. Rath   |
|                                       | Mr. Prashant K. Lohiya   |
|                                       | Dr. Venkatesh G. Joshi   |

The current policy of Emmbi is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate its functions of governance and management. The Non-Executive Directors are professionals with specialization in their respective fields and have varied skills and expertise. The Company believe that it has a truly diverse Board which leverages on the skills and knowledge, industry or related professional experience, age and gender, which helps the Company to retain our competitive advantage. The composition of the Board is in conformity with the requirements of the listing regulations.

### 2. BOARD PROCEDURES:

The Company follows a structured process of decision-making by the Board and its Committees. Detailed agenda and other explanatory statements are circulated well in advance to the Board members. The Agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents are circulated well in advance of the meeting date. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the subsequent Board meeting for noting. The Board is also free to recommend inclusion of any matter in the agenda for discussion. Apart from the Board of Directors, the Company Secretary & the Chief Financial Officer are invited to attend all the Board meetings. Senior management officials are called to provide additional inputs on the matters being discussed by the Board/ Committee. The Board has complete access to all relevant information of the Company. The Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

### 3. MEETINGS OF THE BOARD OF DIRECTORS:

The Board met 4 (four) times on the following dates during the financial year 2016-2017.

- 17th May, 2016
- 4th August, 2016
- 12th November, 2016
- 11th February, 2017

In compliance with Section 173 of the Companies Act, 2013, and listing regulations with the stock exchanges, the Board met four times during the financial year and the interval between two meetings was not more than 120 days.



#### 4. ATTENDANCE OF DIRECTORS IN BOARD MEETINGS

|                           | No. of Board Meetings attended during the financial year 2016-2017 | Attendance in AGM held on Sept 16, 2016 | No. of directorships in other Public Limited Companies | No of Board Committees in which Chairman/Member# | Chairman | Member |
|---------------------------|--|---|--|--|----------|--------|
| 1 Mr. Makrand M. Appalwar | 4  | Yes                                     | Nil  | Nil  | Nil      | Nil    |
| 2 Mrs. Rinku M. Appalwar  | 4  | Yes                                     | Nil  | Nil  | Nil      | Nil    |
| 3 Mr. Sanjay R. Rathi     | 4  | Yes                                     | 8  | Nil  | Nil      | Nil    |
| 4 Dr. Venkatesh G. Joshi  | 4  | Yes                                     | Nil  | Nil  | Nil      | Nil    |
| 5 Mr. Prashant K. Lohiya  | 4  | Yes                                     | Nil  | Nil  | Nil      | Nil    |

# Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders' Relationship Committee in all Indian Public Limited Companies other than Emmbi Industries Limited have been considered.

None of the Directors hold Directorship in more than the permissible number of Companies under the relevant provision. Further, none of the Directors on the Board is a member of Ten Committees or Chairman of more than Five Committees.

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013, and rules made thereunder and meet the requirements of Regulation 27 of the listing regulations with the stock exchanges. On appointment, A formal letter of appointment is issued to the Independent Directors setting out in detail the terms of appointment, duties, responsibilities and expected time commitments, etc., as provided in Companies Act, 2013 and the Listing Regulations and which is available on the website of the Company viz. [www.emmbi.com](http://www.emmbi.com).

#### 6. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the terms, role, functions, duties and responsibilities expected of him/her as a Director of the Company. On an on-going basis the Company shall through its Managing Director/Whole time Director/Senior Managerial Personnel, as required from time to time, conduct programmes/ presentations periodically to familiarize the Director with the business strategy, business and operations of the Company. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The programme will include visits to various plant locations from time to time to make them aware about the product lines and operations of the Company. The details of such familiarization programmes for Independent Directors are available on the website of the Company viz. [www.emmbi.com](http://www.emmbi.com).

#### 7. SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held during the financial year 2016-2017 wherein the Independent Directors discussed the process of evaluating the performance of the non-independent directors and the Board as a whole, performance of the Chairperson of the Company taking into account the views of executive directors and non-executive directors, assessed the quality, quantity and timelines of flow of information between the Company management and the Board for the Board to effectively and reasonably perform their duties..

#### 8. TRAINING OF INDEPENDENT DIRECTORS

Whenever new non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organisation structure, Company's policies and procedures, our business, constitution, board procedures, our risk and management strategy, etc. The appointment letters of Independent Directors has been placed on the Company's website [www.emmbi.com](http://www.emmbi.com).

### III. COMMITTEES OF THE BOARD

The Company has constituted Five committees of the Board of Directors viz. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Committee of Directors Committee. The committees have a combination of Executive and Non-Executive & Independent Directors. All the Board committees constitute an important element of the governance process. These Board Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. Committees deliberate on the matters referred to it by the Board. Recommendations of the committees are submitted to the Board to take decision on the matter referred.

#### 1) AUDIT COMMITTEE

The Audit Committee assists the Board in its responsibility for overseeing the quality of the accounting, auditing and reporting practices of the Company and its compliances with the legal and regulatory requirements.

##### a) Present Composition and Attendance of the Audit committee:

| Member of the Committee  | No. of meetings held | No. of meetings attended |
|--|----------------------|--------------------------|
| Mr. Sanjay Rathi,<br>Independent Non-Executive Director<br>Chairman of the Committee | 4                    | 4                        |
| Mr. Prashant Lohiya<br>Independent Non-Executive Director<br>Member of the Committee | 4                    | 4                        |
| Dr. Venkatesh Joshi<br>Independent Non-Executive Director<br>Member of the Committee | 4                    | 4                        |
| Mrs. Rinku Appalwar<br>CFO & Executive Director<br>Member of the Committee.          | 4                    | 4                        |



COMMITTEES OF THE BOARD

The composition of the Audit Committee meets with requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations. The terms of reference of the Audit Committee cover all the areas mentioned under Listing Regulations and section 177 of the Companies Act, 2013. Members of the Audit Committee possess financial / accounting expertise / exposure.

#### b) Meetings Held

The Audit Committee met 4 (four) times on the following dates during the financial year 2016-2017.

17th May, 2016

4th August, 2016

12th November, 2016

11th February, 2017,

- The Chairman of the Audit Committee Mr. Sanjay Rathi was present at the previous Annual General Meeting held on 16th September, 2016.

#### c) Terms of Reference of the Audit Committee, inter alia, include the following:

The following terms of reference stipulated by the Board of Directors to the Audit Committee cover all the matters specified under the Listing Regulations as well as the provisions of Section 177 of the Companies Act, 2013. The Audit Committee has powers;

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee, inter alia, includes the following:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company;
- Approving payment to statutory auditors, including cost auditors, for any other services rendered by them;
- Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' 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 judgement by the management;
  - Significant adjustments made in financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions; and
  - Qualifications in draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Monitoring and reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), 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 auditors independence and performance; and effectiveness of 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 it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of 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 or 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 area of concern;
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism;
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the following information:
  - Management discussion and analysis of financial condition and result 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
  - Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s).

## 2) NOMINATION & REMUNERATION COMMITTEE

### a) Present Composition and Attendance of the Nomination & Remuneration committee:

| Member of the Committee   | No. of meetings held | No. of meetings attended |
|---|----------------------|--------------------------|
| Mr. Sanjay R. Rathi<br>Independent Non-Executive Director<br>Chairman of the Committee  | 1                    | 1                        |
| Mr. Prashant K. Lohiya<br>Independent Non-Executive Director<br>Member of the Committee | 1                    | 1                        |
| Dr. Venkatesh G. Joshi<br>Independent Non-Executive Director<br>Member of the Committee | 1                    | 1                        |

The Committee's composition and terms of reference of the nomination & remuneration committee are in compliance with provisions of the Companies Act, 2013 and the Listing Regulations.

#### b) Meetings Held

The Nomination & Remuneration Committee met 1 (one) times on the following dates during the financial year 2016-2017.

17th May, 2016

**c) Terms of Reference of the Nomination & Remuneration Committee, inter alia, include the following:**

- To recommend and review the remuneration packages of the Managing Director and Whole Time Directors including pension rights and compensation payment.
- To recommend and review on the sitting fees to be paid to the Non-Executive Directors and Independent Directors for attending the Board Meetings and Committee Meetings.
- To help in determining the appropriate size, diversity and composition of the Board.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To assist in developing a succession plan for the Board.
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties

**3. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The terms of reference of this Committee was conferred on the 'Stakeholders' Relationship Committee' constituted by the Board on May 27, 2014; consequently, the 'Shareholders'/Investors' Grievance Committee' was dissolved w.e.f. May 27, 2014.

The Company has constituted a Stakeholders' Relationship Committee of Directors primarily to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, subdivision/consolidation of share certificates, transmission of shares, issue of duplicate share certificates, dematerialization/rematerialisation of shares.

**a) Present Composition and Attendance of the Stakeholders' Relationship Committee:**

| Member of the committee   | No. of meetings held | No. of meetings attended |
|---|----------------------|--------------------------|
| Mr. Prashant K. Lohiya<br>Independent Non-Executive Director<br>Chairman of the Committee | 4                    | 4                        |
| Mr. Sanjay R. Rath,<br>Independent Non-Executive Director<br>Member of the Committee      | 4                    | 4                        |
| Mrs. Rinku M. Appalwar<br>CFO & Executive Director<br>Member of the Committee             | 4                    | 4                        |

The Stakeholders' Relationship Committee's composition and the terms of reference meet with the requirements of the Listing Regulations and provisions of the Companies Act, 2013.

**b) Meetings Held**

The Stakeholders' Relationship Committee met 4 (four) times on the following dates during the financial year 2016-2017.

17th May, 2016

4th August, 2016,

12th November, 2016

11th February, 2017

As required by Securities and Exchange Board of India (SEBI), Mr. Kaushal Patvi, Company Secretary and Compliance Officer of the Company, is the Compliance Officer and for any clarification/complaint, the shareholders may contact Mr. Kaushal Patvi, Company Secretary and Compliance Officer of the Company at investor.grievances@emmbi.com.

**c) Terms of Reference of the Stakeholders' Relationship Committee, inter alia, include the following:**

- To look into redressal of investors' complaints and requests such as transfer of shares/debentures, non-receipt of dividend, notices, annual report, etc.
- To approve allotment, transfer, transmission, consolidation, split, name deletion and issue of duplicate share certificate of equity shares of the Company;
- To redress shareholder and depositor complaints like non-receipt of Balance Sheet, non-receipt of dividend warrants etc.;
- To address all matters pertaining to Depositories for dematerialization of shares of the Company and other matters connected therewith.
- Oversee the performance of the Company's Registrars and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Monitoring expeditious redressal of investors / stakeholders grievances.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Status of Investor Complaints as on March 31, 2017 and reported under Regulation 13 of the Listing Regulations are as under:

|                                |     |
|--------------------------------|-----|
| Complaints as on April 1, 2016 | Nil |
| Received during the year       | 1   |
| Resolved during the year       | 1   |
| Pending as on March 31, 2017   | Nil |

**4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**a) Present Composition and Attendance of Corporate Social Responsibility Committee:**

| Member of the committee   | No. of meetings held | No. of meetings attended |
|---|----------------------|--------------------------|
| Dr. Venkatesh G. Joshi<br>Independent Non-Executive Director<br>Chairman of the Committee | 1                    | 1                        |
| Mr. Sanjay R. Rath,<br>Independent Non-Executive Director<br>Member of the Committee      | 1                    | 1                        |
| Mr. Prashant K. Lohiya<br>Independent Non-Executive Director<br>Member of the Committee   | 1                    | 1                        |
| Mrs. Rinku M. Appalwar<br>CFO & Executive Director<br>Member of the Committee             | 1                    | 1                        |



**b) Meetings Held**

The Corporate Social Responsibility Committee met 1 (one) time on 17th May, 2016 during the financial year 2016-2017.

**c) Terms of Reference of the Corporate Social Responsibility Committee, inter alia, include the following:**

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress;
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

**5. COMMITTEE OF DIRECTORS COMMITTEE**

The Company has constituted a Committee of Directors to handle the day to day business of the Company.

**a) Present Composition and Attendance of the Committee of Directors Committee:**

| Member of the committee  | No. of meetings held | No. of meetings attended |
|--|----------------------|--------------------------|
| Mr. Makrand M. Appalwar<br>Executive Director<br>Chairman of the Committee           | 4                    | 4                        |
| Mr. Sanjay R. Rath,<br>Independent Non-Executive Director<br>Member of the Committee | 4                    | 4                        |
| Mrs. Rinku M. Appalwar<br>CFO & Executive Director<br>Member of the Committee        | 4                    | 4                        |

**b) Terms of Reference of the Committee of Directors Committee, inter alia, include the following:**

The Board of Directors have constituted a Committee of Directors Committee and delegated powers to transact certain regular matters relating to the business of the Company. The Committee handles work relating to opening of offices in any part of the country, making application on behalf of the Company, as and when required, with various Government, Quasi-Government, Municipal, Local and such other authorities/ bodies/ departments such as Sales tax, Service tax, ESIC, Shops & Establishment authorities etc., all over India, making application with the appropriate authorities anywhere in India, for new telephone lines for offices, stores, warehouses and accommodations provided by the Company to its officials, Signing and executing Lease Agreements, borrowings from banks, financial institutions, foreign institutional investors and opening and closing of bank accounts and discharge procedural requirements for availing loans/opening bank and such other matters as delegated to the Committee by the Board of Directors from time to time.

**IV. REMUNERATION TO DIRECTORS****a. Remuneration to Executive Directors of the Company**

The Nomination and Remuneration Committee recommends to the Board of Directors, the remuneration of the Chairman & Managing Director and Executive Director & Chief Financial Officer by way of salary, allowances, perquisites and benefits.

|   | Name of the Director    | Position                          | Remuneration(₹)  | Service Contract                                | Notice Period |
|---|-------------------------|-----------------------------------|------------------|---|---------------|
| 1 | Mr. Makrand M. Appalwar | Chairman and Managing Director    | * 7,839,600 p.a. | Reappointed for 5 years w.e.f. 30th March, 2015 | 6 months      |
| 2 | Mrs. Rinku M. Appalwar  | Executive Director Director & CFO | * 7,239,600 p.a. | Reappointed for 5 years w.e.f. 30th March, 2015 | 6 months      |

\* Break up of remuneration paid /payable to Mr. Makrand M. Appalwar is as under:

| Sr. No. | Particulars                               | 2016-2017 (₹) |
|---------|---|---------------|
| 1       | Salaries, Allowances and Perquisites#     | 7,839,600     |
| 2       | Contribution to Provident and other funds | Nil           |
| 3       | Performance Bonus                         | Nil           |
| 4       | Stock Option                              | Nil           |
| 5       | Pension                                   | Nil           |
|         | Total                                     | 7,839,600     |

\* Break up of remuneration paid /payable to Mrs. Rinku M. Appalwar is as under:

| Sr. No. | Particulars                               | 2016-2017 (₹) |
|---------|---|---------------|
| 1       | Salaries, Allowances and Perquisites#     | 7,239,600     |
| 2       | Contribution to Provident and other funds | Nil           |
| 3       | Performance Bonus                         | Nil           |
| 4       | Stock Option                              | Nil           |
| 5       | Pension                                   | Nil           |
|         | Total                                     | 7,239,600     |

# Excludes leave encashment and gratuity which is based on actuarial valuation provided on an overall Company basis.

**b) Remuneration to Non-Executive and Non-Executive & Independent Directors of the Company:**

The details of sitting fees and paid during the year ended 31st March, 2017 are given below:

| Sr. No. | Name of Director       | Sitting Fees Paid (₹) |
|---------|------------------------|-----------------------|
| 1       | Mr. Sanjay R. Rath     | Rs. 50,000            |
| 2       | Mr. Prashant K. Lohiya | Rs. 50,000            |
| 3       | Dr. Venkatesh G. Joshi | Rs. 50,000            |





**c) Details of Equity Shares held by Non-Executive Directors as on March 31, 2017:**

| Name of the Director   | Position                               | No. of Equity Shares held | % of Paid-Up Capital |
|------------------------|--|---------------------------|----------------------|
| Mr. Sanjay R. Rath     | Independent<br>Non-Executive, Director | 2,100                     | 0.012                |
| Dr. Venkatesh G. Joshi | Independent<br>Non-Executive, Director | —                         | —                    |
| Mr. Prashant K. Lohiya | Independent<br>Non-Executive, Director | 6,250                     | 0.035                |

**V. SUBSIDIARY COMPANIES**

The Company has a wholly owned foreign subsidiary in the name of Emmbi Scandinavia Aps. The Company has formulated the Material Subsidiary policy as required under the Listing Regulations and uploaded on the website of the Company [www.emmbi.com](http://www.emmbi.com).

**VI. OTHER DISCLOSURES****1. RELATED PARTY TRANSACTIONS**

During the financial year 2016-2017 there were no materially significant transactions entered into between the Company and its promoters, directors or the management, or relatives, etc. that may have potential conflict with the interests of the Company at large.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with the Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and listing regulations with the stock exchanges. The same is available on the website of the Company [www.emmbi.com](http://www.emmbi.com).

**2. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

**3. WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) and sub section (10) of the Companies Act, 2013 and as per the Listing Regulations, the Company has formulated Whistle Blower Policy, which provides a formal mechanism for all Directors and employees of the Company to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The disclosures reported are addressed in the manner and within the time frame prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company [www.emmbi.com](http://www.emmbi.com).

**4. NON-MANDATORY REQUIREMENTS**

Adoption of non-mandatory requirements of Regulation 27 of the Listing Regulations is being reviewed by the Board from time-to-time.

**5. CODE FOR PREVENTION OF INSIDER TRADING**

With a view to regulate trading in securities by the Promoters, Directors and Designated/ Specified Employees, and based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has adopted a Code of Conduct for prevention/prohibition of Insider Trading. The Code for Prevention of Insider Trading is available on the website of the Company [www.emmbi.com](http://www.emmbi.com).

**6. CODE OF CONDUCT**

The Company is committed to conducting its business in conformity with ethical standards and applicable laws and regulations. This commitments stands evidenced by the Code of Conduct adopted by the Board of Directors which is applicable to each member of the Board of Directors and Senior Management of the Company. The Company has received confirmations from all the Directors and Senior Management of the Company regarding compliance with the said code for the financial year under review. A certificate from Mr. Makrand M. Appalwar, Managing Director to this effect forms part of this report. The said code is also available on the Company's website [www.emmbi.com](http://www.emmbi.com).

**7. INVESTOR PRESENTATIONS MADE TO INSTITUTIONAL INVESTORS OR TO THE ANALYSTS**

During the financial year 2016 - 2017 various investor presentations have been made to the institutional investors or to the analysts. The said investor presentations are available on the Company's website at [www.emmbi.com](http://www.emmbi.com).

**VII MEANS OF COMMUNICATIONS**

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Regulations with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter published within forty-eight hours in leading English and Gujarati daily newspapers.
- The quarterly, half yearly and annual financial results are published in the following newspapers in the state of Gujarat as the Registered office of the Company is situated in Silvassa, U. T. of Dadra and Nagar Haveli.
  - The Economic Times (English)
  - The Economic Times (Gujarati)
- The financial results and shareholding pattern are also displayed on the Company's website: [www.emmbi.com](http://www.emmbi.com).
- The Annual Report of the Company containing, inter alia, Audited Financial Statement, Directors' Report, Management Discussion & Analysis, Auditor's Report and other important information is displayed on the Company's website [www.emmbi.com](http://www.emmbi.com).
- BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are filed electronically on the Listing Centre.
- The NSE Electronic Application Processing System (NEAPS) is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are filed electronically on the NEAPS.
- SEBI Complaints Redress System (SCORES) is centralized web based complaints redress system launched by Securities and Exchange Board of India (SEBI). This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. This would also enable the listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal by SEBI would be carried online in an automated environment and the status of every complaint can be viewed online at any time.

## VIII GENERAL SHAREHOLDER INFORMATION

### 1. GENERAL BODY MEETINGS

#### (i) Annual General Meeting (AGM):

| Financial Year | Date and Time                      | Whether any special resolution was passed | Location   |
|----------------|------------------------------------|---|--|
| 2013-2014      | 13th September, 2014<br>10.00 a.m. | #Yes                                      | 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230 |
| 2014-2015      | 29th September, 2015<br>10.00 a.m. | No  | 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230 |
| 2015-2016      | 16th September, 2016<br>9.30 a.m.  | No  | 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230 |

#### # Details of Special Resolution

- (1) Revision in remuneration of Mr. Makrand M. Appalwar, Chairman & Managing Director of the Company.
- (2) Revision in remuneration of Mrs. Rinku M. Appalwar, Executive Director & Chief Financial Officer of the Company.
- (3) Borrowing limits of the Company under section 180(1)(a) of the Companies Act, 2013.
- (4) To create securities in favour of lenders under section 180(1)(c) of the Companies Act, 2013.

#### (ii) Extra-Ordinary General Meetings (EGM):

| Financial Year | Date and Time                  | Whether any special resolution was passed | Location   |
|----------------|--------------------------------|---|--|
| 2014-2015      | 30th March, 2015<br>11.00 a.m. | #Yes                                      | 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230 |

#### # Details of Special Resolution

- (1) Appointment of Mr. Sanjay R. Rathi as an Independent Director of the Company with effect from March 30, 2015 for a period of five years.
- (2) Appointment of Mr. Prashant K. Lohiya as an Independent Director of the Company with effect from March 30, 2015 for a period of five years.
- (3) Appointment of Dr. Venkatesh G. Joshi as an Independent Director of the Company with effect from March 30, 2015 for a period of five years.
- (4) Re-Appointment and payment of remuneration to Mr. Makrand M. Appalwar as Chairman and Managing Director of the Company.
- (5) Re-Appointment and payment of remuneration to Mrs. Rinku M. Appalwar as an Executive Director and CFO of the Company.

During the year under review, the Company has not passed any Special Resolution through postal ballot as per the provisions of the Companies Act, 2013 and the rules framed there under.

### 2. ENSUING ANNUAL GENERAL MEETING

Day, Date and Time: Friday, 22nd September, 2017, at 10.30 a.m.

Venue: 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

### 3. DIVIDEND PAYMENT DATE

On or before 22nd October, 2017.

### 4. REPORTING OF UNAUDITED/AUDITED FINANCIAL RESULTS IN RESPECT OF FINANCIAL YEAR 2017-18 (TENTATIVE)

|  |                                   |
|--|-----------------------------------|
| First quarter results                              | On or before 14th August, 2017    |
| Second quarter results with half yearly results    | On or before 14th November, 2017  |
| Third quarter results                              | On or before 14th February, 2018  |
| Fourth quarter results                             | On or before 15th May 2018        |
| Audited results for year ended on 31st March, 2018 | On or before 30th May, 2018       |
| Annual General Meeting for the year 2017-18        | On or before 30th September, 2018 |

### 5. FINANCIAL YEAR

1st April to 31st March.

### 6. BOOK CLOSURE DATES

Friday, 15th September, 2017 to Friday, 22nd September, 2017 (both days inclusive).

### 7. DIVIDEND

Company has declared Dividend @ ₹ 0.50 per equity share for financial year 2016-17, subject to approval of shareholders.

### 8. LISTING OF SHARES

| Sr. No. | Name   | Address   | Code   | ISIN         |
|---------|--|---|--------|--------------|
| 1       | BSE Limited                                    | Phiroze Jeejeebhoy Tower,<br>Dalal Street, Mumbai -400001   | 533161 | INE753K01015 |
| 2       | National Stock Exchange of India Limited (NSE) | Exchange Plaza, Plot No. C/1,<br>G-Block, Bandra Kurla complex,<br>Bandra (East), Mumbai - 400051 | EMMBI  | INE753K01015 |

### 9. LISTING FEES TO STOCK EXCHANGES

Annual Listing Fee for the year 2016-17 has been paid by the Company to BSE and NSE.

### 10. CUSTODIAL FEES TO DEPOSITORIES

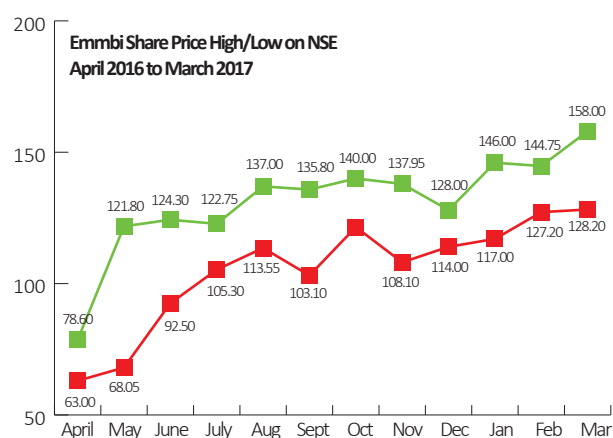
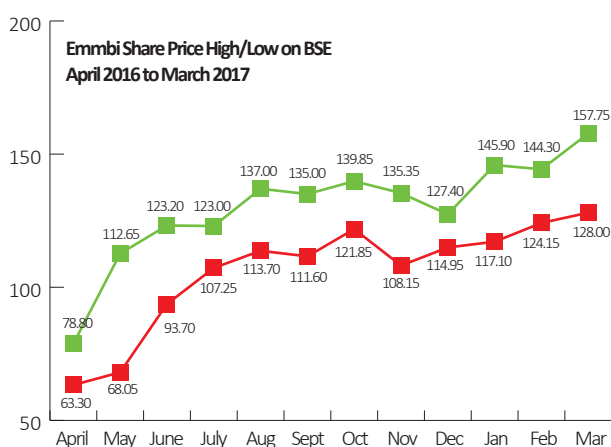
Annual Custody Fee for the year 2016-17 has been paid by the Company to NSDL and CDSL.

## 11. MARKET PRICE DATA

The performance of the stock in the BSE Limited & National Stock Exchange of India Limited (NSE) for the period of 12 months from April 1, 2016 to March 31, 2017 was as follows:

| MONTH          | BSE LIMITED<br>(IN ₹) |        | NATIONAL STOCK<br>EXCHANGE OF INDIA<br>LIMITED (IN ₹) |        |
|----------------|-----------------------|--------|---|--------|
|                | High                  | Low    | High  | Low    |
| April 2016     | 78.80                 | 63.30  | 78.60   | 63.00  |
| May 2016       | 112.65                | 68.05  | 121.80  | 68.05  |
| June 2016      | 123.20                | 93.70  | 124.30  | 92.50  |
| July 2016      | 123.00                | 107.25 | 122.75  | 105.30 |
| August 2016    | 137.00                | 113.70 | 137.00  | 113.55 |
| September 2016 | 135.00                | 111.60 | 135.80  | 103.10 |
| October 2016   | 139.85                | 121.85 | 140.00  | 121.50 |
| November 2016  | 135.35                | 108.15 | 137.95  | 108.10 |
| December 2016  | 127.40                | 114.95 | 128.00  | 114.00 |
| January 2017   | 145.90                | 117.10 | 146.00  | 117.00 |
| February 2017  | 144.30                | 124.15 | 144.75  | 127.20 |
| March 2017     | 157.75                | 128.00 | 158.00  | 128.20 |

## 12. STOCK PERFORMANCE OF EMMBI INDUSTRIES LIMITED



## 13. REGISTRAR & TRANSFER AGENT

Share Transfers in physical and Demat form is handled by the Company's Share Transfer Agents: M/s. Datamatics Financial Services Limited, having their office situated at Plot No. B-5, MIDC, Part B, Cross Lane, Marol, Andheri (East), Mumbai 400 093; Tel. No. 66712151-56; Fax No. 66712161; E-mail: investorsqry@dfssl.com.

## 14. SHARE TRANSFER SYSTEM

Physical shares sent for transfer are duly transferred within 15 days of receipt of the documents, if they are complete in all respects. Shares under objection are returned within 7 working days. Share transfers in physical form can be lodged with Datamatics Financial Services Limited, Registrar & Transfer Agents (RTA) at the above mentioned address. The Stakeholders' Relationship Committee reviews the share transfers approved by the RTA, Company Secretary who have been delegated with requisite authority. All requests for dematerialisation of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Members holding shares in electronic mode should address all their correspondence to their respective Depository Participant (DP) regarding change of address, change of bank mandate and nomination. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40 of the Listing Regulations and files a copy of the said certificate with Stock Exchanges.

## 15. SECRETARIAL AUDIT

As stipulated by SEBI, a Qualified Practising Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms the total Listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.



### STATIC Electricity & FIRE Safe Products

- Specially Designed Conductive "Carbon Graphite Yarn" for 100% recyclable in single process.
- Flame retardant products for added human safety

## 16. CATEGORIES OF SHARES AS ON 31ST MARCH, 2017

| Category   | No. of Shares Held | % of Share Holding |
|--|--------------------|--------------------|
| <b>A. Promoter's Holding</b>                     |                    |                    |
| 1. Promoters                                     |                    |                    |
| - Indian Promoters                               | 1,02,20,821        | 57.78              |
| - Foreign Promoters                              | 00                 | 0.00               |
| 2. Person Acting In Concern                      | 00                 | 0.00               |
| Sub – Total                                      | 1,02,20,821        | 57.78              |
| <b>B. Non – Promoter's Holding</b>               |                    |                    |
| 3. Institutional Investors                       |                    |                    |
| - Mutual Funds & UTI                             | 00                 | 0.00               |
| - Banks, Financial Institutions, Insurance Cos., | 19,230             | 0.11               |
| -(Central/ State Govt. Inst., Non-Govt. Inst.)   | 00                 | 0.00               |
| - FIIS   | 2,53,398           | 1.43               |
| Sub – Total                                      | 2,72,628           | 1.54               |
| 4. Others  |                    |                    |
| - Corporate Bodies                               | 12,29,467          | 6.95               |
| - Indian Public                                  | 56,16,713          | 31.75              |
| - NRIs / OCBs / FIIS                             | 3,50,621           | 1.98               |
| - Any other                                      | 00                 | 0.00               |
| Sub – Total                                      | 71,96,801          | 40.68              |
| <b>Grand – Total</b>                             | <b>1,76,90,250</b> | <b>100.00</b>      |

## 17. DISTRIBUTION OF SHARES AS ON 31ST MARCH, 2017

| 27. DISTRIBUTION OF SHARES AS ON 31st March, 2027 |              |            |          |              |                |                     |
|---|--------------|------------|----------|--------------|----------------|---------------------|
| Sr No   | Shares Range |            | Shares   | % to Capital | No. of Holders | % to No. of Holders |
| 1   | 1            | 500        | 1075669  | 6.08         | 7273           | 79.10               |
| 2   | 501          | 1000       | 693787   | 3.92         | 844            | 9.18                |
| 3   | 1001         | 2000       | 745663   | 4.22         | 489            | 5.32                |
| 4   | 2001         | 3000       | 522021   | 2.95         | 208            | 2.26                |
| 5   | 3001         | 4000       | 323708   | 1.83         | 91             | 0.99                |
| 6   | 4001         | 5000       | 364294   | 2.06         | 79             | 0.86                |
| 7   | 5001         | 10000      | 863670   | 4.88         | 118            | 1.28                |
| 8   | 10001        | 50000      | 1332887  | 7.53         | 70             | 0.76                |
| 9   | 50001        | 9999999999 | 11768551 | 66.53        | 23             | 0.25                |
|   | TOTAL        |            | 17690250 | 100.00       | 9195           | 100.00              |

## 18. DEMATERIALIZATION OF SHARES

The Company's shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form.

| Description  | Cases       | Shares          | %             |
|--------------|-------------|-----------------|---------------|
| Physical     | 1           | 10              | 0             |
| CDSL         | 3939        | 3921046         | 22.17         |
| NSDL         | 5255        | 13769194        | 77.83         |
| <b>TOTAL</b> | <b>9195</b> | <b>17690250</b> | <b>100.00</b> |

## 19. PLANT LOCATIONS

**Unit 1** Survey No. 191/2/4, Meghwad Road, Masat Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

**Unit 2** Survey No. 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

**Unit 3** Survey No. 99/2/9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

**Unit 4** Survey No. 87, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

**Unit 5** Survey No. 28A & 42, Masat Industrial Estate, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

## 20. REGISTERED OFFICE

99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396230.

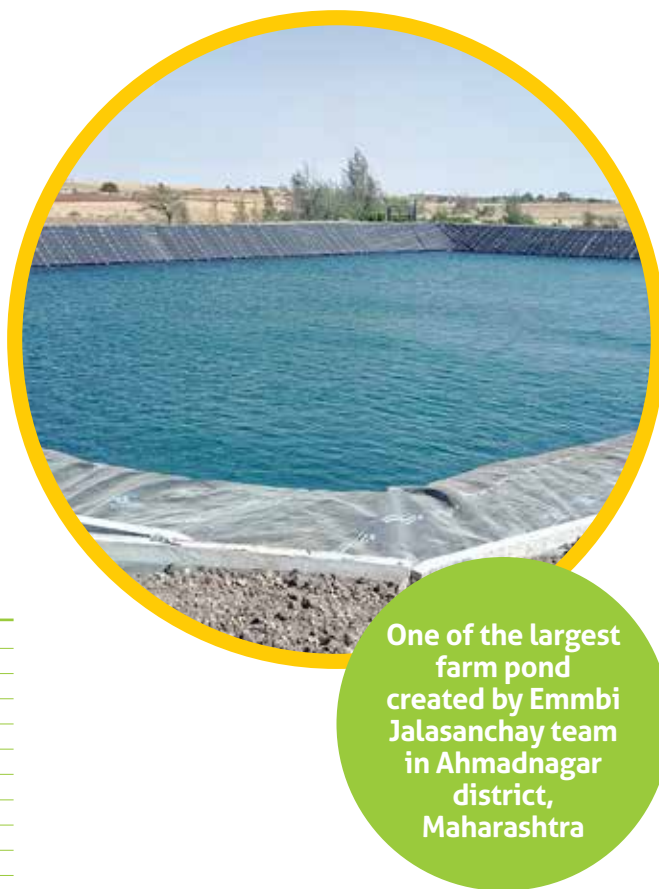
## 21. CORPORATE OFFICE

Valecha Chambers, 3rd Floor, Opp. Infiniti Mall, Andheri New Link Road, Andheri (West), Mumbai 400 053.

## 22. ADDRESS FOR CORRESPONDENCE

Queries on Annual Report and dividend be addressed to Secretarial Department, Emmbi Industries Limited, Valecha Chambers, 3rd Floor, Opp. Infiniti Mall, Andheri New Link Road, Andheri (West), Mumbai 400 053.

- Designated email id for investors: [investorgrievances@emmbi.com](mailto:investorgrievances@emmbi.com)
- Company Identification Number (CIN): L17120DN1994PLC000387 and International Securities Identification Number (ISIN): INE753K01015



One of the largest farm pond created by Emmbi Jalasanchay team in Ahmadnagar district, Maharashtra

For and on behalf of the Board of Directors

**EMMBI INDUSTRIES LIMITED**  
**Makrand M. Appalwar**  
**Chairman**  
**DIN: 00171950**

Date : 20th May, 2017  
Place: Mumbai



# Innovation: the wheels that keep Sustainable Business, running.



**emmbi  
innovation lab**

*Brighter Beginnings*

In the dog-eat-dog world of business, one can't really let up on the innovation efforts. Indeed, we believe that continuous innovation is the only sustainable way to stay ahead of the competition.

Emmbi Innovation Lab was conceived with the sole purpose of spearheading innovation in our company. In the two years since its inception, the Innovation Lab has had a number of achievements to its credit – aside from the numerous Product and Process Patents that we filed, we have also been successful at creating new products at the Innovation Lab.

Aroma-Lock Technology is one such innovation. This is a unique FIBC that has a special lining that seals in the aroma of food stuff. For industries that rely on the aroma of the final product to be a major selling point, our product is a perfect solution. We see a lot of opportunities for the product in industries like Coffee.

# Corporate Governance Certificate



**T**he Members,  
Emmbi Industries Limited

I have examined the compliance of conditions of corporate governance by Emmbi Industries Limited for the year ended 31st March, 2017 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was carried out and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanation given to us, and based on the representations made by Directors and the Management, I certify that the Company has complied with the conditions as contained in the Listing Agreement with the Stock Exchange.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

**For SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY R DHOLAKIA)**  
**Practising Company Secretary**  
**Proprietor**  
**Membership No. 2655 /CP No. 1798**

Date: 20th May 2017  
Place: Mumbai



**We develop unique  
"Aroma Lock"  
technology, that finds  
application in  
transportation of  
Coffee, Tea and  
similar commodities**

# Certifications and Declarations



## Certification by the CEO and CFO

To,  
The Board of Directors,  
Emmbi Industries Limited

Dear Sirs,

We hereby certify that -

- (a) we have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2017, and that to the best of our knowledge and belief:
  - (i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) 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.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We hereby certify that
  - (i) there have been no significant changes in internal control over financial reporting during the year;
  - (ii) there have been no significant changes in accounting policies during the year; and
  - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Emmbi Industries Limited**  
**Makrand M. Appalwar**  
**Chairman and Managing Director**  
**DIN: 00171950**

**For Emmbi Industries Limited**  
**Rinku M. Appalwar**  
**Chief Financial Officer**  
**DIN: 00171976**

Place: Mumbai  
Date: 20th May, 2016

## Declaration Regarding Code of Conduct

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company for the year ended 31 March, 2017.

Place: Mumbai  
Date: 20th May, 2017

**Makrand M. Appalwar**  
**Chairman and Managing Director**  
**DIN: 00171950**

# Independent Auditors' Report



**T**O THE MEMBERS OF  
EMMBI INDUSTRIES LIMITED.

## Report on the Financial Statements

We have audited the accompanying financial statements of EMMBI INDUSTRIES LIMITED, ("the Company") which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. 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 purpose of our Audit.



- b) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the Directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) 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, in our opinion and to the best of our information and according to the explanation given to us;
    - i. The Company has disclosed its pending litigations in its financial statements as referred to in Note 19 (c) to the financial statements.
    - ii. The Company did not have any long term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
    - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
    - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in 'Specified Bank Notes' during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.
2. As required by the Companies (Auditors' Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For K. J. SHAH & ASSOCIATES**  
**Chartered Accountants**  
**FRN : 127308W**

**K. J. SHAH**  
**Proprietor**  
**Membership No. 030784.**

Date: 20th May 2017  
 Place : Mumbai

# Annexures to the Independent Auditors' Report

## Annexure A to the Independent Auditors' Report

(Referred to in Paragraph 1 (f) of the Independent Auditors' Report of even date to the members of Emmbi Industries Ltd. on the financial statements for the year ended March 31, 2017)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub Section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Emmbi Industries Ltd. ("the Company") as of 31 March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal controls over financial reporting criteria established by the company considering the essential components of internal controls 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 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 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 ("the Act").

## Auditor' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.
5. 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 control system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial controls over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by ICAI.

**For and on behalf of  
K. J. Shah & Associates  
Chartered Accountants  
FRN 127308W**

**Kirti J. Shah  
Proprietor  
Membership No. :- 030784.**

Date : 20th May 2017  
Place : Mumbai

## Annexure B to the Independent Auditors' Report

Referred to in Paragraph 2 of the Independent Auditors' Report of even date to the members of Emmbi Industries Ltd. on the financial statements for the year ended March 31, 2017.

- (i)
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management during the year at regular intervals and no material discrepancies were noticed on such verification.
  - (c) The title deeds of Immovable Properties, as disclosed in Note 10 on Fixed Assets to the financial statements, are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals. No material discrepancies were noticed on physical verification.
- (iii) As informed to us, during the year the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

- (iv) The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- (v) The company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under to the extent notified.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the records, information and explanation provided to us, the company is regular in depositing with appropriate authorities undisputed amount of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.  
(b) According to the information and explanation given to us and as per our verification of records of the company, the disputed amounts of Income Tax which are not deposited with appropriate authorities as at 31st March, 2017 are as follows:  
Amount is due under Income Tax Act, 1961 as Income Tax amounting ₹ 3,90,05,030/-for the period 01.04.2010 to 31.03.2011 which is reduced by CIT Appeal to ₹ 58,50,760/- by order received on 26.05.2015. The Tribunal Appeal is preferred for the remaining part. Amount is due under Income Tax Act, 1961 as Income Tax Penalty amounting ₹ 39,47,758/-for the A.Y.: 2011-2012 which is pending with CIT Appeal.
- (viii) Based on our audit procedures and on the information and explanation given to us, the company has not defaulted in repayment of dues or borrowings to any financial institution or bank or Government or dues to Debenture holders as at the balance sheet date.
- (ix) The company has not raised any money by way of initial Public offer, further public offer (including debt instruments) and money raised by term loans have been applied by the company during the year for the purpose for which those are raised.
- (x) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) The Company has paid / provided for Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 177 & 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 42 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to information and explanation given to us, the Company has not entered into any Non Cash Transactions with the Directors or person connected with him, during the year. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For and on behalf of  
K. J. Shah & Associates  
Chartered Accountants  
FRN 127308W**

**Kirti J. Shah  
Proprietor  
Membership No. :- 030784.**

Date : 20th May 2017  
Place : Mumbai

# Today, Emmbi is brightening lives in over fifty countries, worldwide!

From ensuring that food and medicines reach their intended recipients, to ensuring farmers have a bountiful harvest, to helping conserve millions of liters of water – Emmbi is helping communities around the world, wake up to brighter tomorrows.



Protecting grapes from frost, at Napa Valley



Canada



USA



Mexico



Ensuring Coffee retains its aroma, in Brazil



Brazil



Helping build Uruguay's infrastructure, by transporting material



Argentina



Uruguay



Chile



Ireland



UK



Croatia



Portugal



Italy



Spain



Algeria



Sweden



Switzerland



Jordan



Israel



Greece



Hungary



Czech



Poland



Slovakia



Austria



Germany



France



Belgium



Netherlands



Denmark



Norway



Sweden





Ensuring medicines  
reach people in  
need, across Europe



Helping irrigate  
thousands of farms,  
in India



Helping put food on  
the plate for millions  
of Australians



# Balance Sheet as at 31 March, 2017

| PARTICULARS   | NOTES   | AS AT 31 MARCH,<br>2017 (₹ IN MILLION) | AS AT 31 MARCH,<br>2016 (₹ IN MILLION) |
|---|---------|--|--|
| <b>A EQUITY AND LIABILITIES</b>                                   |         |  |  |
| <b>1. Shareholders' Funds</b>                                     |         |  |  |
| (a) Share Capital   | 2       | 176.90                                 | 176.90                                 |
| (b) Reserves and Surplus  | 3       | 679.94                                 | 552.68                                 |
| Sub Total - Share Holders' Fund                                   |         | 856.85                                 | 729.58                                 |
| <b>2. Non-Current Liabilities</b>                                 |         |  |  |
| (a) Long-term borrowings  | 4       | 151.50                                 | 52.24                                  |
| (b) Deferred tax liabilities (Net)                                | 5       | 66.31                                  | 57.32                                  |
| (c ) Other Long Term liabilities                                  |         | -                                      | -                                      |
| (d) Long-term provisions  | 6       | 78.21                                  | 70.11                                  |
| Sub Total - Non Current Liabilities                               |         | 296.02                                 | 179.67                                 |
| <b>3. Current Liabilities</b>                                     |         |  |  |
| (a) Short-term borrowings   | 7       | 595.21                                 | 538.63                                 |
| (b) Trade payables  | 8       | 174.66                                 | 124.76                                 |
| (c ) Other current liabilities                                    | 8       | 85.90                                  | 67.16                                  |
| (d) Short-term provisions   | 9       | 1.79                                   | 11.24                                  |
| Sub Total - Current Liabilities                                   |         | 857.57                                 | 741.78                                 |
| <b>TOTAL EQUITIES AND LIABILITIES</b>                             |         | <b>2,010.44</b>                        | <b>1,651.03</b>                        |
| <b>B ASSETS</b>   |         |  |  |
| <b>1.Non-Current Assets</b>                                       |         |  |  |
| (a) Fixed assets (Including CWIP)                                 | 10      | 856.36                                 | 626.06                                 |
| (b) Non-current investments                                       | 11      | 3.47                                   | 3.47                                   |
| (c ) Long term loans and advances                                 | 12      | 63.81                                  | 52.96                                  |
| (d) Other non-current assets                                      | 13      | -                                      | -                                      |
| Sub Total - Non Current Assets                                    |         | 923.65                                 | 682.49                                 |
| <b>2. Current Assets</b>  |         |  |  |
| Inventories   | 14      | 632.87                                 | 570.00                                 |
| Trade receivables   | 15      | 383.68                                 | 321.18                                 |
| Cash and cash equivalents   | 16      | 4.34                                   | 10.46                                  |
| Short Term Loans and Advances                                     | 17      | 65.89                                  | 66.89                                  |
| Other Current Assets  | 18      | -                                      | 0.01                                   |
| Sub Total - Current Assets  |         | 1,086.79                               | 968.54                                 |
| <b>TOTAL ASSETS</b>   |         | <b>2,010.44</b>                        | <b>1,651.03</b>                        |
| Significant Accounting Policies and Notes on Financial Statements | 1 to 35 |  |  |

As per our report of even date  
For K. J. SHAH & ASSOCIATES  
Chartered Accountants  
FRN : 127308W

K. J. SHAH (Proprietor)  
Membership No. 030784  
Place : Mumbai  
Date: 20th May, 2017

Kaushal R. Patvi  
Company Secretary

For and On behalf of the Board.  
For EMMBI INDUSTRIES LIMITED,

Makrand M. Appalwar  
(Managing Director)

Rinku M. Appalwar  
(CFO & Director)

# Statement of Profit and Loss for the year ended 31 March, 2017

| PARTICULARS  | NOTES   | AS AT 31 MARCH,<br>2017 (₹ IN MILLION) | AS AT 31 MARCH,<br>2016 (₹ IN MILLION) |
|--|---------|--|--|
| <b>INCOME</b>  |         |  |  |
| Revenue from Operations  | 20      | 2,409.89                               | 2,176.66                               |
| Less : Excise Duty   |         | 119.19                                 | 97.31                                  |
| Revenue from Operations (Net)  |         | 2,290.70                               | 2,079.35                               |
| Other Income   | 21      | 0.88                                   | 13.06                                  |
| <b>Total Revenue (I)</b>   |         | <b>2,291.58</b>                        | <b>2,092.42</b>                        |
| <b>EXPENDITURE</b>   |         |  |  |
| Cost of Materials Consumed   | 22      | 1,298.71                               | 1,168.23                               |
| Purchase of Stock-in-Trade   | 23      | 282.77                                 | 257.24                                 |
| Changes in Inventories of<br>Goods and Stock-in-Process              | 24      | (21.85)                                | (27.88)                                |
| Employee Benefits Expense  | 25      | 73.69                                  | 78.00                                  |
| Finance Costs  | 26      | 82.65                                  | 90.17                                  |
| Depreciation and Amortization Expense                                | 27      | 41.66                                  | 36.67                                  |
| Other Expenses   | 28      | 358.80                                 | 347.19                                 |
| <b>Total Expenses (II)</b>   |         | <b>2,116.44</b>                        | <b>1,949.62</b>                        |
| <b>Profit before Tax</b>   |         | <b>175.14</b>                          | <b>142.79</b>                          |
| Tax Expenses   |         |  |  |
| (1) Current Tax  |         | 37.38                                  | 29.11                                  |
| (2) Tax for earlier years  |         | 1.50                                   | -                                      |
| (3) Deferred Tax Liability   |         | 8.98                                   | 7.73                                   |
| <b>Profit for the Year</b>   |         | <b>127.28</b>                          | <b>105.95</b>                          |
| <b>Earning Per Equity Share (₹)</b>                                  |         |  |  |
| (1) Basic  | 29      | 7.20                                   | 5.99                                   |
| (2) Diluted  | 29      | 7.20                                   | 5.99                                   |
| Significant Accounting Policies<br>and Notes on Financial Statements | 1 to 35 |  |  |

As per our report of even date  
For K. J. SHAH & ASSOCIATES  
Chartered Accountants  
FRN : 127308W

K. J. SHAH (Proprietor)  
Membership No. 030784  
Place : Mumbai  
Date: 20th May, 2017

Kaushal R. Patvi  
Company Secretary

For and On behalf of the Board.  
For EMMBI INDUSTRIES LIMITED,

Makrand M. Appalwar  
(Managing Director)

Rinku M. Appalwar  
(CFO & Director)

# Cash Flow Statement for the year ended 31 March, 2017

| PARTICULARS   | 2016-17      |                 | 2015-16      |                 |
|---|--------------|-----------------|--------------|-----------------|
|   | ₹ IN MILLION | ₹ IN MILLION    | ₹ IN MILLION | ₹ IN MILLION    |
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>                |              |                 |              |                 |
| Net Profit Before Tax   |              | 175.14          |              | 142.79          |
| Depreciation & Amortisation                                   | 41.66        |                 | 36.67        |                 |
| Finance Cost  | 82.65        |                 | 90.17        |                 |
| Market Development expenses written off                       | 0.01         |                 | 0.05         |                 |
| Sundry Balances Written off                                   | (0.08)       |                 | 2.46         |                 |
| Provision For Gratuity  | 0.99         |                 | 0.29         |                 |
| Provision for Excise Duty                                     | 1.20         |                 | 0.15         |                 |
| Interest Received on Bank FD                                  | (0.80)       |                 | (0.61)       |                 |
| Dividend Received   | (0.00)       |                 | -            |                 |
| Rent received   | (0.08)       |                 | (0.08)       |                 |
| (Profit)/ Loss on Sale of Asset                               | 0.75         |                 | (0.01)       |                 |
|   |              | 126.32          |              | 129.10          |
| Operating Profit Before Working Capital Changes               |              | 301.46          |              | 271.89          |
| <b>Adjustments for Working Capital Changes</b>                |              |                 |              |                 |
| Trade Payables and Other Current Liabilities                  | 62.62        |                 | 132.83       |                 |
| Inventories   | (62.88)      |                 | (23.16)      |                 |
| Trade Receivables   | (62.42)      |                 | 10.68        |                 |
| Short Term Loans & Advances(Dr.)                              | 0.99         | (61.68)         | (8.35)       | 112.00          |
| CASH FLOW FROM OPERATIONS                                     |              | 239.78          |              | 383.90          |
|   |              |                 |              |                 |
| Taxes Paid (Net)  |              | (38.29)         |              | (17.41)         |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>       |              | <b>201.49</b>   |              | <b>366.49</b>   |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>                |              |                 |              |                 |
| Purchase of Fixed Assets and additions in CWIP                | (273.79)     |                 | (107.98)     |                 |
| Investment in Foreign Subsidiary                              | -            |                 | (0.48)       |                 |
| Sale Of Fixed Asset   | 1.07         |                 | 0.04         |                 |
| Movement in Loans and Advances                                | (1.38)       |                 | (0.02)       |                 |
| Interest Received on Bank FD                                  | 0.80         |                 | 0.61         |                 |
| Dividend Received   | 0.00         |                 | -            |                 |
| Rent received   | 0.08         |                 | 0.08         |                 |
| <b>NET CASH (USED IN) INVESTING ACTIVITIES (B)</b>            |              | <b>(273.22)</b> |              | <b>(107.75)</b> |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>                |              |                 |              |                 |
| Proceeds / (Repayment) from Term Loan                         | 161.84       |                 | (181.38)     |                 |
| Loan to Foreign Subsidiary                                    | (2.95)       |                 | (3.31)       |                 |
| Interest paid on Loan   | (82.65)      |                 | (90.17)      |                 |
| Dividend Paid (Including Dividend Distribution tax)           | (10.63)      |                 | (6.30)       |                 |
| <b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>       |              | <b>65.61</b>    |              | <b>(281.17)</b> |
|   |              |                 |              |                 |
| Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C) |              | (6.11)          |              | (22.43)         |
| Cash & Cash Equivalent at the beginning of the Year           |              | 10.46           |              | 32.89           |
| <b>Cash &amp; Cash Equivalent at the end of the Year</b>      |              | <b>4.34</b>     |              | <b>10.46</b>    |

As per our report of even date  
For K. J. SHAH & ASSOCIATES  
Chartered Accountants  
FRN : 127308W

K. J. SHAH (Proprietor)  
Membership No. 030784  
Place : Mumbai  
Date: 20th May, 2016

Kaushal R. Patvi  
Company Secretary

For and On behalf of the Board.  
For EMMBI INDUSTRIES LIMITED,

Makrand M. Appalwar  
(Managing Director)

Rinku M. Appalwar  
(CFO & Director)



# Building a sustainable world? We're lending a hand!



Emmbi's idea of sustainability goes beyond just the environment, or even business. Indeed, it is about building a sustainable society and ultimately, a sustainable world.

Emmbi Foundation contributes its ultimate efforts to build such a sustainable society. From lending support to the Government's Swachh Bharat campaign to instituting scholarships for deserving children, Emmbi Foundation is helping build a more prosperous and liveable society.

Of course, our efforts go beyond just our own workers and their families. For example, Emmbi encourages and trains women in the villages where it supplies Jalasanchay Pond Liners, to assemble and customize the liners into specific ponds. Emmbi also provides service support, which leads to women employment in their respective villages.

# Notes on the Financial Statements



## Significant Accounting Policies

### Corporate Information

EMMBI INDUSTRIES LIMITED ('the Company') is a public limited company and is listed on BSE Limited and National Stock Exchange (NSE). The Company is engaged in the business of Manufacturing and Trading of HDPE & PP - Woven Polymer Based Products

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1 Basis of preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the "Generally Accepted Accounting Principles in India" (Indian GAAP) to comply with Accounting Standards specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable.

Financial Statements have been prepared on accrual basis under Historical Cost Convention. The Accounting Policies adopted in preparation of Financial Statements are consistent with those followed in the previous year.

#### 2 Use of Estimates

The Preparation of Financial Statements in conformity with India GAAP requires judgements, estimates and assumption to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities if any on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which results are known and materialised.

#### 3 Fixed Assets

- i. Fixed Assets are stated at cost less accumulated depreciation. The cost is inclusive of interest incidental expenses incurred during construction period and is net of cenvat credit availed and exchange rate difference arising on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable asset. The fixed assets are tested for impairment. There is no impairment loss. Subsequent Expenditure related to tangible fixed asset are added to its book value only if they increase future benefits from the existing asset beyond its previously assessed standard of performance.
- ii. Intangible assets are capitalised at cost if
  - a. it is probable that the future economic benefits that are attributable to the asset will flow to the company, and
  - b. the company will have control over the assets.

#### 4 Depreciation and Amortization

Depreciation on fixed assets has been provided on the straight line method as per useful life prescribed in Schedule II to the Companies Act, 2013.

#### 5 Investments

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary. Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments.

#### 6 Valuation of Inventories

Items of inventories are valued at lower of cost or net realisable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Raw materials, Stores and Spares are valued at weighted average cost. Processed stocks and finished goods are valued at material cost plus appropriate value of overheads. Provision for Excise duty on opening and closing inventory of finished goods (domestic stock and wastage) is included under Note No. 14.

## **7 Revenue Recognition**

Revenue (Income) is recognised only when it is reasonably certain that the ultimate collection will be made and after all the risks and rewards of ownership is transferred to the customer. Interest on Investments is recognised on a time proportion basis taking into account amounts invested and the rate of interest applicable. Dividend Income on Investments is recognised for when the right to receive the payment is established.

## **8 Sales**

Sales are recognised on dispatch of material to customers. Sales are net of indirect taxes payable.

## **9 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. There are no Contingent Assets.

## **10 Employee Benefits**

- a) Gratuity is accounted on the basis of valuation made by the LIC Company created Trust with LIC for Gratuity. Contribution is paid to LIC Employees Group Gratuity Fund.
- b) Short Term Employee benefits  
The undiscounted amount of Short Term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services.
- c) Bonus and Leave Encashment is paid during the year.

## **11 Foreign Exchange Transactions**

- a) Transactions in Foreign Currency are accounted at the exchange rate prevailing on the date of Transactions. Exchange fluctuations between the transaction date and the settlement date in respect of Revenue Transactions are recognized in Profit & Loss A/c
- b) All export proceeds not realised at the year end are restated at the rate prescribed in the month of March by Central Board of Excise and Customs. The exchange difference arising there from has been recognised as income / expenses in the Current Year's Profit & Loss A/c
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss statement except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

## **12 Borrowing Costs**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A Qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

## **13 Research and Development Expenses**

Revenue expenditure pertaining to research is charged to the Statement of Profit and loss, unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Fixed assets utilised for Research and Development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

## **14 Taxes on Income**

Tax Expense comprises of Current Tax and Deferred Tax

- a) Current tax is measured at the amount expected to be paid to the tax authorities, after taking into consideration benefits admissible under the provisions of the Income - Tax Act, 1961.
- b) Deferred tax liabilities are recognised for future tax consequences attributable to the "timing differences" between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is not recognised unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

## **15 Earning Per Share**

Basic Earning per share is calculated by dividing the Net Profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

# Notes on Financial Statements for the year ended March 31, 2017

## Note 2 SHARE CAPITAL (₹ IN MILLION)

|  | As at 31.03.2017 | As at 31.03.2016 |
|--|------------------|------------------|
| <b>Authorised Share Capital</b>                                |                  |                  |
| 1,80,00,000 (P.Y. : 1,80,00,000) Equity shares of ₹ 10/- each. | 180.00           | 180.00           |
|  | 180.00           | 180.00           |
| <b>Issued, Subscribed &amp; Paid-up</b>                        |                  |                  |
| 1,76,90,250 Equity shares of ₹ 10/- each fully paid up         | 176.90           | 176.90           |
|  | 176.90           | 176.90           |

|     |   |                  |                  |
|-----|---|------------------|------------------|
| 2.1 | The Reconciliation of the number of shares outstanding is set out below | As at 31.03.2017 | As at 31.03.2016 |
|     | Particulars   | No. of Shares    | No. of Shares    |
|     | Equity Shares at the beginning of the year                              | 17.69            | 17.69            |
|     | Equity Shares at the end of the year                                    | 17.69            | 17.69            |

|     |   |                         |                         |
|-----|---|-------------------------|-------------------------|
| 2.2 | The Details of Shareholders Holding more than 5% Shares | As at 31.03.2017        | As at 31.03.2016        |
|     | Name of Shareholder                                     | No. of Shares    % Held | No. of Shares    % Held |
|     | Makrand Moreshwar Appalwar                              | 3.82    21.62%          | 3.78    21.38%          |
|     | Rinku Makrand Appalwar                                  | 2.29    12.98%          | 2.29    12.94%          |
|     | Maithili Appalwar                                       | 1.06    6.02%           | 1.06    6.00%           |
|     | Emmbi Laboratories Pvt Ltd                              | 1.66    9.40%           | 1.66    9.37%           |
|     | Maithili Agrotech Private Limited                       | 1.06    6.00%           | 1.06    5.99%           |

- 2.3 Terms / Rights attached to the Equity Shares  
The company has only one class of equity shares having a par value of ₹ 10.00 per share (previous year ₹ 10.00 per share)  
Each holder of the equity share is entitled to one vote per share

## Note 3 RESERVES AND SURPLUS (₹ IN MILLION)

|   | As at 31.03.2017 | As at 31.03.2016 |
|---|------------------|------------------|
| (a) Securities Premium Reserves           |                  |                  |
| As per last Balance Sheet                 | 272.65           | 272.65           |
|   | 272.65           | 272.65           |
| (b) Profit & Loss A/c                     |                  |                  |
| As per last Balance Sheet                 | 280.03           | 184.73           |
| Add : Profit for the Year                 | 127.28           | 105.95           |
|   | 407.32           | 290.68           |
| Less: Appropriations                      |                  |                  |
| Proposed Dividend (Note 3.1)              | -                | 8.85             |
| Dividend Distribution Tax (Note 3.1)      | -                | 1.80             |
| Dividend Distribution Tax of Earlier Year | 0.02             | -                |
|   | 407.30           | 280.03           |
| <b>TOTAL</b>                              | <b>679.94</b>    | <b>552.68</b>    |

- 3.1 The Central Government in Consultation with the Advisory Committee of Accounting Standards vide notification dated March 30, 2016 and circular no. 04/2016 dated April 27, 2016 had amended Companies(Accounting Standards) Rules, 2006('principal rules'). According to Companies(Accounting Standards) Amendment Rules, 2016, the Company has not appropriated proposed dividend of ₹ 88.45 Lakhs and Tax thereon of ₹ 18.00 Lakhs from Statement of Profit and Loss for the year ended March 31, 2017. (Refer Para 8.5 of AS-4 Contingencies and Events occurring after Balance Sheet date). Accordingly, the proposed dividend and tax thereon are not recognised as liability at the end. Due to such change, Current Liability is lower by ₹ 106.45 Lakhs and Reserves and Surplus is higher to that extent. However, the same will be recognised as liability on approval of shareholders at ensuing Annual General Meeting.

## Note 4 LONG TERM BORROWINGS (₹ IN MILLION)

|                        | As at 31.03.2017 |              | As at 31.03.2016 |              |
|------------------------|------------------|--------------|------------------|--------------|
|                        | Non Current      | Current      | Non Current      | Current      |
| (a) Secured            |                  |              |                  |              |
| Term Loans             |                  |              |                  |              |
| - From Banks           | 99.25            | 18.76        | 13.85            | 20.76        |
| - From Corporates      |                  |              |                  |              |
| Other loans & advances |                  |              |                  |              |
| (b) Unsecured          |                  |              |                  |              |
| Term Loans             |                  |              |                  |              |
| - From Banks           |                  |              |                  |              |
| - From Corporates      | 52.26            | 19.94        | 38.39            | 11.95        |
| Other loans & advances |                  |              |                  |              |
| <b>TOTAL</b>           | <b>151.50</b>    | <b>38.70</b> | <b>52.24</b>     | <b>32.71</b> |



- 4.1 Term Loans are secured by way of deposit of the title deeds in respect of immovable properties of the Company including Land & Building situated at Survey No. 191/2/4, Masat Village, Meghwad Road, U.T. of Dadra & Nagar Haveli, Silvassa - 396230, Survey No. 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa - 396230 and at Survey No. 87, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa - 396230, Survey No. 28A & 42, Masat Industrial Estate, U.T. of Dadra & Nagar Haveli, Silvassa - 396230 First pari passu charge on entire fixed assets of the company, present and future, with existing bankers and by way of Second pari passu charge on entire current assets of the company present and future with existing bankers.
- 4.2 Other Loans and Advances are secured by way of hypothecation of Cars and Transport Vehicles purchased under Hire Purchase Scheme
- 4.3 There is no default in repayment of principal loan or interest thereon
- 4.4 REPAYMENT SCHEDULE

| YEARS       | Term Loans &<br>Other Secured Loans | Unsecured Loans |
|-------------|-------------------------------------|-----------------|
| For 2017-18 | 18.76                               | 19.94           |
| For 2018-19 | 19.54                               | 50.43           |
| For 2019-20 | 19.18                               | 1.82            |
| For 2020-21 | 18.59                               | -               |
| For 2021-22 | 18.46                               | -               |
| For 2022-23 | 18.42                               | -               |
| For 2023-24 | 5.05                                | -               |

| <b>Note 5 DEFERRED TAX LIABILITIES (NET - ₹ IN MILLION)</b> | As at 31.03.2017 | As at 31.03.2016 |
|---|------------------|------------------|
| Net Deferred Tax Liability (Opening)                        | 57.32            | 49.60            |
| Deferred Tax Liability/(Asset)                              |                  |                  |
| Fixed Asset & Others  | 8.98             | 7.73             |
| Deferred Tax Asset  |                  |                  |
| Disallowances Under the Income Tax Act, 1961 & Others       | -                | -                |
| Net Deferred Tax Liability (Closing)                        | 66.31            | 57.32            |

| <b>Note 6 LONG-TERM PROVISIONS (₹ IN MILLION)</b> | As at 31.03.2017 | As at 31.03.2016 |
|---|------------------|------------------|
| Provision for Employee Benefits (Gratuity)        | 3.29             | 2.30             |
| Provision For Taxes                               | 74.92            | 67.81            |
| TOTAL   | 78.21            | 70.11            |

| <b>Note 7 SHORT TERM BORROWINGS (₹ IN MILLION)</b> | As at 31.03.2017 | As at 31.03.2016 |
|--|------------------|------------------|
| Secured  |                  |                  |
| Working Capital Loans from Banks                   |                  |                  |
| Working Capital Loans from Banks                   | 595.21           | 538.63           |
| TOTAL  | 595.21           | 538.63           |

- 7.1 Working Capital Loans :  
Working Capital Loans are secured by way of First pari passu charge on entire current assets of the company, present and future, with existing bankers and by way of Second pari passu charge on entire fixed assets of the company, present and future, with the existing bankers - Punjab National Bank, ICICI Bank, Axis Bank.

| <b>Note 8 OTHER CURRENT LIABILITIES (₹ IN MILLION)</b> | As at 31.03.2017 | As at 31.03.2016 |
|--|------------------|------------------|
| Trade Payables   | 213.48           | 152.18           |
| Current maturities of long term debt (Refer Note : 4)  | 38.70            | 32.71            |
| Unpaid Dividends                                       | 0.34             | 0.30             |
| Other Payables   | 8.04             | 6.73             |
| TOTAL  | 260.56           | 191.91           |

- 8.1 There are no amounts due or outstanding to be credited to Investor Education and Protection Fund.

| <b>Note 9 SHORT-TERM PROVISIONS</b>                  | As at 31.03.2017 | As at 31.03.2016 |
|--|------------------|------------------|
| Proposed Dividend - 2016-17                          | -                | 8.85             |
| Tax on Dividend                                      | -                | 1.80             |
| Others (Provision for Excise Duty on Finished Goods) | 1.79             | 0.59             |
| TOTAL  | 1.79             | 11.24            |

**Note 10 FIXED ASSETS**
**For the year ended 31 March, 2017**

|                                |   |                |               |           |                      |                 |                |              |           |                      |                | ₹ IN MILLION   |                |
|--------------------------------|---|----------------|---------------|-----------|----------------------|-----------------|----------------|--------------|-----------|----------------------|----------------|----------------|----------------|
| Sr. No.                        | PARTICULARS   | As at 01-04-16 | Addns         | Transfers | Adjustmts/ Disposals | As at 31-03-17  | As at 01-04-16 | For the yr   | Transfers | Adjustmts/ Disposals | As at 31-03-17 | As at 31-03-17 | as at 31-03-16 |
| <b>TANGIBLE FIXED ASSETS</b>   |   |                |               |           |                      |                 |                |              |           |                      |                |                |                |
| 1                              | Freehold Land   | 27.00          | -             | -         | -                    | 27.00           | -              | -            | -         | -                    | -              | 27.00          | 27.00          |
| 2                              | Building  | 218.47         | 77.16         | -         | -                    | 295.63          | 31.49          | 7.22         | -         | -                    | 38.70          | 256.92         | 186.98         |
| 3                              | Compound Wall   | 0.26           | -             | -         | -                    | 0.26            | 0.16           | 0.01         | -         | -                    | 0.17           | 0.09           | 0.10           |
| 4                              | Plant and Machinery                                   | 400.43         | 81.52         | -         | (0.57)               | 481.38          | 102.72         | 20.48        | -         | (0.43)               | 122.77         | 358.61         | 297.71         |
| 5                              | Electrical Installation                               | 11.62          | 0.01          | -         | -                    | 11.62           | 3.90           | 0.48         | -         | -                    | 4.38           | 7.24           | 7.71           |
| 6                              | Furniture & Fixtures                                  | 17.87          | 1.87          | -         | -                    | 19.74           | 8.66           | 2.52         | -         | -                    | 11.17          | 8.57           | 9.22           |
| 7                              | Crates  | 0.71           | -             | -         | -                    | 0.71            | 0.40           | 0.07         | -         | -                    | 0.46           | 0.25           | 0.31           |
| 8                              | Office Equipment                                      | 17.95          | 4.45          | -         | -                    | 22.40           | 7.19           | 2.89         | -         | -                    | 10.07          | 12.32          | 10.76          |
| 9                              | Other Equipment                                       | 0.01           | -             | -         | -                    | 0.01            | 0.01           | 0.00         | -         | -                    | 0.01           | 0.00           | 0.00           |
| 10                             | Vehicles  | 22.52          | 3.30          | -         | (5.52)               | 20.30           | 11.92          | 2.08         | -         | (3.84)               | 10.16          | 10.14          | 10.60          |
| 11                             | Plant and Machinery (R & D Equipment and Pilot Plant) | 44.78          | 46.74         | -         | -                    | 91.52           | 6.42           | 0.45         | -         | -                    | 6.87           | 84.65          | 38.36          |
| 12                             | Computer ( for R & D)                                 | 0.45           | 0.47          | -         | -                    | 0.93            | 0.15           | 0.15         | -         | -                    | 0.30           | 0.63           | 0.30           |
| <b>(A)</b>                     |   | <b>762.07</b>  | <b>215.53</b> | <b>-</b>  | <b>(6.09)</b>        | <b>971.50</b>   | <b>173.00</b>  | <b>36.34</b> | <b>-</b>  | <b>(4.27)</b>        | <b>205.07</b>  | <b>766.43</b>  | <b>589.07</b>  |
| <b>INTANGIBLE FIXED ASSETS</b> |   |                |               |           |                      |                 |                |              |           |                      |                |                |                |
| 1                              | Brand Development Expenses                            | 9.30           | 7.93          | -         | -                    | 17.23           | 1.42           | 1.18         | -         | -                    | 2.60           | 14.62          | 7.88           |
| 2                              | Knowledge Development Expenses                        | 3.24           | 0.23          | -         | -                    | 3.47            | 0.43           | 0.33         | -         | -                    | 0.76           | 2.71           | 2.81           |
| 3                              | Market Development Expenses 16-17                     | -              | 3.57          | -         | -                    | 3.57            | -              | 0.30         | -         | -                    | 0.30           | 3.27           | -              |
| 4                              | Foreign Trade Fair Expenses                           | 8.57           | -             | -         | -                    | 8.57            | 1.37           | 0.86         | -         | -                    | 2.23           | 6.34           | 7.20           |
| 5                              | Foreign Office Development Expenses                   | 1.89           | -             | -         | -                    | 1.89            | 0.07           | 0.19         | -         | -                    | 0.26           | 1.62           | 1.81           |
| 6                              | Scientific Research & Development Exps                | 12.35          | -             | -         | -                    | 12.35           | 3.08           | 2.47         | -         | -                    | 5.55           | 6.80           | 9.27           |
| <b>(B)</b>                     |   | <b>35.35</b>   | <b>11.72</b>  | <b>-</b>  | <b>-</b>             | <b>47.07</b>    | <b>6.38</b>    | <b>5.33</b>  | <b>-</b>  | <b>-</b>             | <b>11.71</b>   | <b>35.36</b>   | <b>28.97</b>   |
| <b>CAPITAL WIP</b>             |   |                |               |           |                      |                 |                |              |           |                      |                |                |                |
| 1                              | Rakholi Building - Vaidehi II                         | 8.03           | 46.54         | -         | -                    | 54.57           | -              | -            | -         | -                    | -              | 54.57          | 8.03           |
| <b>(C)</b>                     |   | <b>8.03</b>    | <b>46.54</b>  | <b>-</b>  | <b>-</b>             | <b>54.57</b>    | <b>-</b>       | <b>-</b>     | <b>-</b>  | <b>-</b>             | <b>-</b>       | <b>54.57</b>   | <b>8.03</b>    |
| <b>TOTAL (A+B)</b>             |   | <b>805.44</b>  | <b>273.79</b> | <b>-</b>  | <b>(6.09)</b>        | <b>1,073.14</b> | <b>179.38</b>  | <b>41.66</b> | <b>-</b>  | <b>(4.27)</b>        | <b>216.77</b>  | <b>856.36</b>  | <b>626.06</b>  |

**For the year ended 31 March, 2016**

|                                |   |                |               |           |                      |                |                |              |           |                      |                | ₹ IN MILLION   |                |
|--------------------------------|---|----------------|---------------|-----------|----------------------|----------------|----------------|--------------|-----------|----------------------|----------------|----------------|----------------|
| Sr. No.                        | PARTICULARS   | As at 01-04-15 | Addns         | Transfers | Adjustmts/ Disposals | As at 31-03-16 | As at 01-04-15 | For the yr   | Transfers | Adjustmts/ Disposals | As at 31-03-16 | As at 31-03-16 | as at 31-03-15 |
| <b>TANGIBLE FIXED ASSETS</b>   |   |                |               |           |                      |                |                |              |           |                      |                |                |                |
| 1                              | Freehold Land   | 27.00          | -             | -         | -                    | 27.00          | -              | -            | -         | -                    | -              | 27.00          | 27.00          |
| 2                              | Building  | 194.21         | 24.10         | -         | -                    | 218.32         | 25.01          | 6.48         | -         | -                    | 31.49          | 186.83         | 169.20         |
| 3                              | Compound Wall   | 0.26           | -             | -         | -                    | 0.26           | 0.15           | 0.01         | -         | -                    | 0.16           | 0.10           | 0.11           |
| 4                              | Plant and Machinery                                   | 391.96         | 35.40         | (26.94)   | -                    | 400.43         | 92.66          | 16.48        | (6.42)    | -                    | 102.72         | 297.71         | 299.31         |
| 5                              | Electrical Installation                               | 11.42          | 0.19          | -         | -                    | 11.62          | 3.45           | 0.45         | -         | -                    | 3.90           | 7.71           | 7.98           |
| 6                              | Furniture & Fixtures                                  | 16.18          | 1.98          | -         | (0.29)               | 17.87          | 5.73           | 3.22         | -         | (0.29)               | 8.66           | 9.22           | 10.46          |
| 7                              | Crates  | 0.71           | -             | -         | -                    | 0.71           | 0.33           | 0.07         | -         | -                    | 0.40           | 0.31           | 0.38           |
| 8                              | Office Equipment                                      | 14.59          | 5.61          | (0.31)    | (1.95)               | 17.95          | 6.77           | 2.52         | (0.15)    | (1.95)               | 7.19           | 10.76          | 7.82           |
| 9                              | Other Equipment                                       | 0.01           | -             | -         | -                    | 0.01           | 0.01           | 0.00         | -         | -                    | 0.01           | 0.00           | 0.00           |
| 10                             | Vehicles  | 22.36          | 0.76          | -         | (0.60)               | 22.52          | 9.80           | 2.69         | -         | (0.57)               | 11.92          | 10.60          | 12.57          |
| 11                             | Plant and Machinery (R & D Equipment and Pilot Plant) | -              | 17.85         | 26.94     | -                    | 44.78          | -              | -            | 6.42      | -                    | 6.42           | 38.36          | -              |
| 12                             | Computer ( for R & D)                                 | -              | 0.15          | 0.31      | -                    | 0.45           | -              | -            | 0.15      | -                    | 0.15           | 0.30           | -              |
| <b>(A)</b>                     |   | <b>678.72</b>  | <b>86.03</b>  | <b>-</b>  | <b>(2.84)</b>        | <b>761.92</b>  | <b>143.90</b>  | <b>31.92</b> | <b>-</b>  | <b>(2.81)</b>        | <b>173.00</b>  | <b>588.92</b>  | <b>534.83</b>  |
| <b>INTANGIBLE FIXED ASSETS</b> |   |                |               |           |                      |                |                |              |           |                      |                |                |                |
| 1                              | Brand Development Expenses                            | 6.12           | 3.18          | -         | -                    | 9.30           | 0.68           | 0.75         | -         | -                    | 1.42           | 7.88           | 5.45           |
| 2                              | Knowledge Development Expenses                        | 1.84           | 1.41          | -         | -                    | 3.24           | 0.22           | 0.21         | -         | -                    | 0.43           | 2.81           | 1.61           |
| 3                              | Foreign Trade Fair Expenses                           | 7.60           | 0.97          | -         | -                    | 8.57           | 0.59           | 0.79         | -         | -                    | 1.37           | 7.20           | 7.01           |
| 4                              | Foreign Office Development Expenses                   | -              | 1.89          | -         | -                    | 1.89           | -              | 0.07         | -         | -                    | 0.07           | 1.81           | -              |
| 5                              | Scientific Research and Development Exps              | 6.01           | 6.33          | -         | -                    | 12.35          | 0.13           | 2.94         | -         | -                    | 3.08           | 9.27           | 5.88           |
| <b>(B)</b>                     |   | <b>21.57</b>   | <b>13.77</b>  | <b>-</b>  | <b>-</b>             | <b>35.35</b>   | <b>1.62</b>    | <b>4.76</b>  | <b>-</b>  | <b>-</b>             | <b>6.38</b>    | <b>28.97</b>   | <b>19.95</b>   |
| <b>CAPITAL WIP</b>             |   |                |               |           |                      |                |                |              |           |                      |                |                |                |
| 1                              | Rakholi Building - Vaidehi II                         | -              | 8.03          | -         | -                    | 8.03           | -              | -            | -         | -                    | -              | 8.03           | -              |
| 2                              | New Building - Varna                                  | -              | 0.15          | -         | -                    | 0.15           | -              | -            | -         | -                    | -              | 0.15           | -              |
| <b>(C)</b>                     |   | <b>-</b>       | <b>8.18</b>   | <b>-</b>  | <b>-</b>             | <b>8.18</b>    | <b>-</b>       | <b>-</b>     | <b>-</b>  | <b>-</b>             | <b>-</b>       | <b>8.18</b>    | <b>-</b>       |
| <b>TOTAL (A+B)</b>             |   | <b>700.30</b>  | <b>107.98</b> | <b>-</b>  | <b>(2.84)</b>        | <b>805.44</b>  | <b>145.52</b>  | <b>36.67</b> | <b>-</b>  | <b>(2.81)</b>        | <b>179.38</b>  | <b>626.06</b>  | <b>554.78</b>  |

|                |  |                  |                  |
|----------------|--|------------------|------------------|
| <b>Note 11</b> | <b>NON CURRENT INVESTMENTS (₹ IN MILLION)</b>  | As at 31.03.2017 | As at 31.03.2016 |
|                | Investment in Equity Shares (Unquoted, fully Paid up) :  |                  |                  |
|                | 2,500 Equity Shares of Zoroastrian Co-Op Bank Ltd. Of ₹ 40/- each  | 0.10             | 0.10             |
|                | 2,500 Equity Shares of Saraswat Co-Op Bank Ltd. Of ₹ 10/- each   | 0.03             | 0.03             |
|                | 25% Shares of Global Bag S.R.O. - Associate Company  | 2.87             | 2.87             |
|                | 100% Shares of Emmbi Scandinavia - Wholly owned Subsidiary   | 0.48             | 0.48             |
|                | <b>TOTAL</b>   | <b>3.47</b>      | <b>3.47</b>      |
| <b>Note 12</b> | <b>LONG TERM LOANS &amp; ADVANCES (₹ IN MILLION)</b>   | As at 31.03.2017 | As at 31.03.2016 |
|                | Unsecured, Considered good   |                  |                  |
|                | Emmbi Scandinavia - Loan to related party  | 6.26             | 3.31             |
|                | Advance tax  | 37.91            | 39.87            |
|                | MAT Credit Entitlement   | 14.49            | 5.99             |
|                | Security Deposits  | 5.16             | 3.78             |
|                | <b>TOTAL</b>   | <b>63.81</b>     | <b>52.96</b>     |
| <b>Note 13</b> | <b>OTHER NON-CURRENT ASSETS (₹ IN MILLION)</b>   | As at 31.03.2017 | As at 31.03.2016 |
|                | Miscellaneous Expenditure (to the extent not written off or adjusted)  | -                | -                |
|                | <b>TOTAL</b>   | <b>-</b>         | <b>-</b>         |
| <b>Note 14</b> | <b>INVENTORIES (₹ IN MILLION)</b>  | As at 31.03.2017 | As at 31.03.2016 |
|                | Raw Materials  | 116.94           | 85.29            |
|                | Stock-in-Process   | 383.66           | 337.20           |
|                | Finished Goods   | 83.81            | 108.42           |
|                | Stores & Spares  | 48.46            | 39.08            |
|                | Stock-in-Trade   | -                | -                |
|                | <b>TOTAL</b>   | <b>632.87</b>    | <b>570.00</b>    |
| <b>Note 15</b> | <b>TRADE RECEIVABLES (₹ IN MILLION)</b>  | As at 31.03.2017 | As at 31.03.2016 |
|                | Unsecured, Considered Good   |                  |                  |
|                | Over Six months from the date they are due for the payment   | 0.82             | 0.43             |
|                | Others   | 382.86           | 320.75           |
|                | <b>TOTAL</b>   | <b>383.68</b>    | <b>321.18</b>    |
| <b>Note 16</b> | <b>CASH AND CASH EQUIVALENTS (₹ IN MILLION)</b>  | As at 31.03.2017 | As at 31.03.2016 |
|                | Balances with banks  | 0.84             | 0.29             |
|                | Cash on hand   | 2.03             | 1.72             |
|                | Others:  |                  |                  |
|                | Unclaimed Dividend A/c   | 0.34             | 0.30             |
|                | Term deposits with Banks   | 1.14             | 8.14             |
|                | <b>TOTAL</b>   | <b>4.34</b>      | <b>10.46</b>     |
| <b>Note 17</b> | <b>SHORT TERM LOANS AND ADVANCES (₹ IN MILLION)</b>  | As at 31.03.2017 | As at 31.03.2016 |
|                | Balance with Central Excise, Service Tax and other Govt. Authorities   | 11.36            | 15.58            |
|                | Prepaid Expenses   | 15.15            | 12.96            |
|                | Capital Advances   | 3.99             | 1.03             |
|                | Other loans and advances   | 35.39            | 37.31            |
|                | <b>TOTAL</b>   | <b>65.89</b>     | <b>66.89</b>     |
| <b>Note 18</b> | <b>OTHER CURRENT ASSETS (₹ IN MILLION)</b>   | As at 31.03.2017 | As at 31.03.2016 |
|                | Miscellaneous Expenditure (to be written off or adjusted)  | 0.00             | 0.14             |
|                | <b>TOTAL</b>   | <b>0.00</b>      | <b>0.14</b>      |
| <b>Note 19</b> | <b>CONTINGENT LIABILITIES AND COMMITMENTS (₹ IN MILLION)</b>   | As at 31.03.2017 | As at 31.03.2016 |
| a)             | Contingent liabilities not provided for  |                  |                  |
|                | Guarantees   |                  |                  |
|                | 1. Guarantee by Banks to Electricity Department (Silvassa)   | 7.10             | 7.12             |
|                | 2. Warranty against Sale of Retail Water Conservation products for 5 years   | 1.81             | -                |
| b)             | Commitments  |                  |                  |
|                | Estimated amount of contracts remaining to be executed on capital account (Net of Advances ) and not provided for.   |                  |                  |
|                | - On account of Machinery  | 10.47            | 0.31             |
|                | - On account of Land and Building  | -                | 26.91            |
| c1)            | The Income tax demand as per CIT Appeal order for the A. Y. 2011-12 of ₹ 58,50,760/- is disputed for which appeal has been made to Tribunal. Based on the decisions of the appellate authorities and the interpretation of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary. |                  |                  |
| c2)            | Income tax penalty demand for A.Y. 2011-12 : ₹ 39,47,758/- for which appeal is pending with CIT Appeals, Mumbai . ( Appeal filed in April 2017). Based on the decisions of the appellate authorities and the interpretation of other relevant provisions, the Company has been legally advised that the penalty demand raised is likely to be deleted, accordingly no provision is considered necessary.                                   |                  |                  |

|   |                 |                 |
|---|-----------------|-----------------|
| <b>Note 20 REVENUE FROM OPERATIONS (₹ IN MILLION)</b>   | 2016-17         | 2015-16         |
| Revenue from - Sale of products   |                 |                 |
| Export Sales  | 1,080.87        | 1,086.29        |
| Domestic Sales  | 1,316.58        | 1,080.42        |
| Other Operating Revenue(B class goods)  | 12.45           | 9.96            |
|   | 2,409.89        | 2,176.66        |
| Less : Excise Duty  | 119.19          | 97.31           |
| TOTAL   | 2,290.70        | 2,079.35        |
| DETAILS OF SALE OF PRODUCTS   | 2016-17         | 2015-16         |
| Manufactured Goods  |                 |                 |
| Polymer Based Multiple Products   | 2,113.44        | 1,908.33        |
| HDPE & PP - Woven Polymer Based Products  | 12.45           | 9.96            |
| Traded Goods  | 284.00          | 258.37          |
| TOTAL   | 2,409.89        | 2,176.66        |
| <b>Note 21 OTHER INCOME (₹ IN MILLION)</b>  | 2016-17         | 2015-16         |
| Interest  |                 |                 |
| From Current Investments  | 0.59            | 0.47            |
| From Others   | 0.21            | 0.14            |
| Dividend  |                 |                 |
| From Long Term Investments  | 0.00            | 0.00            |
| Foreign Exchange Difference   | 0.00            | 12.37           |
| Other Non Operating Income  | 0.08            | 0.09            |
| TOTAL   | 0.88            | 13.06           |
| <b>Note 22 COST OF MATERIAL CONSUMED (₹ IN MILLION)</b>   | 2016-17         | 2015-16         |
| Raw Materials Consumed  |                 |                 |
| Opening Inventory   | 85.29           | 100.58          |
| Add : Purchases (Net)   | 1,330.36        | 1,152.94        |
|   | 1,415.65        | 1,253.52        |
| Less : Closing Inventory  | 116.94          | 85.29           |
| TOTAL   | 1,298.71        | 1,168.23        |
| DETAILS OF INDIGENOUS AND IMPORTED  | 2016-17         | 2015-16         |
| RAW MATERIALS CONSUMED  | ₹ % Consumption | ₹ % Consumption |
| Imported  | 24.33 1.87      | 27.77 2.38      |
| Indigenous  | 1,274.38 98.13  | 1,140.46 97.62  |
| TOTAL   | 1,298.71 100.00 | 1,168.23 100.00 |
| PARTICULARS OF MATERIAL CONSUMED  | 2016-17         | 2015-16         |
| Polymer Granules and Films of various   | 1,298.71        | 1,168.23        |
| Grades and Others   |                 |                 |
| TOTAL   | 1,298.71        | 1,168.23        |
| <b>Note 23 PURCHASE OF STOCK-IN-TRADE (₹ IN MILLION)</b>  | 2016-17         | 2015-16         |
| Trading Purchase - Mumbai   |                 |                 |
| HDPE/PP Laminated Fabric  | 282.77          | 257.24          |
| TOTAL   | 282.77          | 257.24          |
| <b>Note 24 CHANGES IN INVENTORIES OF STOCK-IN-TRADE, WORK-IN-PROGRESS AND FINISHED GOODS (₹ IN MILLION)</b> | 2016-17         | 2015-16         |
| Inventories (At Close)  |                 |                 |
| Stock-in-Process  | 383.66          | 337.20          |
| Finished goods  | 83.81           | 108.42          |
|   | 467.48          | 445.62          |
| Inventories (At Commencement)   |                 |                 |
| Stock-in-Process  | 337.20          | 304.52          |
| Finished goods  | 108.42          | 113.22          |
|   | 445.62          | 417.74          |
| TOTAL   | (21.85)         | (27.88)         |
| <b>Note 25 EMPLOYEES BENEFITS EXPENSES (₹ IN MILLION)</b>   | 2016-17         | 2015-16         |
| Salaries  | 65.23           | 71.39           |
| Employees Welfare Expenses  | 5.59            | 4.21            |
| Contribution to Provident Fund and Other Fund   | 1.79            | 1.56            |
| Provision for Gratuity  | 1.09            | 0.84            |
| TOTAL   | 73.69           | 78.00           |



25.1 Post employment benefits

Company has taken a Group Gratuity Policy of LIC of India to cover the employer's obligation towards Gratuity under the payment of Gratuity Act and the fund required to be maintained to cover the Present Value of past service benefit and current service cost is fully funded by the company as per the valuation made. The Company has Funded Scheme of Gratuity with LIC.

|      |  |                                  |                  |
|------|--|----------------------------------|------------------|
| i)   | Assumptions  | As on 31/03/2017                 | As on 31/03/2016 |
|      | Discount Rate  | 8.00%                            | 8.00%            |
|      | Salary Escalation  | 3.00%                            | 3.00%            |
| ii)  | Table Showing Changes in Present Value of obligation as on 31/03/2017      | Gratuity (Funded - ₹ IN MILLION) |                  |
|      |  | 2016-17                          | 2015-16          |
|      | Present Value of obligation at the beginning of the year                   | 3.54                             | 1.64             |
|      | Interest Cost  | 0.28                             | 0.13             |
|      | Current Service cost   | 0.50                             | 0.19             |
|      | Benefits paid  | (0.52)                           | (0.51)           |
|      | Actuarial (gain)/loss on obligation  | 2.61                             | 2.09             |
|      | Present Value of obligation at year end                                    | 6.41                             | 3.54             |
| iii) | Table showing Changes in fair Value of plan Asset as on 31/03/2017         | Gratuity (Funded - ₹ IN MILLION) |                  |
|      |  | 2016-17                          | 2015-16          |
|      | Fair Value of plan assets at the beginning of the year                     | 1.42                             | 1.09             |
|      | Expected return on plan Assets   | 0.10                             | 0.11             |
|      | Contributions  | 0.03                             | 0.74             |
|      | Benefits paid  | (0.52)                           | (0.51)           |
|      | Actuarial (gain)/loss on obligation  |                                  |                  |
|      | Fair Value of plan assets as at year end                                   | 1.03                             | 1.42             |
| iv)  | Table showing Fair Value of Plan Assets as on 31/03/2017                   | Gratuity (Funded - ₹ IN MILLION) |                  |
|      |  | 2016-17                          | 2015-16          |
|      | Fair Value of plan assets at the beginning of the year                     | 1.42                             | 1.09             |
|      | Actual return on plan Assets   | 0.10                             | 0.11             |
|      | Contributions  | 0.03                             | 0.74             |
|      | Benefits paid  | (0.52)                           | (0.51)           |
|      | Fair Value of Plan Assets at the end of the year                           | 1.03                             | 1.42             |
|      | Funded Status  | (5.38)                           | (2.12)           |
|      | Excess of Actual over estimated return on Plan Assets                      | NIL                              | NIL              |
| v)   | Actuarial (gain)/loss recognised   | Gratuity (Funded - ₹ IN MILLION) |                  |
|      |  | 2016-17                          | 2015-16          |
|      | Actuarial (gain)/loss on obligation  | 2.61                             | (2.09)           |
|      | Actuarial (gain)/loss for the year - plan assets                           | NIL                              | NIL              |
|      | Actuarial (gain)/loss on obligation  | (2.61)                           | 2.09             |
|      | Actuarial (gain)/loss recognised in the year                               | (2.61)                           | 2.09             |
| vi)  | Amounts to be recognised in Balance Sheet and Statement of Profit and Loss | Gratuity (Funded - ₹ IN MILLION) |                  |
|      |  | 2016-17                          | 2015-16          |
|      | Present Value of obligation at the end of the year                         | 6.41                             | 3.54             |
|      | Fair Value of plan assets at the end of the year                           | 1.03                             | 1.42             |
|      | Funded Status  | (5.38)                           | (2.12)           |
|      | Net Asset / Liability recognised in Balance Sheet                          | (5.38)                           | (2.12)           |
| vii) | Expenses recognised during the year  | Gratuity (Funded - ₹ IN MILLION) |                  |
|      |  | 2016-17                          | 2015-16          |
|      | Current Service cost   | 0.50                             | 0.19             |
|      | Interest cost on benefit obligation  | 0.28                             | 0.13             |
|      | Net actuarial (gain) / loss recognised in the year                         | 2.61                             | 2.09             |
|      | Expected return on plan assets   | (0.10)                           | (0.11)           |
|      | Expenses recognised during the year  | 3.29                             | 2.30             |

Gratuity is accounted on the basis of valuation made by the LIC which is debited from old Provision for Gratuity to the extent balance available and balance is debited to Profit and Loss account

|   |              |              |
|---|--------------|--------------|
| <b>Note 26 FINANCE COSTS (₹ IN MILLION)</b> | 2016-17      | 2015-16      |
| Interest                                    | 70.89        | 79.52        |
| Other borrowing costs                       | 11.76        | 10.65        |
| <b>TOTAL</b>                                | <b>82.65</b> | <b>90.17</b> |

|  |              |              |
|--|--------------|--------------|
| <b>Note 27 DEPRECIATION AND AMORTIZATION EXPENSES (₹ IN MILLION)</b> | 2016-17      | 2015-16      |
| Depreciation and Amortization  | 41.66        | 36.67        |
| <b>TOTAL</b>   | <b>41.66</b> | <b>36.67</b> |

**Note 28 OTHER EXPENSES (₹ IN MILLION)**

|   | 2016-17 | 2015-16 |
|---|---------|---------|
| Manufacturing Expenses :                            |         |         |
| Factory Wages                                       | 79.03   | 79.50   |
| Power and Fuel                                      | 42.95   | 39.16   |
| Labour Charges                                      | 52.09   | 47.88   |
| Consumable Stores                                   | 39.57   | 41.29   |
| Repairs & Maintenance                               | 6.74    | 5.06    |
| Other Manufacturing Expenses                        | 4.08    | 3.29    |
| Processing and Lamination Charges                   | 1.65    | 2.42    |
| Excise duty - Provision on Finished Stock (Net)     | 1.20    | 0.15    |
| Sub-Total (A)                                       | 227.32  | 218.75  |
| Selling and Distribution Expenses :                 |         |         |
| Freight Forwarding Expenses                         | 49.40   | 54.26   |
| Sales Promotion Expenses                            | 7.65    | 3.56    |
| Vehicle Expenses                                    | 3.47    | 3.83    |
| Discount  | 5.16    | 4.11    |
| Other Selling and Distribution Expenses             | 0.84    | 0.91    |
| Sundry Export Expenses                              | 1.82    | 1.69    |
| Commission  | 0.54    | 0.22    |
| Sub-Total (B)                                       | 68.88   | 68.58   |
| Establishment Expenses :                            |         |         |
| Legal and Professional Charges                      | 9.41    | 10.40   |
| Scientific Research & Development                   | 18.74   | 14.74   |
| Rent  | 6.54    | 5.90    |
| Tour & Travelling Expenses                          | 10.25   | 9.56    |
| Insurance   | 5.41    | 2.68    |
| Printing, Stationary, Computer & PhotoCopy Expenses | 3.84    | 3.70    |
| Postage and courier Expenses                        | 3.74    | 2.37    |
| Telephone Expenses                                  | 2.08    | 2.01    |
| General Expenses                                    | 4.04    | 2.03    |
| Electricity expenses - Mumbai Office                | 1.37    | 1.12    |
| Sundry Balances W/off (W /back)                     | (0.08)  | 2.46    |
| Conveyance Expenses                                 | 0.91    | 0.79    |
| Donations   | 0.38    | 0.26    |
| Donations for CSR Activities                        | 1.39    | 0.39    |
| Foreign Exchange Variation (Net)                    | (8.32)  | -       |
| Payment to Auditor (See Note 27.3)                  | 1.45    | 1.35    |
| Loss on Sale of Asset                               | 0.75    | -       |
| Swachch Bharat Cess                                 | 0.40    | 0.13    |
| Krishi Kalyan Cess                                  | 0.30    | -       |
| Sub-Total (C)                                       | 62.61   | 59.86   |
| TOTAL [(A)+(B)+(C)]                                 | 358.80  | 347.19  |

28.1 Disclosures as required by AS 19,"Leases", notified

- (i) The Company has taken Office and Warehouse premises under operating lease or leave and license agreements. These are non cancellable and range between 11 months and 3 Years under Leave and License arrangement, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable Interest Free Security Deposits under certain agreements.
- (ii) Lease Payments are recognised in the Statement of Profit and Loss under Rent in Note 28.

| 28.2  | 2016-17      |               | 2015-16      |               |
|---|--------------|---------------|--------------|---------------|
|   | ₹ IN MILLION | % Consumption | ₹ IN MILLION | % Consumption |
| DETAILS OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED |              |               |              |               |
| Imported  | -            | -             | -            | -             |
| Indigenous  | 39.57        | 100.00%       | 41.29        | 100.00%       |
| TOTAL   | 39.57        | 100.00%       | 41.29        | 100.00%       |

| 28.3 | VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF (₹ IN MILLION) | 2016-17 | 2015-16 |
|------|--|---------|---------|
|      | Import of Raw Materials                                    | 24.33   | 27.77   |
|      |  | 24.33   | 27.77   |

| 28.4 | PAYMENT TO AUDITORS (₹ IN MILLION) | 2016-17 | 2015-16 |
|------|------------------------------------|---------|---------|
|      | As Auditor                         |         |         |
|      | Audit Fee                          | 0.90    | 0.90    |
|      | Tax Audit Fee                      | 0.20    | 0.20    |
|      | Certification Fees                 | 0.35    | 0.25    |
|      |                                    | 1.45    | 1.35    |

|      |  |         |         |
|------|--|---------|---------|
| 28.5 | EXPENDITURE IN FOREIGN CURRENCY (₹ IN MILLION) | 2016-17 | 2015-16 |
|      | Foreign Bank Charges                           | -       | 1.16    |
|      | Bank Interest                                  | -       | 0.86    |
|      | Testing Charges                                | 2.11    | 0.67    |
|      | Foreign Travelling Expenses                    | 3.14    | 8.48    |
|      | Exhibition Expenses                            | -       | -       |
|      | Advertising Charges                            | 0.13    | 0.18    |
|      | Books & Periodicals                            | -       | 0.89    |
|      | Membership Fees                                | 0.16    | -       |
|      | Research & Development Expenses                | -       | 0.01    |
|      | Discount & Commission                          | 0.51    | -       |
| 28.6 | Particulars (₹ IN MILLION)                     | 2016-17 | 2015-16 |
|      | Foreign Exchange loss / (Gain) of ₹            | (8.32)  | (12.37) |

|                |  |         |         |
|----------------|--|---------|---------|
| <b>Note 29</b> | <b>EARNINGS PER SHARE (EPS)</b>  | 2016-17 | 2015-16 |
|                | Net Profit after tax as per Statement of Profit and Loss (₹ IN MILLION)                          | 127.28  | 105.95  |
|                | Weighted Average number of equity shares used as denominator for calculating EPS (₹ IN MILLION)  | 17.69   | 17.69   |
|                | Weighted Average number of equity shares used as denominator for calculating DEPS (₹ IN MILLION) | 17.69   | 17.69   |
|                | Basic Earnings per share (₹)   | 7.20    | 5.99    |
|                | Diluted Earnings per share (₹)   | 7.20    | 5.99    |
|                | Face Value per equity share (₹)  | 10.00   | 10.00   |

|                |  |          |          |
|----------------|--|----------|----------|
| <b>Note 30</b> | <b>EARNINGS IN FOREIGN EXCHANGE (₹ IN MILLION)</b> | 2016-17  | 2015-16  |
|                | FOB value of Exports                               | 1,035.49 | 1,053.33 |

|                |   |                                       |                               |                               |
|----------------|---|---------------------------------------|-------------------------------|-------------------------------|
| <b>Note 31</b> | <b>RELATED PARTY DISCLOSURES (₹ IN MILLION)</b> |                                       |                               |                               |
|                | Name of Related Party (Designation)             | Nature of Transaction                 | Amount of Transaction 2016-17 | Amount of Transaction 2015-16 |
|                |   |                                       |                               | Balance as on 31.03.2017      |
|                | Makrand M. Appalwar (Managing Director)         | Remuneration Payable for Remuneration | 7.80                          | 7.80                          |
|                |   |                                       |                               | 0.46 (0.23)*                  |
|                | Rinku M. Appalwar (Finance Director)            | Remuneration Payable for Remuneration | 7.20                          | 7.20                          |
|                |   |                                       |                               | 0.42 (0.39)*                  |
|                | Mitravinda Appalwar (Ex-Director)               | Sitting Fees                          | -                             | 0.02                          |
|                |   |                                       |                               | -                             |
|                | S Sastry (President works )                     | Remuneration                          | 4.50                          | 3.69                          |
|                |   |                                       |                               | 0.31                          |
|                | Kaushal R. Patvi (Company Secretary)            | Salary                                | 0.73                          | 0.65                          |
|                |   |                                       |                               | 0.05                          |
|                | Dividend paid to relatives                      | Dividend paid to relatives            | 5.14                          | 3.06                          |
|                |   |                                       |                               | -                             |

|                |   |         |         |
|----------------|---|---------|---------|
| <b>Note 32</b> | <b>TRADE PAYABLES TO MICRO, SMALL AND MEDIUM ENTERPRISES</b>                          | 2016-17 | 2015-16 |
|                | Sundry Creditors include dues to Micro, Small and medium scale industrial undertaking | -       | -       |

Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the company)  
The Company has sought confirmation from all the creditors regarding their registration as Micro, Small and Medium Enterprises, however till date of the Balance Sheet, no confirmation has been received and hence none of the creditors have been categorised as pertaining to Micro, Small and Medium Enterprises.

**Note 33** Since Company operates in only one segment i.e. manufacture of HDPE/ PP/ raffia products and trading in similar items hence no need for separate disclosure of segment information as per AS - 17 issued by ICAI

**Note 34** Details of Specified bank notes held and transacted during the period 08.11.2016 to 30.12.2016

| Particulars                                  | Specified Bank Notes(₹) | Other Denomination Notes(₹) | Total(₹)         |
|--|-------------------------|-----------------------------|------------------|
| Closing cash in hand as on 08.11.2016        | 16,15,000.00            | 1,58,788.00                 | 17,73,788.00     |
| (+)Permitted receipts                        | -                       | -                           | -                |
| (-)Permitted payments                        | -                       | (76,633.00)                 | (76,633.00)      |
| (-)Amount deposited in banks                 | (16,15,000.00)          | -                           | (16,15,000.00)   |
| <b>Closing cash in hand as on 30.12.2016</b> | <b>-</b>                | <b>82,155.00</b>            | <b>82,155.00</b> |

**Note 35** Figures of Previous year have been rearranged / regrouped as and when necessary in terms of Current year's grouping.

As per our report of even date  
For K. J. SHAH & ASSOCIATES  
Chartered Accountants  
FRN : 127308W

K. J. SHAH (Proprietor)  
Membership No. 030784  
Place : Mumbai  
Date: 20th May, 2017

Kaushal R. Patvi  
Company Secretary

For and On behalf of the Board  
For EMMBI INDUSTRIES LIMITED,

Makrand M. Appalwar  
Managing Director

Rinku M. Appalwar  
CFO & Director

**The Emmbi Foundation is helping build  
brighter, more sustainable societies**







(Formerly known as EMMBI POLYARNS LIMITED)  
CIN L17120DN1994PLC000387

Registered office: 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230. Tel.:91-0260-3200948 Email: info@emmbi.com

### ATTENDANCE SLIP

Joint shareholders may obtain additional slip at the venue of the meeting.

DP Id \_\_\_\_\_

Folio No. \_\_\_\_\_

Client Id \_\_\_\_\_

No. of Shares \_\_\_\_\_

**Annual General Meeting of EMMBI INDUSTRIES LIMITED will be held on 22nd September, 2017 at 10.30 a.m.**

I/We record my/our presence at the Twenty Third Annual General Meeting to be held on 22nd September, 2017 at 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230 at 10.30 a. m.

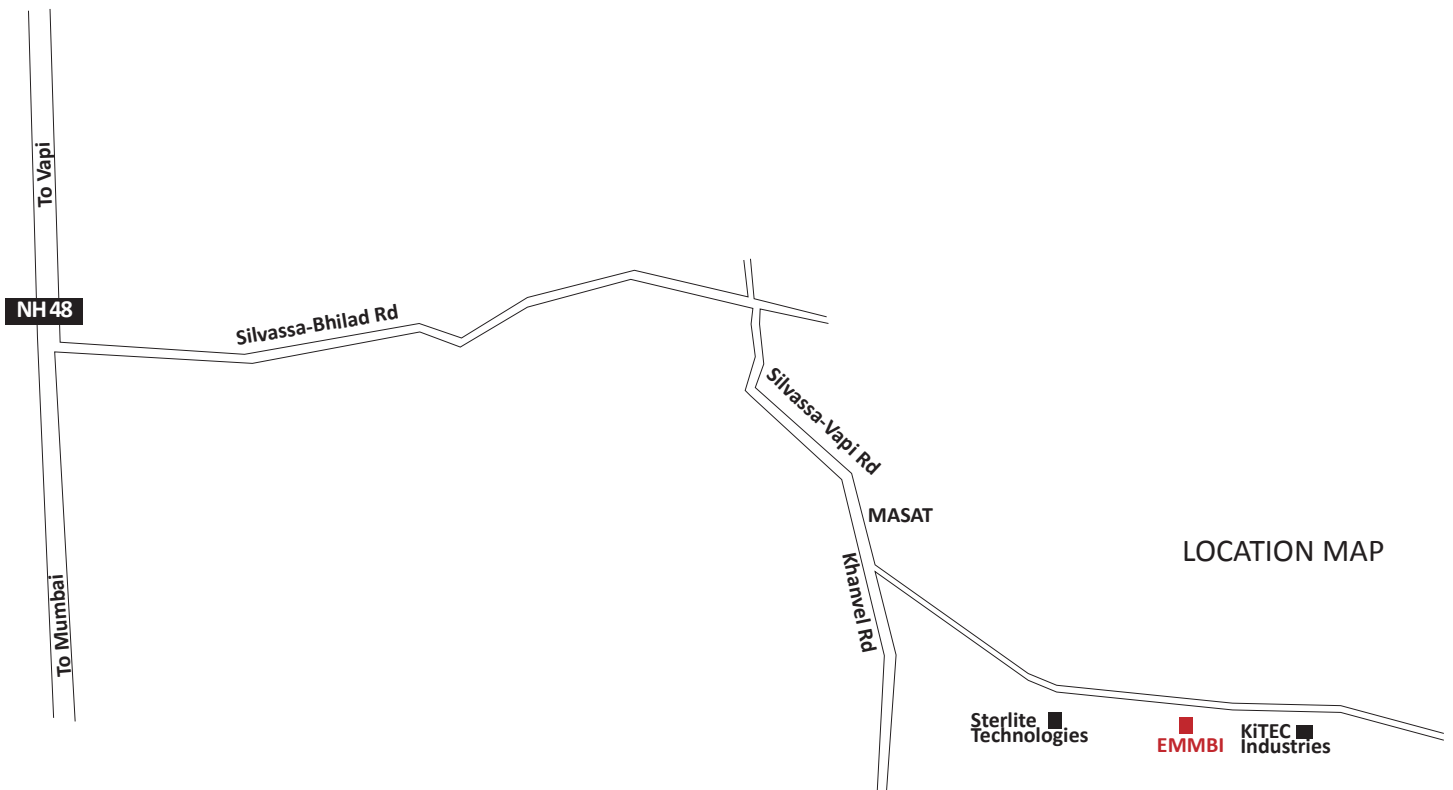
NAME OF THE SHAREHOLDER / PROXY

(in Block Letters)

\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE OF THE SHAREHOLDER / PROXY

NOTE: You are requested to sign and handover this slip at the entrance of the meeting venue.



# The world's widest pond liner? Trust Emmbi to invent it!

 **emmbi**  
**Jalasanchay**



Emmbi unveiled the world's widest pond liner, under the Jalasanchay brand, at KISAN 2016, the largest agricultural fair in India. Pond liners are custom made, by seaming together multiple pieces of the pond lining fabric. The greater the number of seams in a liner, the greater the chances of leakage and tears.

Our relentless focus on adding real value to our customers saw us manufacture the widest roll of pond lining fabric in the world. A wider roll means that an average pond liner has fewer seams, which in turn translates to greater longevity of the product, and fewer maintenance hassles.

Just another way in which Emmbi is brightening lives of the Indian farmers.



(Formerly known as EMMBI POLYARNS LIMITED)

CIN L17120DN1994PLC000387

Registered office: 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230. Tel.:91-0260-3200948 Email: info@emmbi.com

### Form No. MGT-11

#### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN L17120DN1994PLC000387  
Name of the company EMMBI INDUSTRIES LIMITED  
Registered office 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road  
Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.  
Name of the member (s) \_\_\_\_\_  
Registered address \_\_\_\_\_  
E-mail Id \_\_\_\_\_  
Folio No/ Client Id \_\_\_\_\_ DP ID \_\_\_\_\_

I/We, being the member (s) of ..... shares of the above named company, hereby appoint  
Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail Id \_\_\_\_\_ Signature \_\_\_\_\_

OR FAILING HIM

Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail Id \_\_\_\_\_ Signature \_\_\_\_\_

OR FAILING HIM

Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail Id \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Third Annual General Meeting to be held on 22nd September, 2017 at 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230 at 10.30 a. m. and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolutions  | For * | Against* |
|--|-------|----------|
| 1. Adoption of Financial Statements for the year ended 31st March, 2017  |       |          |
| 2. Declaration of Dividend on Equity Shares  |       |          |
| 3. Re-appointment of Mrs. Rinku M. Appalwar, who retires by rotation and, being eligible, offers herself for re-appointment. |       |          |
| 4. Appointment of R. Daliya & Associates as Statutory Auditors of the Company.   |       |          |

Signed this..... day of..... 2017

Signature of Shareholder: .....

Signature of Proxy holder(s): .....

Affix  
Revenue  
Stamp

\*See Note 4 overleaf

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*4. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

## Understanding the needs

Mr. Makrand Appalwar understanding precise needs of water storage from the group of farmers in Jalna District of Maharashtra





## Notes

[illegible]

## Notes

[illegible]





## **Emmbi Industries Limited**

99/2/1 & 9, Madhuban Industrial Estate Madhuban

Dam Road, Rakholi Village

U. T. of Dadra & Nagar Haveli

Silvassa 396 230. INDIA

Phone: +91 22-6784 5555 | Fax : +91 22-6784 5506

[www.emmbi.com](http://www.emmbi.com)