

Date: 1<sup>st</sup> September, 2019

To, Dept. of Corporate Services, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>Company Code: 533161</b>	To, The Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051 <b>Company Code: EMMBI</b>
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Dear Sir,

**Sub: 25<sup>th</sup> Annual General Meeting of the members of the Company**

The twenty-fifth Annual General Meeting (AGM) of the members of the Company will be held on Wednesday, 25<sup>th</sup> September, 2019 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 396 230.

Pursuant to Regulation 34(l) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2018-19 which is being dispatched / sent to the members by the permitted mode(s).

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ("e-voting"). The instructions for e-voting are mentioned in the Notice attached.

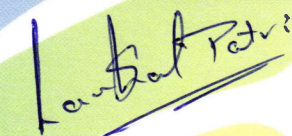
The Register of Members and Share Transfer Register of the Company will remain closed from Thursday, 19<sup>th</sup> September, 2019 to Wednesday, 25<sup>th</sup> September, 2019 (both days inclusive) for the purpose of Annual General Meeting and dividend on equity shares, if approved at the meeting.

We request you to take the same on your records.

Thanking you,

Yours faithfully,

**For Emmbi Industries Limited**



**Kaushal Patvi**  
**Company Secretary & Compliance Officer**  
**Encl: As above**



# People Planet Profits



Annual  
Report  

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2019





# Corporate Information

## BOARD OF DIRECTORS

Mr. Makrand M. Appalwar  
Chairman & Managing Director

Mrs. Rinku M. Appalwar  
Executive Director & CFO

Mr. Krishnan I. Subramanian  
Whole-Time Director

Mr. Rama A. Krishnan  
Independent Director

Mr. Prashant K. Lohiya  
Independent Director

Dr. Venkatesh G. Joshi  
Independent Director

## COMPANY SECRETARY

Mr. Kaushal R. Patvi

## STATUTORY AUDITORS

M/s. R. Daliya & Associates

## SECRETARIAL AUDITORS

M/s. 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. Prashant K. Lohiya (Chairman)  
Dr. Venkatesh G. Joshi  
Mr. Rama A. Krishnan  
Mrs. Rinku M. Appalwar

Nomination & Remuneration Committee  
Mr. Prashant K. Lohiya (Chairman)  
Mr. Rama A. Krishnan  
Dr. Venkatesh G. Joshi

Stakeholders Relationship Committee  
Mr. Prashant K. Lohiya (Chairman)  
Mr. Rama A. Krishnan  
Dr. Venkatesh G. Joshi  
Mrs. Rinku M. Appalwar

## BANKERS

Punjab National Bank  
ICICI Bank Limited  
Axis Bank Limited  
Saraswat Co-Op. Bank

## SHARE TRANSFER AGENTS

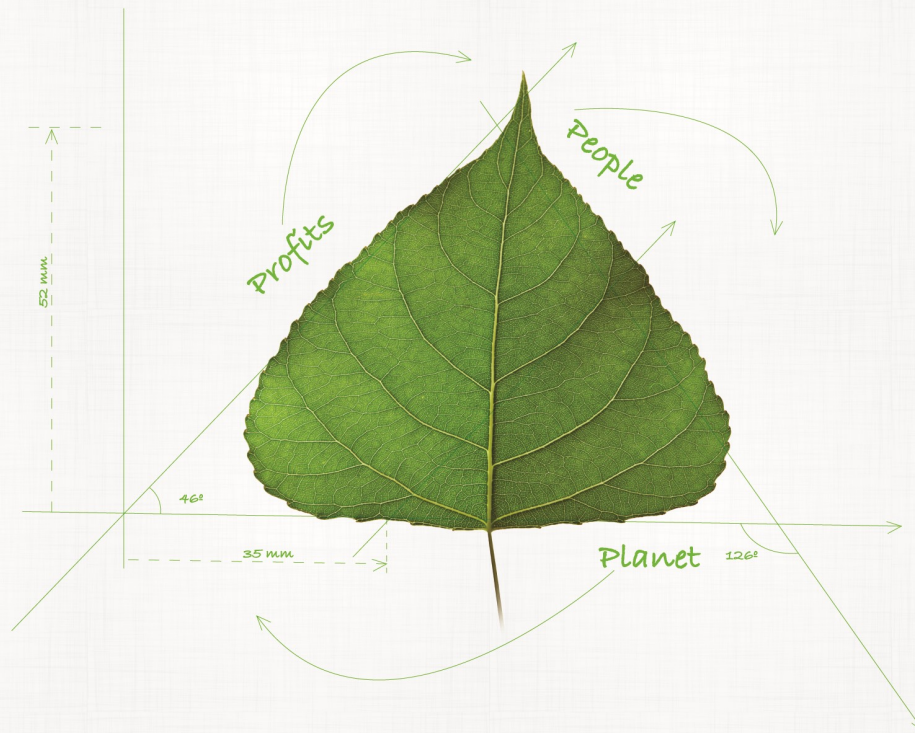
Datamatics Financial Services Limited  
Plot No. B-5, Part B Crosslane  
MIDC, Marol, Andheri (E), Mumbai 400 093.  
Tel: 022 - 66712151-56  
Fax: 022 - 66712161  
Email: investorsqry@dfssl.com

## Corporate Social Responsibility Committee

Dr. Venkatesh G. Joshi (Chairman)  
Mr. Prashant K. Lohiya  
Mr. Rama A. Krishnan  
Mrs. Rinku M. Appalwar

## Committee of Directors Committee

Mr. Prashant K. Lohiya (Chairman)  
Mr. Makrand M. Appalwar  
Mrs. Rinku M. Appalwar



## A Fine Balance

From times immemorial, humankind has sought to achieve balance in life. Indeed, whether it is “Nirvana” in Indian culture or “Zen” in Japanese tradition, humankind’s biggest quest has been harmony.

Perhaps, this is all the more relevant for a business. For business continually grapples with balancing the needs of various often opposing stakeholder groups, while still being profitable. One way that businesses have been able to create this balance is by adopting the concept of a Triple Bottom Line – measuring the impact on People, Planet and Profits. This year’s Annual Report then, is dedicated to this theme of Balance.

The triangle is a particularly interesting symbol and perhaps, best symbolizes Balance . It has several layers of meaning that are hidden within it. The equilateral triangle has been used to symbolise the four elements and in another sense the four suits in the tarot. Closer home, Vata, Pitta and Kapha (and the inherent balance between the three) have formed the basis for Ayurveda. This year’s Annual Report delves into the mysteries of the triangular form, and the balance that it represents.



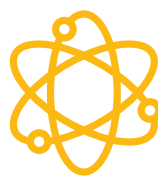
# Our Business Divisions



## Water Conservation

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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 230 billion liters of water in India and promises to contribute increasingly to our revenues.



## Advanced Composites

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“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

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Specialty Packaging is the oldest division within Emmbi, and one that contributes the primary share of our 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

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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.



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# Scaling New Peaks

Mount Everest is Earth's highest mountain above sea level, located in the Mahalangur Himal sub-range of the Himalayas. The Mountain was given its name in 1865, by the Royal Geographical Society, upon a recommendation by Andrew Waugh, the British Surveyor General of India. The first successful ascent of Mount Everest was made in 1953 by a New Zealander, Edmund Hillary and a Nepali Sherpa, Tenzing Norgay.

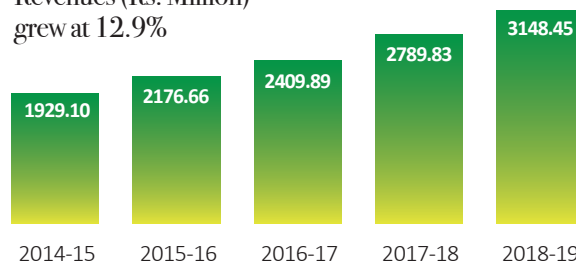
Incidentally, the competing gravitational and frictional forces, combined with the downcutting action of rivers that flow through the ridges, ensure that most mountain peaks are conical or triangular in shape!



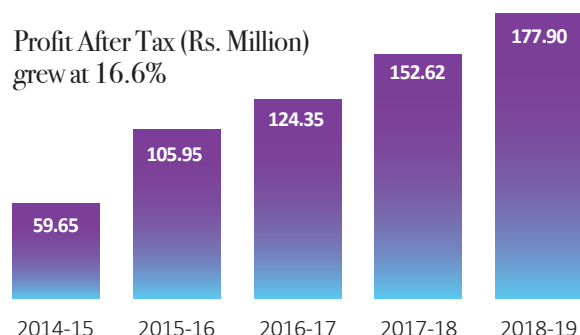
# Stellar All-round Performance

In the year gone by, Emmbi continued to show admirable growth across all parameters – financial growth, customer satisfaction, employee attraction and retention, as well as development of the communities that we support and nurture.

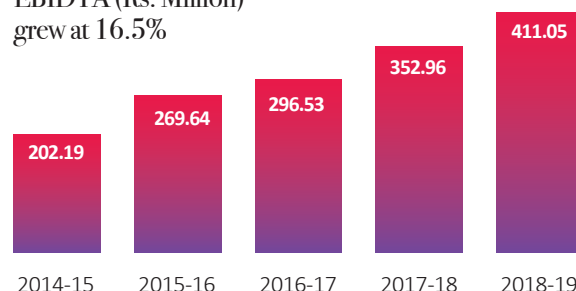
Revenues (Rs. Million)  
grew at 12.9%



Profit After Tax (Rs. Million)  
grew at 16.6%



EBIDTA (Rs. Million)  
grew at 16.5%



5,820

The number of Ponds that Emmbi has created until June 2019.

34,923

The number of people that Emmbi has positively impacted as a result.

232,820,000

The number of liters of water that Emmbi has helped conserve, as a result of its unstinting effort in deploying artificial ponds.



# Legendary Stability

Geodesic Domes are perhaps one of the most strong and stable structures built by mankind. The triangular elements of the dome are structurally rigid and distribute the structural stress throughout the structure, making geodesic domes able to withstand very heavy loads for their size. The first Geodesic Dome was designed a little after World War I by the Chief Engineer of the Carl Zeiss Company, for a planetarium. Since then, this popular structure has found multiple applications, including for building “Dome Homes”.





# Laying the Foundation for Sustained Growth

Emmbi set up the Avana division with the express objective of helping our farmers use water resources more efficiently and as a result, improve their incomes.

Headed by Maithili Appalwar, an honors graduate from the prestigious Georgia Tech Institute in Atlanta, Georgia, Avana has begun to take small but sure steps to transform not just the lives of Indian farmers, but also become a significant growth engine for Emmbi's future.

In the year gone by, the Avana team has been significantly strengthened. A 50-strong sales and distribution team is working tirelessly to, as Maithili puts it, **"put food on the table, for the people that put food on ours."**

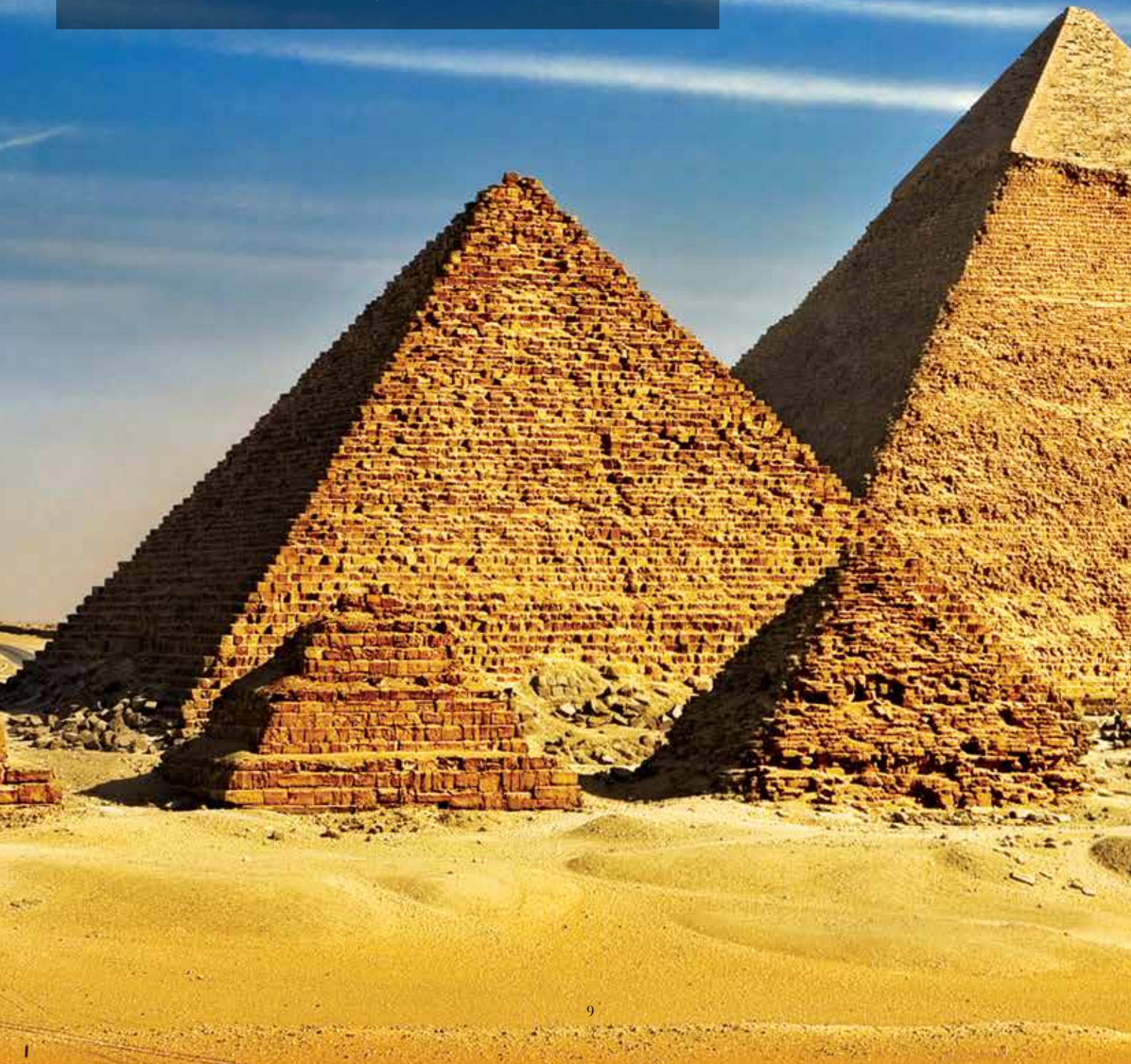
Indeed, in a short span of time, Avana has built over 5,820 artificial ponds that have impacted over 34,000 lives positively while helping conserve 230 + Billion liters of water.



# Temples of Eternal Life

Perhaps the first thing that comes to mind when one thinks of Egypt, are the Great Pyramids. Not only are they engineering marvels, but they are also one of the sturdiest structures ever built by mankind, having survived thousands of years.

The pyramids had significant mythological meaning too. The pyramid with its physical form represented the path to heaven. The base of the pyramid rose from the ground, narrowed down to the top and led to the sun, the deity in ancient Egypt. That is why, the construction of pyramids was perfectly precise, and the geometry and proportions of the pyramid coincided perfectly with the position of the sun and stars at a certain time of the year.





# Valuing our Human Capital

At Emmbi, we recognize that our team – especially, the blue-collared workers that form a large part of our workforce – are the backbone of our success. Which is why, unlike the pyramids of Egypt, which were purportedly built as temples to the Pharaohs, guaranteeing them a comfortable life after death, we focus on our worker's comfort every day of the year.

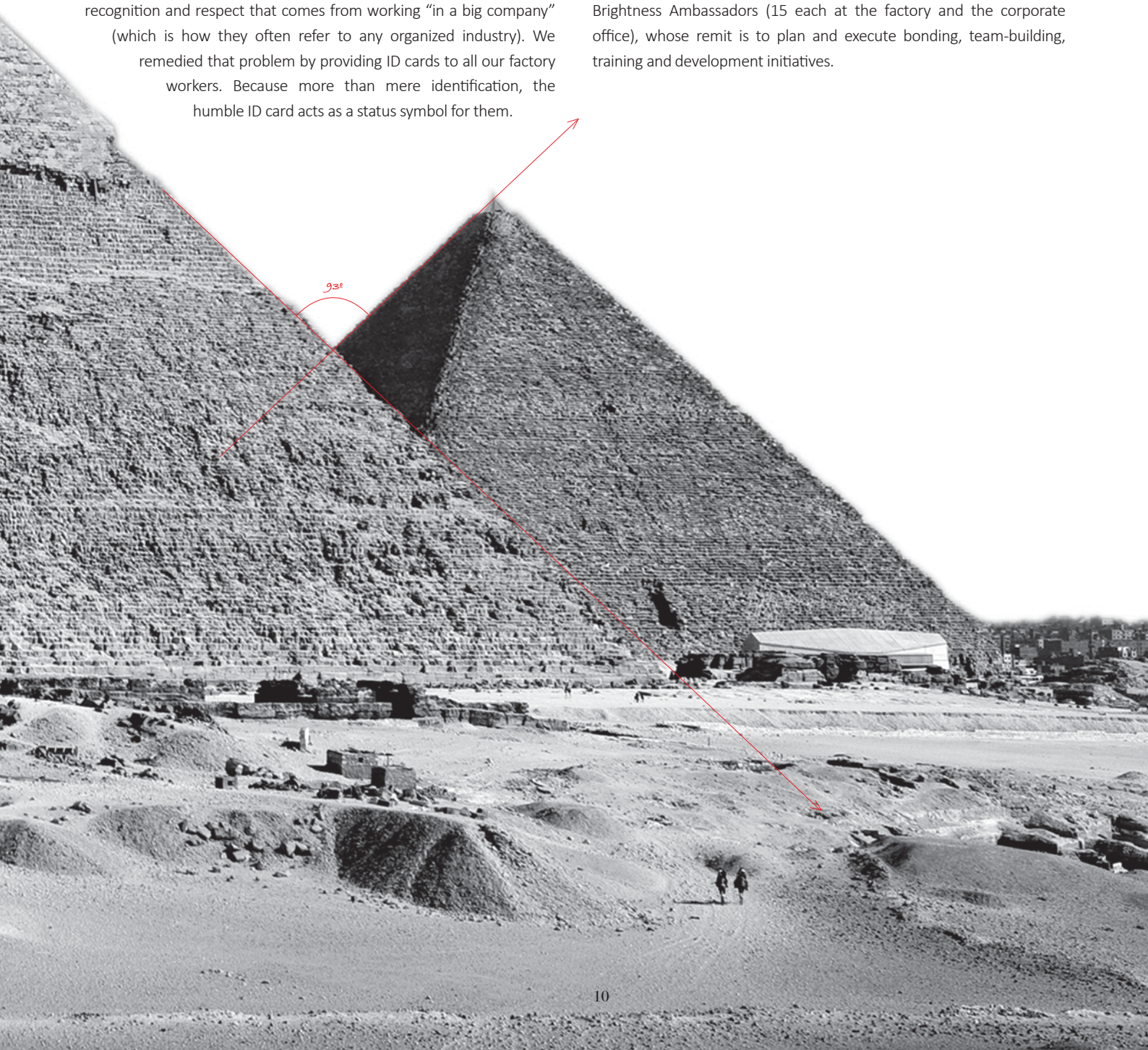
Our Human Resources policies are aligned to providing the workers with not just monetary benefits but also the dignity and respect that they deserve and expect.

**Employee Identification Cards** We realized early on, that one of the basic needs (often unfulfilled) especially of the contract worker, is the recognition and respect that comes from working “in a big company” (which is how they often refer to any organized industry). We remedied that problem by providing ID cards to all our factory workers. Because more than mere identification, the humble ID card acts as a status symbol for them.

**Simpler Salary Processing** Financial security is one of the basic human necessities. Emmbi contributed in its own small way by having an ATM Machine installed within its factory premises, so that the workers could conveniently and easily withdraw cash for their household purposes, the day that salaries were disbursed.

**Suvidha Leave** The needs of women workers are a little more specific. So, while most organizations do grant maternity (and even paternity) leave, Emmbi decided to go a step forward and allow its women workers to work from home one day every month, during their menstrual cycle.

**Brightness Ambassadors** We believe that a team that bonds well is a team that is productive. To this end, we have created a team of Brightness Ambassadors (15 each at the factory and the corporate office), whose remit is to plan and execute bonding, team-building, training and development initiatives.





# A Spectrum of Possibilities

To the naked eye, sunlight is practically colorless. Until, in 1666, Isaac Newton discovered that sunlight is actually made up of the seven colors of the rainbow. He passed sunlight through a narrow slit, then a prism, to project the colored spectrum onto a wall.

This effect had been noticed previously, of course, not least in the sky. But, it took Newton's ability to constantly question, and to think outside of the box, to explain it rationally.





# Innovation at Emmbi

Value addition and innovation are the only ways to stay ahead of the competition. That is why, at Emmbi, we commit a significant proportion of our time and resources to innovative new products and applications. The Emmbi Innovation Lab was conceived with the sole purpose of spearheading new discoveries at our company.

Our efforts have begun to bear fruit. The Emmbi Innovation Lab has already delivered **15 Product and Process Patents** that further our competitive advantage.

However, we believe that new products and product enhancements represent only a small part of innovations. Indeed, at Emmbi, we are constantly looking at newer ways to add value to our stakeholders – customers, employees, investors and partners. To that end, there are numerous steps that Emmbi has taken, that can arguably qualify as innovations.

## **New Products and Product Enhancements**

Since the product is often the first “Proof Of Concept”(POC) for our customers and perhaps the biggest determinant of their experience, a significant amount of effort goes into either enhancing existing product lines or thinking up new products for newer applications.

### **Jalsanchay Super**

Jalsanchay has been our flagship product for the last 2 years. It has won the hearts and minds of thousands of customers across the country and has become synonymous with durability, quality and superior after-sales service. This year, we launched a variant of the popular pond liner, called Jalsanchay Super. Made with our proprietary HabiTech technology, this is a superior product in every sense. It promises a lower evaporation rate and is sold in a more soothing Blue color. Perhaps the biggest USP of this product is its fish-friendliness, so farmers can not only use it to store water, they can also explore allied businesses like creating fish farms. Jalsanchay Super has already had rave reviews in our test markets and we are confident of a successful commercial launch shortly.

## **Fire-retardant products**

Along with crop solutions, human health and safety has been a focus area for Emmbi for a long time. To this end, we have developed indigenous fire-retardant products that can be used in hazardous applications and for transportation of flammable goods.

## **Rodent-repellent technologies**

Storage of grains can be a challenge, especially in a country like ours. Loss of grains to pests and rodents represents a large proportion of storage failures and adversely impacts farm incomes. Emmbi has been working on technologies that prevent rodents from attacking stored grains, thereby mitigating some of these losses if not completely eliminating them. The technology is currently in its testing phase and will be commercialized shortly.

## **Non-product related innovations**

We realize that product innovation and technology can only go so far. Unless there is an enabling structure in place, many of the benefits of our products and services are unavailable to farmers.

To this end, we have taken the initiative and tied up with numerous banks (including ICICI Bank, Axis Bank, Bank of Maharashtra and Satara DCC Bank) to arrange for bridge loans for farmers, while buying our artificial ponds. After all, what use is a product if a customer can not avail of its benefits when most in need?



# Founts of Fertility

The Ganges Delta is the world's largest delta and empties into the Bay of Bengal, the combined waters of several river systems. It is one of the most fertile regions in the world, thus earning the nickname the Green Delta. It is believed that upwards of 300 million people are supported by the Ganges Delta, and approximately 400 million people live in the Ganges River Basin, making it the most populous river basin in the world.

While nobody knows exactly why most river deltas are triangular in shape, it is believed that their shape is influenced by the morphology of the river and the amount of sediments carried by the river into the area where the delta is formed.



# Ushering in Prosperity. One Pond at a time.

Admittedly, river deltas exist only in few regions of our country. The vast majority of Indian farmers are still dependent on rain water for their irrigation needs, and constantly bear the brunt of irregular monsoons and droughts.

Emmbi's Avana division has made it its mission to reduce the Indian farmers' dependency on rain water. Constant efforts in product development, distribution, service and financing has helped us conserve in excess of 3.2 Billion liters of water, one pond at a time.

## Rural India's potential...

68.8%

The percentage of the Indian population, that lives in villages.

18.0%

The share of India's GDP, that is contributed by agriculture

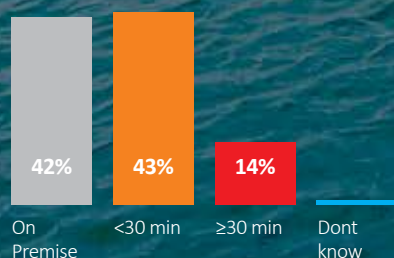
## ...faces some real challenges

~54%

The percentage of India that faces high to very high water stress

35.0%

The percentage of agricultural land in India that is irrigated



Drinking water is also a challenge. Over half the rural households regularly commute 30 minutes or more daily, to get drinking water.





“ I have always believed that to build a world-class business, the business model must be both sustainable and profitable. ”

# Chairperson's Address

On behalf of the Board and the Employees, let me welcome you to the 25th Annual General Meeting, and thank you for being a part of the Emmbi family. Emmbi continues to surpass the benchmarks we set for ourselves, be it in operational excellence, technology adoption, or financial performance.

The global growth for calendar 2018 was at 3.90%, with a growth of 4.90% amongst developing economies, and a contribution of 2.0% from developed economies. North America, which continues to be an important market for Emmbi grew close to 3%, whilst the Euro zone maintained its pace of around 2% growth. World growth forecasts for 2019, seems less certain given the trade disagreements between the US and China, Brexit and a slowdown in the Euro area.

India's economy grew at 7.30%, a 50-basis point improvement over the previous year. It was a tale of two halves with the first half of the year exhibiting a higher growth compared to the second half. Sluggish increase in rural wages, lower farm incomes, and uncertainty in international trade continue to be a concern despite the hike in minimum support prices. The outlook for this year is laced more with caution than optimism, as growth is likely to be supported from an expansionary monetary policy than driven by consumption.

The Global growth for calendar 2018 was 3.90%.

## 2019 in terms of People, Planet and Profits

Emmbi has always been an advocate of the Stakeholder Relationship Model (SRM), and has ensured that employees, clients, suppliers, lenders, investors, statutory bodies, and the society are treated equitably and fairly.

I have always believed that to build a world-class business, the business model must be both sustainable and profitable. Such a model is the key to shareholder wealth maximisation in the long run. To build a model like this, Emmbi focuses on design. Design is one of the most important aspects of

Investments in R&D, and particularly polymer design, have yielded a special manufacturing approach

manufacturing and helps us to consistently innovate. Our investments in R&D, and particularly polymer design, have yielded a special manufacturing approach, Texture-Pro, which enables us to design products that are fully recyclable in a single process or industrially compostable. Texture-Pro products are commercially viable, which ensures that we are making profits while positively serving the planet.

In addition to this manufacturing approach, this year we came up with four innovations that would benefit our stakeholders, the planet and positively impact profits. First, rodent-repellent packaging technology was commercially introduced by Emmbi, this finds wide applications across the world, and complements the newly developed food and pharmaceutical packaging business of



Emmbi. Second, a supply chain innovation was introduced in the pond-lining business by collaborating with four major banks to extend financing to farmers buying products from Emmbi's B2C Division, Avana. Although this is not a technological or engineering breakthrough, we were of the first companies in water conservation to implement such a rural financing setup. Third was a variant to the existing pond-liner, by using our proprietary and patent pending Habi-Tech Technology to create a natural habitat for fish. Fishing adds a source of revenue for farmers and further augments their income. Finally, we developed a fire-resistant packaging specifically for transportation of cargo in aircrafts and ships. This has improved the operating safety of various airlines. All these innovations have started generating revenues for your company.



To augment these innovations, Emmbi was one of the first companies to adapt Industry 4.0 (IoT), implement Robotic Process Automation (RPA), and use analytics and decision sciences for farmer engagements – we continue our investments in the use of these technologies, and standards.



The other notable achievement by your company is the performance of the Avana division (B2C business vertical), whose share has now gone up to 15% of the overall revenue. Through Avana, we have successfully commissioned over 5000 ponds in past 30 months. This year, we made 8 ponds per day, on an average. Our ponds now have created a reservoir capacity of over 200 billion litres of water, at a cost of less than a paisa a year – this would, in all probability, feature as the world's most affordable and economically profitable water conservation product.

Emmbi's exports continue to grow, and we have a presence in over 57 countries. Despite challenging conditions, the domestic business continues to witness a steady and stable growth.

Our expansion plans are complete, and this year's debottlenecking added a capacity of 800TPA, moving the usable capacity to 25,000 TPA. We shall continue to show a consistent growth in revenues, earnings, and profit metrics to ensure the brightness of all our stakeholders.

I once again thank all our stakeholders for the faith entrusted upon us and promise you that we will continue to do our best in the coming years for sustainable value creation.

Warm Regards,

Makrand Appalwar  
Chairman  
13th August, 2019



# Perfect Teamwork

Canadian Geese migrate south during the fall, where they search for open water and more salubrious climes. Migration is an arduous journey, however. The geese cover distances of up to 3,000 miles, and the geese are capable of flying up to 1,500 miles in a single day!

One peculiar aspect of the migration is that the geese always fly in a V formation. Scientists have determined that it serves two objectives. First, it conserves their energy. Each bird flies slightly above the bird in front of him, resulting in a reduction of wind resistance. And second, flying in V formation makes it easy to keep track of every bird in the group. A perfect example of teamwork, if there ever was one!



# Your Directors

At Emmbi, a talented, capable and dedicated Board of Directors helps us set our vision, and give shape to our dreams. Each of these directors brings a wealth of experience and unique expertise to the table.

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

Mr. Makrand Appalwar is a first generation entrepreneur instrumental in envisioning, and transforming Emmbi from a trading company, to a large-scale manufacturer and exporter. He has over two decades of rich experience in the polymer industry, and is the recipient of many awards. He lays great emphasis on teamwork, heads specific functional departments like marketing, branding, corporate strategy, drives product development through R&D, and is continually seeking ways to enhance sustainability, in the ecosystem around Emmbi.

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



## **Mrs. Rinku Appalwar Executive Director & CFO**

Mrs. Rinku Appalwar, the co-founder of Emmbi Industries heads specific functional departments like accounts, finance, banking, compliance & legal, procurement, logistics, production and HR & Admin. 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 listed company.

Rinku is a graduate in Chemistry from Mumbai University, and an alumnus of The Indian Institute of Management, Bangalore.



## **Mr. Krishnan Subramanian Wholtime Director**

Mr. Krishnan has a combined experience of over 25 years in the fields of Strategic Planning, Risk Management, Private Equity and M&As. He holds a key influencer role at a family office, which has interests in India's largest privately held logistics entity with supra-national ownership. He is also an active investor in the start-up space in India, Singapore and the US, and sits on the Advisory Board of a Microsoft ISV. He has been engaged with and overseen multiple fund raises of over \$600 million, and M&As of over over \$5 billion.

His professional career has been associated with the Banking, Private Equity, Information Technology, Manufacturing, and Services verticals, and given him the rich exposure of working with 60 different nationalities. Mr. Krishnan is a graduate of the Birla Institute of Technology & Science (BITS), Pilani, India and a post-graduate alumnus of MIT-Sloan School of Management. He also holds an Accounting Diploma and is a certified IFRS specialist.

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

Dr. 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 R. A. 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.

He has attended various medical seminars at national and international levels. He writes articles for various health magazines and he has won Rajiv Shiromani Award in the year 2013 for outstanding contribution in Ayurveda.

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



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

Mr. Prashant Lohiya a practicing Chartered Accountant is a Fellow Member, Institute of Chartered Accountants of India (F.C.A.) has expertise 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.

He was the Secretary (2005-06) and vice Chairman (2006-07) of Akola branch of Western India Regional Council of The Institute of Chartered Accountants of India (ICAI). He has presented various papers and delivered lectures at various seminars, conferences and meetings on topics of interest of various branches of The Institute of Chartered Accountants of India.



**Mr. Rama A Krishnan**  
**Independent Director**

Mr. Rama Krishnan is the Founder President and Past President (1970 – 73) of The Institute of Company Secretaries of India (ICSI). He is a Fellow Member, Institute of Company Secretaries of India (F.C.S.), Fellow member, Institute of Directors, London and Fellow Member, Chartered Institute for Securities & Investment, London.

He is a Member, LLP Committee of the Ministry of Corporate Affairs and the Chairman, Core Group on “Draft Rules of the Companies Act 2013” notified by the Ministry of Corporate Affairs.

He was nominated by Ministry of Finance, Government of India as a Member of Corporate Governance Committee, and was nominated thrice by Government of India as a Member of the Advisory Committee on Company Law. He appeared before the Parliamentary Standing Committee on Companies Amendment Bill 2000 and the Competition Bill 2000.





# Notice of the Annual General Meeting

## NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of Emmbi Industries Limited will be held on Wednesday, 25th September, 2019, 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 – 396 230 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, 2019, together with the Reports of the Board of Directors and the Auditors thereon;
2. To declare and approve payment of Dividend of Re. 0.50 per Equity Share for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Krishnan I. Subramanian (DIN 06614842) who retires by rotation and, being eligible, offers himself for re-appointment.

**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: 13th August, 2019**  
**Place: Mumbai**

**Kaushal 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. The Company has appointed the Statutory Auditors M/s. R Daliya & Associates at the Twenty Third Annual General Meeting held on 22nd September, 2017 for a period of 5 years and as per Notification issued by MCA the Company need not place the resolution for ratification at the AGM and hence no resolution is placed before the AGM.
4. 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/ Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
5. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip, duly filled and signed, mentioning therein details of their DP ID and Client ID / Folio No.
6. 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.
7. The Register of Members and Share Transfer Register of the Company will remain closed from Thursday, 19th September, 2019 to Wednesday, 25th September, 2019 (both days inclusive) for the purpose of Annual General Meeting and dividend on equity shares, if declared at the meeting.
8. 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 Business Solutions Limited (Formerly known as Datamatics Financial Services Limited) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited).
  - c) Address all correspondences, including dividend matters and change in address to the Share Transfer Agents Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited), Plot No. A-16 and 17, 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 Business Solutions Limited (Formerly known as 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.
9. The dividend, if declared at the Annual General Meeting, would be paid/dispatched on or before 24th October, 2019 to those persons or their mandates:
- (a) whose names appear as Beneficial Owners as at the end of the business hours on 18th September, 2019 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 18th September, 2019.
10. 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.
11. 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.
12. 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 Business Solutions Limited (Formerly known as Datamatics Financial Services Limited).
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, etc. from the Company electronically. Members holding shares in electronic mode are requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned below quoting their folio number(s).
14. 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](mailto: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.
15. The Annual Report 2018-19 of the Company will be made available on the website of the Company at [www.emmbi.com](http://www.emmbi.com).
16. The route map showing directions to reach the venue of the Twenty Fifth AGM is annexed.
17. 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.

18. The Board has appointed Mr. Sanjay Dholakia, Practising Company Secretary, Membership No. FCS 2655 & CP 1798 as the Scrutinizer to scrutinise the remote e-voting in a fair and transparent manner and to count the votes casted in favour or against the resolutions proposed from item No. 1 to 3 of the Notice as mentioned hereinabove and to comply with the provisions of Section 108 of the Companies Act, 2013. He will submit his report within 48 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
19. The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on Sunday, 22nd September, 2019 from 9.00 a.m. IST and ends on Tuesday, 24th September, 2019 at 5.00 p.m. IST. 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 18th September, 2019 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.
  - (ii) 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.
  - (iii) 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 NSDL 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).
  - (iv) 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.
  - (v) 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.
  - (vi) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (vii) Click on Shareholders.
  - (viii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (ix) Next enter the Image Verification as displayed and Click on Login.
  - (x) 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.
  - (xi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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)	<p>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.</p> <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>

- (xii) After entering these details appropriately, click on "SUBMIT" tab.
- (xiii) 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.
- (xiv) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xvi) 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.
- (xvii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xviii) 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. 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:**

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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: 13th August, 2019**

**Place: Mumbai**

**Kaushal Patvi**

**Company Secretary**

**Details of Directors seeking appointment/re-appointment as required under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.**

Re-appointment of Mr. Krishnan I. Subramanian (Item No. 3)

In terms of Section 152(6) of the Companies Act, 2013, Mr. Krishnan I. Subramanian shall retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offers himself for re-appointment. Mr. Krishnan I. Subramanian is appointed as a Whole-time Director of the Company with effective from 29th May, 2018. As per the terms of his appointment, re-appointment at the AGM as a director retiring by rotation would not constitute break in his appointment as a Whole-time Director of the Company.

Name of the Director	Mr. Krishnan I. Subramanian
Date of Birth	30th November, 1969
Nationality	Indian
Date of Appointment on the Board	29th May, 2018
Qualifications	Graduate of the Birla Institute of Technology & Science (BITS), Pilani, India and a post-graduate alumnus of MIT–Sloan School of Management. He also holds an Accounting Diploma and is a certified IFRS specialist.
Expertise in specific functional area	Wide experience in Banking, Information Technology, Manufacturing, and Services verticals.
Number of shares held in the Company (singly or jointly as first holder) as on 31st March, 2019	50,000 equity shares of Rs. 10/- each.
List of the directorships held in other companies*	Nil
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil
Relationships between Directors inter-se	
*Directorship includes Directorship of other Indian Public Limited Companies and Committee memberships includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).	

Note: For other details such as number of meetings of the Board attended during the year, remuneration drawn please refer to the Corporate Governance Report.

Mr. Krishnan I. Subramanian being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3. Upon his re-appointment as a director, Krishnan I. Subramanian shall continue to hold office as a Whole-time Director of the Company. Accordingly, the Board recommends his re-appointment.

**Registered Office:**

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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: 13th August, 2019**

**Place: Mumbai**

**Kaushal Patvi**

**Company Secretary**



# Directors' Report

## DIRECTORS' REPORT [[Disclosure Under Section 134(3) Of The Companies Act, 2013] {Read With Companies (Accounts) Rules, 2014}]

The Members,  
Emmbi Industries Limited

FINANCIAL RESULTS (INR MILLION)				
Particulars		Year ended on 31 March 2019	Year ended on 31 March 2018	
Gross Sales		3148.45	2789.83	
Less: Goods & Service Tax		(258.37)	(207.21)	
Net Sales		2890.08	2582.62	
Other income		1.37	1.08	
Total revenue		2891.45	2583.69	
Expenditure		2652.41	2378.55	
Profit before tax		239.04	205.14	
Tax expenses		61.14	52.52	
Profit after Tax		177.90	152.62	
Expenses of earlier year		0.00	0.00	
Balance		177.90	152.62	
Opening Balance of retained earnings		532.82	394.96	
Profit available for appropriation				
Excess provision of dividend tax credited		0.00	0.00	
Add : Excess Provision of Taxes of earlier years		0.00	0.00	
Less : Mat Credit Utilised in earlier years		0.00	0.00	
Balance available for appropriation				
Appropriations:				
Adjustment relating to fixed assets		0.00	0.00	
Adjustments with other Equity		0.02	(4.11)	
Proposed Dividend / Paid		(8.85)	(8.85)	
Distribution tax on Dividend		(1.82)	(1.80)	
Closing Balance of retained earnings		700.07	532.82	

Your Directors have pleasure in presenting the 25th Annual Report of your Company and the Audited Accounts for the year ended 31st March, 2019.

Your Company has recorded yet another year of good performance, in its operations. The highlights of the results are set out below:

### OPERATIONS

During the year under review, your Company has achieved Revenue from Operations and the Income aggregating to Rs. 2890.08 million as against Rs. 2544.74 million during the previous year, registering an increase of about 13.57% over the previous year. Profit after providing for taxes is Rs. 177.90 million as against Rs.152.62 million during the previous year, registering an increase of about 16.57% 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 Re. 0.50 per share of the face value of Rs. 10/- each for the year ended on 31st March, 2019 (Re. 0.50 per share for the previous year) subject to the Members' approval. The dividend payment amounts to Rs. 8.85 Million. In addition Rs. 1.82 Million is payable towards distribution tax on dividend.

### EXPORTS

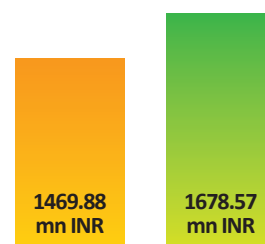
Values of Exports during the year under review were Rs. 1469.88 million as against Rs. 1192.87 million. Exports in the current financial year contributed to 47% in the gross sales. Company has expanded its presence in 57 countries which has resulted healthy growth in the territory of operation.

### HUMAN RESOURCE DEVELOPMENT

Companies management team is focused on creating the best environment for the enthusiastic and dedicated workforce of Emmbi Many New Programs and Work patterns were introduced during the quarter to enhance the "experience of work " of the employees For Example, a "Suvidha Work from Home" policy was introduced for the women workforce which will offer them a privilege work from home situation on the difficult days of mensuration cycle. This will help the to take care of their work from the comfort of their home.

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 emphasize 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.

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



Exports now  
contribute to 47% of  
gross sales.

## QUALITY INITIATIVES

“Man-Machine interphase will only produce the accuracy and skill required for being a successful company in the coming years. Specially Manufacturing sector is changing its shape using modern technology tools like IoT (Internet of things) and ML (Machine Learning). The whole new concept of industry 4.0 will be practiced and implemented in Emmbi during coming years of operation.

This will also augment the project of Lean manufacturing which was adopted during past few years to control and make best use of the Human Capital. 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 have 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.

## 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 state 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

## INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

No fraud has been reported by the Auditors to the Audit Committee or the Board.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

## 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, 2019, 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, 2019 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.

## SECRETARIAL STANDARDS

The Directors state that "the Board have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively".

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arms' length basis.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at: [www.emmbi.com](http://www.emmbi.com).

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Corporate Governance Policies guide the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance. The Code of Conduct for Senior Management and Employees of your Company ("the Code of Conduct") commits management to financial and accounting policies, systems and processes. The Corporate Governance Policies and the Code of Conduct stand widely communicated across your Company at all times. Your Company's Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by the Management and approved by the Audit Committee and the Board. These Accounting Policies are reviewed and updated from time to time. The Systems, Standard Operation Procedures and Controls are reviewed by Management. These Systems and Controls are audited by Internal Audit and their findings and recommendations are reviewed by the Audit Committee which ensures the implementation. Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. Your Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are re-enforced on an on-going basis. 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 and are placed before the Board.



## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013, Mr. Krishnan I. Subramanian (DIN 06614842), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible offers himself 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 Appalwar	Chairman & Managing Director
2	Mrs. Rinku Appalwar	Chief Financial Officer
3	Mr. Kaushal Patvi	Company Secretary

## CHANGES IN DIRECTORS

There has been no change in the constitution of Board of Directors of the Company during the financial year 2018-2019. However, During the year under review, the Company has passed a Special Resolution through postal ballot dated 30th March, 2019 as per the provisions of the Companies Act, 2013 and the rules framed thereunder for consent for continuation of Mr. Rama Krishnan as an Independent Director of the Company from 1st April, 2019 till the completion of his present term (i.e. up to 30th March, 2023).

## PERFORMANCE EVALUATION

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The evaluation process inter alia considers the attendance of Directors at Board and committee meetings, contribution of the member at the board/committee meetings. The process also considers acquaintance with business, expertise, personnel characteristic and specific responsibility of the concerned Director, communicating inter se board members, effective participation, compliance with code of conduct, vision and strategy.

The performance evaluation of the non- executive directors is done by the Board annually. The performance evaluation of the Chairman & Managing Director, Chief Financial Officer and the Executive Director is carried out by the Independent Directors annually. The Board of Directors expressed their satisfaction with the entire evaluation procedure.

## DECLARATION BY AN INDEPENDENT DIRECTOR(S)

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).

## STATUTORY AUDITOR

R. Daliya & Associates, Chartered Accountants (Firm Registration No. 102060W), statutory auditor of the Company were appointed for a period of five years at the 23rd Annual General Meeting as Statutory Auditors till the conclusion of 28th Annual General Meeting subject to ratification at every Annual General Meeting and as per Notification issued by MCA the Company need not place the resolution for ratification at the AGM and hence no resolution is placed before the AGM.

## SECRETARIAL AUDITOR

The Board had appointed Mr. Sanjay R. Dholakia, Practising Company Secretary, to conduct Secretarial Audit for the FY 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is attached and forms part of the Board Report as **Annexure 3**.

## OBSERVATIONS – STATUTORY AUDITOR & SECRETARIAL AUDITOR

There are no qualifications, reservations, observations or adverse remarks contained in the Auditors Report or the Secretarial Audit 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.

## 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 re-constituted the Audit Committee as under:-

Mr. Prashant Lohiya, Independent Director as Chairman  
Dr. Venkatesh Joshi, Independent Director, as a member  
Mr. Rama Krishnan, Independent Director, as a member  
Mrs. Rinku Appalwar, Executive Director as a member

The Terms of reference of the Audit Committee, number and dates of meetings held, attendance of the members of the Committee and more details on the Committee are given in the Corporate Governance Report which forms part of this Annual Report.

## NOMINATION AND REMUNERATION COMMITTEE

The Board has re-constituted a Nomination and Remuneration Committee pursuant to Section 178(1) of the Companies Act, 2013 which comprises

Mr. Prashant Lohiya, Independent Director as Chairman

Dr. Venkatesh Joshi, Independent Director as a member  
Mr. Rama Krishnan, Independent Director as a member

The Company has defined the policy on Director's appointment and 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).

The Terms of reference of the Nomination and Remuneration Committee, number and dates of meetings held, attendance of the members of the Committee and more details on the Committee are given in the Corporate Governance Report which forms part of this Annual Report.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Board has re-constituted the Stakeholders' Relationship Committee as under:-

Mr. Prashant Lohiya, Independent Director as Chairman  
Dr. Venkatesh Joshi, Independent Director as a member  
Mr. Rama Krishnan, Independent Director as a member  
Mrs. Rinku Appalwar, Executive Director as a member.

The Terms of reference of the Stakeholders' Relationship Committee, number and dates of meetings held, attendance of the members of the Committee and more details on the Committee are given in the Corporate Governance Report which forms part of this Annual Report.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board has re-constituted the Corporate Social Responsibility Committee as under:-

Dr. Venkatesh Joshi, Independent Director as Chairman  
Mr. Rama Krishnan, Independent Director as a member  
Mr. Prashant Lohiya, Independent Director as a member  
Mrs. Rinku Appalwar, Executive Director as a member.

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 members of the Committee are given separately in the attached Corporate Governance Report. Details of amount spent on CSR activities during the financial year 2018-19 is attached and forms part of the Board Report as **Annexure 4**.

More details on the Committee are given in the Corporate Governance Report which forms part of this Annual Report.

#### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

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. The Company is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimise consumption. Energy continues to be a material aspect from climate change as well as operational perspective. Emmbi's commitment to decouple energy and carbon footprint from business growth reflects in the reduction in specific consumption that Emmbi has achieved. FY 2019 saw optimization of power usage as well as higher operational efficiency augmented through machine learning based IoT platform.
- b. 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.
- c. Significant reductions in energy consumption and cost of production of goods have been observed by the implementation of above referred measures.
- d. Implementation of referred measures have resulted in increased facility reliability as well as improved equipment performance.

##### **2. TECHNOLOGY ABSORPTION:**

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its products. The Company's operations do not require significant import of technology.

##### **(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 is accorded In-house R&D recognition up to 31/03/2021 from Department of Scientific And Industrial Research, 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



# Never give up!



- 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 endeavors.

**(D) Expenditure on R&D:**

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

Particulars	(Rs. In Millions)
Capital Expenditure	18.20
Revenue Expenditure	45.23
Total R&D Expenditure	63.43
Total Turnover (Net Sales)	2890.08
Total R&D Expenditure as a percentage of Total turnover	2.19

**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 Rs. 1377.55 millions.

	(Rs. In Millions)	
Particulars	2018-19	2017-18
Foreign Exchange Earnings	1377.55	1096.51
Foreign Exchange Outgo	40.02	42.91

## WHISTLE BLOWER POLICY

The Company has established a Whistle-blower policy in accordance with provisions of the Companies Act, 2013 and Listing Regulations. Protected disclosures can be made by a whistle-blower through an e-mail, or telephone line or a letter to the Chairman of the Audit Committee. The whistle-blower policy is posted on the Company's website and can be accessed at [www.emmbi.com](http://www.emmbi.com).

## PREVENTION OF SEXUAL HARASSMENT POLICY

The Prevention of 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 year.

## 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 and forms a part of the Board's Report as **Annexure 2**.

## DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company has wound up its wholly owned subsidiary in the name of Emmbi Scandinavia Aps through voluntary winding up procedure w.e.f. 31st August, 2018.

## 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, 2019 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 25th Annual General Meeting and upto the date of the ensuing Annual General Meeting during the business hours on working days.

The Company doesn't have any employee within the purview of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 hence, no such details to be provided.

## ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the investors, customers, distributors, dealers, suppliers, stock exchanges, banks, financial institutions, Export Promotion Councils, Trade Bodies, Regulators such as SEBI, BSE, NSE, ROC, RBI, etc, Central and State Government authorities, other Semi Government & local authorities, Administration of Union Territory of Dadra & Nagar Haveli and business associates at all levels during the year under review.

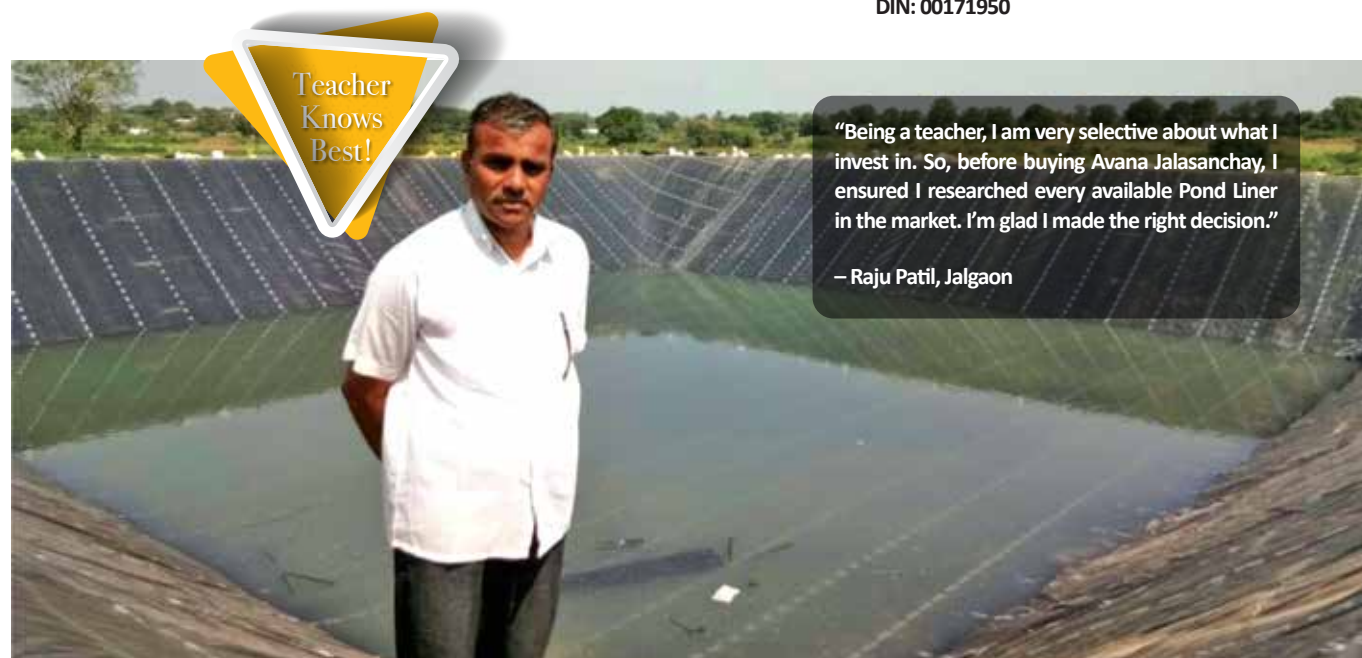
The Directors also wish to place on record their deep appreciation for the committed services and excellent work done by the employees of the Emmbi family at all levels during the year.

**For and on behalf of the Board of Directors**

**Place: Mumbai**

**Date: 13th August, 2019**

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





# Annexures to the Directors's Report

## Annexure 1 to Director's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2019

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 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 (Formerly known as Datamatics Financial Services Limited) Plot No. B-5, Part B Crosslane, MIDC, Marol, Andheri (East), Mumbai 400 093. 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 plastics products	222	98.61%
2	Trading of plastics products	479	1.39%

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

SL No	Name & Address	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Gloal Bag s.r.o Oblekovic 355, 671 81 ZNOJMO, Czech Republic	NA	Associate	25.00	2(6)

### 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
(I)	(II)	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	(XI)
(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)			
<b>A. PROMOTER AND PROMOTER GROUP</b>										
(1)	Indian									
	a) Individual/HUF	74,97,721.00	-	74,97,721.00	42.38	75,01,721.00	-	75,01,721.00	42.40	0.02
	b) Central Government	-	-	-	-	-	-	-	-	-
	c) State Government(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corporate	27,24,300.00	-	27,24,300.00	15.40	27,24,300.00	-	27,24,300.00	15.40	-
	e) Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
	f) Any other	-	-	-	-	-	-	-	-	-
	SUB TOTAL (A) (1)	1,02,22,021.00	-	1,02,22,021.00	57.78	1,02,26,021.00	-	1,02,26,021.00	57.80	0.02

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)
(2)	Foreign									
	a) NRI- Individuals	-	-	-	-	-	-	-	-	-
	b) Other Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	d) Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
	e) Any Other	-	-	-	-	-	-	-	-	-
	SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group										
(A)= (A)(1)+(A)(2)		1,02,22,021.00	-	1,02,22,021.00	57.78	1,02,26,021.00	-	1,02,26,021.00	57.80	0.02
<b>B. PUBLIC SHAREHOLDING</b>										
(1)	Institutions									
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Bank/Financial Institutions	12,177.00	-	12,177.00	0.07	4,925.00	-	4,925.00	0.03	(0.04)
	c) Central Government	-	-	-	-	-	-	-	-	-
	d) State Government(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) Foreign Institutional Investors/ Foreign Portfolio Investors	2,71,058.00	-	12,71,058.00	7.19	12,22,653.00	-	12,22,653.00	6.91	(0.28)
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Any Other	-	-	-	-	-	-	-	-	-
	SUB TOTAL (B)(1)	12,83,235.00	-	12,83,235.00	7.26	12,27,578.00	-	12,27,578.00	6.94	(0.32)
(2)	Non Institutions									
	a) Bodies Corporate	-	-	-	-	-	-	-	-	-
	i) Indian	8,54,578.00	-	8,54,578.00	4.83	9,39,676.00	-	9,39,676.00	5.31	0.48
	ii) Overseas	-	-	-	-	-	-	-	0.00	0.00
	b) Individuals									
	b(i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	39,85,517.00	10.00	39,85,527.00	22.53	39,54,169.00	10.00	39,54,179.00	22.35	(0.18)
	b(ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	10,64,838.00	-	10,64,838.00	6.02	10,17,308.00	-	10,17,308.00	5.75	(0.27)
	c) Any Other									
	i) NRI Rep	98,395.00	-	98,395.00	0.56	1,30,158.00	-	1,30,158.00	0.74	0.18
	ii) NRI Non-Rep	1,58,171.00	-	1,58,171.00	0.89	1,68,240.00	-	1,68,240.00	0.95	0.06
	iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
	iv) Foreign National	-	-	-	-	-	-	-	-	-
	v) Trusts	6,436.00	-	6,436.00	0.04	6,436.00	-	6,436.00	0.04	0.00
	vi) Clearing Member	16,174.00	-	16,174.00	0.09	6,733.00	-	6,733.00	0.04	(0.05)
	vii) Any Other	875.00	-	875.00	-	13,921.00	-	13,921.00	0.08	0.08
	TOTAL (B)(2)	61,84,984.00	10.00	61,84,994.00	34.96	62,36,641.00	10.00	62,36,651.00	35.26	0.30
Total Public Shareholding (B)= (B)(1)+(B)(2)		74,68,219.00	10.00	74,68,229.00	42.22	74,64,219.00	10.00	74,64,229.00	42.20	(0.02))
Total (A+B)		1,76,90,240.00	10.00	1,76,90,250.00	100.00	1,76,90,240.00	10.00	1,76,90,250.00	100.00	-
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>		0	0	0	0.00	0	0	0	0.00	0
<b>Grand Total (A+B+C)</b>		<b>1,76,90,240.00</b>	<b>10.00</b>	<b>1,76,90,250.00</b>	<b>100.00</b>	<b>1,76,90,240.00</b>	<b>10.00</b>	<b>1,76,90,250.00</b>	<b>100.00</b>	<b>(0.00)</b>

## (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 SHAREHOLDING DURING THE YEAR
		No. Of Shares	% of total of the company	% of shares pledged encumbered to total shares	No. Of Shares	% of total of the company	% of shares pledged encumbered to total shares	
1	Mr. Makrand M. Appalwar	38,25,150	21.62	-	38,25,150	21.62	-	0.00
2	Mrs. Rinku M. Appalwar	22,97,360	12.98	-	22,97,360	12.98	-	-
3	Emmbi Laboratories Pvt. Ltd.	16,63,100	9.40	-	16,63,100	9.40	-	-
4	Maithili Agrotech Pvt. Ltd.	10,61,200	5.99	-	10,61,200	5.99	-	-
5	Miss Maithili M. Appalwar	10,65,250	6.02	-	10,65,250	6.02	-	0.00
6	Mrs. Mitravinda M. Appalwar	2,38,311	1.35	-	2,38,311	1.35	-	-
7	Mr. Avinash R. Laddha	53,950	0.30	-	57,950	0.32	-	0.02
8	Mr. Prashant K. Lohiya	6,250	0.04	-	6,250	0.04	-	0.00
9	Mr. Kailashchandra B. Lohiya	4,550	0.03	-	4,550	0.03	-	-
10	Mrs. Sarla K. Lohiya	3,000	0.02	-	3,000	0.02	-	-
11	Mr. Sanjay R. Rath	2,100	0.01	-	2,100	0.01	-	-
12	Mrs. Sangeeta S. Rath	1,050	0.01	-	1,050	0.01	-	-
13	Mrs. Sushiladevi R. Rath	750	0.01	-	750	0.01	-	-
	Total	1,02,22,021	57.78	-	1,02,26,021	57.80	-	0.02



(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

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 (01/04/18 TO 31/03/19)	
		No. of shares at the beginning of the yr (01/04/18)/ end of the yr (31/03/19)	% of total shares of the Company		No. of shares	Reason	No. of shares	% of total shares of the Company
1	Mr. Avinash R. Laddha	53,950	0.30	01.04.18				
				21.11.18	1,000	Buy	54,950	0.31
				22.11.18	3,000	Buy	57,950	0.32
		57,950	0.30	31.03.19			57,950	0.32

(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 (01/04/18 TO 31/03/19)	
		No. of shares at the beginning of the yr (01/04/18)/ end of the yr (31/03/19)	% of total shares of the Company		No. of shares	Reason	No. of shares	% of total shares of the Company
1	Hidden Champions Fund	12,71,058	7.19	01.04.18				
				31.08.18	45,253	Sell	12,25,805	6.93
				07.09.18	2,025	Sell	12,23,780	6.92
				02.11.18	1,127	Sell	12,22,653	6.91
		2,22,653	6.91	31.03.19			12,22,653	6.91
2	ITHOUGHTWEALTH ANALYTICS LLP	1,18,752	0.67	01.04.18				
				20.04.18	3,452	Buy	1,22,204	0.69
				27.04.18	16,513	Buy	1,38,717	0.78
				04.05.18	13,242	Buy	1,51,959	0.86
				11.05.18	5,921	Buy	1,57,880	0.89
				18.05.18	2,730	Buy	1,60,610	0.91
				08.06.18	12,595	Buy	1,73,205	0.98
				15.06.18	7,551	Buy	1,80,756	1.02
				22.06.18	491	Buy	1,81,247	1.03
				29.06.18	9,045	Buy	1,90,292	1.08
				06.07.18	6,500	Buy	1,96,792	1.11
				27.07.18	5,034	Buy	2,01,826	1.14
				03.08.18	15,284	Buy	2,17,110	1.23
				10.08.18	4,648	Buy	2,21,758	1.25
				24.08.18	22,670	Buy	2,44,428	1.38
				31.08.18	5,845	Buy	2,50,273	1.42
				07.09.18	8,913	Buy	2,59,186	1.47
				13.09.18	1,784	Buy	2,60,970	1.48
				14.09.18	2,000	Buy	2,62,970	1.49
				21.09.18	10,450	Buy	2,73,420	1.55
				28.09.18	2,035	Buy	2,75,455	1.56
				08.03.19	2,250	Buy	2,77,705	1.57
		2,77,705	1.57	31.03.19			2,77,705	1.57
3	S. SHYAM	1,66,000	0.94	01.04.18				
				25.05.18	47,862	Buy	2,13,862	1.21
		2,13,862	1.21	31.03.19			2,13,862	1.21
4	AAKASH FILAMENTS PVT. LTD.	1,80,950	1.02	01.04.18				
						Nil movement during the year		
		1,80,950	1.02	31.03.19			1,80,950	1.02
5	ANDREY S PURUSHOTTAM	1,14,756	0.65	01.04.18				
						Nil movement during the year		
		1,14,756	0.65	31.03.19			1,14,756	0.65
6	MRUNALINI RAJESH PANDIT	99,575	0.56	01.04.18				
						Nil movement during the year		
		99,575	0.56	31.03.19			99,575	0.56

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 (01/04/18 TO 31/03/19)	
		No. of shares at the beginning of the yr (01/04/18)/ end of the yr (31/03/19)	% of total shares of the Company	No. of shares	Reason	No. of shares	% of total shares of the Company
7	VINAY GOPINATH PAI	1,08,000	0.61	01.04.18			
				01.03.19	1,000	Sell	1,07,000
				08.03.19	3,994	Sell	1,03,006
				15.03.19	4,328	Sell	98,678
		98,678	0.56	31.03.19		98,678	0.56
8	ASHOK MAGANLAL SHAH	97,376	0.55	01.04.18			
				15.03.19	500	Buy	97,876
		97,876	0.55	31.03.19		97,876	0.55
9	*UMAYA TRADING PVT. LTD.	89,012	0.50	01.04.18			
					Nil movement during the year		
		89,012	0.50	31.03.19		89,012	0.50
10	*TRUSTLINE HOLDINGS PVT. LTD.	0	0.00	01.04.18			
				22.02.19	9,563	Buy	9,563
				01.03.19	8,707	Sell	856
				08.03.19	487	Buy	1,343
				15.03.19	1,343	Sell	-
				29.03.19	56,389	Buy	56,389
		56,389	0.32	31.03.19		56,389	0.32
11	#I M GLOBAL EQUITIES PRIVATE LIMITED	1,03,759	0.59	01.04.18			
				06.04.18	3,692	Sell	1,00,067
				20.04.18	1,000	Buy	1,01,067
				04.05.18	1,000	Sell	1,00,067
				11.05.18	12	Sell	1,00,055
				08.06.18	2,500	Buy	1,02,555
				15.06.18	1,738	Sell	1,00,817
				22.06.18	762	Sell	1,00,055
				17.08.18	450	Buy	1,00,505
				24.08.18	2,093	Buy	1,02,598
				31.08.18	4,735	Sell	97,863
				07.09.18	810	Sell	97,053
				13.09.18	500	Buy	97,553
				29.09.18	13	Buy	97,566
				05.10.18	39,349	Sell	58,217
				12.10.18	937	Sell	57,280
				26.10.18	50,000	Sell	7,280
				02.11.18	7,280	Sell	-
				31.12.18	1,937	Buy	1,937
				04.01.19	1,937	Sell	-
				22.03.19	300	Buy	300
		300	0.002	31.03.19		300	0.002
12	#GOPINATH MOHANTI	1,01,115	0.57	01.04.18			
				08.03.19	70,000	Sell	31,115
				15.03.19	7,000	Sell	24,115
		24,115	0.14	31.03.19		24,115	0.14



(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 (01/04/18 TO 31/03/19)	
		No. of shares at the beginning of the yr (01/04/18)/ end of the yr (31/03/19)	% of total shares of the Company		No. of shares	Reason	No. of shares	% of total shares of the Company
<b>A. DIRECTORS</b>								
1	Mr. Makrand M. Appalwar Chairman & Managing Director	38,25,150 38,25,150	21.62 21.62	01.04.18 31.03.19	0 0	Nil movement during the year	38,25,150	21.62
2	Mrs. Rinku M. Appalwar Executive Director & CFO	22,97,360 22,97,360	12.98 12.98	01.04.18 31.03.19	0 0	Nil movement during the year	22,97,360	12.98
3	Mr. Krishnan I. Subramanian Wholetime Director	50,000 50,000	0.28 0.28	01.04.18 31.03.19	0	Nil movement during the year	50,000	0.28
4	Mr. Prashant K. Lohiya Non-Executive Director	6,250 6,250	0.04 0.04	01.04.19 31.03.19	0 0	Nil movement during the year	6,250	0.04
5	Dr. Venkatesh G. Joshi Non-Executive Director	0 0	0.00 0.00	01.04.18 31.03.19	0 0	Nil movement during the year	0	0.00
6	Mr. Rama A. Krishnan Non-Executive Director	0 0	0.00 0.00	01.04.17 31.03.18	0 0	Nil movement during the year	0	0.00
<b>(B) KEY MANAGERIAL PERSONNEL (KMP'S)</b>								
1	Mr. Makrand M. Appalwar Chairman & Managing Director	38,25,150 38,25,150	21.62 21.62	01.04.18 31.03.19	0 0	Nil movement during the year	38,25,150	21.62
2	Mrs. Rinku M. Appalwar Executive Director & CFO	22,97,360 22,97,360	12.98 12.98	01.04.18 31.03.19	0 0	Nil movement during the year	22,97,360	12.98
3	Mr. Kaushal Patvi (Company Secretary & Compliance Officer)	0 0	0.00 0.00	01.04.18 31.03.19	0 0	Nil movement during the year	0	0.00

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	(Rs. in millions) Total Indebtedness
Indebtness at the beginning of the financial year			
i) Principal Amount	968.14	-	968.14
ii) Interest due but not paid	3.10	-	3.10
iii) Interest accrued but not due			
Total (i+ii+iii)	971.24	-	971.24
Change in Indebtedness during the financial year			
Additions	146.21	-	146.21
Reduction	69.40	-	69.40
Net Change	76.81	-	76.81
Indebtedness at the end of the financial year			
i) Principal Amount	1,044.95	-	1,044.95
ii) Interest due but not paid	2.79	-	2.79
iii) Interest accrued but not due			
Total (i+ii+iii)	1,047.54		1,047.54

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl No.	PARTICULARS OF REMUNERATION	NAME OF THE MD/WTD/DIRECTOR		TOTAL AMOUNT (Rs.)
		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	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 (A)		78,39,600	72,39,600	1,50,79,200

## B. Remuneration to other directors:

Sl No.	PARTICULARS OF REMUNERATION	NAME OF THE DIRECTORS			TOTAL AMOUNT (Rs.)
		Prashant K Lohiya	Rama A Ksirhnan	Venkatesh G. Joshi	
1	Independent Directors				
(a)	Fee for attending board/ committee meetings	88,000	66,000	66,000	2,20,000
(b)	Commission	—	—	—	—
(c)	Others, please specify	—	—	—	—
Total (1)		88,000	66,000	66,000	2,20,000
2	Other Non Executive Directors				
(a)	Fee for attending board/ committee meetings	—	—	—	—
(b)	Commission	—	—	—	—
(c)	Others, please specify.	—	—	—	—
Total (2)		—	—	—	—
Total (B)=(1+2)		88,000	66,000	66,000	2,20,000
Total Managerial Remuneration*					15,299,200

\* 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

Sl No.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL			TOTAL AMOUNT (Rs.)
		Managing Director (Makrand M Appalwar)	Chief Financial Officer (Rinku M Appalwar)	Company Secretary (Kaushal 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	11,76,005	1,61,76,005
(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	11,76,005	1,62,55,205



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

## 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 are outsourcing some non-core activities that 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 its 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 multiple banks, and are constantly engaging with newer banks in order to improve the financial efficiency of the Company.

### Liquidity Risk

We maintain adequate cash at all times. Contrary to peers, we do majority purchases on an advance payment basis which helps us to get better buying power. Though 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 consistently paid dividend for previous eight financial years which also cements that Emmbi is a very liquid company.

### Single Product Risk

Emmbi's product line is well diversified with over 40 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 56 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 a documented 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 analysis, 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 a certified R&D House by the Ministry of Science & Technology, Government of India, who have also commended us on our risk management practices.

**ANNEXURE 3 TO DIRECTOR'S REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st March 2019**

**[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 2019 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 2019 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 (Share Based Employee Benefits) Regulations, 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 debts raised during the year under review.
  - (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);
- (ii) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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: 13th August, 2019**

**Place: Mumbai**

**ANNEXURE-4 TO DIRECTOR'S REPORT**

**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.wovensackindia.com/CorporateSocialResponsibilityPolicy.aspx?InvestorID=29">http://www.wovensackindia.com/CorporateSocialResponsibilityPolicy.aspx?InvestorID=29</a> |
| 2 | The Composition of the CSR Committee   | Dr. Venkatesh Joshi<br>Mr. Prashant Lohiya<br>Mr. Rama Krishnan<br>Mrs. Rinku Appalwar  |
| 3 | Average Net Profit of the Company for last three financial years: Average Net Profit   | Rs. 17,33,81,784  |
| 4 | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)   | Rs. 34,67,640   |
| 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 Rs. 15,31,302<br>Rs.19,36,338<br><br>Details given below  |

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs: 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) Project or programs wise	(6) Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct or through implementing agency
1	Healthcare Programme- Treatment provided as a part of Anti-Tobacco campaign for local people in Silvassa for preventive healthcare	Promoting healthcare including preventive health care	Silvassa	9,50,000	5,89,651	5,89,651	#Implementing Agency: Emmbi Foundation

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs: 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) Project or programs wise	(6) Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct or through implementing agency
2.	Providing Scholarships to school children	Promoting Education	Silvassa	7,50,000	4,59,000	4,59,000	#Implementing Agency: Emmbi Foundation
3	Healthcare Programme- Providing free medical treatment	Promoting healthcare including preventive health care	Maharashtra	5,25,000	1,63,500	1,63,500	
4.	Promoting women empowerment	Promoting women empowerment	Maharashtra	2,50,000	1,36,851	1,36,851	
5.	Promoting Education	Promoting Education	Maharashtra	2,25,000	100,300	100,300	
6.	Health Programme providing free medical treatment	Promoting healthcare including preventive health care	Madhya Pradesh	2,00,000	50,000	50,000	
7.	Promoting Culture & Traditional Arts	Protection of national heritage, art & culture	Maharashtra	1,00,000	32,000	32,000	

\* Net Profit Before Tax has changed due to IND AS impact.

# 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. The company has identified certain CSR projects and programs in the villages around Silvassa or in the area of its operation in retail sector in the states of Maharashtra and Rajasthan. Company's foundation will focus on the development of awareness of water conservation, to make tobacco free environment in and around company's factories. We will implement this by involving with 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.

#### Responsibility Statement

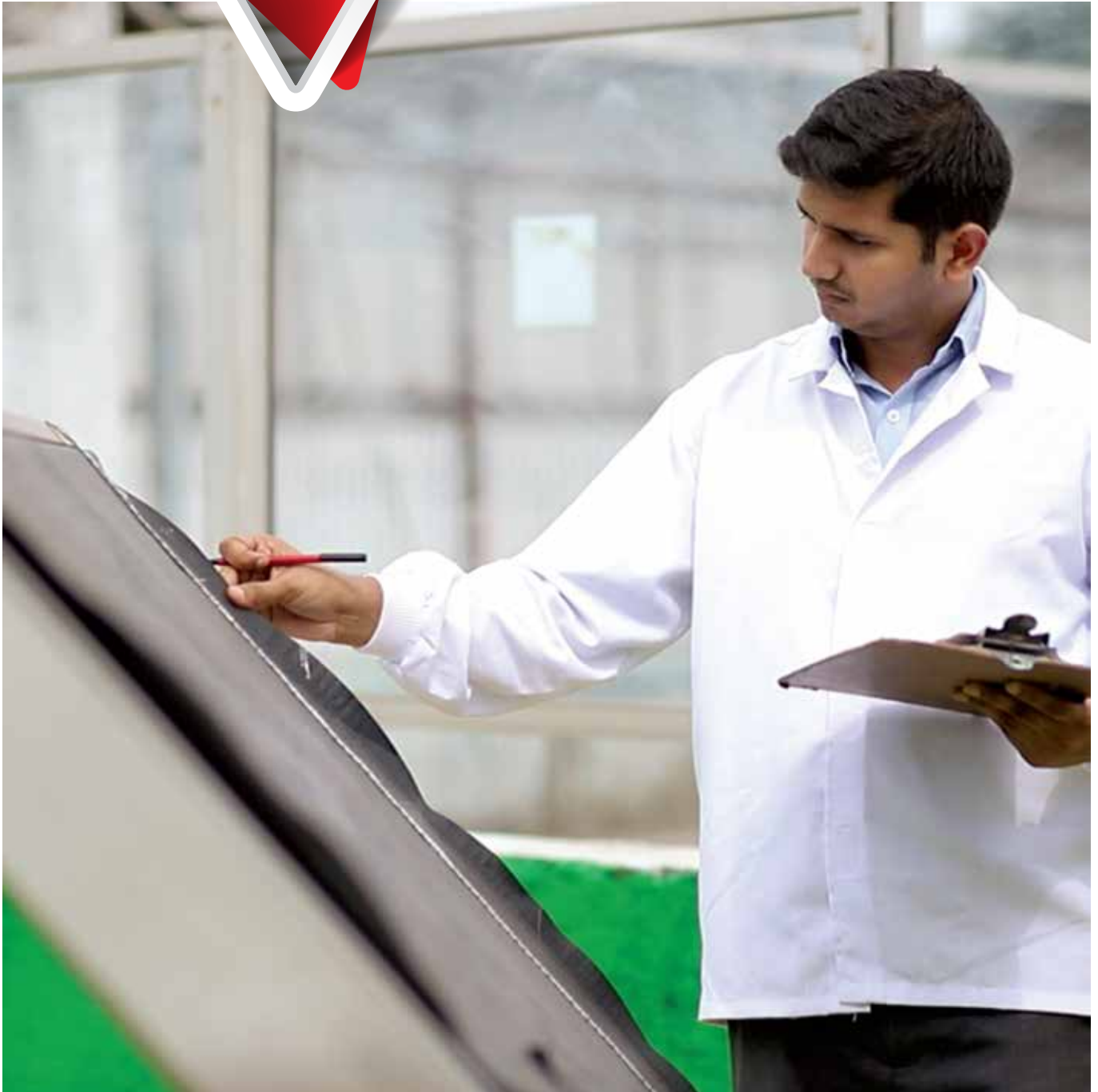
The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:  
"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

Place: Mumbai  
Date: 13th August, 2019

(Makrand Appalwar)  
Chairman & Managing Director  
DIN: 0000171950

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

This Accelerated Weathering Station  
at our R&D Facility lets us create  
products that last long,  
in almost every  
weather  
condition.





# Management Discussion and Analysis


## Forward Looking Statements

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 growth was flat at 3.90% in 2018, on account of weaker performance in the economies of Asia, and the Euro zone in general. The IMF's studies indicate that the growth would be muted at 3.60% over the next two years. The factors that contributed to a lower than anticipated growth was a weakening financial policy sentiment, a slow-down in China, the US-China trade imbroglio, and deceleration in industrial production across the globe with the exception of the US. Crude Oil prices were volatile from the second half of last year, and are expected to remain soft, despite the geo-political tensions. Prices of commodities also softened on account of lower demand from China, and this and the low crude helped ease inflationary pressures across Asia. Reports indicate that going forward crude is anticipated to remain at sub sixty-dollar levels. Financial conditions in advanced economies tightened marginally on account of both modest rate hikes in the US, and the ECB ending its net asset purchases. However, yields continue to drop on deteriorating sentiments on growth, risk aversion and shifts on policy expectations.

Domestic growth was at 7.30%, a 50-basis point improvement over the previous year, however less than the estimates. The first two quarters of fiscal '19 exhibited a higher growth compared to the latter quarters. Despite a good monsoon, and minimum support prices for farmers, sluggish increase in rural wages, and lower farm incomes kept growth at low levels. Exports gradually picked up and industrial exports crossed \$300bn and service exports neared \$200 bn. Performance of the automobile, real estate, and financial services sector was below par.



Domestic growth  
was at  
7.30% in 2019

Outlook for fiscal '20 is laced more with caution than optimism, as growth is likely to be driven by an expansionary monetary policy than consumption. Monsoons predictions vary between near normal (96%), to below long-period average (93%) on account of El-Nino effects. Whilst macro factors do not look very favourable, the structural seem intact - in terms of a manageable deficit, sufficient foreign exchange reserves, and low inflation. This coupled with a newly elected and stable government, should pave the way for a pick-up in growth.

## Sector Performance



Global production is expected to cross 220 T by 2020

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 550 tons by 2020, a compounded annual growth of 10%. The completely man-made nature of polymers makes innovation and creation of new materials and applications limitless. The Polymer sector in India is estimated at over \$75 billion, and this is expected to grow at upwards of 9% over the next five years. Despite being one of the world's largest economies, India lags in the consumption of polymers at just under 10kgs (World Average 30kgs).

There has been a perceptible up-tick in the past two years the government's emphasis on infrastructure, the manufacturing pick-up, and the emphasis on water conservation products, are the primary double-digit growth drivers in the medium term.

## Emmbi's 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, spread across 56 countries. The products are classified into four business segments – Speciality Packaging, Advance Composites, Water Conservation and Agri Products.

Segment	Share 2019	Share 2018	Product Applications
Water Conservation	19%	20%	Transportation, Storage, Irrigation, Conservation, Harvesting of water.
Advanced Composites	45%	44%	Human Safety, Transportation & Management of Hazardous Material, Protective films & Fabrics.
Specialty Packaging	33%	33%	Chemicals, e-commerce, Oil & Water, Polymer Packaging.
Agri Products	3%	3%	Yield Improvement in Agri & Dairy industry through Crop Protection Systems, Flexible Fermentation Storages, Radiation & Hailstorm Control, Weed management films.



We have over 40 products that cater to a client base of over 200

## International Business

Revenues from Exports stood at Rs. 1,469.88 million, notably across 57 countries with North America being the largest contributor, followed by Europe. In addition to diversification across geographies, Emmbi's clientele include a wide range of industries.

In the International Markets, our focus continues to be North America, on account of greater business prospects, the growth fundamentals, and the recognition of the Emmbi brand amongst marquee clients. The United States being a large market, and diversified clientele, our risks are mitigated. In the other economies, we restrict our exposure not more than 5% across each country, and below 4% per client.



## Domestic Business

Domestic growth was dominated by water conservation, and agro polymer segments. The strategic move initiated in the earlier years, in terms of resource allocation to high margin products that began to payoff in 2017, consolidated in 2018, and it has commenced to show higher benefits from 2019 onwards.

Growth is sustainable on account of some of the salient factors listed below,

1. A broad based increase in the consumption of polymer products across Asia, including India.
2. Consumption Shift both in B2C, and B2B – be it jute bags to polypropylene bags, or glass to polymer syringes, concrete lined canals to polymer, use of polymers in highways etc.
3. Emmbi's innovation and long standing credibility with clients makes it a first choice provider for existing clients, and serves as a strong referral base.
4. The criticalness, the awareness, and the urgent need for water conservation products. 'Avana' has made a mark in a few states, and it's positioning and acceptability makes it an ideal candidate to be an engine for the growth.

## Retail Operations

In the next 2 years,  
the Avana SBU  
should contribute  
over 25% of  
total revenues

The investment in both human capital, and brand identity has paid off handsomely with the higher margin B2C business contributing to nearly 16% of overall revenues. Avana, Emmbi's 'Strategic Business Unit' (SBU) which operates the B2C segment is now well entrenched in two states, and is making footholds in two other states. In the next two years this division should contribute to well over 25% of total revenues.





## Emmbi's Operations

### Plant Capacity and Utilisation

#### Plant Capacity and Utilisation

Plant capacity increased to 25,040 mtpa (24,000mtpa), primarily on account of de-bottleneck with minimal capex spend. Industry 4.0 standards (IoT), and Robotic Process Automation (RPA) have increased operational efficiencies, improved product technicalities, and reduced wastage to a near zero levels.

### Inventories 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. Procurements of raw material is simultaneous to order booking, and that way neither the fluctuations in the prices of crude, and thereby its derivatives impact the income statement or capital in an adverse manner. Moreover, the relationship between crude prices, and polymer prices is not entirely direct. The floor cost of polymers, irrespective of the prices of crude can be pegged in the range of \$1,100-1,300 taking into account the fixed costs, and logistics. Finally, it is the many stage derivative Polypropylene that goes into our products, and the actual crude constitutes only under 15% of the total raw material component. Despite this linkage, we as a policy continue to apply effective hedge mechanisms.

### Record Earnings

We continued to impress both in terms of revenues, and earnings to shareholders. The company recorded an impressive top line growth in revenues to Rs. 3,148 million and a record profit of Rs. 178 million.

### 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 45000 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. We have in place a 'Whistle Blower' policy keeping in check with the best practices (Detailed in the Corporate Governance Section).

We have launched initiatives that have brought down attrition rate in the blue collared work force, one of which is a structured skill up-gradation programme.

### Information Technology

All our plants across the five locations are integrated, and they in-turn communicate to the head offices, through an ERP Platform. We are one of the first to adopt Industry 4.0 standards that has led to process and operational improvements, and getting translated into financial savings.

## Research & Development

We have been maintaining a status as full-fledged R&D Development centre, accredited by the Department of Science, and Technology, the Government of India. Our R&D department is staffed with a 35 member team that has been instrumental in filing for 15 patents in the past six years. As a policy we allocate ~2.50% of revenues towards, research and product development. 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 investments and the efforts of the R&D division, has led to the creation of 'smart-weave technology', Robo-Seal implementation of over 1,000 ponds, rodent-repellent polymers, fire-retardant packaging etc. in fiscal '18-'19.

## Financial Highlights With Respect to Operational Performance

Particulars	(Rs. in Millions)	
	F.Y. 2018-2019	F.Y. 2017-2018
Sales and Other Income	3,148.45	2,789.83
Net Profit after Interest Depreciation and Tax	177.90	152.62

## Cautionary Statement

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.

## For & On Behalf of the Board of Directors

**Makrand Appalwar**

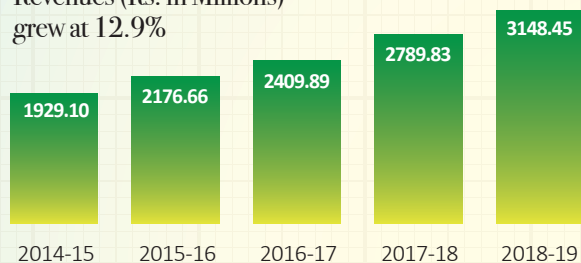
**Chairman & Managing Director**

**Mumbai**

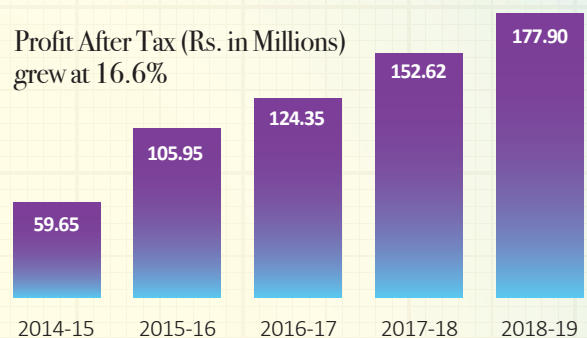
13th August, 2019

# Financial Performance

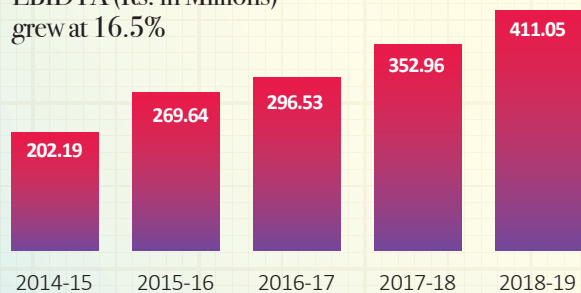
Revenues (Rs. in Millions)  
grew at 12.9%



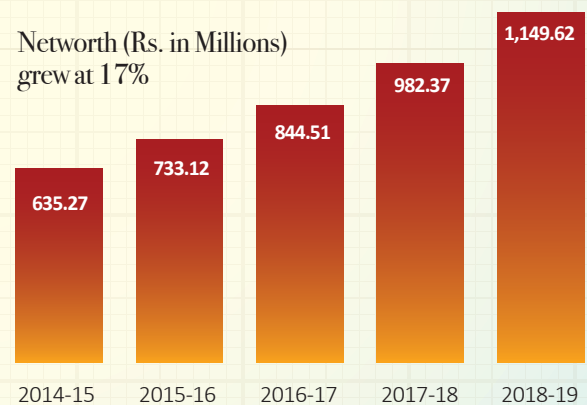
Profit After Tax (Rs. in Millions)  
grew at 16.6%



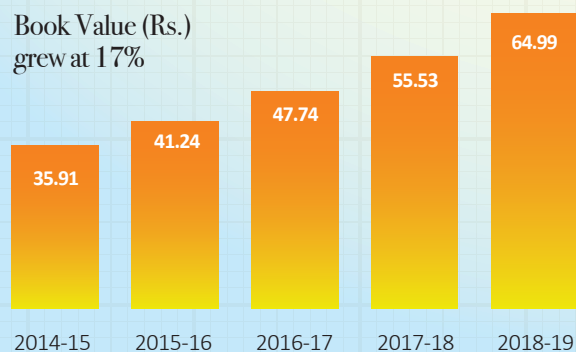
EBIDTA (Rs. in Millions)  
grew at 16.5%



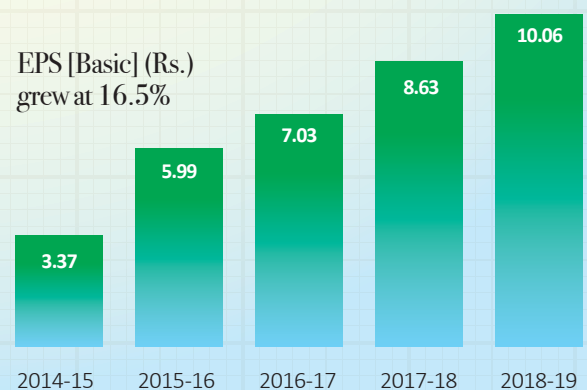
Networth (Rs. in Millions)  
grew at 17%



Book Value (Rs.)  
grew at 17%



EPS [Basic] (Rs.)  
grew at 16.5%





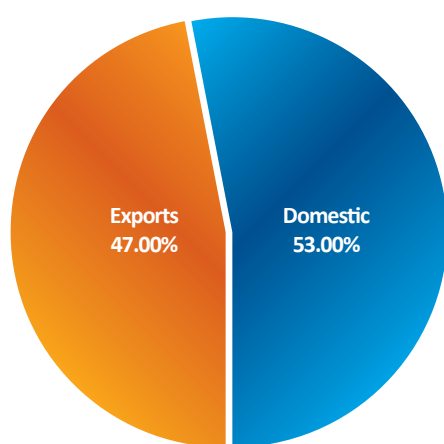
## Analysis of Financial Performance

### Revenue from Operations

The top-line growth of 13% was primarily margin driven, the key drivers being increased penetration in the consumer segment, and an increase in the sale of advance polymers. Domestic sales accounted for 53% (P. Y. 58%) of revenues, whilst exports constituted the balance 47% (P. Y. 43%). Growth for this year was also in line with the strategy of our focus on margin accretion, over volume accumulation. .

### Cost of Operations

Overall cost of operations, declined to 78.78% (P. Y. 79.96%), though this may seem an improvement of just 118 basis points, this has come at a time when revenues showed a growth of 13%. The continual lowering of the cost of operations over the past few years despite a double digit growth in revenues can be attributed to a host of factors, including economies of scale (operational leverage), Robotic Process Automation (RPA), Industry 4.0, and a hands-on approach by the Executive Management on addressing production related issues. The good work translated into a 17% growth in EBITDA to Rs. 411 million (P. Y. Rs. 353 million), a 35 bps improvement YoY.



### Cost of Finance

Finance costs stood at Rs. 109.58 million (P. Y. Rs. 94.75 million), on account of incremental working capital usage (on account of delays in GST refunds), however as a percentage of revenues it remained almost at the same levels of 3.48% (P. Y. 3.40%). Interest coverage ratio remained a healthy 3.74x (P. Y. 3.71x) and Emmbi's ratings remain at a healthy investment grade, with a positive outlook. Depreciation and amortisation expenses stood at Rs. 63 million (P. Y. Rs. 53 million).

### Profits and Distribution

Emmbi industries continued to improve its profit margins, and delivered results with Profits after Tax at Rs. 178 million (a 17% growth), and the management, and the board decided to reward the shareholders a dividend of Rs. 0.50 per share.

### Balance Sheet Items

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

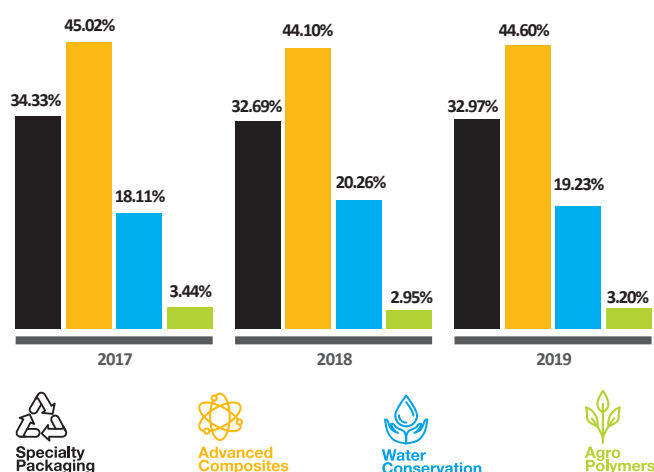
### Assets and Deployment

Assets for the year stood at Rs. 1,352 million (P. Y. Rs. 1,199 million), the 13% growth on account of Intangibles (IP rights), and Tax related assets. With the expansion complete the previous year, minimal capex was done to de-bottleneck some capacities.

### Current Assets

Inventories stood at the year-end stood at Rs. 729 million (P. Y. Rs. 697 million) or 140 days (P. Y. 148 days). The average inventories holding is

### Emmbi revenues by division



normally three to four months, 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 remained at previous years levels of Rs. 38 million. Receivables stood at Rs. 452 million (P. Y. Rs. 370 million) and 52 days (P. Y. 48 days), on account of the higher value added exports sales. The overall working capital cycle improved to 114 days (P. Y. 120 days).

### Fixed Assets

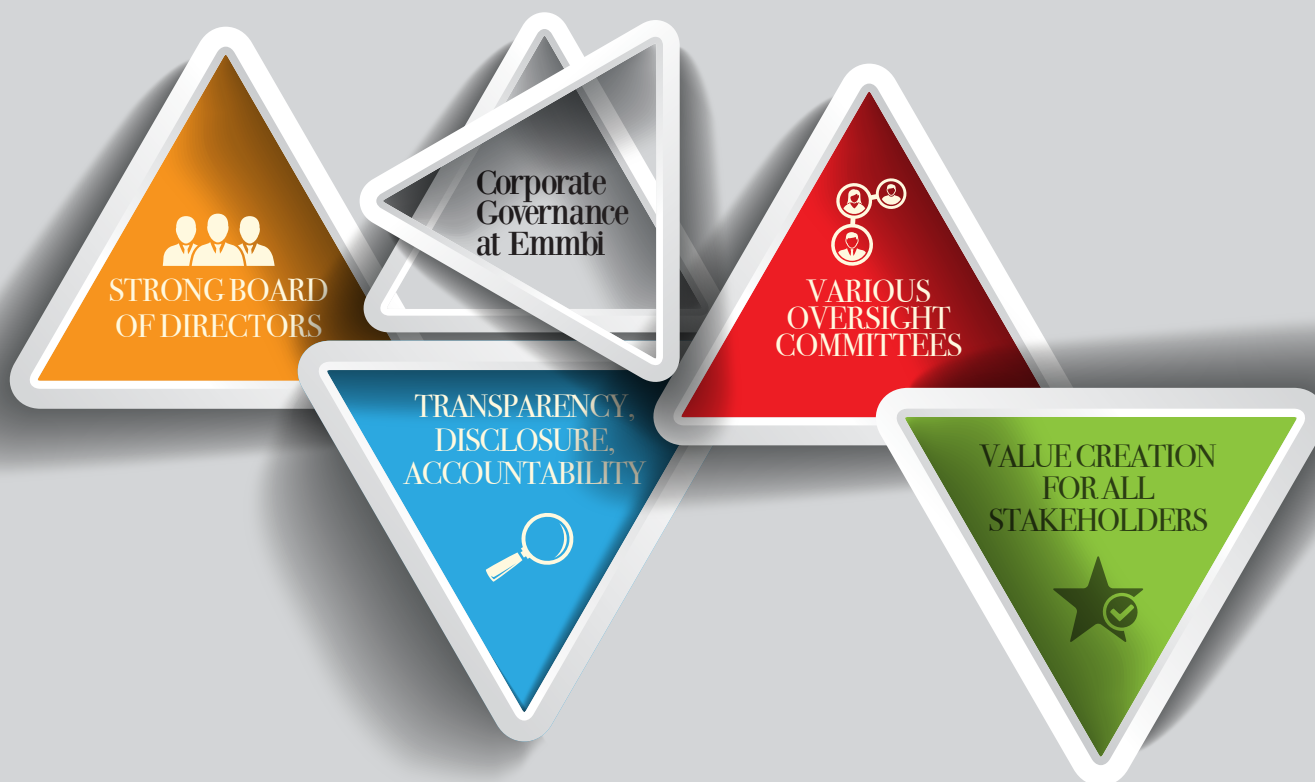
The company invested very marginally in the creation of fixed assets, as the expansion plans were completed last year, and with the de-bottleneck the current capacity stands at 24,200 mtpa.

### Capital and Borrowings

The growth was financed through a mix of internal accruals, additional term borrowings, and working capital. Debt-Equity was conservative at 0.84x (P. Y. 0.92x), and the current ratio at a healthy 1.39x (P. Y. 1.52x). This indicated that liquidity, and the solvency parameters are strong, and the ability to absorb unforeseen shocks.

Total net worth increased to Rs. 1,150 million (P. Y. Rs. 982 million), whilst overall bank borrowings stood at Rs. 964 million (P. Y. Rs. 900 million). ROCE was at a healthy 16.19% (P. Y. 16.12%). In the course of the year the company repaid its obligations, as per or ahead of schedule.

# 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, 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.

## 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

Category	Name of Directors	Expertise in specific functional area
<b>Promoter Executive Directors</b>	Mr. Makrand M. Appalwar Chairman & Managing Director	Marketing, Branding, Product Development through R&D, Corporate Strategy.
	Mrs. Rinku M. Appalwar Executive Director & Chief Financial Officer	Accounts, Finance, Banking, Compliance & Legal Logistics, Production, Procurement, HR & Admin.
<b>Non Promoter and Executive Directors</b>	Mr. Krishnan I. Subramanian Whole time Director	Expert in the fields of Strategic Planning, Risk Management, Private Equity and M&As.
<b>Non-Executive and Independent Directors</b>	Mr. Rama Krishnan (CS)	Expert in the fields of Company law, Corporate Governance and Securities Law.
	Mr. Prashant K. Lohiya (CA)	Expert in the fields of Accounts, Auditing, Taxation, Finance and Management Consulting.
	Dr. Venkatesh G. Joshi	Expert in the fields of Medicine, Ayurveda and Medical Researcher

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.

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 2018-2019.

29th May, 2018  
13th August, 2018  
13th November, 2018  
8th February, 2019

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 2018-2019	Attendance in AGM held on 24th Sept, 2018	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. Krishnan I. Subramanian	4	Yes	Nil	Nil	Nil	Nil
4 Dr. Venkatesh G. Joshi	3	Yes	Nil	Nil	Nil	Nil
5 Mr. Prashant K. Lohiya	4	Yes	Nil	Nil	Nil	Nil
6 Mr. Rama Krishnan	3	No	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.

## 5. INDEPENDENT DIRECTORS

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 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 2018-2019 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, 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. Prashant Lohiya Independent Non-Executive Director Chairman of the Committee	4	4
Dr. Venkatesh Joshi Independent Non-Executive Director Member of the Committee	3	3
Mr. Rama Krishnan Independent Non-Executive Director Member of the Committee	3	3
Mrs. Rinku Appalwar CFO & Executive Director Member of the Committee	4	4

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, auditing, taxation, risk management, internal financial controls expertise / exposure.

##### b) Meetings Held

The Audit Committee met 4 (four) times on the following dates during the financial year 2018-2019.

29th May, 2018  
13th August, 2018  
13th November, 2018  
8th February, 2019

- The Chairman of the Audit Committee Mr. Prashant Lohiya was present at the previous Annual General Meeting held on 24th September, 2018.

##### 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;

- 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).
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## 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. Prashant Lohiya Independent Non-Executive Director Chairman of the Committee	2	2
Dr. Venkatesh Joshi Independent Non-Executive Director Member of the Committee	2	2
Mr. Rama Krishnan Independent Non-Executive Director Member of the Committee	2	2

### b) Meetings Held

The Nomination & Remuneration Committee met 2 (two) times on the following dates during the financial year 2018-2019.

29th May, 2018

8th February, 2019

### 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 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 Lohiya Independent Non-Executive Director Chairman of the Committee	4	4
Dr. Venkatesh Joshi Independent Non-Executive Director Member of the Committee	3	3
Mr. Rama Krishnan Independent Non-Executive Director Member of the Committee	3	3
Mrs. Rinku Appalwar CFO & Executive Director 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 2018-2019.

29th May, 2018

13th August, 2018

13th November, 2018

8th February, 2019

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, 2019 and reported under Regulation 13 of the Listing Regulations are as under:

Complaints as on April 1, 2018	Nil
Received during the year	2
Resolved during the year	2
Pending as on March 31, 2019	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 Joshi Independent Non-Executive Director Chairman of the Committee	1	1
Mr. Prashant Lohiya Independent Non-Executive Director Member of the Committee	1	1
Mr. Rama Krishnan Independent Non-Executive Director Member of the Committee	1	1
Mrs. Rinku Appalwar CFO & Executive Director Member of the Committee	1	1

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

**b) Meetings Held**

The Corporate Social Responsibility Committee met 1 (one) time on 29th May, 2018 during the financial year 2018-2019.

**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.

**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 Appalwar	Chairman and Managing Director	* Rs. 7,839,600 p.a.	Reappointed for 5 years w.e.f. 30th March, 2015	6 months
2	Mrs. Rinku Appalwar	Executive Director Director & CFO	* Rs. 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 Appalwar is as under:

Sr. No.	Particulars	2018-2019 (Rs.)
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 Appalwar is as under:

Sr. No.	Particulars	2018-2019 (Rs.)
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, 2019 are given below:

Sr. No.	Name of Director	Sitting Fees Paid (Rs.)
1	Mr. Prashant Lohiya	Rs. 88,000
2	Mr. Rama Krishnan	Rs. 66,000
3	Dr. Venkatesh Joshi	Rs. 66,000

#### c) Details of Equity Shares held by Non-Executive Directors as on March 31, 2019:

Name of the Director	Position	No. of Equity Shares held	% of Paid-Up Capital
Mr. Prashant K. Lohiya	Independent Non-Executive, Director	6,250	0.035
Dr. Venkatesh G. Joshi	Independent Non-Executive, Director	—	—
Mr. Rama A. Krishnan	Independent Non-Executive, Director	—	—

## V. SUBSIDIARY COMPANIES

Due to operational reasons the Company the Company has wound up its wholly owned subsidiary in the name of Emmbi Scandinavia Aps through voluntary winding up procedure w.e.f 31st August, 2018 and appropriate disclosure have been made to the Stock Exchanges where the shares of the Company are listed.

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 2018-2019 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.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arms' length basis.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

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. FOREIGN EXCHANGE RISK

Emmbi has a documented 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.

### 3. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Prevention of 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 year.

### 4. CERTIFICATE FROM PRACTISING COMPANY SECRETARY

The Company has obtained a certificate from M/s. Sanjay Dholakia & Associates, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

### 5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Schedule V of SEBI Listing Regulations.

### 6. 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, MCA or other statutory authorities relating to the above.

### 7. 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).

## 8. NON-MANDATORY REQUIREMENTS

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

## 9. 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).

## 10. CODE OF CONDUCT

The Company is committed to conducting its business in conformity with ethical standards and applicable laws and regulations. This commitment 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 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).

## 11. INVESTOR PRESENTATIONS MADE TO INSTITUTIONAL INVESTORS OR TO THE ANALYSTS

During the financial year 2018-2019 various investor presentations were made to the institutional investors or to the analysts. The said investor presentations are available on the Company website at [www.emmbi.com](http://www.emmbi.com).

## 12. DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

## 13. RISK MANAGEMENT

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

## 14. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A).

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

## 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.
- separate meeting of the Independent Directors was held wherein the Independent Directors discussed the process of evaluating the performance of the non-independent director

At Emmbi, we love to let our hair down from time to time, indulging in team sports. Seen here is the winning Emmbi team at our inter-departmental cricket game.



## VIII GENERAL SHAREHOLDER INFORMATION

### 1. GENERAL BODY MEETINGS

#### Annual General Meeting (AGM):

Financial Year	Date and Time	Whether any special resolution was passed	Location
2015-2016	16th September, 2016 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
2016-2017	22nd September, 2017 10.30 a.m.	No	99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230
2017-2018	24th September, 2018 10.30 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

#Appointment of Mr. Krishnan I. Subramanian as a Wholetime Director of the Company.

#### POSTAL BALLOT

During the year under review, the Company completed process of one postal ballot as per provisions of Section 110 of the Companies Act, 2013. Mr. Sanjay R. Dholakia, Practicing Company Secretary was appointed as Scrutinizer for conducting postal ballot in a fair and transparent manner. The voting was conducted through physical mode as well as electronic mode. The Company had engaged the services of CDSL to provide e-voting facility to its Members. The notice of postal ballot was accompanied with detailed instructions kit to enable the members to understand the procedure and manner in which postal ballot voting (including remote e-voting) to be carried out.

The following Resolution is deemed to have been passed on the last date of e-voting and receipt of Postal Ballot forms i.e. on Friday, 29th March, 2019. The aforesaid voting results along with the Scrutinizer's Report has been displayed on the website of the Company viz. [www.emmbi.com](http://www.emmbi.com). The Resolution was approved with requisite majority.

The details of resolution passed through Postal Ballot is as under:

**Special Resolution:** Consent for continuation of Mr. Rama Krishnan as an Independent Director of the Company from 1st April, 2019 till the completion of his present term (i.e. up to 30th March, 2023).

### 2. ENSUING ANNUAL GENERAL MEETING

Day, Date and Time: Wednesday, 25th September, 2019, 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 24th October, 2019.

### 4. REPORTING OF UNAUDITED/AUDITED FINANCIAL RESULTS IN RESPECT OF FINANCIAL YEAR 2019-20 (TENTATIVE)

First quarter results	On or before 14th August, 2019
Second quarter results with half yearly results	On or before 14th November, 2019
Third quarter results	On or before 14th February, 2020
Fourth quarter results	On or before 30th May 2020
Audited results for year ended on 31st March, 20120	On or before 30th May, 2020
Annual General Meeting for the year 2019-20	On or before 30th September, 2020

### 5. FINANCIAL YEAR

1st April to 31st March.

### 6. BOOK CLOSURE DATES

Thursday, 19th September, 2019 to Wednesday, 25th September, 2019 (both days inclusive).

### 7. DIVIDEND

Company has recommended Dividend @ Re. 0.50 per share for financial year 2018-19, subject to approval of shareholders.

### 8. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or undaimed for a period of seven years from the date of such transfer then such undaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ("the IEPF"), a fund established under sub-section (1) of section 125 of the Act. The details of undaimed/unpaid dividend are available on the website of the Company viz. [www.emmbi.com](http://www.emmbi.com).

Accordingly, an amount of Rs. 42,026/- being undaimed / unpaid dividend for FY10-11 and which remained unpaid and undaimed for a period of 7 years has been transferred by the Company to the IEPF. Further, the undaimed / unpaid dividend amount pertaining to the FY11-12 will be transferred to IEPF during FY19-20.

### 9. MANDATORY TRANSFER OF SHARES TO DEMAT ACCOUNT OF INVESTORS EDUCATION AND PROTECTION FUND AUTHORITY (IEPFA) IN CASE OF UNPAID/ UNCLAIMED DIVIDEND ON SHARES FOR A CONSECUTIVE PERIOD OF SEVEN YEARS

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules.

The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPFA to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their dividend for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.



Accordingly, the Company has transferred 13,921 shares to IEPF according to the General Circular No.12/2017 for which dividend is unpaid/unclaimed for a period of 7 years. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

#### 10. LISTING OF SHARES

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

#### 11. LISTING FEES TO STOCK EXCHANGES

Annual Listing Fee for the year 2019-20 has been paid by the Company to BSE and NSE.

#### 12. ANNUAL CUSTODIAL FEES TO DEPOSITORIES

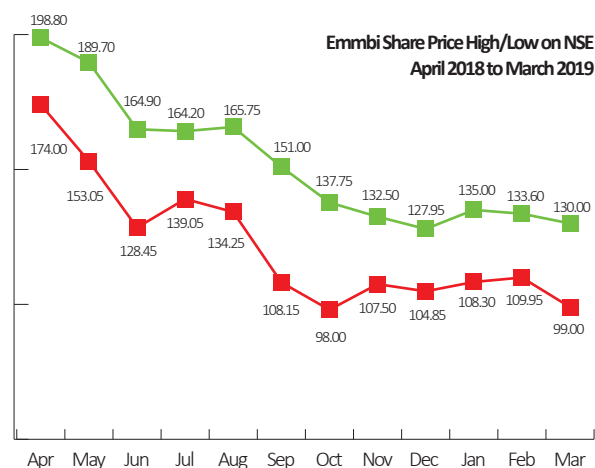
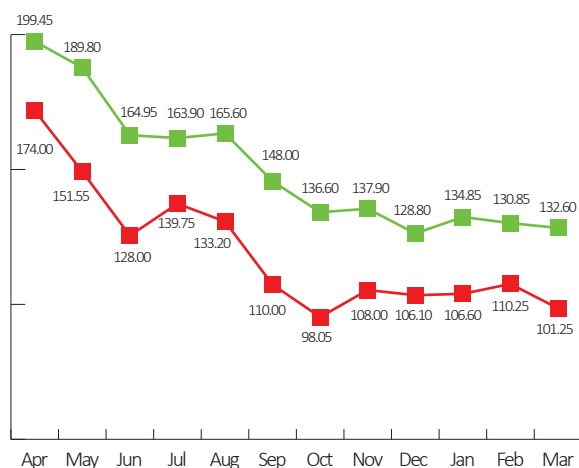
Annual Custody Fee for the year 2019-20 has been paid by the Company to NSDL and CDSL.

#### 13. 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, 2018 to March 31, 2019 was as follows:

MONTH	BSE LIMITED (IN RUPEES)		NATIONAL STOCK EXCHANGE OF INDIA LIMITED (IN RUPEES)	
	High	Low	High	Low
April 2018	199.45	174.00	198.80	174.00
May 2018	189.80	151.55	189.70	153.05
June 2018	164.95	128.00	164.90	128.45
July 2018	163.90	139.75	164.20	139.05
August 2018	165.60	133.20	165.75	134.25
September 2018	148.00	110.00	151.00	108.15
October 2018	136.60	98.05	137.75	98.00
November 2018	137.90	108.00	132.50	107.50
December 2018	128.80	106.10	127.95	104.85
January 2019	134.85	106.60	135.00	108.30
February 2019	132.60	110.25	133.60	109.95
March 2019	130.85	101.25	130.00	99.00

#### 14. STOCK PERFORMANCE OF EMMBI INDUSTRIES LIMITED



#### 15. REGISTRAR & TRANSFER AGENT

Share Transfers in physical and Demat form is handled by the Company's Share Transfer Agents: M/s. Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited), having their office situated at Plot No. A-16 and 17, MIDC, Part B, Cross Lane, Marol, Andheri (East), Mumbai 400 093.; Tel. No. 66712151-56; Fax No. 66712161; E-mail: investorsqry@dfssl.com.

#### 16. 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.

#### 17. 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.

**18. CATEGORIES OF SHARES AS ON 31ST MARCH, 2019**

Category	No. of Shares Held	% of Share Holding
<b>A. Promoter's Holding</b>		
1. Promoters		
- Indian Promoters	1,02,26,021	57.81
- Foreign Promoters	00	0.00
2. Person Acting In Concern	00	0.00
Sub – Total	1,02,26,021	57.81
<b>B. Non – Promoter's Holding</b>		
3. Institutional Investors		
- Mutual Funds & UTI	00	0.00
- Banks, Financial Institutions, Insurance Cos.,	4,925	0.03
- (Central/ State Govt. Inst., Non-Govt. Inst.)	00	0.00
- FIIs	12,22,653	6.91
Sub – Total	12,27,578	6.94
4. Others		
- Corporate Bodies	9,52,845	5.38
- Indian Public	49,71,487	28.10
- NRIs / OCBs / FIIs	2,98,398	1.69
- Any other (Transfer to IEPF)	13,921	0.08
Sub – Total	62,36,651	35.25
<b>Grand – Total</b>	<b>1,76,90,250</b>	<b>100.00</b>

**19. DISTRIBUTION OF SHARES AS ON 31ST MARCH, 2019**

15. DISTRIBUTION OF SHARES AS ON 31ST MARCH, 2019						
Shares Range			Shares	% to	No. of	% to No.
No	From	To		Capital	Holders	of Holders
1	1	500	9,83,799	5.56	7242	80.45
2	501	1,000	6,59,411	3.73	841	9.34
3	1,001	2,000	6,90,775	3.90	472	5.25
4	2,001	3,000	3,71,525	2.10	151	1.68
5	3,001	4,000	2,54,926	1.44	71	0.79
6	4,001	5,000	2,63,150	1.49	57	0.63
7	5,001	10,000	6,60,381	3.73	93	1.03
8	10,001	50,000	11,49,485	6.50	55	0.61
9	50,001	99,99,99,999	1,26,56,798	71.55	20	0.22
		TOTAL	1,76,90,250	100.00	9002	100.00

**20. DEMATERIALIZATION OF SHARES**

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

**SHAREHOLDING SUMMARY AS ON 31ST MARCH, 2019**

Description	Cases	Shares	%
Physical	1	10	0.00
CDSL	4,158	29,49,726	16.67
NSDL	4,843	1,47,40,514	83.33
<b>TOTAL</b>	<b>9,002</b>	<b>1,76,90,250</b>	<b>100.00</b>

**21. 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.

**22. REGISTERED OFFICE**

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

**23. CORPORATE OFFICE**

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

**24. 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: investor.grievances@emmbi.com
- Company Identification Number (CIN): L17120DN1994PLC000387 and International Securities Identification Number (ISIN): INE753K01015

For and on behalf of the Board of Directors  
**EMMBI INDUSTRIES LIMITED**  
**Makrand Appalwar**  
**Chairman**  
**DIN: 00171950**

**Date : 13th August, 2019**

**Place: Mumbai**

# Corporate Governance Certificate

**T**he Members,  
Emmbi Industries Limited

We have examined the compliance of conditions of corporate governance by Emmbi Industries Limited for the year ended 31 st March, 2019 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. Our 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.

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March 2019.

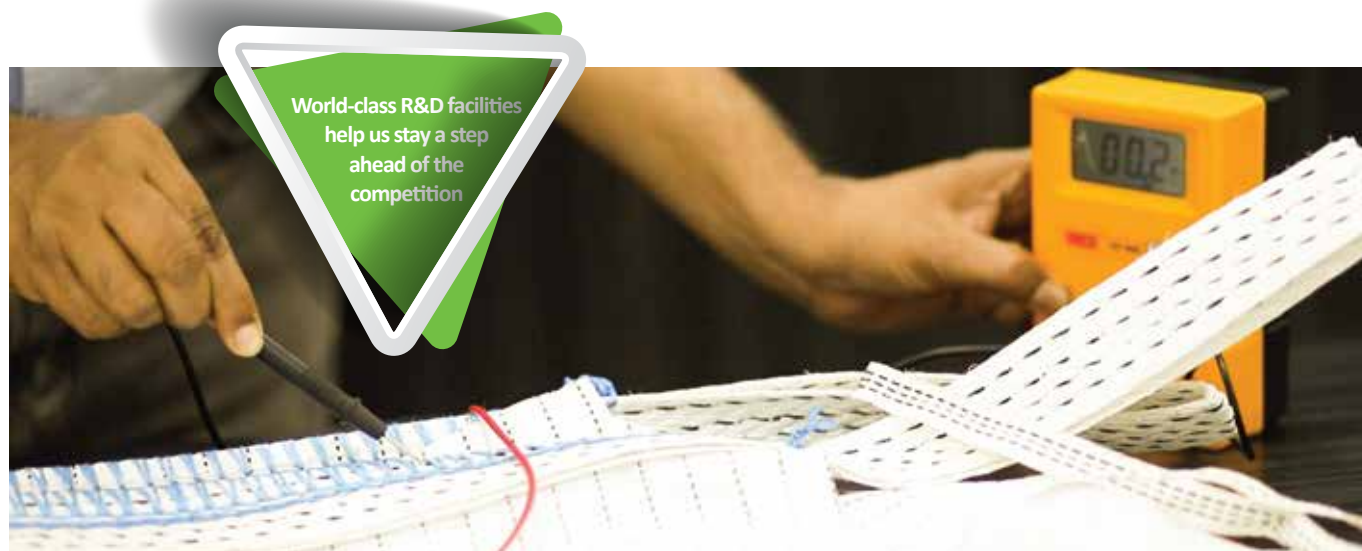
We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

**For SANJAY DHOLAKIA & ASSOCIATES**

**Practising Company Secretary**  
**Sanjay Dholakia**  
**Proprietor**

**Place: Mumbai**  
**Date: 13th August, 2019**





# Certifications and Declarations

## CEO /CFO Certificate

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, 2019, 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 Appalwar**  
**Chairman and Managing Director**  
**DIN: 00171950**

**Place: Mumbai**  
**Date: 24th May, 2019**

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

## 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 31st March, 2019.

**Place: Mumbai**  
**Date: 24th May, 2019**

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

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Emmbi Industries Limited  
Silvassa

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Emmbi Industries Limited having CIN L17120DN1994PLC000387 and having registered office at 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U. T. of D & N H, Silvassa 396230 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mr. Makrand Moreswar Appalwar	00171950	29/11/1994
2.	Mrs. Rinku Makrand Appalwar	00171976	29/11/1994
3.	Mr. Rama Krishnan	00546256	31/03/2018
4.	Dr. Venkatesh Ganpatrao Joshi	01234871	11/12/2010
5.	Mr. Prashant Kailashchandra Lohiya	02990858	31/05/2010
6.	Mr. Subramanian Krishnan	06614842	29/05/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY DHOLAKIA)**  
**Practising Company Secretary**  
**Proprietor**

**Place: Mumbai**

**Date: 13th August, 2019**



# Independent Auditor's Report

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

## Report on the Financial Statements

### Opinion

We have audited the accompanying financial statements of Emmbi Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements"). 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following matter to be the key audit matter to be communicated in our Report.

#### Key Audit Matter

##### Evaluation of uncertain tax position

The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.

Refer Note 27 to the Standalone Financial Statements.

#### Auditor's Response

Our audit procedures include the following :-

- Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls we have performed tests of controls.
- Obtained the summary of Company's legal and tax cases and critically assessed management's position through discussion with the Legal Counsel on both the probability of success in significant cases and the magnitude of any potential loss.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash



flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Avana's  
Jalasanchay brand  
of pond liners in use  
in a farm in Rajasthan



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements maybe influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company doesn't have any long term contracts including derivative contracts requiring provision for material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For R DALIYA & ASSOCIATES**  
**Chartered Accountants**  
**(ICAI FRN: 102060W)**

**K. Daliya**  
**Partner**  
**(M No. 166874)**

**Place : Mumbai**  
**Date : 24.05.2019**

# Annexures to the Independent Auditor's Report

## **Annexure A to the Independent Auditors' Report**

(Referred to in Paragraph 1 of the Report on Other Legal and Regulatory Requirements' in our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of Emmbi Industries Ltd. ("the Company") as of 31 March, 2019 in conjunction with our audit of the Ind AS 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's 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 Ind AS 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 2019, 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

Place :- Mumbai  
Date : 24.05.2019

For and on behalf of  
**R Daliya & Associates**  
Chartered Accountants  
FRN : 102060W.  
K. Daliya  
Partner  
Membership No. :- 166874



Emmbi is a  
global leader  
in Flexible Bulk  
Packaging  
solutions

## Annexure - B

(Referred to in Paragraph 2 of the Report on Other Legal and Regulatory Requirements' in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
  - (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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of Immovable Properties, as disclosed in Note 5 on Fixed Assets to the Ind AS financial statements, are held in the name of the Company.  
In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the Ind AS financial statements, the lease agreements are 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 granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 189 of the Act. The company has granted loan to Limited Liability Partnership, the terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest. Details of the same have been mentioned in Note 39.
  - (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
  - (v) The company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Companies Act, 2013, any other relevant provisions of the Act 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, Value Added Tax, Service Tax, Goods and Service Tax, Cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2019 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, 2019 are as follows:  
Amount is due under Income Tax Act, 1961 as Income Tax amounting Rs. 3,90,05,030/-for the period 01.04.2010 to 31.03.2011 which is reduced by ITAT to Rs 58,50,760/-. Appeal with H'ble Bombay High Court is preferred for the remaining part. Amount is due under Income Tax Act, 1961 as Income Tax Penalty amounting Rs. 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), money raised by term loans have been applied by the company during the year for the purpose for which those are raised.
- (x) To the best of our knowledge and accordingly to the information and explanations given, no material fraud by the company or on the company by its officers has been noticed or reported during the course of our audit.
- (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) According to the information and explanations given to us, in our opinion, the company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with section Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (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.

Place :- Mumbai  
Date : 24.05.2019

**For and on behalf of**  
**R Daliya & Associates**  
**Chartered Accountants**  
**FRN : 102060W**  
**K. Daliya**  
**Partner**  
**Membership No. :- 166874**



# Financial Statements



# Balance Sheet as at 31st March, 2019

PARTICULARS	NOTES	AS AT 31 MARCH, 2019 (INR MILLION)	AS AT 31 MARCH, 2018 (INR MILLION)
<b>A ASSETS</b>			
<b>1.Non-Current Assets</b>			
(a) Property, Plant & Equipment	5	1,082.28	1,001.84
(b) Capital Work In Progress	5	36.63	36.48
(c) Intangible Assets	5	91.80	66.49
(d) Financial Assets		-	-
a) Investments	6	0.23	0.23
b) Loans	7	0.86	1.16
c) Other Financial Assets	8	7.15	6.62
Deferred tax Asset - MAT Credit Entitlement	9	23.07	30.83
Income Tax Asset	10	110.07	54.95
Other Non-Current Assets	11	0.34	0.64
Sub Total - Non Current Assets		1,352.42	1,199.24
<b>2. Current Assets</b>			
Inventories	12	729.36	696.55
Financial Assets		-	-
(a) Trade receivables	13	451.56	370.49
(b) Cash & Cash Equivalent	14	27.69	25.62
(c) Bank balances other than b) above	15	9.96	11.27
Other Current Assets	16	154.70	180.57
Sub Total - Current Assets		1,373.27	1,284.51
<b>TOTAL ASSETS</b>		<b>2,725.69</b>	<b>2,483.74</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	17	176.90	176.90
(b) Other Equity	18	972.72	805.46
Sub Total - Share Holders' Fund		1,149.62	982.37
<b>2. Non-Current Liabilities</b>			
Financial Liabilities			
(a) Borrowings	19	355.23	381.24
Other Non Current Liabilities	20	-	73.36
Employee Benefit Provisions	21	10.25	9.77
Deferred Tax Liabilities	22	84.79	74.83
Liabilities for Income Tax	23	140.81	118.92
Sub Total - Non Current Liabilities		591.08	658.12
<b>3. Current Liabilities</b>			
Financial Liabilities			
(a) Borrowings	24	608.62	518.68
(b) Trade Payables	25	272.87	240.72
(c) Other Financial Liabilities	26	103.50	83.85
Provisions	27	-	-
Sub Total - Current Liabilities		984.99	843.25
<b>TOTAL LIABILITIES</b>		<b>2,725.69</b>	<b>2,483.74</b>
Significant Accounting Policies and Notes on Financial Statements	1 to 44		

As per our report of even date  
For R. Daliya & Associates  
Chartered Accountants  
FRN : 102060W

K. Daliya (Partner)  
Membership No. 166874  
Place : Mumbai  
Date : 24th May, 2019

Kaushal Patvi  
Company Secretary

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

Makrand Appalwar  
(Managing Director)

Rinku Appalwar  
(CFO & Director)



## Statement of Profit and Loss for the year ended 31st March, 2019

PARTICULARS	NOTES	AS AT 31 MARCH, 2019 (INR MILLION)	AS AT 31 MARCH, 2018 (INR MILLION)
<b>INCOME</b>			
Revenue from Operations	28	3,148.45	2,789.83
Less : GST recovered		258.37	207.21
<b>Revenue from Operations (Net)</b>		<b>2,890.08</b>	<b>2,582.62</b>
Other Income	29	1.37	1.08
<b>Total Revenue (I)</b>		<b>2,891.45</b>	<b>2,583.69</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	30	1,859.16	1,461.12
Purchase of Stock-in-Trade	31	40.07	214.39
Changes in Inventories of Finished Goods and Stock-in-Process	32	(24.77)	24.02
Excise Duty		-	37.87
Employees Benefits Expense	33	150.72	120.11
Finance Costs	34	109.58	94.75
Depreciation and Amortization Expense	35	62.60	53.07
Other Expenses	36	455.05	373.22
<b>Total Expenses (II)</b>		<b>2,652.41</b>	<b>2,378.55</b>
<b>Profit before Tax</b>		<b>239.04</b>	<b>205.14</b>
Tax Expenses			
(1) Current Tax		51.00	44.00
(2) Tax for earlier years		0.17	-
(3) Deferred Tax Liability		9.96	8.52
<b>Profit for the Year</b>		<b>177.90</b>	<b>152.62</b>
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Plans		0.02	(4.11)
Income Tax		-	-
<b>Total Comprehensive Income</b>		<b>177.92</b>	<b>148.50</b>
<b>Earning Per Equity Share (RUPEES)</b>			
(1) Basic (of Rs 10/- each)	37	10.06	8.63
(2) Diluted (of Rs 10/- each)	37	10.06	8.63
Significant Accounting Policies and Notes on Financial Statements	1 to 44		

As per our report of even date  
For R. Daliya & Associates  
Chartered Accountants  
FRN : 102060W

K. Daliya (Partner)  
Membership No. 166874  
Place : Mumbai  
Date : 24th May, 2019

Kaushal Patvi  
Company Secretary

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

Makrand Appalwar  
(Managing Director)

Rinku Appalwar  
(CFO & Director)

# Statement of changes in equity for the year ended 31st March, 2019

A. SHARE CAPITAL	NOTES	NO OF SHARES	INR MILLION
Equity shares of Re. 10 each issued, subscribed and fully paid:			
Balance as on March 31, 2018	17	17.69	176.90
Balance as on March 31, 2019	17	17.69	176.90
<b>B. OTHER EQUITY</b>			
PARTICULARS	SECURITIES PREMIUM AMOUNT	RETAINED EARNINGS	TOTAL
<b>Balance on April 1, 2017</b>	<b>272.65</b>	<b>394.96</b>	<b>667.60</b>
Profits for the year 2017-18	-	152.62	152.62
Dividend paid for FY 2016-17	-	(8.85)	(8.85)
Dividend Distribution Tax on above	-	(1.80)	(1.80)
Other Comprehensive Income / (Loss) for the year	-	(4.11)	(4.11)
<b>Balance at the end of the reporting period March 31, 2018 as per Ind AS</b>	<b>272.65</b>	<b>532.82</b>	<b>805.46</b>
Profits for the year 2018-19	-	177.90	177.90
Dividend paid for FY 2017-18	-	(8.85)	(8.85)
Dividend Distribution Tax on above	-	(1.82)	(1.82)
Other Comprehensive Income / (Loss) for the year	-	0.02	0.02
<b>Balance at the end of the reporting period March 31, 2018 as per Ind AS</b>	<b>272.65</b>	<b>700.07</b>	<b>972.72</b>

As per our report of even date  
For R. Daliya & Associates  
Chartered Accountants  
FRN : 102060W

K Daliya (Partner)  
Membership No. 166874  
Place : Mumbai  
Date : 24th May, 2019

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

Makrand Appalwar  
(Managing Director)

Rinku Appalwar  
(CFO & Director)



# Cash Flow Statement for the year ended 31st March, 2019

PARTICULARS	2018-19		2017-18	
	INR MILLION	INR MILLION	INR MILLION	INR MILLION
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax	-	239.04	-	205.14
Depreciation & Amortisation	62.60	-	53.07	-
Finance Cost	109.58	-	94.75	-
Sundry Balances Written off	1.92	-	2.66	-
Provision For Gratuity	0.49	-	0.07	-
Provision for Excise Duty	-	-	(1.79)	-
Interest Received on Bank FD	(0.97)	-	(0.67)	-
Dividend Received	(0.00)	-	-	-
Rent received	(0.08)	-	(0.08)	-
(Profit)/ Loss on Sale of Asset	-	-	(0.04)	-
	-	173.54	-	147.96
<b>Operating Profit Before Working Capital Changes</b>	-	<b>412.58</b>	-	<b>353.10</b>
Adjustments for Working Capital Changes:	-	-	-	-
Trade Payables and Other Current Liabilities	39.03	-	34.44	-
Inventories	(32.81)	-	(63.68)	-
Trade Receivables	(82.99)	-	10.09	-
	-	(76.77)	-	(19.15)
<b>CASH FLOW FROM OPERATIONS</b>	-	<b>335.81</b>	-	<b>333.95</b>
Taxes Paid (Net)	-	(76.65)	-	(33.38)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	-	<b>259.16</b>	-	<b>300.57</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets and additions in CWIP	(168.50)	-	(301.67)	-
Investment in LLP	-	-	(0.10)	-
Sale Of Fixed Asset	-	-	0.19	-
Movement in Loans and Advances	(0.75)	-	(0.98)	-
Purchase of Term Deposits	1.92	-	(10.91)	-
Interest Received on Bank FD	0.97	-	0.67	-
Dividend Received	0.00	-	-	-
Rent received	0.08	-	0.08	-
<b>NET CASH (USED IN) INVESTING ACTIVITIES (B)</b>	-	<b>(166.27)</b>	-	<b>(312.72)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds / (Repayment) from Long Term Borrowing	(26.01)	-	229.74	-
Proceeds / (Repayment) from Short Term Borrowing	12.68	-	29.52	-
(Increase)/decrease in Working Capital Borrowings	115.81	-	(191.22)	-
Long Term Advances	(73.36)	-	73.36	-
(Loan)/ Repayment to Subsidiary & LLP	0.30	-	(1.16)	-
Interest paid on Loan	(109.58)	-	(94.75)	-
Dividend Paid (Including Dividend Distribution tax)	(10.66)	-	(10.65)	-
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES(C)</b>	-	<b>(90.82)</b>	-	<b>34.84</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	-	<b>2.07</b>	-	<b>22.69</b>
Cash & Cash Equivalent at the beginning of the Year	-	25.62	-	2.93
Cash & Cash Equivalent at the end of the Year	-	27.69	-	25.62
<b>Cash &amp; Cash Equivalents</b>				
Cash on Hand	-	3.71	-	4.80
Balances with banks in Current account	-	23.98	-	20.82
<b>TOTAL</b>	-	<b>27.69</b>	-	<b>25.62</b>

1. This Statement is prepared as per Ind AS-7 (Indirect Method)  
2. Previous Year's figures were re-grouped wherever necessary.

As per our report of even date  
For R. Daliya & Associates  
Chartered Accountants  
FRN : 102060W

K. Daliya (Partner)  
Membership No. 166874  
Place : Mumbai  
Date : 24th May, 2019

Kaushal Patvi  
Company Secretary

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

Makrand Appalwar  
(Managing Director)

Rinku Appalwar  
(CFO & Director)

# Notes Forming Part of the Standalone Financial Statements For The Year Ended On 31st March , 2019.

## **NOTE: 1 COMPANY OVERVIEW**

EMMBI INDUSTRIES LIMITED ("Emmbi" or "The Company") is a public limited company incorporated and domiciled in India and has its registered office at Silvassa, India. The Company has its primary listings on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The financials were authorized for issuance by the company's Board of Directors and Audit Committee on May 24, 2019.

The principal activities of the Company comprises of Manufacturing and Trading of HDPE & PP - Woven Polymer Based Products.

## **NOTE: 2 BASIS OF PREPARATION AND MEASUREMENT**

### **2.1 Statement of Compliance**

The Financial statements as at the end for the year ended March 31, 2019 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

### **2.2 Accounting Convention and Basis of Measurement**

The financial statements have been prepared on the historical cost convention and on an accrual basis, except the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Certain financial assets measured at fair value ( refer accounting policy on financial instruments)
- ii. Defined benefit and other long – term employee benefits.

### **2.3 Functional and presentation currency**

The financial statements are presented in India rupees, which is the functional currency of the company and the currency of the primary economic environment in which the company operates. All financial information presented in Indian rupees has been rounded to the nearest million of rupees except share and per share data.

### **2.4 Use of Judgments, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and the disclosure of contingent liabilities and contingent assets. Actual results may differ from these estimates. Estimates and underlyings assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions in respect of following areas, that have most significant effect to the carrying amounts within the next financial year are included in the relevant notes.

- i. Useful Lives of property, plant and equipment and intangibles.
- ii. Measurement of defined benefit obligations.
- iii. Measurements and likelihood of occurrence if provisions and contingencies.
- iv. Recognition of deferred tax assets.

### **2.5 Operating Cycle:**

Based on the nature of products / activities of the company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## **NOTE: 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Property, Plant and Equipment (PPE)**

- i. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.
- ii. The cost of property, plant and equipment includes those incurred directly for the construction or acquisition of the assets, and directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by the management.
- iii. The cost of major spares is recognised in the carrying amount of the item of property, plant and equipment, in accordance with the recognition criteria set out in the standard. The carrying amount of the replaced part is derecognized at the time of actual replacement. The costs of day-to-day servicing of the item are recognised in statement of profit and loss as incurred.



- iv. Depreciation on tangible assets including those on leasehold premises is provided under straight line method over the useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 and in the manner specified therein, except in respect of dies and moulds which are depreciated over their technically estimated useful lives on straight line method.
- v. Depreciation methods, useful lives and residual values are reviewed at each reporting date and accounted as change in accounting estimate.
- vi. Each component / part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately only when it has a different useful life. The gain or loss arising from the de-recognition of an item or property, plant and equipment is included in statement of profit or loss when the item is derecognized.
- vii. Expenditure attributable / relating to PPE under construction / erection is accounted as below:
  - A. To the extent directly identifiable to any specific plant /unit, trial run expenditure net of revenue is included in the cost of property, plant and equipment.
  - B. To the extent work not completed to any specific plant /unit, is grouped under 'capital work-in-progress'.

### 3.2 Intangible Assets

- i. Intangible asset is recognised when it is probable that future economic benefits are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.
- ii. Acquired Brand and Knowledge Development Cost is recognized as intangible asset upon completion of development and commencement of commercial production.
- iii. Intangibles asset are amortized on straight line method over their technically estimated useful lives.
- iv. Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates.

### 3.3 Inventories are valued as under:

- |   |   |
|---|---|
| I) Raw materials, components, consumables and stores and spares | Cost or net realisable value, whichever is lower.   |
| II) Work in progress and finished goods                         | Net realisable value or cost of materials plus cost of conversion and other costs incurred in bringing them to the present location and condition, whichever is lower |
| III) Consumable Spares  | Cost or net realisable value, whichever is lower.   |

### 3.4 Revenue from contracts with customers

The Company derives revenues primarily from sale of inorganic chemicals, textile and other products.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

#### Sale of goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 45-120 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

### 3.5 Employee Benefits

#### i) Short term benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits.

The cost of the benefits like salaries, wages, medical, leave travel assistance, short term compensated absences, bonus, ex gratia, etc. is recognised in the period in which the employee renders the related service.

#### ii) Post Employment benefits:

##### A) Defined contribution plans:

The contribution paid/ payable under provident fund scheme, ESIC, scheme and employee pension scheme is recognised as expenditure in the period in which the employee renders the related service.

**B) Defined benefit plans:**

The company's obligation towards gratuity is a benefit plan. The present value of the estimated future cash flows of the obligation under such plan is determined based on actuarial valuation using the projected unit credit method. Any difference between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experienced adjustments within the plan are recognised immediately in other comprehensive income and subsequently not reclassified to the statement of profit and loss.

**3.6 Foreign currency transactions**

- i. Transactions relating to non-monetary items and sale of goods/ services denominated in foreign currency are recorded at the exchangerate prevailing or a rate that approximates the actual rate on the date of transactions.
- ii. Assets and liabilities in the nature of monetary items denominated in foreign currency are restated at prevailing exchange rate as at the end of the reporting period.
- iii. Exchange differences arising on account of settlement/conversion of foreign currency monetary items are recognised as expense or income in the period in which they arise.

**3.7 Current Tax and Deferred Tax****i) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**ii) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profits differ as reported in the statement of profit and loss because of items of income and expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**iii) Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all temporary differences to the extent that it is possible that taxable profits will be available against those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Minimum Alternate Tax**

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**3.8 Borrowing Costs**

- i. Borrowing costs incurred for obtaining assets which take substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other case by applying weighted average cost of borrowings to the expenditure on such assets. Post the commercial production or trial run, borrowing cost will be treated as expense for the year.
- ii. Other borrowing costs are treated as expense for the year.

**3.9 Financial instruments (Financial assets and financial liabilities)**

- i. All financial instruments are recognised initially at fair value. The classification of financial of financial instruments depends on the objective of the business model for which it is held and the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. For the purpose of subsequent measurement, financial instruments of the company are classified into (a) Non-Derivative financial instruments and (b) Derivative financial instruments.
- ii. **Financial instruments.**
  - A) Security deposits, cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current financial assets are classified as financial assets under this clause.
  - B) Loans and borrowings, trade and other payables including deposits collected from various parties and eligible current and non-current financial liabilities are classified as financial liabilities under this clause.
  - C) Financial instruments are subsequently carried at amortized cost wherever applicable using effective interest rate method (EIR) less impairment loss.

- D) Transaction cost that are attributable financial recognized at amortized cost are included in the fair value of such instruments.
- E) Investments in equity shares, including investment in subsidiary company, are measured at fair value through profit and loss as permitted by Ind AS 27 read with Ind AS 109.

### **3.10 Impairment**

- i. Financial Assets
  - A) The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure.
    - Financial assets that are debt instruments, and are measured at amortized cost wherever applicable for e.g. loans, debt securities, deposits, and bank balance.
    - Trade Receivables
  - B) The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.
- ii. Non-financial Assets
 

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial asset is impaired. If any such indication exists, the company estimates the amount of impairment loss.

### **3.11 Provisions**

- i. Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- ii. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation.
- iii. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount if the receivable can be measured reliably.

### **3.12 Earnings per share (EPS)**

- i. Basic EPS is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.
- ii. Diluted EPS is computed by dividing the profit after tax, as adjusted for dividend, interest and other charges to expenses or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic EPS and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## **4.1 Changes in accounting policies and disclosures**

### **New and amended standards**

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

#### **Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.

#### **Amendment to Ind AS 20 Government grant related to non-monetary asset**

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

#### **Amendment to Ind AS 38 Intangible asset acquired free of charge**

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These **amendments do not have any impact on the Company's financial statements.**

#### **Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations**

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

#### **Amendments to Ind AS 40 Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements.

#### **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

#### **4.2 Standards issued but not yet effective up to the date of Financial Statements Standards issued but not yet effective:**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

##### **I) Ind AS 116 Leases**

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

##### **Transition to Ind AS 116**

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.



**Note 5 PROPERTY, PLANT AND EQUIPMENT**
**For the year ended 31st March, 2019**

For the year ended 31st March, 2019													INR MILLION	
Sr. No.	PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK		
		As at 01-04-2018 INR Mn	Addns INR Mn	Transfers INR Mn	Adjustmts/ Disposals INR Mn	As at 31-03-19 INR Mn	As at 01-04-18 INR Mn	For the yr INR Mn	Transfers INR Mn	Adjustmts/ Disposals INR Mn	As at 31-03-19 INR Mn	As at 31-03-19 INR Mn	as at 31-03-18	
	INR Mn													
5.A TANGIBLE FIXED ASSETS														
1	Land	33.46	-	-	-	33.46	-	-	-	-	-	33.46	33.46	
2	Building	419.69	19.92	36.48	-	476.09	48.63	11.72	-	-	60.35	415.74	371.06	
3	Compound Wall	0.26	-	-	-	0.26	0.18	0.01	-	-	0.19	0.08	0.08	
4	Plant and Machinery	565.05	38.20	-	-	603.25	145.91	25.68	-	-	171.59	431.67	419.14	
5	Electrical Installation	13.84	1.27	-	-	15.12	4.88	0.57	-	-	5.44	9.67	8.97	
6	Furniture & Fixtures	26.11	8.02	-	-	34.13	13.12	2.84	-	-	15.96	18.16	12.99	
7	Crates	0.71	-	-	-	0.71	0.53	0.07	-	-	0.60	0.11	0.18	
8	Office Equipment	27.59	3.49	-	-	31.08	12.38	2.77	-	-	15.15	15.94	15.21	
9	Other Equipment	0.01	-	-	-	0.01	0.01	-	-	-	0.01	0.00	0.00	
10	Vehicles	21.39	7.04	-	-	28.42	12.50	2.84	-	-	15.35	13.08	8.88	
11	Plant and Machinery (R & D Equipment and Pilot Plant)	142.08	18.11	-	-	160.19	10.75	5.57	-	-	16.33	143.86	131.33	
12	Computer ( for R & D)	0.93	0.09	-	-	1.02	0.39	0.12	-	-	0.51	0.51	0.53	
	(A)	1,251.12	96.14	36.48	-	1,383.74	249.29	52.18	-	-	301.46	1,082.28	1,001.84	
5.B INTANGIBLE FIXED ASSETS		-	-	-	-	-	-	-	-	-	-	-	-	
	Acquired Brand & Knowledge Development Cost	87.01	35.73	-	-	122.74	20.52	10.43	-	-	30.94	91.80	66.49	
	(B)	87.01	35.73	-	-	122.74	20.52	10.43	-	-	30.94	91.80	66.49	
5.C CAPITAL WIP		-	-	-	-	-	-	-	-	-	-	-	-	
	Building	36.48	36.63	(36.48)	-	36.63	-	-	-	-	-	36.63	36.48	
	(C)	36.48	36.63	(36.48)	-	36.63	-	-	-	-	-	36.63	36.48	
		-	-	-	-	-	-	-	-	-	-	-	-	
	TOTAL (A+B+C)	1,374.62	168.50	-	-	1,543.12	269.80	62.60	-	-	332.41	1,210.71	1,104.81	

**Note 5 PROPERTY, PLANT AND EQUIPMENT**
**For the year ended 31st March, 2018**

												INR MILLION	
Sr. No.	PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
		As at 01-04-17 INR Mn	Addns INR Mn	Transfers INR Mn	Adjustmts/ Disposals INR Mn	As at 31-03-18 INR Mn	As at 01-04-17 INR Mn	For the yr INR Mn	Transfers INR Mn	Adjustmts/ Disposals INR Mn	As at 31-03-18 INR Mn	As at 31-03-18 INR Mn	as at 31-03-17
	INR Mn												
5.A	TANGIBLE FIXED ASSETS												
1	Land	27.00	-	6.46	-	33.46	-	-	-	-	-	33.46	27.00
2	Building	295.63	75.95	48.11	-	419.69	38.70	9.93	-	-	48.63	371.06	256.92
3	Compound Wall	0.26	-	-	-	0.26	0.17	0.01	-	-	0.18	0.08	0.09
4	Plant and Machinery	481.38	83.86	-	(0.19)	565.05	122.77	23.18	-	(0.04)	145.91	419.14	358.61
5	Electrical Installation	11.62	2.22	-	-	13.84	4.38	0.49	-	-	4.88	8.97	7.24
6	Furniture & Fixtures	19.74	6.36	-	-	26.11	11.17	1.95	-	-	13.12	12.99	8.57
7	Crates	0.71	-	-	-	0.71	0.46	0.07	-	-	0.53	0.18	0.25
8	Office Equipment	22.40	5.20	-	-	27.59	10.07	2.31	-	-	12.38	15.21	12.32
9	Other Equipment	0.01	-	-	-	0.01	0.01	0.00	-	-	0.01	0.00	0.00
10	Vehicles	20.30	1.09	-	-	21.39	10.16	2.34	-	-	12.50	8.88	10.14
11	Plant and Machinery (R & D Equipment and Pilot Plant)	91.52	50.56	-	-	142.08	6.87	3.88	-	-	10.75	131.33	84.65
12	Computer ( for R & D)	0.93	-	-	-	0.93	0.30	0.10	-	-	0.39	0.53	0.63
	(A)	971.50	225.24	54.57	(0.19)	1,251.12	205.07	44.25	-	(0.04)	249.29	1,001.84	766.43
5.B	INTANGIBLE FIXED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-
	Acquired Brand & Knowledge Development Cost	47.07	39.94	-	-	87.01	11.71	8.81	-	-	20.52	66.49	35.36
	(B)	47.07	39.94	-	-	87.01	11.71	8.81	-	-	20.52	66.49	35.36
5.C	CAPITAL WIP	-	-	-	-	-	-	-	-	-	-	-	-
	Rakholi Building - Vaidehi II	54.57	36.48	(54.57)	-	36.48	-	-	-	-	-	36.48	54.57
	(C)	54.57	36.48	(54.57)	-	36.48	-	-	-	-	-	36.48	54.57
		-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL (A+B+C)	1,073.14	301.67	-	(0.19)	1,374.62	216.77	53.07	-	(0.04)	269.80	1,104.81	856.36

		INR MILLION	
Note 6	NON CURRENT INVESTMENTS	As at 31.03.2019	As at 31.03.2018
	<b>Non-trade investments</b>		
	<i>Unquoted Equity Instruments (Fully paid up)</i>		
	2,500 Equity Shares of Zoroastrian Co-Op Bank Ltd. Of Rs. 40/- each	0.10	0.10
	2,500 Equity Shares of Saraswat Co-Op Bank Ltd. Of Rs. 10/- each	0.03	0.03
	25% Shares of Global Bag S.R.O.	0.00	0.00
	100% Shares of Emmbi Scandinavia - Wholly owned Subsidiary	-	0.00
	<b>Investment in LLP</b>	-	-
	99.99% Investment in Emmbi Watcon LLP	0.10	0.10
	<b>TOTAL</b>	<b>0.23</b>	<b>0.23</b>

6.1	Investee Company	Principal Place of Business	Country of Incorporation	Proportion of ownership interest & voting rights
	<b>Subsidiary company</b>			
	Emmbi Scandinavia	Scandinavia	Scandinavia	100%
	<b>LLP</b>			
	Emmbi Watcon LLP	Mumbai	India	99.99%

		INR MILLION	
Note 7	LOANS (NON CURRENT)	As at 31.03.2019	As at 31.03.2018
	<b>Unsecured, Considered good</b>		
	Loan to related party - Emmbi Wacton LLP	0.86	1.16
	<b>TOTAL</b>	<b>0.86</b>	<b>1.16</b>

		INR MILLION	
Note 8	OTHER FINANCIAL ASSETS (NON CURRENT)	As at 31.03.2019	As at 31.03.2018
	Security Deposits	6.55	5.50
	Bank Deposits(With more than 12 months maturity)	-	-
	Term Deposits	0.59	1.12
	<b>TOTAL</b>	<b>7.15</b>	<b>6.62</b>

		INR MILLION	
Note 9	DEFERRED TAX ASSET - MAT CREDIT ENTITLEMENT (NON CURRENT)	As at 31.03.2019	As at 31.03.2018
	MAT Credit Entitlement	23.07	30.83
	<b>TOTAL</b>	<b>23.07</b>	<b>30.83</b>

		INR MILLION	
Note 10	INCOME TAX ASSETS (NON CURRENT)	As at 31.03.2019	As at 31.03.2018
	Advance payment of Income Tax	110.07	54.95
	<b>TOTAL</b>	<b>110.07</b>	<b>54.95</b>

		INR MILLION	
Note 11	OTHER NON CURRENT ASSETS	As at 31.03.2019	As at 31.03.2018
	Prepaid Rental	0.34	0.64
	<b>TOTAL</b>	<b>0.34</b>	<b>0.64</b>

		INR MILLION	
Note 12	INVENTORIES	As at 31.03.2019	As at 31.03.2018
	Raw Materials	200.47	199.80
	Stock-in-Process	362.26	331.39
	Finished Goods	105.96	112.06
	Stores & Spares	60.67	53.30
	<b>TOTAL</b>	<b>729.36</b>	<b>696.55</b>

Note 13	TRADE RECEIVABLES	As at 31.03.2019	As at 31.03.2018
	Secured, Considered Good	-	-
	Unsecured, Considered Good	451.56	370.49
	Trade receivables which have significant increase in credit risk	0.43	0.43
	Trade receivables - Credit Impaired	-	-
	Allowance for Credit Losses	(0.43)	(0.43)
	<b>TOTAL</b>	<b>451.56</b>	<b>370.49</b>

Note 14	CASH AND CASH EQUIVALENTS	As at 31.03.2019	As at 31.03.2018
	Balances with banks		
	In Current Account	23.71	20.74
	Cash on hand	3.71	4.80
	Others:	-	-
	Term deposits with Banks (maturity of less than three months)	0.27	0.08
	<b>TOTAL</b>	<b>27.69</b>	<b>25.62</b>

Note 15	BANK BALANCE OTHER THEN ABOVE Earmarked balances with Banks	As at 31.03.2019	As at 31.03.2018
	Unclaimed Dividend A/c	0.48	0.39
	Term Deposits (maturity of more than three months but less than twelve months)	9.48	10.88
	<b>TOTAL</b>	<b>9.96</b>	<b>11.27</b>

Note 16	OTHER CURRENT ASSETS	As at 31.03.2019	As at 31.03.2018
	Balance with Central Excise, Service Tax, GST and other Govt. Authorities	107.04	132.64
	Prepaid Expenses	25.14	19.71
	Capital Advances	2.79	3.07
	Other Advances	19.74	25.15
	<b>TOTAL</b>	<b>154.70</b>	<b>180.57</b>

Note 17	EQUITY SHARE CAPITAL	As at 31.03.2019	As at 31.03.2018
	<b>Authorised Share Capital</b>		
	1,80,00,000 (P.Y. : 1,80,00,000) Equity shares of Rs.10/- each.	180.00	180.00
		<b>180.00</b>	<b>180.00</b>
	<b>Issued, Subscribed &amp; Paid-up</b>		
	1,76,90,250 Equity shares of Rs. 10/- each fully paid up	176.90	176.90
	<b>TOTAL</b>	<b>176.90</b>	<b>176.90</b>

17.1	The Reconciliation of the number of shares outstanding is set out below : Particulars	As at 31.03.2019 No. of Shares	As at 31.03.2018 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

17.2	The Details of Shareholders Holding more than 5% Shares	As at 31.03.2019		As at 01.04.2018	
	Name of Shareholder	No. of Shares	%Held	No. of Shares	% Held
	Makrand Moreshwar Appalwar	3.83	21.62%	3.83	21.62%
	Rinku Makrand Appalwar	2.30	12.99%	2.30	12.99%
	Maithili Appalwar	1.07	6.02%	1.07	6.02%
	Emmbi Laboratories Private Limited	1.66	9.40%	1.66	9.40%
	Hidden Champions Fund	1.22	6.91%	1.27	7.19%
	Maithili Agrotech Private Limited	1.06	6.00%	1.06	6.00%

### 17.3 Terms / Rights attached to the Equity Shares

The company has only one class of equity shares having a par value of Rs. 10.00 per share (previous year Rs. 10.00 per share) Each holder of the equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

INR MILLION

Note 18	OTHER EQUITY (REFER TO THE STATEMENTS OF CHANGES IN EQUITY)	As at 31.03.2019	As at 31.03.2018
	<b>(a) Securities Premium Reserves</b>		
	As per last Balance Sheet	272.65	272.65
		<b>272.65</b>	<b>272.65</b>
	<b>(b) Retained Earnings</b>		
	Balance as at the beginning of the year	532.82	394.96
	Add : Profit for the Year	177.90	152.62
	Add/Less : Other Comprehensive Income for the year	0.02	(4.11)
	Less : Dividend	(8.85)	(8.85)
	Less : Dividend Distribution Tax	(1.82)	(1.80)
	Less : Dividend Distribution Tax of Earlier Year		
		<b>700.07</b>	<b>532.82</b>
	<b>TOTAL</b>	<b>972.72</b>	<b>805.46</b>

#### Securities Premium:

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

#### Retained Earnings:

The Retained earnings of the Company are kept aside out of the Company's profits to meet future (known or unknown) obligations. Retained earnings is a free reserve which can be utilised for any purpose.

INR MILLION

Note 19	BORROWINGS (NON CURRENT)	As at 31.03.2019		As at 31.03.2018	
		Non Current	Current	Non Current	Current
	<b>(a) Secured</b>				
	Term Loans				
	- From Banks	355.23	80.90	381.24	68.22
	- From Corporates	-	-	-	-
	Other loans & advances	-	-	-	-
	<b>(b) Unsecured</b>	-	-	-	-
	Term Loans	-	-	-	-
	- From Banks	-	-	-	-
	- From Corporates	-	-	-	-
	Other loans & advances	-	-	-	-
	<b>TOTAL</b>	<b>355.23</b>	<b>80.90</b>	<b>381.24</b>	<b>68.22</b>

**19.1** 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.

**19.2** Other Loans and Advances are secured by way of hypothecation of Cars and Transport Vehicles purchased under Hire Purchase Scheme

**19.3** There is no default in repayment of principal loan or interest thereon

#### 19.4 Repayment Schedule

YEARS	Secured Loans	Unsecured Loans
For 2019-20	80.90	-
For 2020-21	80.49	-
For 2021-22	78.91	-
For 2022-23	77.53	-
For 2023-24	69.93	-
For 2024-25	48.36	-



INR MILLION

Note 20	OTHER NON CURRENT LIABILITIES	As at 31.03.2019	As at 31.03.2018
	Advance from Customers	-	73.36
	<b>TOTAL</b>	<b>-</b>	<b>73.36</b>

INR MILLION

Note 21	EMPLOYEE BENEFIT PROVISIONS (NON CURRENT)	As at 31.03.2019	As at 31.03.2018
	Provision for Employee Benefits (Gratuity)	10.25	9.77
	<b>TOTAL</b>	<b>10.25</b>	<b>9.77</b>

INR MILLION

Note 22	DEFERRED TAX LIABILITIES	As at 31.03.2019	As at 31.03.2018
	The balance comprises of temporary differences attributable to :		
	Depreciation(Net)	84.79	74.83
	<b>TOTAL</b>	<b>84.79</b>	<b>74.83</b>

Note:

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

INR MILLION

	MOVEMENT OF DEFERRED TAX LIABILITIES	As at 31.03.2019	As at 31.03.2018
	Opening Balance	74.83	66.31
	<b>Charged/(Credited)</b>	<b>-</b>	<b>-</b>
	- to Profit or loss (depreciation)	9.96	8.52
	- to Other Comprehensive Income	-	-
	<b>TOTAL</b>	<b>84.79</b>	<b>74.83</b>

INR MILLION

Note 23	PROVISIONS (NON CURRENT)	As at 31.03.2019	As at 31.03.2018
	Provision For Taxes	140.81	118.92
	<b>TOTAL</b>	<b>140.81</b>	<b>118.92</b>

INR MILLION

Note 24	BORROWINGS (CURRENT)	As at 31.03.2019	As at 31.03.2018
	Loans repayable on demand		
	From Banks		
	Secured (Refer Note 24.1)	608.62	518.68
	<b>TOTAL</b>	<b>608.62</b>	<b>518.68</b>

**24.1 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 and Saraswat Co-op. Bank

INR MILLION

Note 25	TRADE PAYABLES	As at 31.03.2019	As at 31.03.2018
	Dues to Micro Enterprises and Small Enterprises (MESE)	-	-
	Payables other than MESE	272.87	240.72
	<b>TOTAL</b>	<b>272.87</b>	<b>240.72</b>

INR MILLION

Note 26	OTHER FINANCIAL LIABILITIES (CURRENT)	As at 31.03.2019	As at 31.03.2018
	Current maturities of long term debt (Refer Note : 19)	80.90	68.22
	Unpaid Dividends	0.48	0.39
	Others	22.12	15.24
	<b>TOTAL</b>	<b>103.50</b>	<b>83.85</b>

There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.

Note 27 CONTINGENT LIABILITIES AND COMMITMENTS		As at 31.03.2019	As at 31.03.2018
a)	Contingent liabilities not provided for Guarantees'		
	1. Guarantee by Banks to Electricity Department (Silvassa)	7.64	7.58
	2. Warranty against Sale of Retail Water Conservation products for 5 years	11.32	4.68
b)	Commitments		
	Estimated amount of contracts remaining to be executed		
	- On capital account (Net of Advances) and not provided for		
	- On account of Machinery	10.35	3.69
	- On account of Land and Building		

c 1) The Income tax demand as per ITAT order for the A. Y. 2011-12 of Rs. 5.85 Million is disputed for which appeal preferred to the H'ble Bombay High Court on 23rd August, 2018 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.

c 2) Income tax penalty demand for A.Y. 2011-12 : Rs. 3.95 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. Future cash flows in respect of above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities.

Note 28 REVENUE FROM OPERATIONS		2018-19	2017-18
	Revenue from - Sale of products		
	Export Sales	1,469.88	1,192.87
	Domestic Sales	1,678.57	1,596.96
		3,148.45	2,789.83
	Less : GST recovered	258.37	207.21
	<b>TOTAL</b>	<b>2,890.08</b>	<b>2,582.62</b>
		INR MILLION	
<b>28.1</b>	<b>DETAILS OF SALE OF PRODUCTS</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>Manufactured Goods</b>		
	Polymer Based Multiple Products	3,096.93	2,526.49
	Traded Goods	51.52	263.34
	<b>TOTAL</b>	<b>3,148.45</b>	<b>2,789.83</b>

Note 29 OTHER INCOME		2018-19	2017-18
	<b>Interest</b>		
	From Current Investments	0.97	0.50
	From Others	-	0.18
	<b>Dividend</b>		
	From Long Term Investments	0.00	-
	Other Non Operating Income	0.39	0.40
	<b>TOTAL</b>	<b>1.37</b>	<b>1.08</b>

		INR MILLION	
Note 30	COST OF MATERIAL CONSUMED	2018-19	2017-18
	<b>Raw Materials Consumed</b>		
	Opening Inventory	199.80	116.94
	Add : Purchases (Net)	1,859.83	1,543.97
		<b>2,059.63</b>	<b>1,660.91</b>
	Less : Closing Inventory	200.47	199.80
	<b>TOTAL</b>	<b>1,859.16</b>	<b>1,461.12</b>
		INR MILLION	
30.1	DETAILS OF INDIGENOUS AND IMPORTED RAW MATERIALS CONSUMED	2018-19 Rs. % Consumption	2017-18 Rs. %Consumption
	Imported	31.61 1.70	27.67 1.89
	Indigenous	1,827.55 98.30	1,433.44 98.11
	<b>TOTAL</b>	<b>1,859.16 100.00</b>	<b>1,461.12 100.00</b>
		INR MILLION	
30.2	PARTICULARS OF MATERIAL CONSUMED	2018-19	2017-18
	Polymer Granules And Films Of Various Grades and Others	1,859.16	1,461.12
	<b>TOTAL</b>	<b>1,859.16</b>	<b>1,461.12</b>
		INR MILLION	
Note 31	PURCHASE OF STOCK-IN-TRADE	2018-19	2017-18
	Trading Purchase - Mumbai		
	HDPE/PP Laminated Fabric	40.07	214.39
	<b>TOTAL</b>	<b>40.07</b>	<b>214.39</b>
		INR MILLION	
Note 32	CHANGES IN INVENTORIES OF STOCK-IN-TRADE, WORK-IN-PROGRESS AND FINISHED GOODS	2018-19	2017-18
	<b>Inventories (At Close)</b>		
	Stock-in-Process	362.26	331.39
	Finished goods	105.96	112.06
		<b>468.22</b>	<b>443.45</b>
	<b>Inventories (At Commencement)</b>		
	Stock-in-Process	331.39	383.66
	Finished goods	112.06	83.81
		<b>443.45</b>	<b>467.48</b>
	<b>TOTAL</b>	<b>(24.77)</b>	<b>24.02</b>
		INR MILLION	
Note 33	EMPLOYEES BENEFITS EXPENSES	2018-19	2017-18
	Salaries	138.99	107.05
	Employees Welfare Expenses	6.68	7.66
	Contribution to Provident Fund and Other Fund*	2.95	3.66
	Gratuity	2.11	1.73
	<b>TOTAL</b>	<b>150.72</b>	<b>120.11</b>
		INR MILLION	
Note 34	FINANCE COSTS	2018-19	2017-18
	Interest	97.20	82.72
	Other borrowing costs	12.38	12.03
	<b>TOTAL</b>	<b>109.58</b>	<b>94.75</b>
		INR MILLION	
Note 35	DEPRECIATION AND AMORTIZATION EXPENSES	2018-19	2017-18
	Depreciation and Amortization	62.60	53.07
	<b>TOTAL</b>	<b>62.60</b>	<b>53.07</b>

Note 36	OTHER EXPENSES	INR MILLION	
		2018-19	2017-18
	<b>MANUFACTURING EXPENSES</b>		
	Factory Wages	93.28	74.84
	Power and Fuel	56.68	43.60
	Labour Charges	23.44	38.03
	Consumable Stores	67.77	42.64
	Repairs & Maintenance	7.67	7.57
	Other Manufacturing Expenses	7.29	3.76
	Processing and Lamination Charges	-	0.08
	Excise duty - Provision on FG - Now Reversed	-	(1.79)
	<b>Sub-Total (A)</b>	<b>256.14</b>	<b>208.72</b>
	<b>SELLING AND DISTRIBUTION EXPENSES</b>		
	Freight Forwarding Expenses	80.28	83.03
	Sales Promotion Expenses	11.60	10.63
	Vehicle Expenses	4.70	5.15
	Discount	11.26	8.71
	Other Selling and Distribution Expenses	2.21	1.74
	Sundry Export Expenses	2.17	1.51
	Commission	0.71	5.13
	<b>Sub-Total (B)</b>	<b>112.92</b>	<b>115.89</b>
	<b>ESTABLISHMENT EXPENSES</b>		
	Legal and Professional Charges	10.93	8.03
	Scientific Research & Development	45.23	28.01
	Rent	9.94	6.84
	Tour & Travelling Expenses	10.69	8.43
	Insurance	8.71	5.02
	Printing, Stationary, Computer & Xerox Expenses	5.36	4.76
	Postage and courier Expenses	4.33	2.16
	Telephone Expenses	2.10	1.92
	General Expenses	5.11	3.83
	Electricity expenses - Mumbai Office	1.43	1.49
	Sundry Balances W/off (W /back)	1.92	2.66
	Conveyance Expenses	1.05	1.20
	Donations	0.07	0.07
	Donations for CSR Activities	1.62	1.45
	Foreign Exchange Variation (Net)	(23.99)	(30.08)
	Payment to Auditor (See Note 36.3)	1.45	1.45
	Swachh Bharat Cess	0.02	0.12
	Krishi Kalyan Cess	0.02	0.12
	Fair Valuation of Investment	-	1.10
	<b>Sub-Total (C)</b>	<b>85.98</b>	<b>48.60</b>
	<b>TOTAL [(A)+(B)+(C)]</b>	<b>455.05</b>	<b>373.22</b>

36.1 DETAILS OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED	2018-19		2017-18	
	Rs.	% Consumption	Rs.	% Consumption
Imported	-	-	-	-
Indigenous	67.77	100	42.64	100
<b>TOTAL</b>	<b>67.77</b>	<b>100</b>	<b>42.64</b>	<b>100</b>

36.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF	INR MILLION	
	2018-19	2017-18
Import of Raw Materials	31.61	27.67
	31.61	27.67

36.3 PAYMENT TO AUDITORS	INR MILLION	
	2018-19	2017-18
<b>As Auditor</b>		
Audit Fee	0.90	0.90
Tax Audit Fee	0.20	0.20
Certification Fees	0.35	0.35
	<b>1.45</b>	<b>1.45</b>



INR MILLION

<b>36.4 EXPENDITURE IN FOREIGN CURRENCY</b>	<b>2018-19</b>	<b>2017-18</b>
Foreign Bank Charges	1.31	1.12
Testing Charges	1.08	0.12
Foreign Travelling Expenses	5.74	3.01
Exhibition Expenses	-	0.35
Advertising Expenses	0.10	-
Membership Fees	-	0.16
Discount & Commission	0.18	10.48

INR MILLION

<b>36.5 PARTICULARS</b>	<b>2018-19</b>	<b>2017-18</b>
Foreign Exchange loss / (Gain) of Rs.	(23.99)	(30.08)

INR MILLION

<b>Note 37 EARNINGS PER SHARE (EPS)</b>	<b>2018-19</b>	<b>2017-18</b>
Net Profit after tax as per Statement of Profit and Loss	177.90	152.62
Weighted Average number of equity shares used as denominator for calculating EPS	17.69	17.69
Weighted Average number of equity shares used as denominator for calculating DEPS	17.69	17.69
Basic Earnings per share	10.06	8.63
Diluted Earnings per share	10.06	8.63
Face Value per equity share	10.00	10.00

INR MILLION

<b>Note 38 EARNINGS IN FOREIGN EXCHANGE</b>	<b>2018-19</b>	<b>2017-18</b>
FOB value of Exports	1,377.55	1,096.51

**Note 39 RELATED PARTY DISCLOSURES**

INR MILLION

<b>Name of Related Party (Designation)</b>	<b>Nature of Transaction</b>	<b>Amount of Transaction 2018-19</b>	<b>Amount of Transaction 2017-18</b>	<b>Balance as on 31.03.19</b>
Makrand Appalwar (Managing Director)	Remuneration Outstanding Remuneration	7.80	7.80	0.45 (0.47)*
Rinku Appalwar (Finance Director)	Remuneration Outstanding Remuneration	7.20	7.20	0.29 (0.21)*
Payment to Non - Executive Directors	Sitting Fees	0.22	0.15	-
Emmbi Watcon LLP (99.99% Share)	Sale of Goods (Net of GST)	0.15	1.52	- (0)*
Emmbi Watcon LLP (99.99% Share)	Loan given Loan Repaid	0.90 1.20	1.16 -	0.86 (1.16)*
S. Sastry (President works)	Remuneration	6.07	5.17	0.30 (0.40)*
Kaushal Patvi (Company Secretary)	Salary	1.18	1.18	0.01 (0.06)*
Kitec Industries (India) Ltd. (Common Director's)	Sale of Goods	1.55	-	- (0)*
Kitec Industries (India) Ltd. (Common Director's)	Purchases	0.28	-	0.03 (0)*
Dividend paid to Relatives	Dividend paid to Relatives	5.10	5.15	-

(\* Figures represent balance as on 31.03.2018)

Note 40	TRADE PAYABLES TO MICRO, SMALL AND MEDIUM ENTERPRISES	INR MILLION	
		2018-19	2017-18
	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 41** The entire operation of the Company relate to only one segment viz. Polymer based multiple products. Hence, as per the Management approach under Ind AS - 108, the company has a single operating segment. Revenue is evenly spread across various customers and not concentrated at major customers.

## Notes Forming part of the Financial Statements

### Note 42 : Category wise Classification of Financial Instruments

Particulars	Refer Note	INR MILLION					
		March 31, 2019			April 1, 2018		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>FINANCIAL ASSETS</b>							
Trade receivables	13	-	-	451.56	-	-	370.49
Loans	7	-	-	0.86	-	-	1.16
Cash and Bank Balances	14	-	-	37.65	-	-	36.89
Interest accrued		-	-	-	-	-	-
Investments	6	0.00	0.13	-	0.00	0.13	-
Security deposits	8	-	-	7.15	-	-	6.62
Others		-	-	-	-	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>0.00</b>	<b>0.13</b>	<b>497.21</b>	<b>0.00</b>	<b>0.13</b>	<b>415.16</b>
<b>FINANCIAL LIABILITIES</b>							
Trade payables	25	-	-	-	-	-	-
Short Term Borrowings	24	-	-	608.62	-	-	518.68
Interest accrued		-	-	-	-	-	-
Loans borrowed	19&26	-	-	436.13	-	-	449.46
Others	26	-	-	22.60	-	-	15.63
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>1,340.22</b>	<b>-</b>	<b>-</b>	<b>1,224.49</b>

(\* Please refer Note 44 - Liquidity Risk)

**NOTE 43: INCOME TAX EXPENSE**

<b>A. INCOME TAX EXPENSE</b>	<b>For the year ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Current tax	51.00	44.00
Current tax on profits for the year	0.17	-
Adjustments for current tax of previous years		
<b>Total Current tax expenses</b>	<b>51.18</b>	<b>44.00</b>
<b>B. DEFERRED TAX</b>		
Deferred Tax for the year	9.96	8.52
Total deferred tax expense/(benefit)	9.96	8.52
<b>Income tax expense</b>	<b>61.14</b>	<b>52.52</b>
<b>C. RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING</b>	<b>For the year ended</b>	
<b>PROFIT MULTIPLIED BY INDIA'S TAX RATE</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Profit from continuing operations before income tax expense	239.04	205.14
Tax at the Indian tax rate of % (previous year %)	34.94%	34.61%
Tax effect of amounts which are not deductible (taxable)		
in calculating taxable income: Dividend Income from		
Investments exempt from tax	83.53	71.00
Effects of non deductible business expenses	2.63	2.57
Effect of Tax Incentives	(17.44)	(28.51)
Effect on account of Minimum Alternate Tax (MAT)	-	7.69
Effect on account of Minimum Alternate Tax (MAT) Credit Availment	(7.75)	-
Adjustments for current tax of previous years	0.17	-
Other items	(0.01)	(0.21)
<b>Income tax expense</b>	<b>61.14</b>	<b>52.52</b>

**NOTE 44: EMPLOYEE BENEFIT OBLIGATIONS**

The Company has classified the various employee benefits provided to employees as under:

INR MILLION

<b>I Defined Benefit Plans</b>	<b>March 31, 2019</b>	<b>April 1, 2018</b>
<b>Gratuity</b>		
Non-Current	10.25	9.77
<b>Total</b>	<b>10.25</b>	<b>9.77</b>

**A Significant assumptions :**

The significant actuarial assumptions were as follows :

<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Discount rate	7.75% p.a.	7.50% p.a.
Salary escalation rate	6.50% p.a.	6.00% p.a.
Retirement age	60 years	60 years
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate Mortality Rates	Indian Assured Lives Mortality (2006-08) Ultimate Mortality Rates

**B Risk Exposure**

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Life expectancy:**

This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

**Future salary increase and inflation risk:**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**Asset-Liability mismatch risk:**

Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

**II Defined Contribution Plans**

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss :-

INR MILLION

	<b>For the year ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Employers' Contribution to Provident Fund	2.66	3.53

### III Gratuity

i) The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows:

Particulars	INR MILLION		
	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2017	6.63	1.03	5.59
Current service cost	1.31	-	1.31
Interest expense/(income)	0.48	0.08	0.40
<b>Total amount recognised in Profit or Loss</b>	<b>1.79</b>	<b>0.08</b>	<b>1.72</b>
Return on plan assets expense/(income)	-	(0.07)	0.07
(Gain)/loss from experience changes	3.72	-	3.72
(Gain)/loss from change in financial assumptions	0.33	-	0.33
<b>Total amount recognised in Other Comprehensive Income</b>	<b>4.05</b>	<b>(0.07)</b>	<b>4.11</b>
Employer's contribution	-	-	-
Benefits paid	(2.68)	(1.03)	(1.65)
<b>March 31, 2018</b>	<b>9.78</b>	<b>0.01</b>	<b>9.77</b>

Particulars	INR MILLION		
	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2018	9.78	0.01	9.77
Current service cost	1.38	-	1.38
Interest expense/(income)	0.77	-	0.77
<b>Total amount recognised in Profit or Loss</b>	<b>2.15</b>	<b>-</b>	<b>2.15</b>
Return on plan assets expense/(income)	-	-	-
(Gain)/loss from experience changes	(0.02)	-	(0.02)
(Gain)/loss from change in financial assumptions	-	-	-
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(0.02)</b>	<b>-</b>	<b>(0.02)</b>
Benefits paid	(1.66)	-	(1.66)
<b>March 31, 2019</b>	<b>10.25</b>	<b>0.01</b>	<b>10.25</b>

ii) The net liability disclosed above relates to funded plans are as follows:

Particulars	INR MILLION	
	March 31, 2019	March 31, 2018
<b>Present value of funded obligation</b>	<b>10.25</b>	<b>9.78</b>
<b>Fair value of plan assets</b>	<b>0.01</b>	<b>0.01</b>
<b>Surplus of funded plan</b>	<b>10.25</b>	<b>9.77</b>

iii) Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation March 31, 2019	
	%	Rs
<b>Discount rate</b>		
1.00% increase	-13.93%	(1.43)
1.00% decrease	17.26%	1.77
<b>Future salary increase</b>		
1.00% increase	17.31%	1.77
1.00% decrease	-14.20%	(1.45)

Assumption	Impact on defined benefit obligation March 31, 2018	
	%	Rs
<b>Discount rate</b>		
1.00% increase	-14.07%	(1.38)
1.00% decrease	17.41%	1.70
<b>Future salary increase</b>		
1.00% increase	17.45%	1.71
1.00% decrease	-14.34%	(1.40)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Particulars	INR MILLION	
	March 31, 2019	March 31, 2018
Less than a year	0.06	0.11
Between 1- 2 years	0.28	0.29
Between 2 - 5 years	0.66	0.55
Over 5 years	36.68	10.97
<b>Total</b>	<b>37.68</b>	<b>11.92</b>



**Capital Management:**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders.

The Capital structure of the Company is as follows:

Particulars	INR MILLION	
	March 31, 2019	April 1, 2018
Equity share capital	176.90	176.90
Other Equity	972.72	805.46
<b>Total Equity</b>	<b>1,149.62</b>	<b>982.37</b>

**Events after reporting period**

- a) The final dividend recommended by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting.

Particulars	INR MILLION	
	March 31, 2019	April 1, 2018
Dividends not recognised at the end of reporting period (including dividend distribution tax)	10.66	10.66

The Board of Directors have recommended the payment of a final dividend of Rs. 0.50 per fully paid equity share of Rs. 10.00 each (March 31, 2018 - Re 0.50). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.

**Corporate Social Responsibility (CSR)**

As a part of Corporate Social Responsibility (CSR) initiative, the Company has decided to donate to Emmbi Foundation having main object as CSR Activity as specified in Schedule VII. An amount of Rs. 1.53 Million (Previous Year: Rs. 1.45 Million) has been spent in the year ended March 31, 2019. Gross amount required to be spent by the Company during the year: Rs. 3.47 Million (Previous Year: Rs. 2.67 Million).

Amount spent during the year on:

Particulars	INR MILLION		
	In Cash	Yet to be paid in Cash	Total
	Rs.	Rs.	Rs.
Acquisition of any asset	-	-	-
Others	1.53	1.94	3.47
<b>Total (CY)</b>	<b>1.53</b>	<b>1.94</b>	<b>3.47</b>
<b>Previous Year</b>	<b>(1.45)</b>	<b>(1.22)</b>	<b>(2.67)</b>

\*Note : Figures shown in brackets are in respect of previous year.

The company has been identifying appropriate CSR projects and programs in the villages around Silvassa. Several long term projects have been identified and are under implementation and would take time for completion.

**Operating Lease:**

"(i) As a lessee: The Company's significant leasing agreements are in respect of operating leases for premises (residential and office), software. These leasing agreements range between 11 months and 99 months, which include both cancellable and non-cancellable leases and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals of Rs. 8.56 Million (Previous Year Rs. 7.94 Million) are charged to the Statement of Profit and Loss.

The total future minimum lease rentals payable for non-cancellable lease at the Balance Sheet dates are as under :-"

Particulars	INR MILLION	
	As at March 31, 2019	March 31, 2018
For a period not later than one year	9.30	8.64
For a period later than one year and not later than five years	2.08	11.37
For a period later than five years	-	-

**Financial risk management**

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims at identifying, analyzing, managing, controlling and communicating risks promptly throughout the Company. Risk management reporting is a continuous process and part of regular Group reporting. In addition, our Corporate Function Internal Auditing regularly checks whether Company complies with risk management system requirements.

The Company is exposed to credit, liquidity and market risks (foreign currency risk and price risk) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements by applying selected derivative and non-derivative hedging instruments.

### Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The balances with banks, loans given to employees, security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. Hence, no provision has been created for expected credit loss for credit risk arising from these financial assets.

### Trade receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information.

Export related trade receivables are fully secured under the Export Credit Guarantee Corporation Scheme and therefore the Company is not exposed to significant credit risk.

The provision for expected credit loss is recognised on the basis of life-time expected credit losses (simplified approach). An expected loss rate is calculated at each year-end, based on combination of rate of default and rate of delay. The Company considers the rate of default and delay

There is no significant expected loss recognised.

### Expected credit loss:

**March 31,2019**

INR MILLION

Particulars	Trade Receivables	Loans	Other Financial Assets	Total
Gross carrying amount	451.99	0.86	44.80	497.65
Expected loss rate	0.10%	0.00%	0.00%	0.09%
Expected credit losses (loss allowance provision)	0.43	-	-	0.43
<b>Carrying amount (net of impairment)</b>	<b>451.56</b>	<b>0.86</b>	<b>44.80</b>	<b>497.21</b>

**March 31,2018**

Gross carrying amount	370.93	1.16	43.51	415.60
Expected loss rate	0.12%	0.00%	0.00%	0.10%
Expected credit losses (loss allowance provision)	0.43	-	-	0.43
<b>Carrying amount (net of impairment)</b>	<b>370.49</b>	<b>1.16</b>	<b>43.51</b>	<b>415.16</b>

### Reconciliation of loss allowance provision

<b>Loss allowance as on April 1, 2018</b>	<b>0.43</b>
Changes in loss allowance	-
<b>Loss allowance as on March 31, 2019</b>	<b>0.43</b>

### Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. Managing liquidity risk, and therefore allocating resources are some of the central tasks of the Company's management. In order to be able to ensure the Company's solvency and financial flexibility at all times, credit limits and cash and cash equivalents are reserved on the basis of perennial financial planning.

### Maturities of financial liabilities

INR MILLION

The table below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

<b>March 31,2019</b>	<b>Upto 1 year</b>	<b>1 to 3 years</b>	<b>3 to 7 years</b>
<b>Non- derivative liabilities</b>			
Trade Payables	272.87	-	-
Borrowings			
Long Term*	80.90	159.40	195.83
Interest	48.37	15.14	18.60
Short Term	608.62	-	-
Interest	45.71	-	-
Other Financial Liabilities	22.60	-	-
<b>TOTAL</b>	<b>1,079.07</b>	<b>174.54</b>	<b>214.43</b>

March 31, 2018	Upto 1 year	1 to 3 years	3 to 7 years
<b>Non- derivative liabilities</b>			
Trade Payables	240.72	-	-
Borrowings			
Long Term*	68.22	143.33	237.91
Interest	27.87	13.62	22.60
Short Term	518.68	-	-
Interest	57.34	-	-
Other Financial Liabilities	15.63	-	-
<b>TOTAL</b>	<b>928.46</b>	<b>156.95</b>	<b>260.51</b>

\*Based on the few assumptions we have calculated the interest pay out amount, which may vary with the amount actually disclosed.

#### Market risk

Market risk is the risk that fair values or future cash flows of non-derivative or derivative financial instruments will fluctuate due to changes in risk factors. Among market risks relevant to the Company are foreign currency risk and price risks. Associated with these risks are fluctuations in income, equity and cash flow. The objective of risk management is to eliminate or limit emerging risks by taking appropriate precautions, especially by applying derivatives. The application of derivatives is subject to strict controls set up on the basis of guidelines as part of regular reporting. Various measures are used to mitigate or eliminate the risk of fluctuations in the fair value of future cash flows from financial instruments due to market changes. These mainly include foreign currency forward contracts with banks. The use of derivative financial instruments is extensively monitored, with checks being carried out on the basis of policies in the framework of regular reporting.

#### Foreign currency risk

The international nature of the Company's business activities generates numerous cash flows in different currencies especially in USD and EURO. Hedging the resulting currency risk exposures is an essential part of the Company's risk management. To contain the risks of numerous payment flows in different currencies, in particular USD and EURO, the Company follows group wise policies for foreign currency management.

The Company does not have any material exposure to foreign currency at the balance sheet date.



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**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 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 Fifth Annual General Meeting to be held on Wednesday, 25th September, 2019 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 – 396 230 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, 2019.		
2. Declaration of Dividend on Equity Shares.		
3. Re-appointment of Mr. Krishnan I. Subramanian, who retires by rotation and, being eligible, offers himself for re-appointment.		

Signed this..... day of..... 2019

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.

Avana's Percolation  
Plus solution is used  
to improve the  
effectiveness of  
Percolation Tanks





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 Wednesday, 25th September, 2019 at 10.30 a.m.

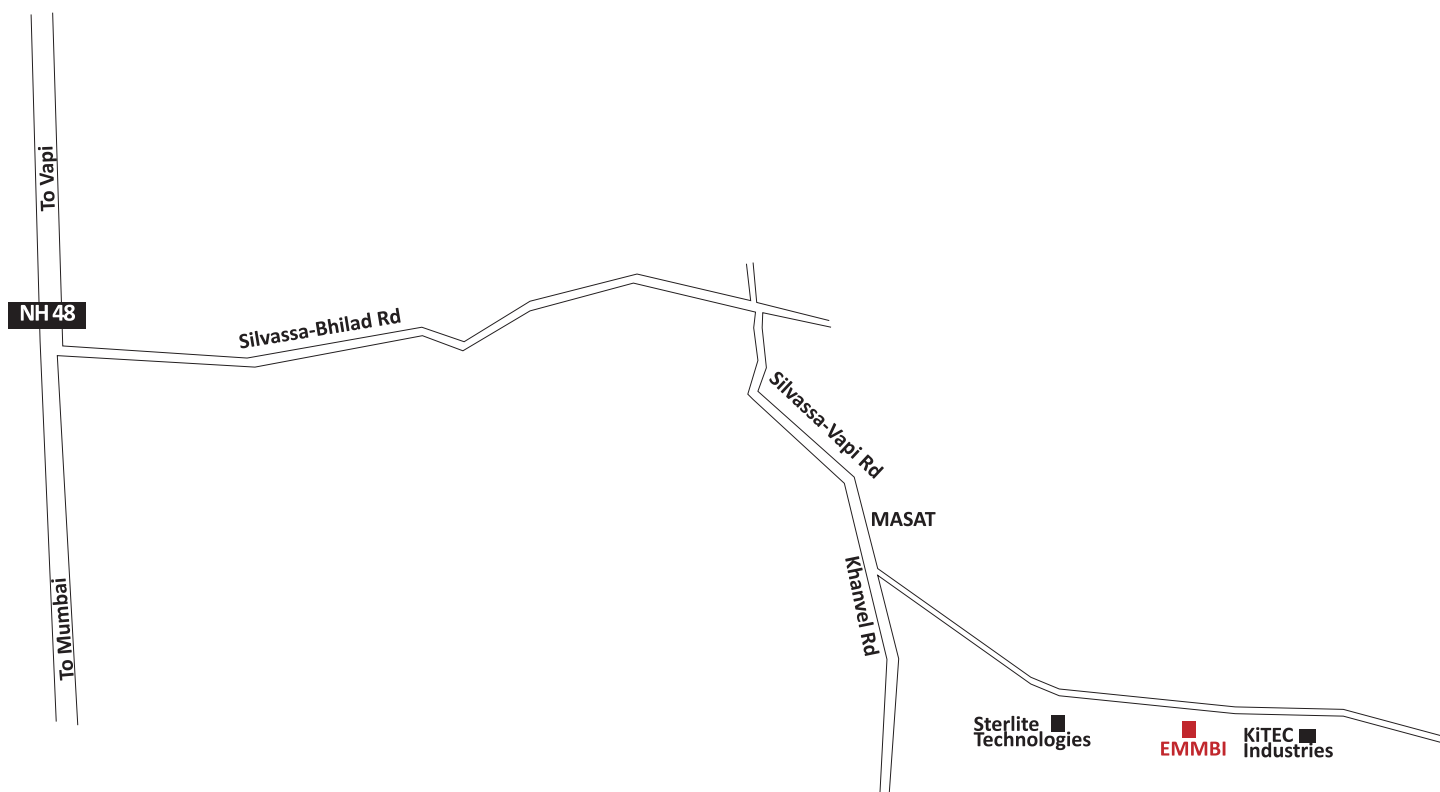
I/We record my/our presence at the Twenty Fifth Annual General Meeting to be held on Wednesday, 25th September, 2019 at 10.30 a.m. at 99/2/1&9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

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.



## Notes







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)