



2018

# Annual Report

Cleaner wheat flour quality, means more nutritional bread, and a healthier you



Cleaner wheat flour, for tastier pizzas



Delicious chocolates through improved aroma retention



Protecting lives through safer medicine delivery



Cleantech is a special manufacturing system for “contamination-free production”. The Products produced under this range are used for food and pharma-grade applications.

# Our Business Divisions



## Water Conservation

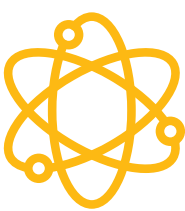
Water scarcity is a problem not just in India, but the world over. Emmbi Industries applies its expertise in polymer science and engineering to create a range of products that help in the storage, transportation, conservation and harvesting of water, apart from fulfilling the irrigation needs of farmers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

## Emmbi in action

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



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



## Advanced Composites

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



Aluminium Liner (L) helps in Aroma Retention, Leak proof, High Thermal Resistance.

Suitable for: Metals , Food, Aroma retention, High temperature filing.



Conductive FIBC (R) helps in maintaining the resistivity of the material well within the prescribed limit of 108.



## Specialty Packaging

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



Our Specialty Packaging vertical creates diffrentiated products like Garden Waste Bag which has high UV resistance with long shelf life. Perforated weaves allows green waste to breathe.



Our Specialty Packaging vertical creates diffrentiated products like Protective Covers for Extra Large Objects such as Machinery and equipment, Farm implements, Recreational vehicles, Export shipments.



## Agro Polymers

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



Emmbi Krishirakshak is our brand that helps protect your food from contamination from hazardous chemicals and pesticides, naturally. Shown above is our range of crop protection covers and below is shade net. These products are manufactured by our Agro Polymer vertical.





# Our Buzziest year. So far.

Perhaps, nothing embodies the spirit of strengthening and consolidation better than honey bees.

Their industriousness, teamwork and coordination in building something so beautiful (incidentally, honeycombs are one of the strongest and most stable structures around) is a wonder in itself. Their productivity is also legendary (which is where the term, “a beehive of activity” comes from!) Which is why, this forms the most appropriate theme for this year’s annual report.

2018 marks a significant year in Emmbi’s journey. It has been four years since we embarked on a new journey, beginning with our re-branding. It marked a remarkable shift in our strategy, where, no longer content with being just another polymer manufacturer, we decided to chart a new course into more value-added products and segments. In many ways, “Brighter Every Day” as a philosophy embodied that shift.

The next three years were dedicated to building, investing and largely, preparing the ground for the shift. 2018 is when we begin to, Our efforts begin to bear the first fruit. Naturally therefore, this is also the year where strengthening and consolidation become areas of key focus.



# Corporate Information

## BOARD OF DIRECTORS

Mr. Makrand M. Appalwar  
Chairman & Managing Director

Mrs. Rinku M. Appalwar  
Executive Director & CFO

Mr. Krishnan Subramanian  
Executive Director

Mr. Rama A. Krishnan  
Independent Director

Mr. Prashant K. Lohiya  
Independent Director

Dr. Venkatesh G. Joshi  
Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

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](mailto:info@emmbi.com)  
[www.emmbi.com](http://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

### Committee of Directors Committee

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

## BANKERS

Punjab National Bank  
ICICI Bank  
Axis Bank  
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](mailto:investorsqry@dfssl.com)

### Corporate Social Responsibility Committee

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

### Stakeholders Relationship Committee

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

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## Chairman's Speech

Dear Shareholders,

On behalf of the Board and the Employees, let me welcome you to the 24th Annual General Meeting, and thank you once again for being a part of the Emmbi family. The year was interesting, exciting, and challenging. It gives me immense pleasure to inform you that what we had envisioned over the past years in terms of technological, operational, and financial milestones, were achieved. We introduced new products, expanded our capacity, increased efficiency, and importantly these decisions translated to improved financial performance. The journey has just begun, and going forward we would continue to innovate, improve and deliver.

The global growth for calendar 2017 was at 3.70% through a revival across Asia, and Europe. North America also exhibited good growth, driven by increased domestic consumption, and favourable tax policy changes. The other main market US had an uptick in manufacturing through external demand. With flare-ups in politically sensitive competing countries like Turkey and South American regions, global outlook for the Indian manufactures in next two years remains positive. India's economy grew at 6.70%, primarily driven by higher growth in the last two quaters.

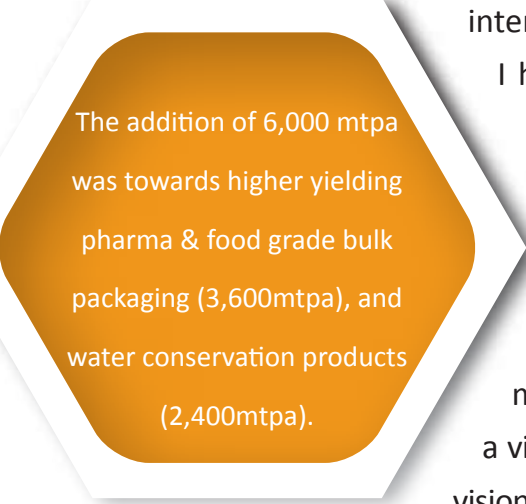
The service sector continued to show a stable growth, whilst lower prices on account of over-production in the Kharif season, coupled with erratic monsoon affected farm incomes adversely. On the industrial side, utilities showed a steady growth, and there was a smart pick-up in manufacturing activity, aided by exports in the last two quarters.



Global outlook for the Indian manufacturers in next two years remains positive.

What did we do different in the past 12 months from a Technology, Operations, Innovation, and Value Creation perspective?

I have always stressed that one cannot grow a sustainable business in today's world being either a volume or a price leader alone. Our conscious shift that began five years ago, from the competitive packaging segments towards higher margin, advance polymers and specialised products continued this year. Today the higher margin segments, contribute almost 70% of the revenues. The manufacturing processes of the new plant complies with the world's most stringent standards. On the pond lining products we have brought in robotic technology that has resulted in time saving, increased production, and minimising waste. We are perhaps one of the first in the industry, to move to Industry 4.0, using IOT and ML technology in the basic manufacturing processes, where our machines, exchange information to one another, thereby minimising human intervention, and enhance production efficiencies.



The addition of 6,000 mtpa was towards higher yielding pharma & food grade bulk packaging (3,600mtpa), and water conservation products (2,400mtpa).

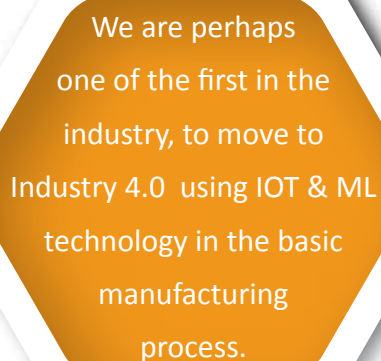
I had mentioned earlier that we would be making a gradual shift towards the consumer segment, with a focus on rural India. Our investments in this has handsomely paid-off, with farmer's attesting our products and today we are making a pond every six hours, and have also ventured into another state. In the coming years, we aspire to create a system that will enable us to make "One pond every hour", and have a pan India presence. With a vision of "One pond at a time" we will be contributing to country's vision of doubling farmers income.

On the Agro-Polymers side, we have developed specialised products that would help farmers to grow their produce with physical protection instead of using conventional chemicals like weedicide, fungicides, pesticides and chemical fertilisers like urea to protect and grow the crops and enhance yields.

We just do not want to remain a supplier of ponds, and seller of crop protection items, however create a credible eco-system both for conservation of water, and healthy agrarian items.

How do we go about it?

Now that we have perfected the technological, manufacturing, and operational aspects, we wish to



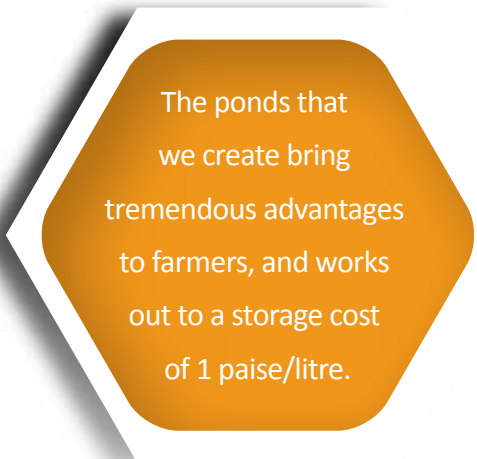
We are perhaps one of the first in the industry, to move to Industry 4.0 using IOT & ML technology in the basic manufacturing process.

build increased awareness in the farming community on the benefits of our products. Towards this we have started a dedicated initiative named 'Avana', a Strategic Business Unit which would be driving the growth in the B2C segment.

The extreme stress on water being a continual threat, and people's shift towards healthy living a reality, we feel that in the next decade, this segment may well account to one fourth of the total revenues.

Summarising the year's performance, in "Speciality Packaging", we have consolidated this business vertical and it

is working as a base manufacturing engine for improving the capacity utilisation and staff skill upgradation programs. In "Advanced Composites" we have expanded margins by higher acceptances of Value Added Products and also improved share in the production. In "Water Conservation" expanded contribution of B2C segment is adding volumes to conventional B2B distribution while in "Agro Polymers", we are able to create a concept, beginning a shift in buying pattern away from conventional pesticides and fungicides based farming to more health conscious farming techniques.



The ponds that we create bring tremendous advantages to farmers, and works out to a storage cost of 1 paise/litre.

All this has translated to an improvement in financial metrics, reflected in the double digits growth across Revenues, EBIDTA, and Net Income.

Last few years were spent on capacity addition, diversification of product range and perfection of the new products. Coming years in addition to the better growth, we would be reaping benefits through a combination of higher asset utilisation, market consolidation, resulting in improved margin performance.

The progress of the company has been possible by the collective effort of investments in R&D and capacity installation, the hard work of my colleagues working in the Company, support of our stakeholders, and the faith shown by the investors.

Warm Regards,  
Makrand Appalwar  
Chairman & Managing Director  
29<sup>th</sup> May 2018



# Your Directors



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



Makrand Appalwar a first generation entrepreneur was instrumental in envisioning, and transforming Emmbi from a trading company, to a large-scale manufacturer. He has over two decades of experience in the polymer industry, and is the recipient of many awards. He lays great emphasis on teamwork, mentors the sales team, drives product development, and is continually seeking ways to enhance sustainability, in the ecosystem around Emmbi.

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

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

Rinku Appalwar, the cofounder oversees the finance, purchase, logistics, and administrative functions of the company. She is a firm believer in setting high standards and this has translated to her being felicitated as the leading lady in manufacturing for three years in a row. Rinku was instrumental in taking the company public, and ensuring it's five-fold growth in five years from the time Emmbi became a publicly traded company.

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

**Mr. Krishnan Subramanian**  
**Executive Director**



(Appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 29th May, 2018 with Regularization in the forthcoming Annual General Meeting of the Company)

Mr. Krishnan has an experience of over 25 years in the fields of Strategic Planning, Risk Management, Private Equity and M&As. His professional career has been associated with the Banking, Information Technology, Manufacturing, and Services verticals. 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.



**Mr. Rama Krishnan**  
Independent Director



Mr. Rama Krishnan is the Founder President and Past President (1970 – 73) of the Institute of Company Secretaries of India. 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.

**Mr. Prashant Lohiya**  
Independent Director



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

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

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. He has presented 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.

**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 RA Poddar Medical College in addition to being a speaker at various national and international conferences. He is also an advocate of Ayurveda, and a researcher.

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.