

BRIGHTER
every WAY



ANNUAL REPORT 2014 -15

Corporate Information

BOARD OF DIRECTORS

Mr. Makrand M. Appalwar
Chairman & Managing Director
(DIN: 00171950)

Mrs. Rinku M. Appalwar
Executive Director & CFO
(DIN: 00171976)

Dr. (Mrs.) Mitravinda M. Appalwar
Non-Executive Director
(DIN: 02716731)

Mr. Sanjay R. Rath
Independent Director
(DIN: 00022432)

Mr. Prashant K. Lohiya
Independent Director
(DIN: 02990858)

Dr. Venkatesh G. Joshi
Independent Director
(DIN: 01234871)

COMPANY SECRETARY

Mr. Kaushal R. Patvi

STATUTORY AUDITORS

K. J. Shah & 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.emmbiindustries.com

Company Identification Number (CIN)

L17120DN1994PLC000387

BOARD COMMITTEES

Audit Committee

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

Nomination & Remuneration Committee

Mr. Sanjay R. Rath (Chairman)
Mr. Prashant K. Lohiya
Dr. Venkatesh G. Josh

Committee of Directors Committee

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

BANKERS

Punjab National Bank
Export Import Bank of India
Axis Bank Limited

SHARE TRANSFER AGENTS

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

Corporate Social Responsibility Committee

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

Stakeholders Relationship Committee

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

Brighter Every Way

At Emmbi Industries, those are not just words. But a deep-rooted belief that guides our thoughts, our actions and the initiatives we take. Emmbi Industries began as a twinkle in the eyes of first-generation entrepreneurs, Makrand and Rinku Appalwar. An opportunity spotted in 1994 saw the birth of Emmbi in the November of 1994 with one small manufacturing unit in Silvassa. Since then, Emmbi has grown from strength to strength, transforming into a leading player in the area of woven polymeric products.

Last year, we rededicated ourselves to the philosophy of Brighter Every Way, with a new identity and a set of principles that guide us. These are embodied in our corporate symbol - the “Whizz”. It stands for the energy and flexibility that we bring to our business. The ribbons embody the freedom and the flexibility that we encourage. Their upward slant represents our ambition and vision. Our colors represent the qualities that we are known for. Yellow stands for the optimism and the energy that we bring to the table. Green embodies the freshness of our ideas, and our responsibility to the environment. Blue represents the loyalty that we bring to our customers, partners, shareholders and employees alike. The upshot of this innovative and refreshing philosophy is that Emmbi has been able to consistently deliver superior value to each of our stakeholders. Innovations such as single-polymer bags have considerably brought down the load on the environment and resulted in savings in energy and recycling costs. Deployment of IT-enabled order tracking and logistics solutions have helped create a better customer experience, ensuring continuity of demand. While innovative HR practices have resulted in comparatively lower employee churn and salary costs. The net result of this philosophy is superior business performance (you can see a snapshot on pages 10 and 11 of this report) and better returns to you, the shareholder.

Ultimately, that is what “Brighter Every Way” stands for.

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Makrand Appalwar
Chairman and Managing Director,
Emmbi Industries Limited

Chairman's Address



Dear Shareholders,

The last financial year was significant from a global, local and a company specific perspective. You would be pleased to note that Emmbi's exports have crossed the Billion Rupees mark, and its customer base is spread across 51 countries. We are consistently able to compete at a global level, as we believe in the triple bottom-line, 'innovation', 'quality' and 'delivery'. With the global economic outlook improving, especially in the US, France, and Germany, our mainstay markets; we expect to maintain healthy double-digit growth in exports for the next three years.

It was also a defining year for India in terms of the formation of a stable and progressive government, which helped sentiments turn positive. The slow down across sectors, that had plagued the economy continued with GDP hovering around 6%. However, we believe that India is yet to capitalise on its unique demographic dividend, and opportunities for growth are convincing in the fields that your company is directly engaged.

At Emmbi we continued to add new products, and clients, and the strategic foray into the water conservation business has paid off handsomely. Your company in addition to augmenting shareholder value, is playing a critical role in the preserving the country's resources, and making a positive change to farmers lives. Our canal lining business is expected to register handsome double-digit growth in years to come, is proving a game-changer in the country's water conservation initiatives. Something dear to all our hearts at Emmbi is the plight of the farmer; for in addition to the vagaries of monsoon, both heat and winds can have an adverse effect on the crops. Emmbi's continuous investment in R&D has now helped create, a fabric that is thin enough to allow the right amount of sunlight, and strong enough to withstand harsh hailstorms. I am proud to announce that we are the first company in India, and one of the few in Asia, to have developed this product that has widely been appreciated by the agricultural community.

Our speciality products find diverse applications such as disposing hazardous nuclear waste, carcinogenic material, lining canals, preserving crops, transporting vehicles, to packaging that is used by the leading e-commerce retailers.

Emmbi recorded a stellar performance for financial year 2014-15 with robust growth in revenues, assets, and profits. Our revenues grew 16% over the previous year, whilst net profits showed an excellent growth of 38% in the same period. This of course is a result of a transition in the revenue mix towards value-added products.

Last year I spoke of change, beginning with the branding, and iterated the fact that this was reflective of the wider perspective beyond just polymeric fabrics and yarns. We continue to invest in all aspects of people, products, and processes, to build a sustainable institution that continues to play a key role in the India's development. The culture, and skills that we have built over the years makes us already a part of the 'Make in India' story.

Our CSR initiatives have ranged from aiding eye camps across villages, and participating in the Government's "Swachh Bharat Abhiyan" through the installation of mega garbage disposal systems across the town of Silvassa. Noteworthy of course is our skill up-gradation center "Gurukul" that trains unskilled women, and men with guaranteed employment benefits.

If you recollect at the time of the IPO in 2010, we had sourced capital to invest in a new production facility of 17,800 metric tons, with the intention of achieving revenues of ₹ 2 billion by 2015. We have today an installed capacity of 18,200 metric tons, and have crossed ₹ 1.93 billion in revenues, with the potential to take this up to ₹ 3 billion. We have not only maintained our promise to shareholders, and stakeholders, however importantly created value in terms of a trusted brand, superior product mix, and pave a highway for repeated success in the foreseeable future.

With Best Wishes,

Makrand Appalwar,
Chairman

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 Appalwar 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 Appalwar is a graduate in Chemistry from Mumbai University and holds an MBA.

Dr. (Mrs.) Mitravinda Appalwar Director

Dr. Mitravinda Appalwar is a former medical practitioner who has over four decades of professional experience in the field of human behaviour. Her active participation and valuable inputs have served the company well in gauging worker productivity, and engagement.

Dr. Mitravinda Appalwar obtained her degree from Nagpur University in 1966, and worked at various governmental hospitals, before venturing into private practice.

Mr. Prashant Lohiya Independent Director

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

Prashant Lohiya is a commerce graduate from Amravati University, has a degree in Law, and is a fellow (FCA) of the Institute of Chartered Accountants of India (ICAI).



Dr. Venkatesh Joshi, Independent Director

Prof. Venkatesh 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.

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

Mr. Sanjay Rathi Independent Director

Sanjay Rathi is a Fellow (FCS) member of the Institute of Company Secretaries of India (ICSI), and Commerce and Law (General) graduate. He has twenty-six years of experience in industry and service sector in field of Corporate Laws and M & A Activities. During his tenure he had handled various assignments in field of Secretarial and Legal, Finance, Project Management and Administration. He has worked in various executive and strategic management capacities and also worked as corporate consultant and advised many bodies corporate. As the chairman of the audit committee his experience is very valuable to the company.



Emmbi Industries Limited

(Formerly known as Emmbi Polyarns Limited)

CIN: L17120DN1994PLC000387

Registered Office Address: 99/2/1 & 9, Madhuban Industrial Estate,
Madhuban Dam Road, Rakholi Village, U.T. of Dadra and Nagar Haveli, Silvassa 396230.
Tel: +91 (0260) 320 0948, Fax: 022 6784 5506, Email: info@emmbi.com, website: www.emmbiindustries.com



Notice of the 21st Annual General Meeting

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the members of EMMBI INDUSTRIES LIMITED (Formerly known as Emmbi Polyarns Limited) will be held on Tuesday, 29th September, 2015 at 10.00 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 consider and adopt the Audited Financial Statements for the year ended 31st March, 2015 and the Report of the Directors and the Auditors thereon.
2. To declare and approve payment of Dividend of ₹ 0.30 per Equity Share for the year ended 31st March, 2015.
3. To appoint a director in place of Dr. (Mrs.) Mitravinda Appalwar (DIN: 02716731), who retires by rotation but does not offer herself for re-appointment.
4. To re-appoint M/s. K. J. Shah & Associates, Chartered Accountants as Statutory Auditors and to fix their remuneration and in this regard:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. K. J. Shah & Associates, Chartered Accountants, Mumbai, having ICAI Firm Registration No. 127308W, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting to the next Annual General Meeting of the Company at a remuneration as may be fixed by the Board of Directors.”

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

Date: 28th May, 2015
Place: Mumbai

**Kaushal Patvi
Company Secretary**

Registered Office Address: 99/2/1 & 9, Madhuban Industrial Estate,
Madhuban Dam Road, Rakholi Village, U.T. of Dadra and Nagar Haveli, Silvassa 396230. CIN L17120DN1994PLC000387.

NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a member of the company.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during business hours on any working day except Saturdays up to the date of the 21st Annual General Meeting of the Company.
5. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 23rd September, 2015 to Tuesday, 29th September, 2015 (both days inclusive).

6. The members are requested to:

- a. Inform the particulars of their bank account and any change of address to their respective Depository Participants only and not to the Company or to the Registrars for members holding shares in Electronic (Demat) form.
 - b. Submit particulars of their bank account, viz. Name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number and any change of address to the share transfer agents of the company viz. 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, for Members holding shares in physical form.
 - c. Address all correspondences, including dividend matters and change in address to the Share Transfer Agents 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. Quote ledger folio numbers, Client ID and DP ID in all their correspondence.
 - e. Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
 - f. Write atleast 10 days prior to the date of the Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.
 - g. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.
7. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Datamatics Financial Services Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
 8. 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.
 9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Datamatics Financial Services Limited.
 10. **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, Circulars, etc. from the Company electronically.**
 11. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, 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). Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e., physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

12. The Company has appointed Mr. Sanjay Dholakia, Practising Company Secretary, Membership No. FCS 2655 & CP 1798 as the Scrutinizer to count the votes cast in favour or against the resolutions proposed from item No. 1 to 4 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 on 30th September, 2015 to the Chairman of the Company and the same shall be uploaded on the website of the company.

13. PROCEDURE FOR E-VOTING

The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for the Meeting. The instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on from 9.00 a.m. on Saturday, 26th September, 2015 and ends on 5:00 p.m. on Monday, 28th September, 2015. 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 22nd September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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. 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.
Dividend Bank Details # OR	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
DOB #	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Please enter the DOB or Dividend Bank Details in order to login. If 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).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Emmbi Industries Limited > on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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 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.
- 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 should be mailed to 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.
- (B) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
- (C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Date: 28th May, 2015
Place: Mumbai

**Kaushal Patvi
Company Secretary**

Registered Office Address: 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra and Nagar Haveli, Silvassa 396230. CIN L17120DN1994PLC000387.



BRIGHTER *for our* PARTNERS

Traditional earthen lamps are used in the annual 'Chopda Pujan' that the Indian business performs, during Diwali. Businessmen pray to the god of wealth, for greater prosperity.

On its part, Emmbi helps spread prosperity to our partners with a raft of initiatives - from implementing the most modern ERP systems to exercising total transparency in our dealing and automating our buying processes. Little wonder then, that a majority of the partners that we work with - whether national or international - have continued to be our partners for almost as long as Emmbi has existed.

(1) 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.

The outlook for India continues to be positive, with inflation in check, we could anticipate a gradual decline in interest rates, which has been a hurdle for capital investments. Moreover if oil prices remain at current levels, it may also spur up private consumption besides helping the government manage subsidies, and reduce the deficit improving prospects moving forward.

The governmental agenda of the "Make in India" should be a growth booster to the manufacturing sector, and bring positive structural changes to the economy. Manufacturing which currently contributes to 16% of India's GDP, under this scheme is expected to grow to an ambitious 25%. Given such a scenario it is expected that manufacturing sector would double itself every three years. For this to translate into reality, large-scale improvements and investments are required both at the infrastructure, and industry levels. Moreover the government is also expected to ease certain

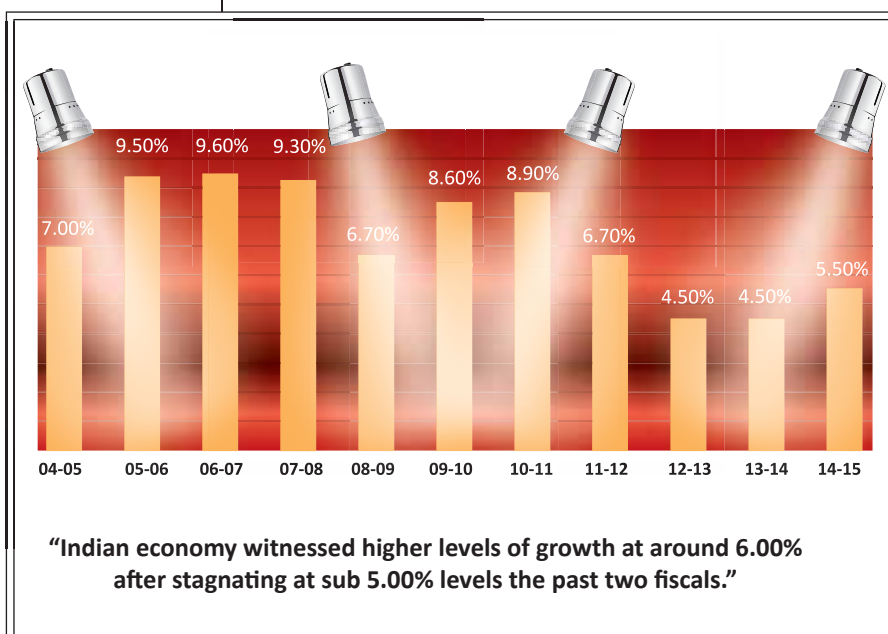
(2) Economy and Outlook

Growth across the global economy continued to be tepid at 2.60% (2.50% in 2013), driven by varying trends across economies. The US, UK, Germany, and France (all Emmbi's focus markets) continued to show improvements, both on account of better labour market conditions, and easy monetary policies. Japan, China and other parts of Asia witnessed slower growth, and the oil exporting countries after years of consolidation, experienced declines due to the sudden drop in prices of hydrocarbons from June 2014. Global trade grew during the same period at less than 4.00%, well below the pre-financial crisis level of 7.00% on account of lower import demand in high-income countries and structural adjustments.

The outlook is expected to be divergent in the coming years, with the developed economies, showing improved prospects on account of recovery in labour markets, fiscal consolidation, and the low interest rate scenario. The oil exporting economies, are expected to witness significant slowdown, however the capital buffers that most of these economies possess, and their targeted spending plan should offset the negative impact to some extent. Emerging economies, especially the oil importers should benefit from the low prices of hydrocarbons, as it would reduce inflationary pressures, and fiscal imbalances.

Indian economy witnessed higher levels of growth at around 6.00% after stagnating at sub 5.00% levels the past two fiscals. The core industrial sectors of mining, manufacturing, and power witnessed a pick-up in activities. The growth in the manufacturing sector was lower than what was ideal, both on account of subdued demand, and lower capital commitments as the industry perhaps waited for more positive policies from the government, prior to committing to investments.

Services sector continued to impress with its growth, and despite erratic monsoons, there was improvement in the agricultural sector. Unfortunately the agri-sector continues to depend on monsoon as a large part of it is rain-fed, and any variation from historical pattern, can affect its output.



norms, allow incentives, and rationalise taxation to achieve this goal. Risks remain at local, and the global level; events in the Euro area, Russia or a political turmoil could affect not only projected growth, but also currency, and lead to flight of capital.

(3) Sector Performance

The Polymer sector in India is valued at \$30 billion, and this grew at 8% last year, and, growth rate is pegged at 10% for the coming year. India is steadily gaining a foothold in the global market, as China no longer offers the same cost and other advantages.

Technical textiles, which are essentially fabric woven out of polymers has been experiencing a healthy growth in the region of 15% upwards for the past five years. Traditionally North America, and Europe were the mainstay markets, however this is changing with increased demand from Asia, on account of greater consumption needs.

Emmbi is expected to grow at a much faster rate compared to the industry.