

A close-up photograph of a small green seedling with two leaves growing out of a crack in dark, cracked earth. The background is blurred, showing more of the cracked ground.

# Hope

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Annual Report 2020



# 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 & 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  
Website: 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

State Bank of India  
Axis Bank Limited  
ICICI Bank Limited  
Saraswat Co-Op. Bank Limited

## SHARE TRANSFER AGENTS

Datamatics Business Solutions Limited  
(Formerly known as Datamatics Financial Services Limited)  
Plot No. B-5, Part B Crosslane,  
MIDC, Andheri (E), Mumbai 400 093.  
Tel: 022 - 66712001-2010  
Fax: 022 - 66712011  
Email: investorsqry@datamaticsbpm.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





Every  
once in a while, there comes an event  
that changes humanity, perhaps forever. It tests us  
to the limit. It questions our arrogance, underlines our  
fragility and threatens our very existence, forcing us to reassess the  
meaning of life itself.

But perhaps the greatest strength of humanity lies in its resilience. Of  
fighting. Of taking body blows. And always getting back up to fight another day.  
Whether it is natural disasters, disease, famines or man-made calamities,  
Mankind has endured, picked up the pieces and begun. Perhaps, this is all the  
more relevant now.

All because of that one magic word – hope.  
And so, as the world confronts its worst nightmare, we dedicate this  
annual report to stories of hope. Because, as they say, the  
night is darkest right before the dawn.

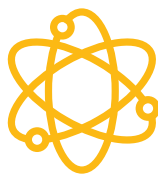
# Our Business



## 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 13 million 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, fermentation-, radiation- and hail-control products and weed-management products – have directly helped our farmers improve their crop yields, while helping our economy.



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“ Hope is being able to see that there is brightness despite all the darkness. ”

# Chairperson's Address

Dear Shareholders,

On behalf of the Board and the Employees, let me welcome you to the 26th Annual General Meeting, and thank you for being a part of the Emmbi family. I'm pleased to present to you that we have overcome the challenges and fragilities of both the global and domestic economy, and once again delivered a double-digit growth in volume and single digit growth in value. We at Emmbi strongly believe that crisis provides, an opportunity to pause, reflect, and re-set to a better future – be it at an individual level, or an institutional level. Our continual investments into research, robotic technology, flexible manufacturing techniques, people enrichment, has enabled us to sustain growth in both normal and very challenging times.

The global growth for calendar 2019 was just below 3.00%, perhaps the weakest pace in over a decade. Whilst cyclical and structural changes in most economies played a role, this was accentuated by trade barriers, and uncertainty which led to lower investments across industry. The IMF pointed out that weaker spending on machinery, equipment, and consumer durable goods was an important factor to the global slow-down. Many central banks responded by both cutting rates and engaging in asset purchases. Emmbi's prominent export market, the US grew at 2.10%, whilst Europe at 1.20%. The forecasts for 2020, on account of Covid19 are not at all encouraging at the global level and if there one, it may be negligible.

The Indian economy slowed down, and the growth was estimated at 5.00%, on account of a host of factors – slowing consumer demand, pace of pay increases lower compared to previous years, sluggish exports, and lower industrial production, especially automobiles. On the positive side, farm incomes, rural spending remained healthy, as was also higher production of fertilisers, cement (led by the government related infra projects), coal and steel production. The outlook seems very uncertain as the Covid-19 situation may lead to at least a 20~25% shaving-off on current production, and consumption levels domestically and almost similar globally.

## 2020- Achievements and Ability to make growth a 'Sustainable' proposition

We have now become the world's largest pond lining company and continue to conserve over a billion litres of water each month. The extension of this business came in the form of introduction of shrimps, and fish farming ponds, and the technological nature of the textile (an intellectual property of Emmbi). This gave us a distinct advantage over peers. We have also launched a small-ticket value items such as Kapila Silage bags, Jalakumbh bio-flocking solutions, Anant Packaging Bags, Rakshak Tarpaulin and Prabal Farming Thread. These will be sold in 300 SBOs and 500 MBOs by the end of the year.

I am happy to make a mention of Project 'Manthan' which is an ongoing initiative to reduce wastage, increase operational efficiency, and bring down costs of operation; I can proudly state that this has resulted in cost-savings of around 100 - 120 bps. The 5S, and Kaizen techniques and the additional certifications received, has placed the factory amongst the best in the industry.

I had pointed out last year, that to build a world class company, the business model, needs to be both sustainable and profitable. What makes a company sustainable – a simple, and yet important way to look at it is, achieve consistent growth in-line with pre-defined operational and financial policies. The Emmbi way of looking at sustainable growth is to also include the 5Cs. Clients, Competitors, Costs, Capital, Community The first being Clients for they help us grow; at Emmbi we have been blessed to have a diverse range of clients, both in terms of products and geographies. The next is Competitors - we are aware, and work on the premise that our present peers, could well be allies in the future, from a collaboration or an idea sharing perspective. A close monitoring of Costs helps us grow even in challenging times, with minimal trade-off on margins. We are incredibly careful on the allocation of Capital, as misallocation can not only lead to a waste of resources, but also amplify risks. Most significantly, we are always grateful to the Community of our stakeholders who has been the soul of this company and very reason for its existence.

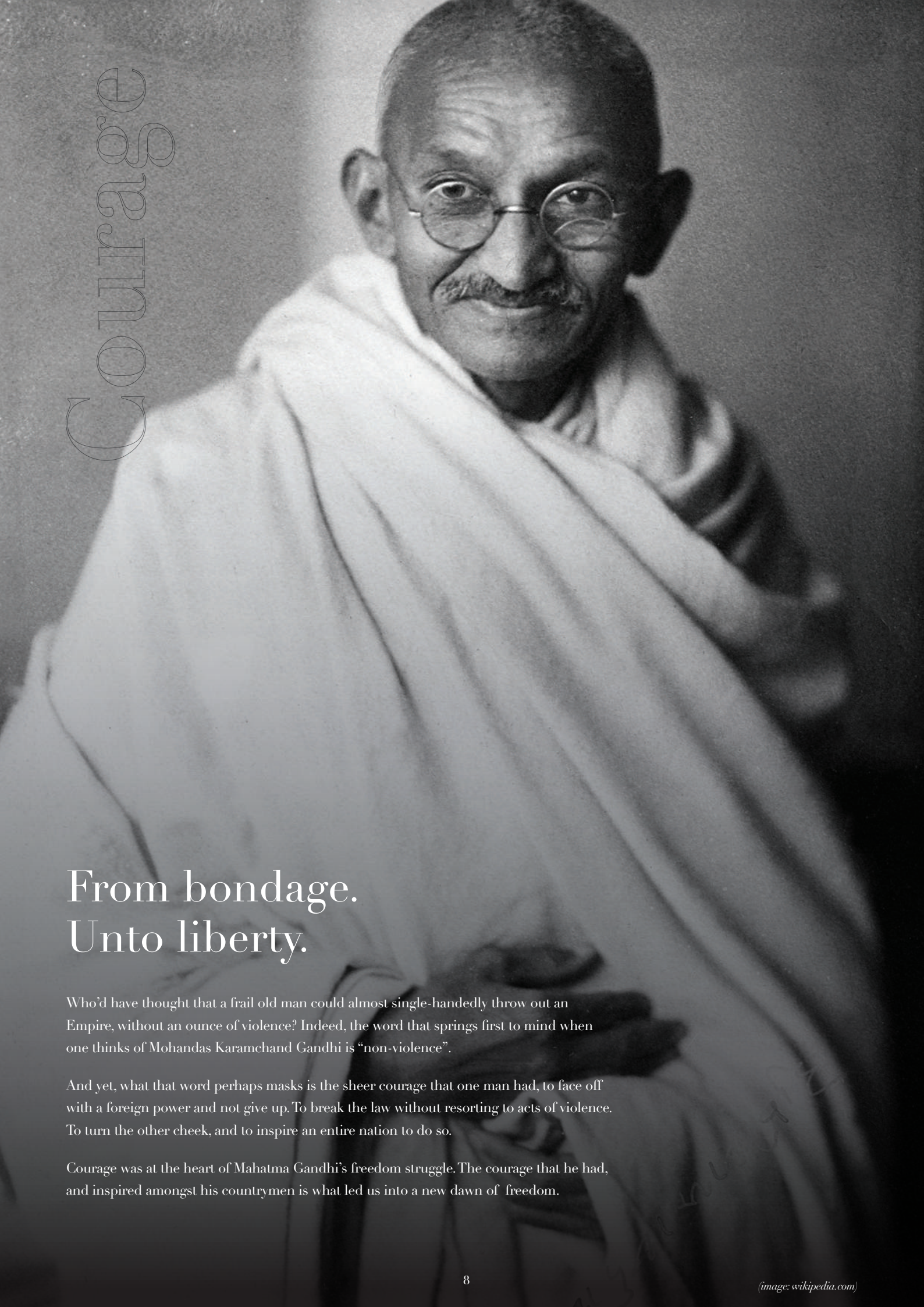
Whilst I see the road ahead is going to be full of hardships, and sacrifices, I do not see despair, and am reasonably confident that even under such circumstances we would continue to grow, without sacrificing the interests of our stakeholders. This year's Annual Report theme, Hope, continues to guide us through this tough time, but we are sure that we will sail through with your support and best wishes.

I once again thank all our stakeholders for the faith entrusted upon us.

Warm Regards,

Makrand Appalwar  
Chairman & Managing Director  
18th June , 2020





# Courage

## From bondage. Unto liberty.

Who'd have thought that a frail old man could almost single-handedly throw out an Empire, without an ounce of violence? Indeed, the word that springs first to mind when one thinks of Mohandas Karamchand Gandhi is "non-violence".

And yet, what that word perhaps masks is the sheer courage that one man had, to face off with a foreign power and not give up. To break the law without resorting to acts of violence. To turn the other cheek, and to inspire an entire nation to do so.

Courage was at the heart of Mahatma Gandhi's freedom struggle. The courage that he had, and inspired amongst his countrymen is what led us into a new dawn of freedom.



# 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** **Wholetime 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.