Emmbi FY19 PAT up 17%

PANJIM: Emmbi Industries Limited announced results for FY19. Total Revenue went up from Rs 2789.83 in FY18 to Rs 3148.45 in FY19 an increase of 12.85%. EBITDA rose from Rs 352.96 in FY18 to Rs 411.05 in FY19 an increase of 16.46%. PAT rose from Rs 152.62 in FY18 to Rs 177.90 in FY19 an increase of 16.57%.

Emmbi Ind's total revenue up 12.85 pc

MUMBAI: Emmbi Ind announced its consolidated results for the fourth quarter and full year ended March 31 2019. The company posted a total revenue of Rs 3148.45 mn, up 12.85 pc year-on-year. Its EBITDA stood at Rs 411.05 mn, and profit after tax (PAT) at Rs 177.90 mn, with growth of 16.57 pc yoy.

Emmbi Industries to tap Gujarat's water conservation market

RUTAM VORA

Ahmedabad, May 31

Amid the drought and water scarcity in Gujarat, technical textiles maker - Emmbi Industries Ltd - is looking to tap the state's last-mile irrigation potential that is spread across over four million acres under the Narmada Dam command area. The firm will also strengthen its presence in the existing water-scarce regions of Maharashtra and Rajasthan.

According to the company's estimates, Gujarat has a water conservation market worth ₹3,000 crore which includes the storage, transport and distribution of water. Emmbi Industries has implemented water conservation solutions on a canal network of over 200 kms in Vidarbha and Marathwada regions of Maharashtra.

"We are engaging with different state government including Gujarat to explore a possibility to provide our solutions in this segment," Makrand Appalwar, Chairman and Managing Director (MD), Emmbi Industries told *BusinessLine*.

The company is looking to expand its B2C vertical to drive the growth in the water conservation space. Appalwar said that of the four verticals of the company — Specialty Packaging, advanced composites, water conservation and agro polymers, the latter two segments will witness faster growth over the next three years.

Company's revenues from agro polymers segment is likely to almost double from 3.2 per cent of the overall revenues, to six per cent by 2022. The revenues from the water conservation segment may increase from 19.23 per cent currently to about 30 per cent by 2022. Emmbi has reported a total turnover of ₹314 crore for the fiscal 2018-19, up by about 13 per cent from previous year, with net profit at ₹18 crore for the year which is higher by about 17 per cent on year-on-year basis.

"Emmbi's role in water conservation solutions includes making canals and water conservation units percolation-free as well as taking it to the last mile. We have about 15 patented products for technical textiles. We look to encourage frugal innovation in water conservation using our products," said Appalwar.

Emmbi currently gets about 48 per cent of its revenues from its exports to mainly Europe, America and Oceania.

"But going forward we look to have increased revenues from the domestic market with push for water conservation efforts. Changing rainfall pattern and increased water scarcity are becoming a big challenge. We provide solutions in capturing the surplus rainwater through methods namely Jal Sanchay pond liner, Aqua Save Canal liner and Perco Plus percolation tanks," he said.

Emmbi has a manufacturing facility at Silvassa, where it invested about $3 million last year to expand capacity. Currently, it has a capacity to produce material 25,000 tonnes per annum. Company currently operates the plant at 40 per cent utilisation, while it expects to infuse additional $1.5 million after next two years to further augment capacity.

All the fund raising is met through a mix of internal accruals and debt funding with company's debt-to-equity ratio being at 0.9 per cent, said Appalwar.

Changing lives, one drop at a time

Mumbai youngster has taken upon herself the task of promoting water conservation in drought-affected and water-scarce areas of Maharashtra

LALATENDU MISHRA
MUMBAI

A young Mumbai woman is showing that people in the big city are not entirely cut off from the difficulties of those living in drought-prone areas of the State.

Maithili Appalwar (22) has taken upon herself the task of promoting water conservation in drought-affected and water-scarce areas of Maharashtra and Rajasthan to help farmers grow crops and earn a living.

5,000 artificial ponds

Along with her team of youngsters, she has helped farmers conserve an estimated 200 billion litres of water at over 5,000 artificial ponds across Maharashtra and Rajasthan. Through Jalasanchay, a water conservation solution aimed at economically disadvantaged farmers, Ms. Appalwar moves around in rural areas telling farmers about the benefits of artificial reservoirs.

Ms. Appalwar returned to India after completing her graduation from Georgia Institute of Technology, USA a year-and-a-half ago and joined her parents' polyethelene and polypropylene product manufacturing company, Emmbi Industries Ltd, to spearhead Avana, a strategic business unit created for her to focus to water conservation.

Through Avana, her team digs eight ponds per day for farmers and ensuring water supply at a storage cost of one paise per litre per year. Water stored in over 5,000 artificial ponds has irrigated over 10,000 hectares of land and more such ponds are in the making. She estimates that only 15% of water stored in such ponds is evaporated, leaving the rest to irrigate farms.

The idea of Jalasanchay is simple. One needs to dig a large pit in the farm land and cover it with a polymer lining that prevents water from seeping into the ground. This artificial pond can capture rainwater, surplus water from rivers or water procured from other sources, which is then used to irrigate farm land throughout the year.

Maithili Appalwar and her team have helped farmers conserve an estimated 200 billion litres of water. ▪SPECIAL ARRANGEMENT

The need to conserve

India is among the most water-stressed countries in the world, according to a World Bank report. At least 68.8% of Indians are dependent on agriculture but only 14% of them have the certainty of income through micro-irrigation.

In 1950, India had 3,000-4,000 cubic metres of water per person. Today, this has fallen to around 1,000 cubic metres, largely due to population growth. On the other hand, China has twice the amount of water per person at about 2,000 cubic metres.

The challenge before India is a fast-changing rainfall pattern: sudden downpours, cloud bursts and flash floods. Most of the rain water flows away, failing to recharge the water table.

Capturing this surplus water and conserving it is critical for farmers, who depend on it for their livelihood. But traditional water conservation solutions, such as concrete tanks, are unaffordable for most Indian farmers. This is where artificial ponds come to the rescue.

As per Avana's calculations, at Re.1 per litre per year, water from the Jalasanchay scheme costs one-tenth of a concrete tank for the same size of water storage, making it viable for poor farmers.

Ms. Appalwar said the use of this technique has helped conserve 200 billion litres of water in Ahmednagar, Aurangabad, Jalna, Parbhani, Beed, Solapur, Pune, Sangli, Satara, Kolhapur, Jalgaon, Buldhana, Dhule, Washim, Hingoli and Nashik in Maharashtra, as well as Jaisalmer, Bikaner, Churu, Shri Ganganagar, Hanumangarh, Nagaur and Bhilwara in Rajasthan over three years.

An artificial pond can come up with an investment of ₹2.15 lakh and can store 45 to 50 lakh litres of water, sufficient to irrigate 5 acres of land. "We have done extensive ground work in Marathwada and Yavatmal in Maharashtra, which are farmer suicide-prone areas. And we have seen that due to lack of water conservation, people can't grow crops and don't have money even for basic necessities," she said.

"Jalsanchay is a like a direct personalised irrigation system and puts power back in the hands of the farmer. We are involved in awareness initiatives, financing tie-ups, pond engineering design, crop advisory and new sources of income for farmers," she said. Ms. Appalwar believes there is scope to grow micro irrigation in India. To reach out to more farmers, she creates awareness and helps in financing. Her company undertakes the task of digging and delivering the end product.

The next phase

It is also into crop advisory for farmers, telling them what to grow based on demand and is now looking at getting into water management.

Having grown her scope of work in Maharashtra and Rajasthan, Ms. Appalwarand her team are getting ready to enter Karnataka, Telangana, Andhra Pradesh and Haryana to help in water conservation.

Farmers using polymer lining in ponds to save water

NANDA KASABE
Pune, July 24

New water conservation technique has helped farmers conserve over 200 billion litres of water in Maharashtra and Rajasthan

A NEW TECHNIQUE to conserve water for irrigation by creating artificial farm ponds using polymer lining is gaining ground in rural Maharashtra, Gujarat, Telangana and Karnataka.

This affordable water conservation technique introduced by 22 year-old Maithili Appalwar, founder, Avana — a strategic business unit of Emmbi Industries — has helped farmers conserve over 200 billion litres of water in Maharashtra and Rajasthan.

Avana's flagship product, Jalasanchay, is an end-to-end water conservation solution. Jalasanchay works on a simple idea — farmers dig a large pit in the farm and cover it with a polymer lining that does not allow the water to seep into the ground; this creates an artificial pond that captures rainwater and river surplus.

At 1 paisa per litre per year, Jalasanchay costs 1/10th of a concrete tank for the same size of water storage, making it viable for farmers at the bottom of the pyramid, says Appalwar.

Emmbi Industries manufactures various woven polymer based products like container liners, protective irrigation system, canal liners, flexi tanks etc and also manufactures the ploymer lining for Jalsanchay. Over 200 billion litres of water has been conserved successfully across Maharashtra as well as in Rajasthan. Appalwar says the solution has touched the lives of over 5,000 farmers.

Over 68.8% is dependent on agriculture and only 14% have certainty of income through micro-irrigation. A changing rainfall pattern has led to high water stress among farmers, she said.

Conserving water by capturing this water surplus is critical for farmers who depend on it for their livelihood. But traditional water conservation solutions, such as concrete tanks, are unaffordable for the vast majority of Indian farmers.

Emmbi has created three major methods to solve the nation's water crisis. These include Jalasanchay Pond Liner, AquaSave Canal Liner and Perco Plus Percolation Tanks. "We have created over 5,000 ponds in three states irrigating over 10,000 hectares of land in 36 months with around 8 ponds a day."

"AquaSave Canal Liner prevents percolation losses in clay canals. This increases the area under irrigation and improves water efficiency till the last mile, for large irrigation projects," she said.

Perco Plus is used to line bunds in percolation tanks preventing horizontal movement of water. Thus, water moves down vertically and recharges the underground water table. "We have created 70 such tanks this year. This has increased the availability of groundwater in nearby villages by 6 months in a year. Now water is available till May end," Appalwar explained.

Avana has created large water reservoirs of 15,000 sqm and 20,000 sqm at Athani in Karnataka and Sangli in Maharashtra respectively. The SBU intends to double its distribution network in Maharashtra and Karnataka and also enter states such as Madhya Pradesh, Andhra Pradesh and Telangana and the company is looking at 50% growth in revenues by 2025.

BUDGET 2020

PICS: DEEPAK TURBHEKAR

Mirror's panel of experts rate Budget 2020

'Two-and-a-half hours of nothing' is panel's verdict

Mirror's panel of experts say the budget failed to kickstart reforms to halt the slowdown

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TWEETS @MumbaiMirror

Finance Minister Nirmala Sitharaman's Budget has been panned as two-and-a-half hours of nothing.

A panel of experts put together by Mumbai Mirror for a discussion slammed it as "a disaster", "full of question marks" and "a budget of announcements only". They agreed, unanimously, that Sitharaman had failed to do the one thing everyone was hoping for: provide a kickstart of reforms to pull the country out of the current, crippling slowdown. "We are in deep distress, and the government appears unable to recognise this or do anything about it," says Rohit Poddar, MD, Poddar Housing and Development. "The things they have promised appear to be mere gimmicks." Or long-term. For instance, we will have to wait to see if the government delivers on its promise of creating 2.62 lakh jobs between March 2019 and 2021.

Every benefit also appeared to have a fine-print-clause appended to it. The talking point was, of course, the recalibrated taxation slabs. Individual taxpayers with an annual income of between Rs 5 and Rs 7.5 lakh will now pay taxes at a reduced rate of 10 per cent, and those between Rs 7.5 lakh and Rs 10 lakh will pay at 15 per cent (both down from 20); and those in the Rs 10 to 12.5 lakh will pay at 25 per cent, reduced from 30. Those with an income of above Rs 15 lakh find their tax rate unchanged at 30 per cent. But the reduced rates come with a rider: the government plans to do away with some 70 of the 100-odd exemptions that currently exist. "In the long run, this will hurt the middle class for whom savings from tax exemptions is their nest egg," says Rakesh Jain, chairman, IMC, Navi Mumbai Chapter. However, employees with higher salaries will also find their Provident Fund taxable. Adds Alok Mundra, partner, KPMG: "Perhaps the idea was to bring in a direct tax code and simplify things. But the 100 incentives have crept in over many years. Just doing away with them doesn't necessarily simplify things."

Healthcare experts on the Mirror panel, Dr Prince Surana, CEO, Surana Group of Hospitals and Dr Avinash Supe, director, Hinduja Healthcare, felt the allocation of Rs 69,000 crore on healthcare — increased from Rs 62,659 crore last year — was less than expected. "It is not even one per cent of our GDP, where developed countries like the US spend at least 18 per cent of their GDP on this," says Dr Surana. According to Dr Supe, the cess to be levied on pharma equipment imported from abroad will only be passed onto consumers by hospitals, making healthcare more costly. On sops for education, Aditi Sawant, economics professor, St Xavier's College, says the announcement that foreign direct investment and external commercial borrowings being permitted in education is nothing new; this has been allowed since 2005, "so there was no need to make an announcement about this". It's the same with tie-ups between universities students and urban local bodies; these already exist without Sitharaman having to flag them off. According to Maithili Appalwar, CEO, Avana, "Initiatives for agriculture and water conservation are positive, but it's not clear in the Budget how they will be implemented. There is massive corruption at taluka levels, for instance, so how will the government ensure that this doesn't get in the way? In general there are a lot of execution issues in the Budget." Reforms extended to technical textiles and electronics sectors will provide employment and boost manufacturing. "But you promised us 100 smart cities in the last Budget, and now you've promised us a 100 new airports," she says. "Why not deliver on the smart cities first before you take up airports?"

Initiatives like divesting stake in LIC elicited mixed feelings. Many pf the panellists believe that LIC is the government's profit-earning enterprise, and also one with which instils faith and security in the people. To now open it up to the private sector will be to dilute an important asset and also sacrifice the trust of the people. "This Budget was perceived as something that would boost the economy, which is languishing around 4.8 per cent," says Prakarsh Gagdani, CEO, 5Paisa.com. "The FM mentioned that this year would see a growth rate of 10 per cent, but that's a far-fetched number."

> **The sector is facing a lot of problems but none of them have bene addressed. With the slowdown in all sectors, especially in MSMEs, there will be huge job losses**
>
> **Rakesh Jain**
> Chairman, Navi Mumbai Chapter, IMC
>
> **05/10**

★★★★★☆☆☆☆☆

Micro, small and medium enterprises

'This is a jumla budget that takes us backwards; has nothing for MSMEs'

The budget has many announcements but there's no clarity on how these will be implemented. The finance minister said the nominal GDP growth rate will be 10%. We all know this is not possible. The budget is unrealistic and full of jumlas that can't be achieved. There is nothing in it for MSMEs – the job creators. The sector is facing a lot of problems but none of them have been addressed. With the slowdown in all sectors, especially in MSMEs, there will be huge job losses. We were expecting a big rationalisation of GST and import duty. The current tax structure is such that importing finished products is much cheaper than producing raw materials. So all our MSME entrepreneurs are becoming traders and are no longer manufacturers. The cess on imported health equipment is also a bad move and will hurt patients because there are hardly any domestic manufacturers of precision equipment. This is a regressive budget and will take us backwards. We can in no way become a $5-trillion economy with this.

BUDGET 2020

> Though the numbers will be low, even if it puts Rs 20,000-Rs 30,000 in the hands of people, rather than spending they might look at investing it

Prakash Gagdani
CEO and director, 5paisa.com

04/10

Personal Finance

Could've been better in terms of giving impetus'

The budget has a few good things. One was Sitharaman's assurance that the Bond ETF launched last year was a success and they would be doing more. Second was clarity on start-up ESOPs. Earlier directors were taxed at the vesting stage, but now even if they exercise the option today, they can delay paying tax by five years or when they leave the company or when they sell. The third point is reduction in income tax. Even if it puts Rs 20,000-Rs 30,000 in the hands of people, rather than spending they might look at investing that money. People in the higher bracket will continue with the old regime, because they benefit from exemptions, etc. People in the lower brackets will prefer the new regime. They will opt for fixed guarantee products such as FDs and bonds. Some of them will also invest in equity. But all said, the budget could have been far better in terms of providing the impetus the economy needed at this point.

> The government keeps coming up with these numbers that scream savings and price cuts, but, for a middle-class household, they hardly pan out

Farah Sayed
Homemaker

05/10

Homemaker

'Chicken tikka needs onions, not cabbage'

An average household now saves about 4 per cent of its monthly expenditure on account of reduced GST, Sitharaman said, but for homemaker Farah Sayed the number is as far-fetched as it is inconsequential. "The government keeps coming up with these numbers that scream savings and price cuts, but, for a middle-class household, they hardly pan out. Commodity prices are going through the roof, but our earnings have remained stagnant," said the 48-year-old, who also runs a catering business from home. "When onion prices skyrocketed, restaurants replaced them. But I didn't have that option. Chicken tikka needs a side of onions, not cabbage or carrots." In fact, the business owner says she often has to bear losses or keep her menu at cost price. "People just refuse to pay. Like restaurants and hotels, I can't just raise prices arbitrarily, or I would lose customers," she said.

> Doing away with DDT will reduce tax burden on foreign investors, private equity players and other institutional investors

Alok Mundra
Partner, KPMG

07/10

Audit, tax and advisory services

'Policy stability needed on certain issues'

The budget has tried to simplify the tax structure and reduce litigation, both of which cost a lot to the government and taxpayers. The government has given the option of either having deductions under the old regime or lower tax rates under the new regime. How much this will benefit people is something we will know only after reading the fine print. At the corporate level one major bone of contention used to be how to calculate those exemptions. Doing away with dividend distribution tax is a good move as this will reduce tax burden on foreign investors, private equity players and other institutional investors. However, we need policy stability on this issue. Earlier too we had dividend taxable in the hands of the receiver, but that was changed and made taxable at the company level. Now we are going back to the old regime. The government should clearly tell investors this policy will not change for five or 10 years.

> I have seen a lot of corruption at the taluka level. So vis-à-vis execution, how much money will actually end up in the hands of farmers is not certain

Maithili Appalwar
CEO, Avana

06/10

Water Conservation

'How proposals are executed will be key'

From the point of view of water-stress-related reforms, it's a decent budget. Comprehensive measures for 100 water-stressed districts proposed in the budget are welcome. With erratic rainfall and water storage problems in rural areas, we need long-term measures and funding for water-scarce areas. My for-profit start-up Avana creates affordable water conservation products and I have seen a lot of corruption at the taluka level. So vis-à-vis the execution of these measures, how much money will actually end up in the hands of farmers is not certain. It has also been proposed that barren land be used to set up solar power plants. If the reasons for the land being barren have been established and all other options to turn it around – natural and chemical fertilisers and use of water tankers – have been exhausted, then it's good to offer ways to still earn money. However, an array of options should be offered before deciding on solar power plants, as setting up a pond for fishery will earn the farmer higher revenue.

> We were expecting the FM would allow a dual tax system of 5% or 18% that existed earlier, leaving a choice for the restaurateur. Instead, she announced 100 airports

Mihir Desai
Owner, Bar Stock Exchange

03/10

Food and beverage

'Govt has ignored the F&B industry again'

The budget does not provide a roadmap to revive the economy. It contains nothing new or exciting and nothing that will change the current economic situation. No instant remedies have been provided either. It appears that the economic slowdown is here to stay. Like in the previous two years, the government has ignored the food and beverage industry. No wonder then that in the past two years 30,000 restaurants have shut down across the country. Profit margins of the big chain restaurants have dipped by four per cent. We have 25 outlets across the country and we had to put on hold our plans to add 10 more. We were expecting a change this year because we had a specific demand to resolve the input tax credit. The 18 per cent GST has become an extra cost for us to bear. We were expecting the FM would allow a dual tax system of 5 per cent or 18 per cent that existed earlier, leaving a choice for the restaurateur. Instead, the FM announced 100 airports. Where will these come up? What happened to the proposed smart cities?

> As a teacher, I won't promote external commercial borrowings (loans in India given by non-resident lenders) when our own edu spend is only 3-4% of GDP

Dr Aditi Sawant
Head of economics, St Xavier's

06/10

Education

'Allocation is fine, but where will money go?'

The allocation of Rs 99,300 crore for education coupled with Rs 3,000 crore for skill development is higher when compared to other sectors. However, we do not know where this money is going to flow. It is likely to be used for the roll-out of the National Education Policy (NEP), which is a long-term policy whose nitty-gritties are not clear. The FM announced FDI in education, but this was already announced in 2005. Since then they have not made any special efforts to identify target areas for FDI, such as R&D, intellectual property rights, gender studies. Plus, as a teacher, I will not promote external commercial borrowings (loans in India given by non-resident lenders) when our own education spending is only three to four per cent of GDP. If the government can't see any advantage in its own young generation, then why would any foreign lender? The budget totally excludes semi-urban and rural areas from the internship programme and focuses on urban areas, where such internships already exist.