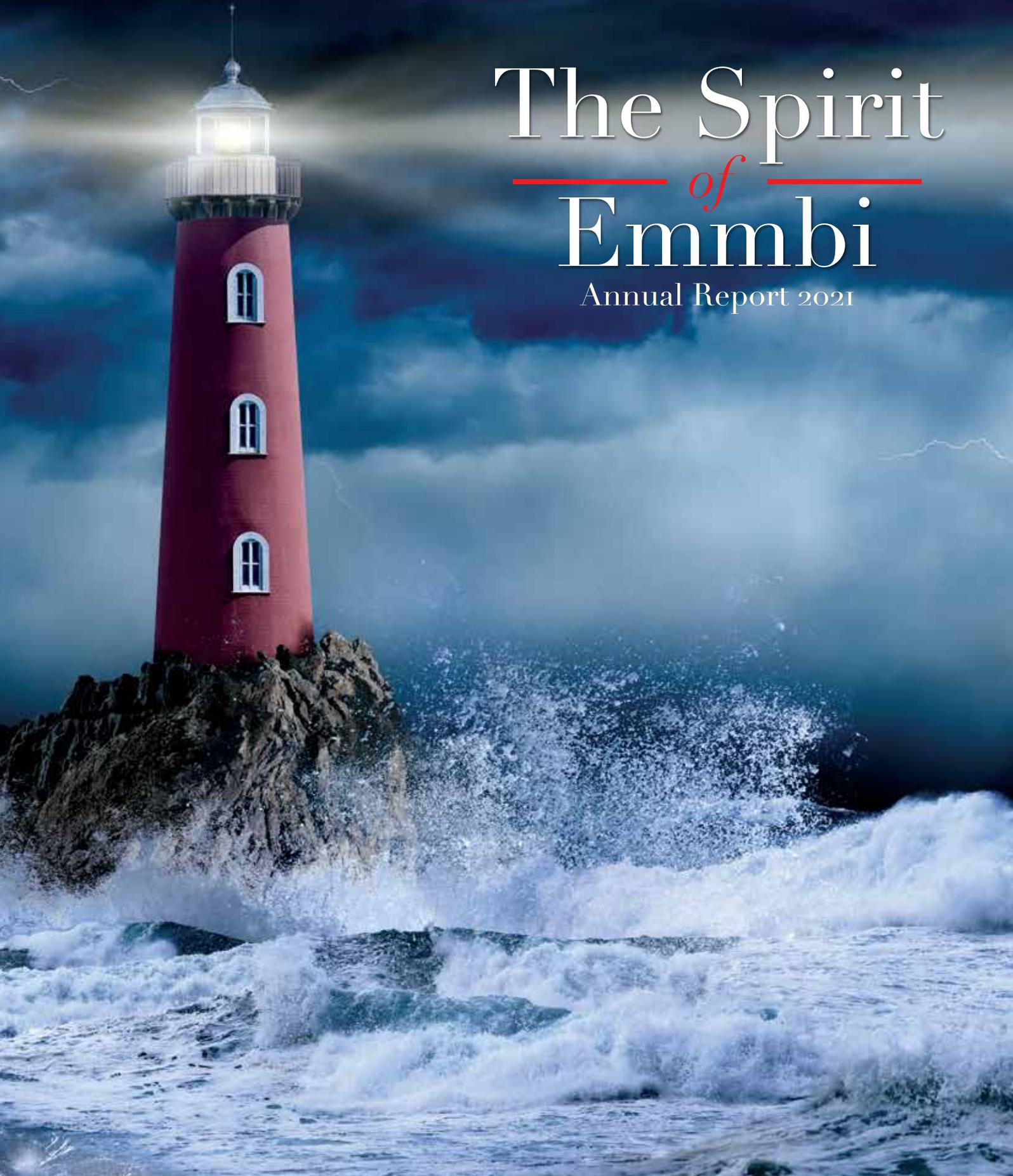




# The Spirit *of* Emmbi

Annual Report 2021





# 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 4979 0304  
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**

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

## **SHARE TRANSFER AGENTS**

Datamatics Business Solutions 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





What began as a bad dream last year, continued to evolve into the worst nightmare that humanity could think of. Plans shelved, initiatives postponed. And hopes dashed. The proverbial light at the end of the tunnel, it turns out, seemed to be an oncoming train.

But even as the world grapples with Covid's extended reign, humanity continues to soldier on, always inventing newer ways of mitigating the effects of the disaster. In the year gone by, the world has seen countless inspiring stories of everyday heroes, who battled great personal and professional challenges to bounce back and win the day. Perhaps it is this quality that makes humans such a wonderful race.

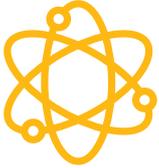
At Emmbi, we've had our share of challenges, trials and tribulations. But the spirit of our employees, the support of their families and above all, the steadfast belief that tomorrow would dawn brighter – saw us through a difficult year.

In this edition of our annual report, we bring you a few inspiring stories of our employees who went above and beyond, fighting impossible circumstances and deadlines, to deliver:

The world calls it resilience.

We call it The Spirit of Emmbi.

# Our Business



## International Business

**Major Products:** Industrial Packaging, Container Liners, Advanced Composites

**Major Sectors:** Pharmaceuticals, FMCG, Chemicals, Food, Construction, Automobiles

**Major Geographical Markets:** 66 Countries worldwide



## Domestic Business

**Major Products:** Industrial Packaging

**Major Sectors:** FMCG, Automobiles, Chemicals, Food

**Major Geographical Markets:** Maharashtra, Gujarat, Madhya Pradesh, Goa, Karnataka, Delhi-NCR, Dadra and Nagar Haveli and Daman and Diu



## Avana Consumer Durables

**Major Products:** Avana Jalasanchay, Avana Jalasanchay Super

**Major Sectors:** Water Conservation, Agriculture, Aquaculture

**Major Geographical Markets:** Maharashtra, Rajasthan, Karnataka, Madhya Pradesh, Punjab, Haryana



## Avana Consumer Goods

**Major Products:** Avana Kapila Murughas Bag, Avana Anant Leno Bag, Avana Tank, Avana Rakshak Tarpaulin, Avana Prabal Thread

**Major Sectors:** Agriculture, Agri-inputs, Agri-packaging, Dairy

**Major Geographical Markets:** Maharashtra





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**emmbi**  
INDUSTRIES LIMITED



er **Better Every Way**



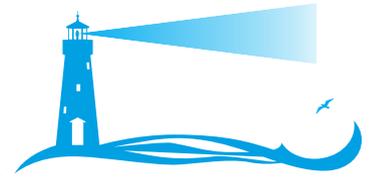
“

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.

”

# Chairperson's Address

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Dear Shareholders,

On behalf of the Board and the Employees, let me welcome you to the 27th Annual General Meeting, and thank you for being a part of the Emmbi family. I'm pleased to announce that our grit, determination, and resilience have helped overcome the obstacles thrown at us in the past 12 months, and we have once again grown our business. I had mentioned earlier that the strengths of our research, engineering capabilities, adaptability and developing human potential would pay off in the long run and am happy to re-iterate that it has aided us in these challenging times.

The combined effect of the of the lockdowns, disruptions across supply-chains, the fear, and pessimism shrunk the global economy by 4% and Indian economy by 7.6% in FY 20-21. It was an unprecedented year for industries across the globe, made only worse as it was preceded by the year (2019) that witnessed the slowest growth rate in almost a decade. Governments, and Central Banks, announced fiscal, and monetary measures to limit the damage, and assuage fears. Emmbi's prominent export markets, the US and Euro zones contracted by 4.30% and 6.80% respectively; we on the other hand, thanks to our product diversity, and superiority were not only able to grow in these markets, but also maintain our premium price points. The global outlook for '21 whilst not necessarily at its best, is at an acceptable 5.50%.

The Indian economy that had been gradually slowing down over the three years, contracted by almost 8% in fiscal '21; this was more pronounced in the first two quarters on account of the lockdowns, and reverse migration of labour. Despite the measures announced by the governments, and the RBI, capacity utilisation and consumer spending remained at record lows, which adversely affected both manufacturing, and services sectors. Given the present uncertainties, the economy (even from a lower base) is best expected to achieve an 8.5% growth, in fiscal 22, before moderating to 6% the following year.

We were impacted more on account of the lock-down and the subsequent shortage of labour (migrant workforce). We had 34 days as loss of the workdays for the manufacturing activity as an impact of Covid-19 during FY 20-21. Demand in the initial quarters (which despite the conditions, remained steady) and improve sequentially as the year progressed.

## Outlook: What about the new year?

Demand: In the subsequent fiscal, the export demand is forecasted to be strong. We are already witnessing positive trends in the first quarter, and have an exceptionally strong order book, given the current situation.

Avana's Jalasanchay business was impacted this year due to reduced spending on consumer durables, as the country witnessed recessionary trends; however, here too, we are witnessing a pick-up in Q1.

The domestic sector is facing a slowdown, as seen by FMCG trends, however we are looking at Avana's Retail division to pick up the slack in the coming year. So far, we've been able to on-board 200+ multi-brand outlets to sell our retail products, and we plan on touching 1000 within the next fiscal, leading to an Avana Retail top-line of over Rs. 10 Crores in FY 22.



We have also launched a powerful CRM software, Salesforce, for efficient running of the B2C division. This is helping us improve follow-up with leads, as well as aiding in customer relationship and service management.

We are creating an online retail presence, through avanamart.com, which will sell smaller packages of our retail products. In addition, we will also focus on stronger inventory management software, warehousing, and selling through established e-commerce channels such as Flipkart and Amazon.

Given the above, if all else remains equal, we are expecting a robust growth of 25-30% in the next fiscal.

## 2021 – Year of Resilience

We commenced this fiscal with the government-imposed lockdown, and the first thing on our minds was to protect the company and shareholder interest. First, we ensured every employee's well-being, and then made sure we had adequate financial resources to counter the un-knowns. Next, we realigned the processes, and shifted resources to business and product lines that we felt would do well in the short-term (our flexible manufacturing facilities helped do this promptly). We hired local labour and skilled them through sustainable initiatives- Men (Operation- Dronacharya) and Women (Operation- Kalyani Brigade); this helped in minimising the impact of the migrant workforce returning homes to a large extent. That done, we engaged with our clients, suppliers, on a continual basis, which helped the flow of business, and reassured interested parties on our strengths. We then embarked on operating efficiency measures (Project Manthan) that translated into enhanced productivity.

In a year which unfortunately had more of despair than hope, the increased demand for the FIBC products made us tie-up with parties for contract manufacturing (where our investments would be low or negligible, in other words an asset-light model), that would handsomely augment our top-line the coming fiscal. We also tested, and soft launched, flexible-portable Avana tanks for the rural markets. Avana roped in well acclaimed celebrity 'Sayaji Shinde' as its Brand Ambassador, and TV commercials, and jingles were rolled out in select states.

We are certain that these efforts would commence to bear fruits, on the financial performances from the coming quarters.

The past year was of hardships, and sacrifices, across the world; we chose not to despair, but be resilient, protect stakeholder interests and grow. I am reasonably confident that your company will continue to make improvements on all operational, and financial parameters the coming years, and years to come.

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

Warm Regards,

Makrand Appalwar

Chairman & Managing Director

Date: 25th June , 2021

Place: Silvassa





**Avana**<sup>™</sup>

a division of **emmbi**



One of the many artificial ponds that Emmbi's Avana division has deployed, at Jalna district, Maharashtra.

# 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.



**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 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.





*Darshana Abgul with her son*

# “ You are stronger than you think.

*Darshana Abgul, Manager – Accounts & Finance*

When the national lockdown was announced in March 2020, the first thought in Darshana’s mind was, “but what about these payment vouchers that were supposed to be approved?” And so, Darshana – who’s responsible for maintaining accounts, effecting vendor payments and everything inbetween – got right down to work. She recalls that she worked late into the night on the day the lockdown was announced. “There was confusion. We had no idea when we would return to work. So we finished all the pending work, collected the important files and paperwork and left for home, hoping to return in a week’s time,” she says, “we would finish the rest of the work then.”

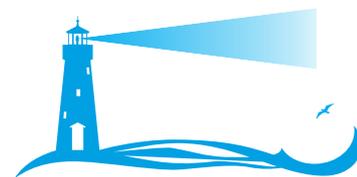
Little did she know that she’d not be able to return to work for months on end. With time, working from home became the new reality. “We enjoyed it at first,” Darshana reminisces, “No rush to wake up in the morning, finish household chores and run to catch the train.” But with time, a new realization dawned – that there was no longer any distinction between ‘home’ and ‘work’. And just because she was working from home didn’t mean that her household responsibilities ceased to exist. Ask her about how she managed balancing work and home and she laughs, “You know, the biggest problem was space. We have three rooms in the house and mine is a joint family. There were at least two others

working from home. And then there’s my son, who had his classes online. You can imagine the chaos that existed especially when there were two or more people had meetings at the same time.”

There were times where she almost gave up, times where she was despondent and times where she longed for a semblance of normalcy in the ‘new normal’. But through it all, Darshana soldiered on, managing her home, her son’s classes and homework, and her work. With time, she learnt to cope, opting to attend to her work during times of relative quiet at home. Throughout the pandemic, Darshana managed the accounts and finance section with aplomb, taking pride in the fact that not one complaint of delays or disruptions in payments was made. During times of extreme stress, she leaned on her extended family for support – and they happily obliged.

“We realized soon enough that ‘normal’ was never going to happen,” she says, “so we had better make the most of what we had. There’s no use in brooding or complaining, it only causes you stress. You have just got to believe in yourself, because when it comes right down to it, you’re a lot stronger than you know.”

# Notice of the Annual General Meeting



## NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of Emmbi Industries Limited will be held on Tuesday, 28th day of September, 2021 at 10.30 am IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), 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, 2021, together with the Reports of the Board of Directors and the Auditors thereon;
2. To declare and approve payment of Dividend of Re. 0.40 per Equity Share for the financial year ended 31st March, 2021.
3. To appoint a Director in place of Mr. Makrand M. Appalwar (DIN 00171950) who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. **To re-appoint Mr. Krishnan I. Subramanian (DIN 06614842) as the Whole Time Director of the Company and in this regard, to pass, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Article of Association, and on the recommendation of the Nomination & Remuneration Committee, the Company hereby approves the re-appointment and terms of remuneration of Mr. Krishnan I. Subramanian (DIN: 06614842) as a Whole-time Director, for a period of 3(three) years with effect from 29th May, 2021 on existing remuneration of 1,25,000/- per month and upon the terms and conditions, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Krishnan I. Subramanian.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 197 of the Act read with Schedule V to the Act, where in any financial year during the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay to the Whole Time Director the above Remuneration, excluding commission, as the minimum remuneration for the period of three years, by way of salary, perquisites and other allowances and benefits, subject to receipt of the requisite approvals, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee thereof) be and is hereby authorized to vary, amend, modify and revise from time to time the terms of Remuneration payable to the Whole Time Director, within the above overall limit, as may be desired appropriate by the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and to seek necessary approvals or settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

**Registered Office:**  
99/2/1 & 9, Madhuban Industrial Estate,  
Madhuban Dam Road, Rakholi Village,  
U.T. of Dadra & Nagar Haveli,  
Silvassa 396 230

**Date: 25th June, 2021**  
**Place: Silvassa**

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

**Kaushal Patvi**  
**Company Secretary**



## NOTES

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read together with circulars dated 8th April, 2020, 13th April, 2020 and 13th January, 2021 (collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India (“SEBI”) has vide its circular dated 12th May, 2020 read together with circular dated 15th January, 2021 (collectively referred to as “SEBI Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, the SEBI Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. **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.
3. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars and SEBI Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item No. 4 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice for Item No. 3 and 4.
6. M/s. R Daliya & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 23rd Annual General Meeting held on 22nd September, 2017 for a period of 5 years. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
7. Corporate members intending to participate 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.
8. **In compliance with the MCA Circulars and the SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company’s website [www.emmbi.com](http://www.emmbi.com), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.**
9. Relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to [info@emmbi.com](mailto:info@emmbi.com).
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, 20th September, 2021 through email on [info@emmbi.com](mailto:info@emmbi.com). The same will be replied by the Company suitably.
11. **BOOK CLOSURE:** The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 22nd September, 2021 to Tuesday, 28th September, 2021 (both days inclusive) for the purpose of Dividend and AGM.
  - a) Members whose shareholding is in electronic mode are requested to direct change of address notifications and change or 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 (“DBSL”) (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.
  - c) Address all correspondences, including dividend matters and change in address to the Share Transfer Agents Datamatics Business Solutions 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@datamaticsbpm.com](mailto:investorsqry@datamaticsbpm.com).
  - d) Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated



- 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) Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.

12. **DIVIDEND:** The dividend, as recommended by the Board of Directors, if approved at the Annual General Meeting, would be paid subject to deduction of tax at source, as may be applicable, after Tuesday, 28th September, 2021, to those persons or their mandates:

- (a) whose names appear as Beneficial Owners as at the end of the business hours on Tuesday, 21st September, 2021 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 as at the end of the business hours on Tuesday, 21st September, 2021 after giving effect to:
  - (i) valid request(s) received for transmission/ transposition of shares; and
  - (ii) valid requests of transfer of shares in physical form (re-lodgment cases i.e. requests for transfer(s) which were received prior to 1st April, 2021 and returned due to deficiency in the documents) lodged with the Company/ its Registrar & Share Transfer Agents on or before Tuesday, 21st September, 2021.

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS), etc.

Shareholders are requested to register/ update their complete bank details:

- a) with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialized mode by submitting the requisite documents. The Company or DBSL cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode.
- b) Members holding shares in physical form are requested to submit (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf.

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).

13. **TDS ON DIVIDEND:** Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members with effect from 1st April, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, Members are requested to refer to the Finance Act, 2020 and amendments thereof. Members are requested to update their Permanent Account Number ("PAN") with the Company/Datamatics Business Solutions Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

**For Resident Shareholders**, tax shall be deducted at source under Section 194 of the Income-tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the Financial Year ("FY") 2021- 22 provided PAN is provided by the shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income-tax Act, 1961.

However, no TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2021-22 does not exceed Rs. 5,000. Please note that this includes the future dividends if any which may be declared by the Board in the FY 2021-22.

Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), no tax at source shall be deducted provided that the eligibility conditions are being met. Needless to say, PAN is mandatory. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

**For Non-resident Shareholders**, taxes are required to be withheld in accordance with the provisions of section 195 of the Income-tax Act, 1961 at the applicable rates in force. As per the relevant provisions of section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of GDRs and Foreign Portfolio Investors/ Foreign Institutional Investors, the withholding tax shall be as per the rates specified in Section 196C and 196D of the Act respectively plus applicable surcharge and cess on the amount of Dividend payable to them.

However, as per Section 90 read with Section 195 of the Income-tax Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:



- Self-attested true copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident for the Financial Year 2021-22;
- Self-declaration in Form 10F;
- Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities;
- Self-declaration in the format prescribed by the Company, certifying the following points:
  - i. Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-22;
  - ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
  - iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
  - iv. Shareholder does not have a taxable presence or a Permanent Establishment (“PE”) in India during the Financial Year 2021- 22. In any case, the amounts paid/payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;
  - v. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
  - vi. Non-resident shareholder is satisfying the Principle Purpose Test as per the respective tax treaty effective 1st April, 2020 (if applicable).

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident shareholder.

**Members may submit the aforementioned documents at Datamatics Business Solutions Limited, Address: Plot No. A-16 and 17, MIDC, Part B Cross Lane, Marol, Andheri (East), Mumbai 400 093, Tel. No. 66712151-56; Fax No. 66712011; Email: investorsqry@datamaticsbpm.com on or before Monday, 20th September, 2021 in order to enable the Company to determine and deduct appropriate tax. No communication on the tax determination / deduction shall be entertained post Monday, 20th September, 2021. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible.**

The Company will issue soft copy of the TDS certificate to its shareholders through email registered with the Company / Datamatics Business Solutions Limited post payment of the dividend. Shareholders will be able to download the TDS certificate from the Income Tax Department’s website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS). Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company /Datamatics Business Solutions Limited.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

14. **IEPF:** Under the Act, dividends that are unclaimed/ unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund (“IEPF”) established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in).

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2020 on the website of the Company at [www.emmbi.com](http://www.emmbi.com) and also on the website of the MCA at <http://www.iepf.gov.in/>. Members are requested to note that, pursuant to the provisions of section 124 of the Act read with IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the MCA.

In accordance with the aforesaid IEPF Rules, the Company has sent individual communication to all Members whose shares are due for transfer to the IEPF Authority and whose email IDs are available, informing them to claim their unclaimed/unpaid dividend before due date to avoid such transfer of shares to IEPF Authority and has also published notice in this regards in Newspapers.

**Members whose unclaimed dividends/shares are/will be transferred to the IEPF Authority can claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 by following the refund procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.**

15. **TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY:** As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of transmission or transposition of securities. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form.



Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account. Members may also visit web site of depositories viz. National Securities Depository Limited viz. <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited viz. <https://www.cdslindia.com/investors/open-demat.html> for further understanding of the demat procedure.

16. 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.
17. **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).**
18. 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.
19. The Annual Report 2020-21 of the Company is made available on the website of the Company at [www.emmbi.com](http://www.emmbi.com).
20. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
21. 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 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 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.
22.
  - a. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
  - b. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
  - c. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  - d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  - e. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
  - f. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at Wednesday, 1st September, 2021. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - g. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.



**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Saturday, 25th September, 2021 at 09:00 A.M. and ends on Monday, 27th September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 21st September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, 21st September, 2021.

**• How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider- NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider- NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> 
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>



Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cslindia.com">helpdesk.evoting@cslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**• How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.



8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?
  1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
  2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
  3. Now you are ready for e-Voting as the Voting page opens.
  4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
  5. Upon confirmation, the message “Vote cast successfully” will be displayed.
  6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjayrd65@gmail.com with a copy marked to info@emmbi.com and evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Megha Malviya at evoting@nsdl.co.in and megham@nsdl.co.in.

## **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to info@emmbi.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Tuesday, 21st September, 2021 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, 21st September, 2021 may follow steps mentioned



in the Notice of the AGM under "Access to NSDL e-Voting system".

3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at info@emmbi.com. The same will be replied by the company suitably.
7. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at info@emmbi.com till Tuesday, 21st September, 2021 till 5.00 P.M. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

#### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

#### **SPECIAL BUSINESS**

##### **Item No. 4**

The Board of Directors of the Company, at its meeting held on 11th February, 2021 has, subject to the approval of members, re-appointed Mr. Krishnan I. Subramanian (DIN 06614842) as the Whole Time Director of the Company for a period of three years with effect from May 29, 2021 on the terms and conditions at an existing remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek members' approval for the re-appointment of Mr. Krishnan I. Subramanian (DIN 06614842) as the Whole Time Director of the Company, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of, and remuneration payable to, Mr. Krishnan I. Subramanian are as under:

##### **Remuneration:**

Existing Remuneration of Rs. 1,25,000/- per month includes basic salary, commission and taxable perquisites and other allowances but excluding perquisites to the extent exempted under the Income-tax Act, 1961.

The remuneration to be paid to Mr. Krishnan I. Subramanian is as per Section 196 and Section 197 read with Schedule V of the Companies Act, 2013.

Details of Mr. Krishnan I. Subramanian are provided in the "Annexure" to the Notice.

Mr. Krishnan I. Subramanian is interested in the said resolution set out at Item No. 4 of the Notice. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially, or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

##### **A brief profile of Mr. Krishnan I. Subramanian is given below:**

Mr. Krishnan Subramanian has an experience of over 28 years in the fields of Strategic Planning, Risk Management, Private Equity and M&As. He holds a key influencer and executive role at India's largest privately held logistics entity, which has supra-national ownership. In addition he is an active investor in the start-up space in India, Singapore and the US. His professional career has been associated with the Banking, Information Technology, Manufacturing, and Services verticals, and given him the rich exposure of working with 60 different nationalities.

Mr. Krishnan Subramanian 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.

**Registered Office:**  
**99/2/1 & 9, Madhuban Industrial Estate,**  
**Madhuban Dam Road, Rakholi Village,**  
**U.T. of Dadra & Nagar Haveli,**  
**Silvassa 396 230**

**Date: 25th June, 2021**  
**Place: Silvassa**

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

**Kaushal Patvi**  
**Company Secretary**



**Annexure to the Notice dated 28th September, 2021**

**Details of Directors retiring by rotation / seeking re-appointment at the Meeting as required under applicable provisions of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standards-2 on General Meetings issued by ICSI.**

Name of the Director	Mr. Makrand M. Appalwar
DIN	00171950
Date of Birth	21/11/1969
Age	51 years
Nationality	Indian
Qualifications	Graduate in Mechanical Engineer, from Maharashtra Institute of Technology, Pune, (India) and an alumnus of MIT Sloan School of Management, Boston (US).
Experience (including expertise in specific functional area)/ Brief Resume	Wide experience in sales, marketing, manufacturing & production, branding and corporate affairs.
Date of First Appointment on the Board	29th November, 1994
Number of shares held in the Company (singly or jointly as first holder) as on 31st March, 2021	38,26,450 equity shares of Rs. 10/- each.
Relationship with other Directors/ Key Management Personnel	Husband of Mrs. Rinku M. Appalwar and not related to any other Director/ Key Management Personnel.
Number of meetings of the Board attended during the financial year (2020-2021)	4
Directorships of other Boards as on 31st March, 2021	1. Kitec Industries (India) Private Limited 2. Emmbi Laboratories Private Limited 3. Maithili Agrotech Private Limited 4. Indian Flexible Intermediate Bulk Container Association 5. Indian Technical Textile Association
Chairmanship/ Membership of the Committee(s) of the Board of Directors of other companies in which he/she is a Director as on 31st March, 2021	Nil
Remuneration sought to be paid	Rs. 6,50,000 p.m.
Remuneration last drawn	Rs. 6,50,000 p.m.
Number of Meetings of Committees attended during the year as Chairman or Member of the Committee or other companies in which he/she is a Director as on 31st March, 2021	Nil
Name of the Director	Mr. Krishnan I. Subramanian
DIN	06614842
Date of Birth	30/11/1969
Age	51 years
Nationality	Indian
Qualifications	Graduate of the Birla Institute of Technology & Science (BITS), Pilani, & a post-graduate alumnus of MIT–Sloan School of Management. Accounting Diploma and is a certified IFRS specialist.
Experience (including expertise in specific functional area)/ Brief Resume	Please refer Explanatory Statement to this Notice.
Date of First Appointment on the Board	28th May, 2018
Number of shares held in the Company (singly or jointly as first holder) as on 31st March, 2021	72,000 equity shares of Rs. 10/- each.
Relationship with other Directors/ Key Management Personnel	NIL
Number of meetings of the Board attended during the financial year (2020-2021)	4
Directorships of other Boards as on 31st March, 2021	1. Wissen Technology Private Limited 2. Sukino Healthcare Solutions Private Limited



Chairmanship/ Membership of the Committee(s) of the Board of Directors of other companies in which he/she is a Director as on 31st March, 2021 Nil

Remuneration sought to be paid Rs. 1,25,000 p.m.

Remuneration last drawn Rs. 1,25,000 p.m.

Number of Meetings of Committees attended during the year as Chairman or Member of the Committee or other companies in which he/she is a Director as on 31st March, 2021 Nil

**Registered Office:**  
99/2/1 & 9, Madhuban Industrial Estate,  
Madhuban Dam Road, Rakholi Village,  
U.T. of Dadra & Nagar Haveli,  
Silvassa 396 230

**Date:** 25th June, 2021  
**Place:** Silvassa

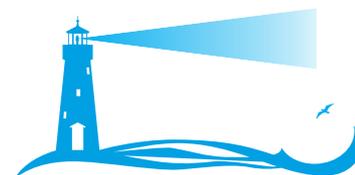
**By Order of the Board of Directors**  
**For Emmbi Industries Limited**

**Kaushal Patvi**  
**Company Secretary**

## AVANA TANK



# Directors' Report



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

To,  
The Members,  
Emmbi Industries Limited

Your Directors have pleasure in presenting the 27th Annual Report of your Company and the Audited Accounts for the year ended 31st March, 2021. Your Company has recorded yet another year of good performance, in its operations. The highlights of the results are set out below:

### FINANCIAL RESULTS

### (INR MILLION) OPERATIONS

Particulars	Year ended on 31 March 2021	Year ended on 31 March 2020
Gross Sales	3198.39	3331.40
Less: Goods & Service Tax	(458.50)	(292.07)
Net Sales	2739.89	3039.34
Other income	1.93	1.61
Total revenue	2741.82	3040.95
Profit before Depreciation, Finance Cost, Exceptional item & Tax	286.43	375.80
Less: Depreciation	72.49	69.73
Profit before Finance Cost, Exceptional item & Tax	213.94	306.06
Less: Finance Costs	113.61	119.42
Profit before Exceptional Items & Tax	100.33	186.64
Add: Exceptional Items	0.00	0.00
Profit before tax	100.33	186.64
Less: Tax expenses	23.59	40.37
Profit after Tax	76.74	146.27
Opening Balance of retained earnings	834.17	700.07
Adjustment relating to fixed assets	0.00	0.00
Adjustments with other Equity	(1.78)	(1.51)
Less: Proposed Dividend / Paid	(6.56)	(8.85)
Less: Distribution tax on Dividend/ TDS on Dividend	(0.52)	(1.82)
Closing Balance of retained earnings	902.06	834.17

During the year under review, your Company has achieved Revenue from Operations and the Income aggregating to Rs. 2,739.89 million as against Rs. 3,039.34 million during the previous year, registering a decrease of about 9.85 % over the previous year. Profit after providing for taxes is Rs. 76.74 million as against Rs. 146.27 million during the previous year.

There is no change in the nature of business of the Company.

### SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2021 was Rs. 176.90 millions. During the year under review, the Company has not issued any shares with differential rights or sweat equity shares. Presently, the Company does not have any stock option scheme for its employees.

### DIVIDEND

Your Directors are pleased to recommend a dividend of Re. 0.40 per equity share of the face value of Rs. 10/- each for the year ended on 31st March, 2021 (Re. 0.40 per share for the previous year) subject to the Members' approval. Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source.

### RESERVES

The Board of Directors of your Company, has decided not to transfer any amount to the Reserves for the year under review.

### EXPORTS

Values of Exports during the year under review were Rs. 1,850.78 million as against Rs. 1,439.38 million. Exports in the current financial year contributed to 57.87% in the gross sales. Company has

expanded its presence in 66 countries which has resulted healthy growth in the territory of operation.

### HUMAN RESOURCE DEVELOPMENT

Company's 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 "Suidha 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 menstruation cycle. This will help them 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.



## MEASURES AND STEPS TAKEN TO DEAL WITH COVID RESPONSE

### Supply of Free Equipments, Medicines & Sanitization

To mitigate the impact of disruptions caused by Covid pandemic, the Company has taken various steps at its Silvassa Factories and Mumbai Office:

- Procurement of 1 Bipap Ventilator and 2 Respiratory Oxygen Concentrator Machines.
- Covid-19 Rapid Antigen Card Test for its workers and employees.
- Preventive Medication as suggested by Medical Professionals were freely distributed on weekly basis to workers, employees and their families in form of Ayurvedic Immunity Booster Tablets, Vitamin C & Zinc Tablets and ORS Sachets.
- Frequent spraying of Sodium Hypochlorite on machines, surfaces, doorknobs, handles, etc every two hours. Sanitization of all vehicles and containers entering and exiting the factory premises.
- Mandatory Sanitization of all workers, employees, visitors, etc at all entry and exit points. Thermal screening of individuals entering the factory premises.
- Ready availability of Pulse Oxymeters at its Silvassa Factories and Mumbai Office.
- Free distribution of face masks, face shields, hand sanitizers and hand gloves.
- New workers were admitted only on Negative RT-PCR Test which was arranged by Company for free of cost.
- Free food and medicines were provided to workers and staff who were Covid positive or whose building/society/colony was sealed by the local administration.

### Emmbi's Covid Warriors

- "Self Help" Groups were created to provide support to Company's employees and workers.
- Emmbi's Covid Warriors provided timely help to employees who were Covid Positive in the form of sourcing medicines, arranging for healthy, home-cooked meals to finding vacant hospital beds, providing financial assistance, taking timely updates from doctors on employee's health and communicating to their families, making arrangements for medical examinations and reports, etc.
- Visiting colleagues in the hospital regularly, sometimes with food, sometimes with medicines. At other times just to keep their colleagues' company

### 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.

### 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:

- that in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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, 2021 and of the profit of the company for the year ended on that date;
- 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;
- the directors have prepared the annual accounts on a going concern basis;
- 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
- 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.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Retirement by rotation

In accordance with the provisions of the Companies Act, 2013, Mr. Makrand M. Appalwar (DIN 00171950), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible offers himself for re-appointment.



### Key Managerial Personnel (KMP)

The following have been designated as the Key Managerial Personnel of the Company pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

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

There has been no change in the KMPs during the year under review.

There has been no change in the constitution of Board of Directors of the Company during the financial year 2020-2021.

### Re-Appointment of Mr. Krishnan I. Subramanian as the Whole Time Director of the Company

The Board of Directors of the Company, at its meeting held on 11th February, 2021 has, subject to the approval of members, re-appointed Mr. Krishnan I. Subramanian (DIN 06614842) as the Whole Time Director of the Company for a period of three years with effect from May 29, 2021 on the terms and conditions at an existing remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board. It is proposed to seek members' approval for the re-appointment of Mr. Krishnan I. Subramanian (DIN 06614842) as the Whole Time Director of the Company, in terms of the applicable provisions of the Act.

### DECLARATION BY AN INDEPENDENT DIRECTOR(S)

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs, Manesar ('IICA'). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 1 (one) year from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. As per Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2020 dated 18th December, 2020, all the Independent Directors of the Company are exempted from undertaking the online proficiency self-assessment test.

### 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. Pursuant to the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The performance evaluation of the Non- Executive & Independent 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 performance evaluation of the Board is done annually by the entire Board. The Board of Directors expressed their satisfaction with the entire evaluation procedure. The Non-Executive & Independent Directors fulfilled the criteria of their independence from the management. Provided that in the evaluation, the directors who were subject to evaluation did not participate.

### INTERNAL FINANCIAL CONTROLS:

The Company has in place an adequate system of internal controls commensurate with the size and nature of its business, which ensures that transactions are recorded, authorized and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and removal. No significant audit observations are reported to the Audit Committee.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews by the Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2020-21.

### FAMILIARISATION PROGRAMME FOR DIRECTORS

The Members of the Board of the Company are afforded many opportunities to familiarise themselves with the Company, its Management and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations and the industry in which it operates.

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Executive Directors and Senior Management provide an overview of the operations and familiarise the new Independent and Non-Executive Directors on matters related to the Company's values and commitments. They are also introduced to the organisation structure, constitution of various committees, board procedures, risk management strategies, etc.

Strategic Presentations are made to the Board where Directors get an opportunity to interact with Senior Management. Directors are also informed of the



various developments in the Company through Press Releases, emails, etc.

#### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The Company has a Strategic Joint Venture with Global Bag sro, Czech Republican Company. The Company has 25% investment in Global Bag sro.

#### **COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2**

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by your Company.

#### **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.

#### **VIGIL MECHANISM**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. The Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the web-link: <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-Whistle-Blower-Policy.pdf>

#### **PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company has a detailed policy in place in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). Internal Complaints Committees (ICC) have been set up to redress complaints received regarding sexual harassment and the Company has complied with provisions relating to the constitution of Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company policy mandates prevention of sexual harassment and to ensure a free and fair enquiry process with clear timelines for resolution process with clear timelines for resolution. During the financial year under review, the Company did not receive any complaints of sexual harassment and no cases were filed under the POSH Act.

#### **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.

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

The Company has not given any loan, guarantees or made any investments as prescribed in Section 186 of the Companies Act, 2013.

#### **RELATED PARTY TRANSACTIONS**

During the year no contracts / arrangements were entered / renewed by the Company with related parties in terms of the provisions of Section 188(1) of the Companies Act, 2013. All 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 and approved by the Audit Committee.

During the year under review, the Company had not entered into any material related party transactions.

Disclosure as required under section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in form AOC-2, is not applicable as all the contracts entered by the Company during the year are on arms' length basis and there was no material contract or arrangement.

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: <https://emmbi.com/wp-content/uploads/2019/08/Related-Party-Transaction-Policy.pdf>

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company has focused on several corporate social responsibility programmes. The Company continued its endeavour to improve the lives of people and provide opportunities for their holistic development through its different initiatives in the areas of Health; Sanitation & Hygiene; Education; Sports for Development; Disaster Response; Arts, Culture, Heritage, etc.

#### **CSR POLICY**

The Corporate Social Responsibility Committee had formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) which was subsequently adopted by it and is being implemented by the Company. The CSR Policy can be accessed at the Company's website through the Web-link: <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-CSR-Policy.pdf>

#### **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.
- 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.
- e. The Company has also installed Solar Rooftop at it's Silvassa Factory.

## 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 31st March, 2024 from Department of Scientific And Industrial Research, Ministry of Science & Technology, Government 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

- 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. Upgradation 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	Amount (Rs. In Millions)
Capital Expenditure	6.48
Revenue Expenditure	22.91
Total R&D Expenditure	29.39
Total Turnover (Net Sales)	2739.89
Total R&D Expenditure as a percentage of Total turnover	1.07%

## 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. 1797.84 millions.

Particulars	(Rs. In Millions)	
	2020-21	2019-20
Foreign Exchange Earnings	1797.84	1,393.57
Foreign Exchange Outgo	35.44	30.10

## RISK MANAGEMENT POLICY

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. The Company has a robust organisational structure for managing and reporting on risks. 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**.

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

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

## 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 unclaimed for a period of seven years from the date of such transfer then such unclaimed 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 unclaimed/unpaid dividend are available on the website of the Company viz. [www.emmbi.com](http://www.emmbi.com).



The details of unpaid dividend are as follows:-

Sr. No.	Dividend Year	Unpaid Balance as on 31/03/2021 (in Rs.)
1	2013-14	102,718.25
2	2014-15	70,025.70
3	2015-16	60,770.00
4	2016-17	59,622.00
5	2017-18	50,354.50
6	2018-19	47,900.00
7	2019-20	33,581.20

Investors are advised to send all un-encashed dividend warrants pertaining to the years shown above to the Company for revalidation. It is further informed that unclaimed/ unpaid dividend pertaining to the Financial Year 2013-14 will become due for transfer to Investor Education and Protection Fund (IEPF) in FY 21-22.

#### **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 the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) equity shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years will be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account constituted under Section 125 of the Companies Act, 2013.

It is pertinent to mention that no claim shall lie against the Company, though shares which are transferred to the Suspense Account of IEPF can be claimed back by the shareholders from IEPF by following the procedure prescribed under the aforesaid rules.

Notices have been served to the individual shareholders whose shares are liable to be transferred to IEPF Suspense Account. The underlying shares will be due to be transferred to the IEPF Suspense Account in FY 21-22.

Members whose unclaimed dividends/shares are/will be transferred to the IEPF Authority can claim the same by making an online application to the IEPF by following the refund procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.

#### **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. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

#### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Sanjay R. Dholakia, Practising Company Secretary, to conduct Secretarial Audit for the FY. 2020-21. The Secretarial Audit Report for the financial year ended 31st March, 2021 is attached and forms part of the Board Report as **Annexure 3**.



## **OBSERVATIONS – STATUTORY AUDITOR & SECRETARIAL AUDITOR**

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

## **REPORTING OF FRAUDS BY THE AUDITORS**

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

## **ANNUAL RETURN**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2021 in Form No. MGT-9 is attached as **Annexure 1**. The Annual Return as on 31st March, 2021 is available on the Company's website at: <https://emmbi.com/annual-return/>

## **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 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.

All the recommendations of the Audit Committee were accepted by the Board.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Board has constituted a Nomination and Remuneration 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

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.

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 <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-Nomination-Remuneration-Policy.pdf>

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Board has 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 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 <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-CSR-Policy.pdf>. 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 2020-21 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.



## 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, 2021 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 will be available electronically for inspection by the members during the AGM and will also be available for inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to info@emmbi.com.

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.

## PARTICULARS OF EMPLOYEES AND 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, 2021 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 electronically for inspection by the members during the AGM and will also be available for inspection without any fee by the members from the date of circulation of this notice up to the date of AGM. Members seeking to inspect such documents can send an email to info@emmbi.com

As required under Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company does not have any employees who:

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate was not less than 1 Crore and 2 Lakh rupees;
- (ii) if employed for a part of the financial year were in receipt of remuneration of not less than Eight Lakh and Fifty Thousand per month;
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

## AWARDS AND RECOGNITIONS

Emmbi Industries Limited was conferred with the coveted and prestigious **Golden Peacock Award for Eco-Innovation 2020**. The Award ceremony was virtually hosted by the Institute of Directors on 15th December 2020. Emmbi was awarded this honor for the invention of 100% Recyclable FIBC Bags, which was achieved by using TexturePro, a technology developed in house at the Emmbi Innovation Lab. TexturePro uses a single homopolymer for the entire bag, rather than using different materials for each part as is traditionally done, making it simpler to recycle.

Shri. Arjun Ram Meghwal, Hon'ble Union Minister of State for Parliamentary Affairs and Heavy Industries & Public Enterprises, Government of India was the Chief Guest and Shri. Girish Chandra Murmu, IAS, Hon'ble Comptroller and Auditor General of India & former Lt. Governor of Jammu & Kashmir was the Guest of Honour.

The Prestigious Award was virtually accepted by Mr. Makrand Appalwar, CMD on behalf of Emmbi Industries Limited.



## 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 Board of 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.

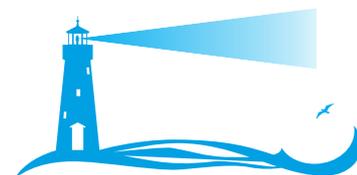
For and on behalf of the Board of Directors

Place: Silvassa

Date: 25th June, 2021

Makrand Appalwar  
Chairman & Managing Director  
DIN: 00171950

# Annexures to the Directors' Report



**Annexure 1 to Director's Report  
FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on March 31, 2021**

**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. Email: info@emmbi.com. Website: www.emmbi.com
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 Business Solutions Limited (Formerly known as Datamatics Financial Services Limited) Plot No. B-5, Part B Crosslane, MIDC, Andheri (East), Mumbai 400 093. Tel: 022- 66712001-2010. Fax: 022- 66712011. Email: investorsqry@datamaticsbpm.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	100.00%
2	Trading of plastics products	479	0.00%

## III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SL No	Name & Address	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Global Bag s.r.o Oblekovic 355, 671 81 ZNOJMO, Czech Republic	NA	Joint Venture	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	
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES		
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>A. PROMOTER AND PROMOTER GROUP</b>										
(1)	Indian									
	a) Individual/HUF	7564335	0	7564335	42.76	7585071	0	7585071	42.88	0.12
	b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
	c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	d) Bodies Corporate	2724300	0	2724300	15.40	2724300	0	2724300	15.40	0.00
	e) Bank/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
	f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A) (1)	10288635	0	10288635	58.16	10309371	0	10309371	58.28	0.12
(2)	Foreign									
	a) NRI/Foreign Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	b) Government	0	0	0	0.00	0	0	0	0.00	0.00
	c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	d) Bank/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
	e) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
	f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group										
(A) = (A)(1) + (A)(2)										
		10288635	0	10288635	58.16	10309371	0	10309371	58.28	0.12



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)
<b>B. PUBLIC SHAREHOLDING</b>									
(1)	Institutions								
	a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00
	b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00
	c) Alternate Investment Funds	482300	0	482300	2.73	482300	0	482300	2.73
	d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00
	e) Foreign Portfolio Investors	1222653	0	1222653	6.91	1222653	0	1222653	6.91
	f) Banks/Financial Institutions	115	0	115	0.00	0	0	0	0.00
	g) Insurance Companies	0	0	0	0.00	0	0	0	0.00
	h) Provident Funds/Pension Funds	0	0	0	0.00	0	0	0	0.00
	i) Any Other								
	(i) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00
	(ii) Qualified Institutional Buyer	0	0	0	0.00	0	0	0	0.00
	SUB TOTAL (B)(1)	1705068	0	1705068	9.64	1704953	0	1704953	9.64
(2)	Central Government/State Government(s)/ President of India	0	0	0	0.00	0	0	0	0.00
	SUB TOTAL (B)(2)	0	0	0	0.00	0	0	0	0.00
(3)	Non Institutions								
	a) Bodies Corporate	0	0	0	0.00	0	0	0	0.00
	i) Indian	1011397	0	1011397	5.72	1028271	0	1028271	5.81
	ii) Overseas	0	0	0	0.00	0	0	0	0.00
	b) Individuals								
	b(i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	3747563	10	3747573	21.18	3520116	10	3520126	19.90
	b(ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	571982	0	571982	3.23	603880	0	603880	3.41
	c) NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00
	d) Employee Trusts	0	0	0	0.00	0	0	0	0.00
	e) Overseas Depositories (holding DRs)(balancing figure)	0	0	0	0.00	0	0	0	0.00
	f) Any Other	0	0	0	0.00	0	0	0	0.00
	i) NRI Rep	136561	0	136561	0.77	186474	0	186474	1.05
	ii) NRI Non-Rep	170408	0	170408	0.96	171374	0	171374	0.97
	iii) Trusts	6436	0	6436	0.04	0	0	0	-0.04
	iv) OCB	0	0	0	0.00	0	0	0	0.00
	v) Foreign Bodies	0	0	0	0.00	0	0	0	0.00
	vi) Foreign National	0	0	0	0.00	0	0	0	0.00
	vii) Clearing Member	33843	0	33843	0.19	144132	0	144132	0.81
	viii) Unclaimed/ Escrow Account	0	0	0	0.00	0	0	0	0.00
	ix) IEPF Authority	18347	0	18347	0.10	21669	0	21669	0.12
	SUB TOTAL (B)(3)	5696537	10	5696547	32.20	5675916	10	5675926	32.08
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	7401605	10	7401615	41.84	7380869	10	7380879	41.72
	Total (A+B)	17690240	10	17690250	100.00	17690240	10	17690250	100.00
(C)	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00
	Grand Total (A+B+C)	17690240	10	17690250	100.00	17690240	10	17690250	100.00

## (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	3825150	21.62	0.00	3826450	21.63	0.00	0.01
2	Mrs. Rinku M. Appalwar	2347310	13.27	0.00	2366746	13.38	0.00	0.11
3	Emmbi Laboratories Pvt. Ltd.	1663100	9.40	0.00	1663100	9.40	0.00	0.00
4	Maithili Agrotech Pvt. Ltd.	1061200	6.00	0.00	1061200	6.00	0.00	0.00
5	Miss Maithili M. Appalwar	1065250	6.02	0.00	1065250	6.02	0.00	0.00
6	Mrs. Mitravinda M. Appalwar	238311	1.35	0.00	238311	1.35	0.00	0.00
7	Mr. Avinash R. Laddha	63614	0.36	0.00	63614	0.36	0.00	0.00
8	Mr. Prashant K. Lohiya	6250	0.04	0.00	6250	0.04	0.00	0.00
9	Mr. Kailashchandra B. Lohiya	11550	0.07	0.00	11550	0.07	0.00	0.00
10	Mrs. Sarla K. Lohiya	3000	0.02	0.00	3000	0.02	0.00	0.00
11	Mr. Sanjay R. Rath	2100	0.01	0.00	2100	0.01	0.00	0.00
12	Mrs. Sangeeta S. Rath	1050	0.01	0.00	1050	0.01	0.00	0.00
13	Mrs. Sushiladevi R. Rath	750	0.01	0.00	750	0.01	0.00	0.00
	Total	10288635	58.16	0.00	10309371	58.28	0.00	0.12



**(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 (01/04/20 to 31/03/21)	
		No. of shares at the beginning of the yr (01/04/20)/ end of the yr (31/03/21)	% of total shares of the Company	No. of shares	Reason	No. of shares	% of total shares of the Company	
1	Mr. Makrand M. Appalwar	3,825,150	21.62	01.04.20				
				25.09.20	1,300	Buy	3,826,450	21.63
		3,826,450	21.63	31.03.21			3,826,450	21.63
2	Mrs. Rinku M. Appalwar	2,347,310	13.27	01.04.20				
				16.11.20	2,386	Buy	2,349,696	13.28
				19.02.21	850	Buy	2,350,546	13.29
		2,366,746	13.38	31.03.21	16,200	Buy	2,366,746	13.38

**(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 (01/04/20 to 31/03/21)	
		No. of shares at the beginning of the yr (01/04/20)/ end of the yr (31/03/21)	% of total shares of the Company	No. of shares	Reason	No. of shares	% of total shares of the Company	
1	HIDDEN CHAMPIONS FUND	1,222,653	6.91	01.04.20				
				Nil movement during the year				
		1,222,653	6.91	31.03.21			1,222,653	6.91
2	ITHOUGHTWEALTH ANALYTICS LLP	489,705	2.77	01.04.20				
				Nil movement during the year				
		489,705	2.77	31.03.21			489,705	2.77
3	TRUSTLINE DEEP ALPHA AIF	482,300	2.73	01.04.20				
				Nil movement during the year				
		482,300	2.73	31.03.21			482,300	2.73
4	AAKASH FILAMENTS PVT. LTD.	132,689	0.75	01.04.20				
				Nil movement during the year				
		132,689	0.75	31.03.21			132,689	0.75
5	*ZEN SECURITIES LTD.	0	0.00	01.04.20				
				17.07.20	500	Buy	500	0.00
				24.07.20	500	Buy	1,000	0.00
				31.07.20	1,000	Sell	0	0.00
				14.08.20	350	Buy	350	0.00
				21.08.20	350	Sell	0	0.00
				02.10.20	75	Buy	75	0.00
				09.10.20	75	Sell	0	0.00
				27.11.20	100	Buy	100	0.00
				04.12.20	100	Sell	0	0.00
				15.01.21	33	Buy	33	0.00
				22.01.21	267	Buy	300	0.00
				29.01.21	300	Sell	0	0.00
				12.02.21	50,350	Buy	50,350	0.28
				19.02.21	350	Sell	50,000	0.28
				26.02.21	35,717	Buy	85,717	0.48
				05.03.21	6,267	Buy	91,984	0.52
				12.03.21	200	Sell	91,784	0.52
		19.03.21	9,566	Buy	101,350	0.57		
		26.03.21	1,350	Sell	100,000	0.57		
		31.03.21	365	Buy	100,365	0.57		
					100,365	0.57		
6	MRUNALINI RAJESH PANDIT	99,575	0.56	01.04.20				
				Nil movement during the year				
		99,575	0.56	31.03.21			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 (01/04/20 TO 31/03/21)	
		No. of shares at the beginning of the yr (01/04/20)/ end of the yr (31/03/21)	% of total shares of the Company	No. of shares	Reason	No. of shares	% of total shares of the Company	
7	VINAY GOPINATH PAI	98,678	0.56	01.04.20				
				Nil movement during the year				
		98,678	0.56	31.03.21			98,678	0.56
8	ASHOK MAGANLAL SHAH	98,354	0.56	01.04.20				
				03.04.20	260	Buy	98,614	0.56
				10.04.20	295	Buy	98,909	0.56
				17.04.20	131	Buy	99,040	0.56
				24.04.20	620	Buy	99,660	0.56
				01.05.20	241	Buy	99,901	0.56
				26.03.21	4000	Sell	95,901	0.54
				31.03.21			95,901	0.54
					95,901	0.54	31.03.21	
9	UMAYA TRADING PVT. LTD.	89,012	0.50	01.04.20				
				Nil movement during the year				
		89,012	0.50	31.03.21			89,012	0.50
10	KRISHNAN SUBRAMANIAN	59,000	0.33	01.04.20				
				26.06.20	1,500	Buy	60,500	0.34
				25.09.20	500	Buy	61,000	0.34
				20.11.20	500	Buy	61,500	0.35
				25.12.20	500	Buy	62,000	0.35
				31.12.20	10,000	Buy	72,000	0.41
				31.03.21			72,000	0.41
	72,000	0.41	31.03.21			72,000	0.41	
11	#JAINAM SHARE CONSULTANTS PVT. LTD.	67,113	0.38	01.04.20				
				24.04.20	3,550	Sell	63,563	0.36
				01.05.20	50	Sell	63,513	0.36
				12.06.20	50	Buy	63,563	0.36
				19.06.20	50	Sell	63,513	0.36
				30.10.20	63,213	Sell	300	0.00
				06.11.20	63,213	Buy	63,513	0.36
				04.12.20	13,802	Sell	49,711	0.28
				11.12.20	3,600	Sell	46,111	0.26
				18.12.20	303	Sell	45,808	0.26
				25.12.20	1,144	Sell	44,664	0.25
				31.12.20	100	Buy	44,764	0.25
				08.01.21	5,100	Sell	39,664	0.23
				15.01.21	450	Buy	40,114	0.23
				22.01.21	350	Sell	39,764	0.23
				29.01.21	100	Sell	39,664	0.23
				12.02.21	650	Buy	40,314	0.23
				19.02.21	550	Sell	39,764	0.23
				26.02.21	55	Sell	39,709	0.23
				05.03.21	610	Buy	40,319	0.23
				12.03.21	355	Sell	39,964	0.23
19.03.21	646	Buy	40,610	0.23				
26.03.21	566	Sell	40,044	0.23				
31.03.21	820	Buy	40,864	0.23				
	40,864	0.23	31.03.21			40,864	0.23	

\*Not in the list of Top 10 shareholders as on 01-04-2020. The same has been reflected above since the shareholder is one of the Top 10 shareholders as on 31-03-2021.

# Ceased to be in the list of Top 10 shareholders as on 31-04-2021. The same has been reflected above since the shareholder is one of the Top 10 shareholders as on 01-04-2020.

**(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 (01/04/20 TO 31/03/21)	
		No. of shares at the beginning of the yr (01/04/20)/ end of the yr (31/03/21)	% 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	3,825,150	21.62	01.04.20				
		3,826,450	21.63	25.09.20	1,300	Buy	3,826,450	21.63
				31.03.21			3,826,450	21.63
2	Mrs. Rinku M. Appalwar Executive Director & CFO	2,347,310	13.27	01.04.20				
				16.11.20	2,386	Buy	2,349,696	13.28
				19.02.21	850	Buy	2,350,546	13.29
				31.03.21	16,200	Buy	2,366,746	13.38
		2,366,746	13.38	31.03.21			2,366,746	13.38
3	Mr. Krishnan I. Subramanian Whole Time Director	59,000	0.33	01.04.20				
				26.06.20	1,500	Buy	60,500	0.34
				25.09.20	500	Buy	61,000	0.34
				20.11.20	500	Buy	61,500	0.35
				25.12.20	500	Buy	62,000	0.35
				31.12.20	10,000	Buy	72,000	0.41
		72,000	0.41	31.03.21			72,000	0.41
4	Mr. Prashant K. Lohiya Non-Executive Director & Independent Director	6,250	0.04	01.04.20	0	Nil movement		
		6,250	0.04	31.03.21	0	during the year	6,250	0.04
5	Dr. Venkatesh G. Joshi Non-Executive Director & Independent Director	0	0.00	01.04.20	0	Nil movement		
		0	0.00	31.03.21	0	during the year	0	0.00
6	Mr. Rama A. Krishnan Non-Executive Director & Independent Director	0	0.00	01.04.20	0	Nil movement		
		0	0.00	31.03.21	0	during the year	0	0.00
<b>B Key Managerial Personnel (KMP's)</b>								
1	Mr. Makrand M. Appalwar Chairman & Managing Director	3,825,150	21.62	01.04.20				
		3,826,450	21.63	25.09.20	1,300	Buy	3,826,450	21.63
				31.03.21			3,826,450	21.63
2	Mrs. Rinku M. Appalwar Executive Director & CFO	2,347,310	13.27	01.04.20				
				16.11.20	2,386	Buy	2,349,696	13.28
				19.02.21	850	Buy	2,350,546	13.29
				31.03.21	16,200	Buy	2,366,746	13.38
		2,366,746	13.38	31.03.21			2,366,746	13.38
3	Mr. Kaushal R. Patvi Company Secretary & Compliance Officer	0	0.00	01.04.20	0	Nil movement		
		0	0.00	31.03.21	0	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	1,130.04	28.06	1,158.10
ii) Interest due but not paid	4.60	-	4.60
iii) Interest accrued but not due	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,134.64</b>	<b>28.06</b>	<b>1,162.70</b>
Change in Indebtedness during the financial year			
Additions	345.12	-	345.12
Reduction	119.05	20.00	139.05
Net Change	226.07	(20.00)	206.07
Indebtedness at the end of the financial year			
i) Principal Amount	1,356.11	8.06	1,364.17
ii) Interest due but not paid	3.45	-	3.45
iii) Interest accrued but not due	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,359.56</b>	<b>8.06</b>	<b>1,367.62</b>



## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI No.	PARTICULARS OF REMUNERATION	NAME OF THE MD/WTD/DIRECTOR			TOTAL AMOUNT (Rs.)
		Makrand. M. Appalwar	Rinku. M. Appalwar	Krishnan I. Subramanian	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	7,020,000	6,480,000	1,437,500	14,937,500
(b)	Value of perquisites u/s 17(2) section 17(3) of the Income Tax Act, 1961	-	-	-	-
(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)	7,020,000	6,480,000	1,437,500	14,937,500

### B. Remuneration to other directors:

SI 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	133,001	133,001	133,001	3,99,003
(b)	Commission	—	—	—	—
(c)	Others, please specify	—	—	—	—
	Total (1)				
2	Other Non Executive Directors				
(a)	Fee for attending board/ committee meetings	—	—	—	—
(b)	Commission	—	—	—	—
(c)	Others, please specify.	—	—	—	—
	Total (2)	—	—	—	—
	Total (B)=(1+2)	133,001	133,001	133,001	3,99,003
	<b>Total Managerial Remuneration*(A+B)</b>				<b>1,53,36,503</b>

\* 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

SI No.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL			TOTAL AMOUNT (Rs.)
		Managing Director (Makrand M Appalwar)	Chief Financial Officer (Rinku M Appalwar)	Company Secretary (Kaushal R. Patvi)	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	7,020,000	6,480,000	1,156,922	14,656,922
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
(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	7,020,000	6,480,000	1,156,922	14,656,922

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

### Risk Management

#### 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. Our capacity utilisation taking into account the expansion to 27,440 mtpa stands at 70%, and this is expected to move up to 85% to 90% over the next two years. We have used a mix of out-sourcing, automation, and adoption of Industry 4.0, to ensure the best 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 always maintain cordial and healthy relationship with workers, ensuring their safety and wellbeing.

#### Financial Risk

Emmbi's capital structure is very conservative, and it's 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 overall growth. In addition we do not rely on one lender, and have a multiple banking arrangement system, ample lines, and a good standing with all the lenders.

#### Liquidity Risk

We maintain adequate cash at all times. Despite making some purchases on an advance payment basis 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 maintain a healthy dividend pay out which cements that Emmbi is a very liquid company.

#### Single Product Risk

Emmbi's product line is well diversified with sales to over 200 clients in 66 countries across 40 products. No single client contributes to more than 5% of total revenues. We have strategically reduced our dependence on low margin products. Our foray into the B2C has also decoupled our concentration risk, where the consumers are more granular in nature.

#### Single Geography Risk

Emmbi exports to 66 countries and is not exposed to a single market or its vagaries.

#### Foreign Exchange Risk

Emmbi has an 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.

#### Systems & 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 analyses, how it can impact the whole organisation. The fact that Emmbi is an accredited as an R&D House by the Government of India also emphasises that our risk management practices have been approved and commended by the Government.

We have in the past year, invested into a supply-chain ERP, designed specifically for our B2C segment. It is in the process of being rolled out, this would lead to benefits in operational efficiencies, and better cost management.

#### Pandemic and Unforeseen Events

Whilst there are events, whose probability of occurrence may be very-low, however the impact can be very-severe, threaten disruptions to both earnings, and capital. Emmbi ensures that in case of such a rarity, it's prudent way of decision making, policies, financial resources, flexible manufacturing, and experience of the Management, makes it on a better footing to handle such events. Whilst there are events, whose probability of occurrence may be very-low, however the impact can be very-severe, threaten disruptions to both earnings, and capital. Emmbi ensures that in case of such a rarity, it's prudent way of decision making, policies, financial resources, flexible manufacturing, and experience of the Management, makes it on a better footing to handle such events.



*Manish Murarka, Suresh Shetty, Dinesh Sapariya*

# “All you need is that Human Touch.

*Manish Murarka, Assistant Manager – Export Sales*

*Dinesh Sapariya, Manager – EXIM*

*Suresh Shetty, Senior Manager – Human Resources & Admin*

Manish Murarka and Dinesh Sapariya caught Covid within a few days of each other: “We used to travel together in the car,” jokes Dinesh, “I got it first, so maybe I gave it to Manish.” That was over a year ago. Manish quarantined himself at home and got better without having to go to the hospital. Dinesh was not so lucky. He spent almost a week in a hospital before he got better.

Suresh, on the other hand, never caught Covid although he was quarantined thrice. “I supposedly came in contact with someone who caught Covid,” he laughs, “So even though I never had it, I know what one might go through.”

Perhaps that is the reason that Dinesh, Suresh and Manish became Emmbi’s Covid Warriors. They all saw the isolation first-hand, and along with that, the loneliness that Covid patients battle along with the disease itself. “I know what it feels like,” says Suresh, “Each time, I almost went mad, all alone, in my room. I mean, how much television can you watch?” Dinesh echoes the same sentiment. “I had a single room to begin with,” he says, “but one day I happened to walk into the general ward. I saw people interacting with each other; playing a game of Carrom... It lifted my spirits. That’s when I realized how important human company was, during isolation.” Dinesh transferred to the general ward the very next day.

Back at work, the Covid Warriors became a sort of a lifeline for their coworkers who were battling the disease. From sourcing medicines, arranging for healthy, home-cooked meals to finding vacant hospital beds – Dinesh, Suresh and Manish are just a phone call away for their colleagues. The trio has been working tirelessly, providing that much needed human touch to their colleagues. Manish says, “Sometimes all that is needed is a phone call. You’re so alone in that room, with nobody being allowed to visit, that any form of human contact is welcome. And that in itself helps you recover, because it puts you in a better frame of mind.”

Suresh, on the other hand, took to visiting his colleagues in the hospital regularly, sometimes with food, sometimes with medicines. At other times, he’d visit just to keep his colleagues company. Isn’t he worried he’d catch the infection, especially since he’s never had it? “Yes, you’re scared at first. But you realize that there is something much bigger than fear – humanity.”

One can’t really argue with that, can we?

**ANNEXURE 3 TO DIRECTOR'S REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st March 2021**

**[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 2021 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 2021 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.



Further we have to state that we have not carried out the Physical Inspection of any records maintained by the Company due to prevailing conditions of COVID-19 prevailing in the country. We have relied on the records as made available by the Company by digital mode and also on the Management Representation Letter issued by the Company.

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**

**Date: 25th June, 2021**

**Place: Mumbai**

**Membership No. FCS2655 CP1798**

**UDIN: F002655C000512021**

#### **Annexure A**

To,  
The Members,  
EMMBI INDUSTRIES LIMITED  
Silvassa

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For SANJAY DHOLAKIA & ASSOCIATES**

**For SANJAY DHOLAKIA & ASSOCIATES**

**(SANJAY R DHOLAKIA)**

**Practising Company Secretary**

**Proprietor**

**Membership No. 2655 /CP No. 1798**

**Date: 25th June, 2021**

**Place: Mumbai**

**UDIN: F002655C000512021**

#### **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 8 of The Companies (Corporate Social Responsibility) Rules, 2014]**

1. A brief outline of the Company's CSR Policy: 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: [www.emmbi.com](http://www.emmbi.com)

2. The Composition of the CSR Committee:

<b>Sr No.</b>	<b>Name of the Director</b>	<b>Designation/ Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>
1.	Dr. Venkatesh Joshi	Chairman	2	2
2.	Mr. Prashant Lohiya	Member	2	2
3.	Mr. Rama Krishnan	Member	2	2
4.	Mrs. Rinku Appalwar	Member	2	2



3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.emmbi.com
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil
6. Average net profit of the company as per section 135(5): Rs. 21,02,75,089/-
7.
  - (a) Two percent of average net profit of the company as per section 135(5): Rs. 42,05,500/-
  - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
  - (c) Amount required to be set off for the financial year, if any: Nil
  - (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 42,05,500/-
8.
  - (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 44,47,718	Nil	Nil	Nil	Nil	Nil

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1) Sr. No.	(2) Name of the Project	(3) Items from the list of activities in Schedule VII to the Act	(4) Local Area (Yes/ No)	(5) Location of the Project		(6) Project Duration	(7) Amount allocated for the project (in Rs.)	(8) Amount spent for the project (in Rs.)	(9) Amount transferred to Unspent CSR A/C for the project as per Section 135 (6) (in Rs.)	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration No.
1.	Healthcare Programme- Providing free Medical Treatment	Promoting healthcare including preventive health care	Yes	Maha rashtra	Mumbai		17,70,000	15,92,428	Nil	No	Emmbi Found-ation	CSR 0000 0243
2.	Providing Scholarships to school children	Promoting Education	Yes	Maha rashtra	Mumbai		1,20,000	91,800	Nil	No		
3.	Promoting women empowerment	Promoting women empowerment	Yes	Maha rashtra	Mumbai		20,000	10,001	Nil	No		
4.	Health Programme providing free medical treatment	Promoting healthcare including preventive health care	No	Rajas than	Jaipur		20,000	17,000	Nil	No		
5.	Healthcare Programme- Providing free medical treatment	Promoting healthcare including preventive health care	No	Maha rashtra	Nagpur		60,000	50,400	Nil	No		
6.	Healthcare Programme- Providing free medical treatment	Promoting healthcare including preventive health care	No	Maha rashtra	Pune		50,000	49,051	Nil	No		

(1) Sr. No.	(2) Name of the Project	(3) Items from the list of activities in Schedule VII to the Act	(4) Local Area (Yes/ No)	(5) Location of the Project		(6) Project Duration	(7) Amount allocate for the project (in Rs.)	(8) Amount spent for the project (in Rs.)	(9) Amount transferred to Unspent CSR A/C for the project as per Section 135 (6) (in Rs.)	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registra tion No.
7.	Healthcare Programme- Providing free medical treatment	Promoting healthcare including preventive health care	No	Maharashtra	Aurangabad		350,000	325,009	Nil	No	Emmbi Foundation	CSR 0000 0243
8.	Healthcare Programme- Providing free medical treatment	Promoting healthcare including preventive health care	No	Maharashtra	Akola		40,000	35,000	Nil	No		
9.	Promoting Education	Promoting Education	No	Uttar Pradesh	Mathura		600,000	500,000	Nil	No		
10.	Healthcare Programme- Providing free medical treatment	Promoting healthcare including preventive health care	Yes	U. T. of Dadra and Nagar Haveli	Silvassa		17,80,000	17,54,349	Nil	No		
11.	Healthcare Programme- Providing free medical treatment	Promoting healthcare including preventive health care	No	Gujarat	Bharuch		30,000	22,680	Nil	No		

- (c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable  
(d) Amount spent in Administrative Overheads: NIL  
(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**  
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 44,47,718/-  
(g) Excess amount for set off, if any: Rs. **2,42,218/-**



9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

\* 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.

Place: Silvassa

Date: 25th June, 2021

(Makrand Appalwar)

Chairman & Managing Director

DIN: 00171950

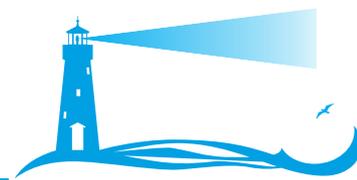
(Dr. Venkatesh Joshi)

Chairman of CSR Committee

DIN: 01234871



# 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

The slowdown in the global growth in over the past few years, took a turn for the worse in 2020 on account of the pandemic, that ravaged across different parts of the world, from the beginning of the calendar year. The combined effect of the of the lock-downs, disruptions across supply-chains, the fear, and pessimism shrunk the global economy by almost 4% in calendar '20. The Advanced economies shrunk by 3.30%, with the Euro Areas and the UK being the hardest hit. The US, primarily a consumption and services led economy, decelerated by 3.50%. Whilst the Emerging Markets, and Developing Economies, de-grew almost 3%; China was the only exception with a growth of 2.20%. The IMF estimates a growth in output at 6%, this being disparate across economies, and industries. Emmbi's export markets, that shrunk in '20, are expected to grow at a much faster pace, on account of both the containment of the pandemic, as well as measures taken by the respective governments.

The Indian economy that was on a fragile ground throughout the past two fiscals, came off the cliff in fiscal '21. The first two quarters were the worst beginning with the lock-down, followed by the exodus of migrant labour. The gradual reopening, and the measures initiated by the governments assisted to some extent in the latter half of the year, however consumption remained muted, which translated into industrial output. The outlook for fiscal '22 is mixed with caution, as pockets of the country remain under partial lock-down and agencies predict a 11% growth (from a lower base) in the domestic economy.

Emmbi's thought process had been to focus on margins, rather than volumes, and the strategic decision to have flexible manufacturing capabilities, invest in people, and a robust distribution network, coupled with continual innovation has helped it not only be resilient, but grow its businesses in these unprecedented times. Barring the one-off costs that came about on account of the lockdown, which resulted in the loss of production, and productivity, demand did sustain itself, and while the trend appears positive. Whilst being cautious, we also wish to continue in pursuing our aspirational goals, balancing reward and risk so whilst protecting stakeholder interests.

## Sector Performance

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, crossed 550 tons the turn of the decade (a CAGR 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 exhibit near double-digit growth in 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.



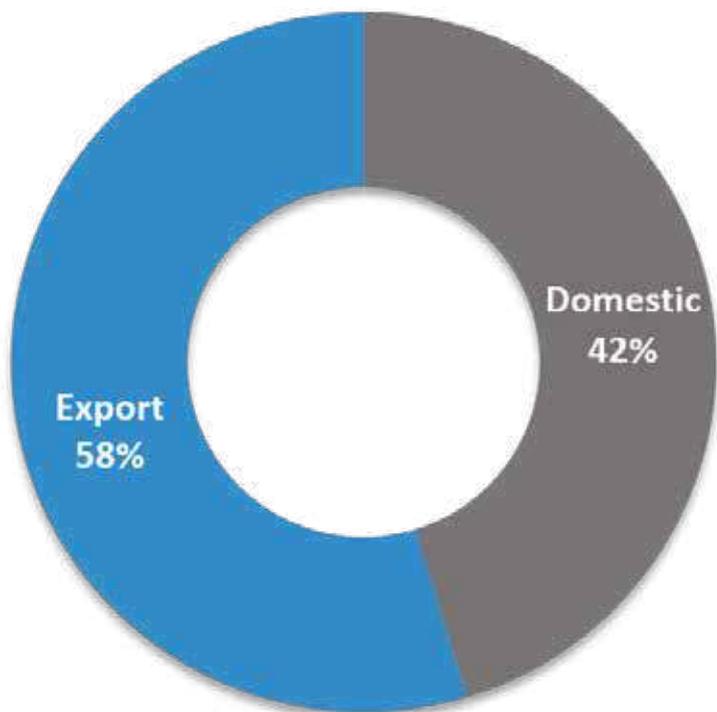
GARDEN WASTE BAG

Impact of post Covid-19 world is yet to be studied on this sector. As large part of polymers are part of the essential class of the supply chain in the industry we have a feeling that the impact of the Covid-19 will be substantially lower on this sector than other sectors like Aviation or Hospitality.

## Emmbi’s Industries International and Domestic Business

### Product Range

We are proud to state that we have over 30 individual products that cater to a client base of over 200, spread across 66 countries.



UN CERTIFIED FIBC

### Business Split: Product wise & Region wise

#### International:

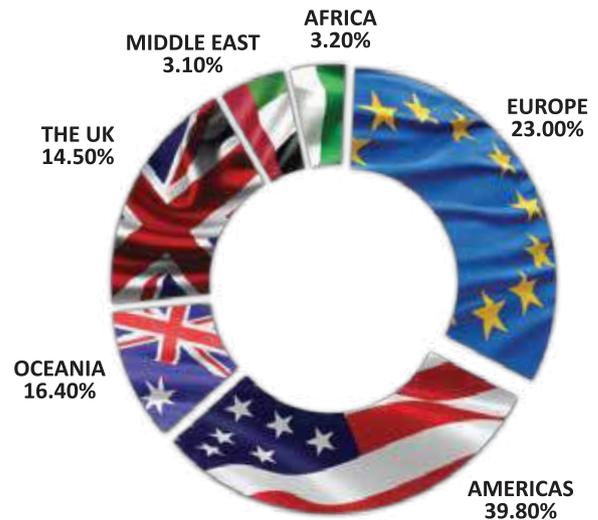
Revenues from Exports stood at Rs. 1850.78 million, notably across 66 countries with North America being the largest contributor, followed by Europe. In addition to diversification across geographies, Emmbi’s clientele include a wide range of industries.



## Domestic Business

Domestic growth was dominated by water conservation, and retail distribution in Agro-polymer segments. The strategic move initiated in the earlier years, in terms of resource allocation to high margin products that began to pay-off in 2017, has since consolidated and is expected to contribute significantly to the coming years. Revenues for fiscal '22, despite challenging circumstances and the rough weather ahead, is likely to be sustainable, on account of the salient factors:

1. Emmbi's innovation, track record, and distribution network makes it a first-choice provider for existing clients and serves as a referral base.
2. Increase in the Export demand of products under Advanced Composites & Speciality Packaging.
3. 'Avana' that has made a mark in few states, is expanding across India and introducing newer products, that have found tremendous acceptance.
4. The increased focus on hygiene, and food security augurs well for the product lines the company is present.
5. The Government's initiatives for improving farmer's incomes, and a greater thrust across rural India on Pond manufacturing.
6. Introduction of the world's first flexible, portable, and easy-to-assemble HDPE tank, whose usages range from storing water to mixing fertilisers.
7. An increase in the consumption of polymer products across the globe.
8. Consumption Shift both in B2C, and B2B – the increased usage of e-commerce (Avanamart) polypropylene bags, polymer syringes, polymer lined tanks, polymer mixes in highways etc.



**EXPORT GEOGRAPHIES**

## Retail Operations

The investment in both human capital, and brand identity has paid off handsomely with the higher margin B2C business contributing to higher margins of overall revenues. Avana, Emmbi's 'Strategic Business Unit' (SBU) which operates the B2C segment is now well entrenched in Maharashtra, Rajasthan, Madhya Pradesh and Karnataka. It ventured into Punjab, Haryana, Andhra Pradesh and Telangana in fiscal '21, with the introduction of shrimp ponds, and plans to consolidate the operations during this year.

The team came up with the world's first light-weight water tank, that can store up to 1,000 litres of water, and can be folded, and transported in a backpack. Made from HDPE not only is the endurance high, the cost is a fraction of the other water storage systems. Innovations such as this are backed by a motivated sales team, and a robust distribution network. The B2C segment is in the right path in terms of contributing to one-fourth of the firm's total revenues, leading to margin improvements at the overall level.

The brand is an acceptable and sought out name amongst farmers, and having it endorsed by the acclaimed celebrity 'Sayaji Shinde', himself the son of an agriculturist would cement the consumer to the company.

## Emmbi's Manufacturing Operations

### Plant Capacity and Utilisation

Plant capacity remained at 27,440 MT/ Annum, and Capex spend, was on routine maintenance. 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.

The increased demand for FIBC made us tie up with a contract manufacturer, where with almost negligible capex, we would increment the manufacturing capacity by 3000 MT per annum. This facility located at Silvassa once fully operational (Anticipated start date Q3 of fiscal '22) is likely to augment revenues by Rs. 500 million.

### **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. More-over 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 around US \$ 1000-1050-1110 considering the fixed costs, and logistics. Finally, it is the many stages derivative Polypropylene that goes into our products, and the actual impact of crude price constitutes only under 15% of the total product component. Despite this linkage, we as a policy continue to apply effective hedge mechanisms.

### **Record Earnings**

Considering the Covid situation we continued to impress both in terms of revenues, and earnings to shareholders. The company recorded a marginal decline of 3.99% in top line (It's a growth Considering 34 Non operative days due to covid) in revenues to Rs. 3198.39 million and a While the profit was under stress due to lower utilisation of assets and substantial additional expense on account of managing manufacturing facility and field team profit of Rs.100.33 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 9001:2015, 14001:2015 and 45001:2018.

### **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).

### **Information Technology**

All our plants across the five locations are integrated, and they in-turn communicate to the head offices, through various systems. 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 are now a 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 30 member team. 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.



**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**  
DIN: 00171950

**Place: Silvassa**

**Date: 25th June, 2021**



**SAYAJI SHINDE,  
AVANA BRAND  
AMBASSADOR**





*Bhaskar Manna*

# “Where there’s a will there is a way.”

*Bhaskar Manna, Manager Production PWS*

Like the rest of the country, the announcement of the lockdown took Bhaskar Manna completely by surprise. Being in the middle of the shift, his first thought was completing the production run for the night and getting the workers back home to safety. But when the initial adrenaline rush ebbed, new questions began to rear their head: What about tomorrow’s shift? What about the month-end shipping schedule? What about the consignment that was promised to Unilever? Tired and weary, Bhaskar settled into a fitful, uneasy sleep.

With time, it became easier to cope. An “essential services” tag ensured that the factory could function, albeit with a strength of just 30%. Bhaskar got passes made for his workers and production lines slowly came back online, with strict controls on entry into the factory and maintenance of a staff register.

But just as things began to settle down, new problems began cropping up. In its zealous pursuit of the “trace, test, treat” protocol, the local government sealed the entire housing complex where Bhaskar’s workers lived. What use was an “essential services” tag if there were no workers to run your factory? Thinking quickly, Bhaskar devised a way where the workers could be transported to the factory through a back gate, with permissions from the authorities. “You just have to have the will,” quips Bhaskar, “The way will show itself.” Days turned to weeks,

and weeks into months. The factory was running smoothly, with strict protocols in place.

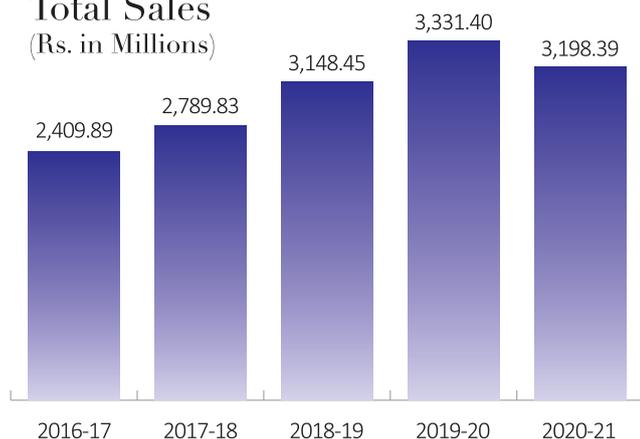
Or, so it seemed. For, just as Bhaskar began to relax, the government allowed inter-state travel to resume. Almost immediately, the workers began leaving Silvassa for the relative safety of their villages. No amount of encouraging, cajoling or begging seemed to persuade them. And just like that, Bhaskar lost almost half of the stitching department in a span of a few days.

This was a problem almost nobody had anticipated, and one for which no solution seemed to exist. After all, how could Bhaskar ‘create’ a team of trained workers to man the factory? Until, at a brainstorm, an outrageous idea presented itself – what if Emmbi were to employ the wives of the workers that had stayed behind? After all, the stitching department did not require a high degree of technical expertise. For the workers, it meant additional income. It seemed like a win-win solution. Bhaskar got right to work, training the women and deploying them on the shop floor: The experiment was wildly successful, and before long, Bhaskar’s unit was humming along smoothly.

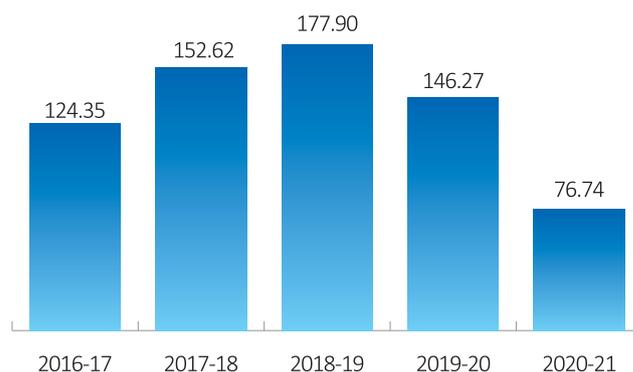
Today, Bhaskar runs Emmbi’s first “all women” production unit that’s the model of diversity and inclusion in the company. Every cloud, it seems, does have a silver lining.

# Financial Performance

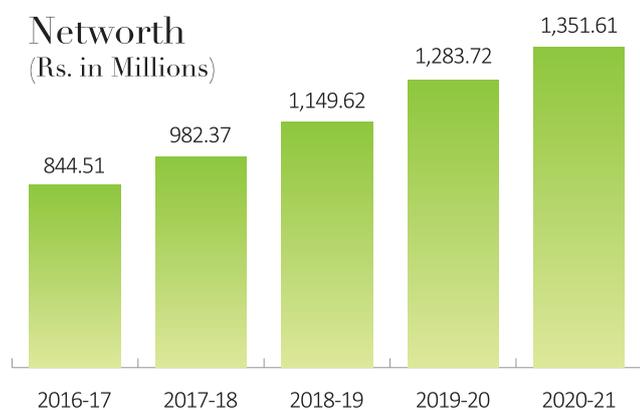
**Total Sales**  
(Rs. in Millions)



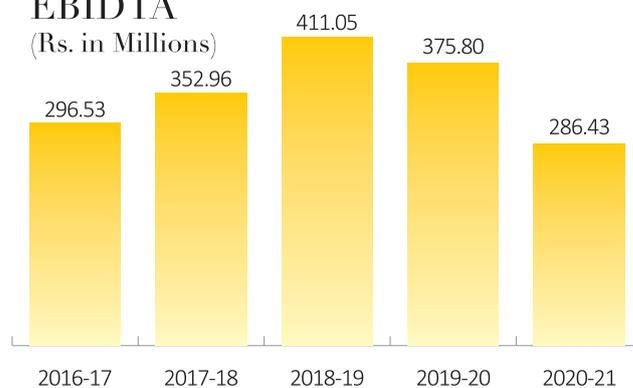
**Profit After Tax**  
(Rs. in Millions)



**Networth**  
(Rs. in Millions)



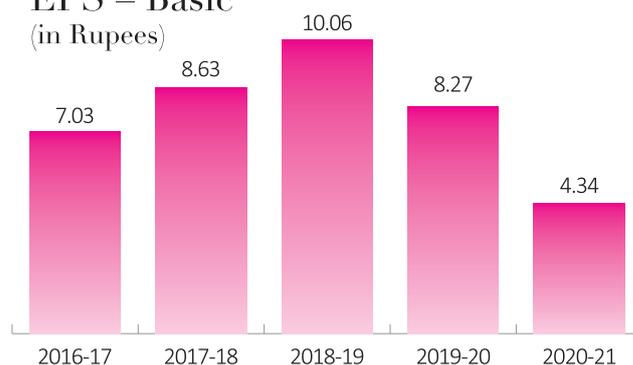
**EBIDTA**  
(Rs. in Millions)



**Book Value**  
(in Rupees)



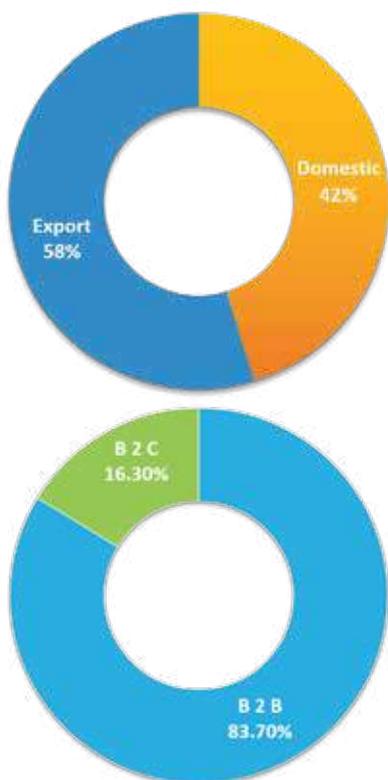
**EPS – Basic**  
(in Rupees)



## Analysis of Financial Performance

### Revenue from Operations

By and large in most businesses, the last quarter of a fiscal year is always crucial, with growth in normal times, exceeding those of the preceding quarters. Emmbi surpassed, Rs. 1 billion in Sales in Q4, the first in its history of Operations – a significant double-digit, growth both sequentially, and on a YoY basis. Revenues at an overall level was lower on a YoY basis, as the lock-down, and other measures imposed on the industry resulted in the loss of 34 production days. If one had to negate this, then the Company on a like-for-like comparison (the norm for manufacturing sector), exhibited actual growth across all parameters. Domestic sales accounted for 42% (57%) of revenues, whilst exports constituted the balance 58% (43%). Despite the challenged thrown at it, the company's inherent strengths, such as fungible manufacturing capacity, strong presence in international markets, brand and client relationship helped in the growth in exports.



### Cost of Operations

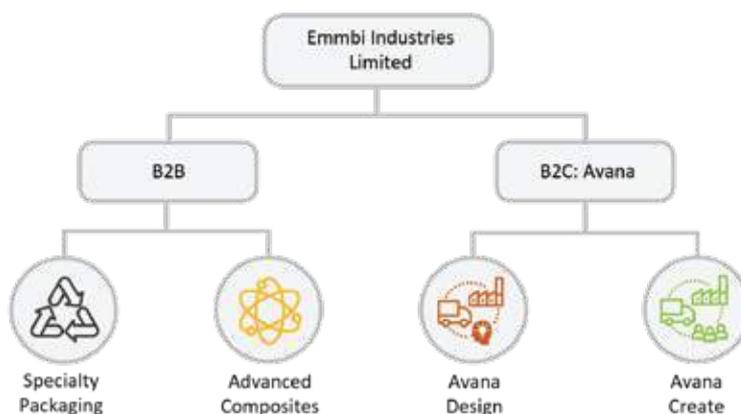
The fungibility, and flexibility of the factory, and the production lines, helped to contain cost over-runs (and at the time of this report, production is graduating to normalcy levels). Constantly engaging with and improving upon production techniques including- Robotic Process Automation (RPA), Industry 4.0, and Kaizen (Project Manthan) also helped in ensuring that there were no catastrophic setbacks either financially or operationally.

### Cost of Finance

Finance costs stood at Rs. 113.61 million (Rs. 119.42 million), the improvement on account of lower finance costs, and as a percentage of revenues improved to 4.15% (3.93%), despite a lower denominator – this was commendable, and would improve in the following quarters. Interest coverage ratio remained a healthy 2.52x and Emmbi's ratings remain investment grade. Depreciation and amortisation expenses stood at Rs. 72 million (Rs. 70 million).

### Profits and Distribution

Emmbi industries reported an after-tax profit of Rs. 77 million (Rs. 146 million), the decline mainly on account of one-off expenditures incurred on account of Covid-19, and higher raw material procurement costs in the last quarter (which of course would be passed on in the following



quarter); this also did not include any export incentives to be announced by the government. The Company's liquidity, and financial position continued to remain strong, with both un-utilised lines of credit, as well as healthy cash balances. The company declared a dividend of Rs. 0.40 per share.

### Balance Sheet Items

Emmbi prides itself with it's efforts to grow continuously, with minimum risks to shareholders, and its stakeholders. Such a culture always holds good in the long-run, and especially good in challenging times.

### Assets and Deployment

Assets for the year stood at Rs. 3,285 million (Rs. 2,985 million), the 10% growth on account of core assets, required for business operations. Fixed assets addition pertained more towards routine maintenance and marginal capacity expansion (de-bottleneck capacity), which stood at 27,440 mtpa.

### Current Assets

Inventories stood at the year-end stood at Rs. 902 million (Rs. 787 million); the increase on account of both higher prices, and volumes to match the demand. The average inventories holding is 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. The year also saw a surge in demand for exports (reflected in the performance), and this also required the company to hold larger inventories.

Receivables stood at Rs. 638 million (Rs. 520 million), on account of higher exports. The company's exports are backed by ECGC guarantees.

### 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 27,440 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 1.01x (0.90x), and the current ratio improved to a healthy 1.55x (1.39 x). The company still had un-drawn lines of credit with banks.

Total net worth increased to Rs. 1,352 million (Rs. 1,284 million), whilst overall bank borrowings stood at Rs. 1,364 million (Rs. 1,158 million). In the course of the year the company repaid it's obligations, as per 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.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") is given herein below.

## II. BOARD OF DIRECTORS

The composition of the Board of your Company is in conformity with the Listing Regulations. The Directors take active part at the Board and Committee Meetings by providing valuable guidance and expert advice to the Board and the Management on various aspects of business, policy direction, governance, compliance, etc. and play critical role on strategic issues and add value in the decision making process of the Board of Directors. The Board's actions and decisions are aligned with the Company's best interests.

The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.

During the year under review, no Independent Director of the Company resigned before the expiry of their tenure.

A declaration on confirmation of compliance of the Code of Conduct, signed by the Company's Chairman and Managing Director is published in this Report.

### I. COMPOSITION OF THE BOARD:

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Non-Executive Directors are professionals with specialization in their respective fields and have required experience, skills and technical expertise. The composition of the Board is in conformity with the requirements of the listing regulations.



## CORE SKILLS / EXPERTISE / COMPETENCIES AVAILABLE WITH THE BOARD

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. While all the Board members possess the skills identified, their area of core expertise is given below:

Category	Name of Directors	Expertise in specific functional area
Promoter Executive Directors	Mr. Makrand M. Appalwar Chairman & Managing Director (DIN: 00171950)	Leadership, Strategic Planning, Marketing, Branding, Research & Development and Innovation, Risk Management and Corporate Governance.
	Mrs. Rinku M. Appalwar Executive Director & Chief Financial Officer (DIN: 00171976)	Leadership, Strategic Planning, Accounts, Finance, Banking, Compliance & Legal, Risk Management, Logistics, Production and Procurement.
Non Promoter and Executive Directors	Mr. Krishnan I. Subramanian Whole time Director (DIN: 06614842)	Leadership, Strategic Planning, Risk Management, Private Equity and M&As.
Non-Executive and Independent Directors	Mr. Rama A. Krishnan (CS) (DIN: 00546256)	Leadership, Strategic Planning, Company law, Corporate Governance and Risk Management.
	Mr. Prashant K. Lohiya (CA) (DIN: 02990858)	Leadership, Strategic Planning, Risk Management, Accounts, Auditing, Taxation, Finance and Management Consulting.
	Dr. Venkatesh G. Joshi (DIN: 01234871)	Leadership, Strategic Planning, Risk Management, Medicine, Ayurveda and Medical Research.

Mrs. Rinku M. Appalwar is the spouse of Mr. Makrand M. Appalwar. None of the other directors are related to any other director on the Board.

## 2. BOARD PROCEDURES:

The Company follows a structured process of decision-making by the Board and its Committees. Detailed agenda supported by explanatory statements, notes and presentations, if any, are circulated well in advance to the Board members is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s). Video conferencing facilities are provided to enable Directors to participate in the Meetings of the Board and of Committees, who are unable to attend the meetings in person, to participate in the meeting via video conferencing.

The Board has followed the requisite procedures pursuant to The Ministry of Corporate Affairs in the Notification on Companies (Meetings of Board and its Powers) Amendment Rules, 2020 dated 19th March, 2020, Companies (Meetings of Board and its Powers) Second Amendment Rules, 2020 dated 23rd June, 2020 and Companies (Meetings of Board and its Powers) Third Amendment Rules, 2020 dated 28th September, 2020 to conduct the meetings of Board and Committee through video conferencing due to COVID 19 pandemic.

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 & Compliance Officer and the Chief Financial Officer are invited to attend all the Board meetings. Senior officials of the Company are called, if required, 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 Chairman to enable the Board to discharge its responsibilities effectively and take informed decisions, the Chairman and Managing Director apprises the Board at every Meeting of the overall performance of your Company.

The Board oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

## 3. MEETINGS OF THE BOARD OF DIRECTORS:

During the year 1st April, 2020 to 31st March, 2021, Four Board Meetings were held on the following dates 18th June, 2020, 03rd September, 2020, 11th November, 2020 and 11th February, 2021.

The Board met at least once in every calendar quarter.

As per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020 listed entities were given extension of additional period of one month i.e. till 30th June, 2020 for submission of financial results for the quarter and financial year ended 31st March, 2020 and as per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated 29th July, 2020 the listed entities were given extension of additional 30 days i.e. till 15th September, 2020 for submission of financial results for the quarter ended 30th June, 2020. These Meetings were attended by all the Directors of the Company.

## 4. ATTENDANCE OF THE DIRECTORS AT MEETINGS OF THE BOARD AND AT THE ANNUAL GENERAL MEETING

Sr No	Name of the Board Member	No. of Board Meetings attended during the financial year 2020-2021	Attendance in AGM held on 12th Sept, 2020	No. of directorships in other Public Limited Companies	No of Board Committees in which Chairman/Member#
1	Mr. Makrand M. Appalwar	4	Yes	Nil	Nil
2	Mrs. Rinku M. Appalwar	4	Yes	Nil	Nil
3	Mr. Krishnan I. Subramanian	4	Yes	Nil	Nil
4	Dr. Venkatesh G. Joshi	4	Yes	Nil	Nil
5	Mr. Prashant K. Lohiya	4	Yes	Nil	Nil
6	Mr. Rama A. Krishnan	4	Yes	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.



## 5. BOARD CONFIRMATION REGARDING INDEPENDENCE OF THE INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given their respective declaration/disclosures under section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfill the independence criteria as specified under section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Independent Directors fulfilled the criteria of their independence from the management. Further, the Board after taking these declaration/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

## 6. SEPARATE MEETINGS OF INDEPENDENT DIRECTORS

The Independent Directors of your Company meet before the Board Meeting without the presence of the Chairman and Managing Director, Executive Director, Whole-Time Director or other Non-Independent Director(s). These Meetings are conducted in a flexible manner to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board of Directors as a whole, review the performance of the Chairman and Managing Director of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

One Meeting of Independent Directors was held during the year and the Meeting was well attended by the Independent Directors through video conferencing.

## 7. FAMILIARISATION PROGRAMME FOR DIRECTORS

The Members of the Board of the Company are afforded many opportunities to familiarise themselves with the Company, its Management and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations and the industry in which it operates.

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Executive Directors and Senior Management provide an overview of the operations and familiarise the new Non-Executive Directors on matters related to the Company's values and commitments. They are also introduced to the organisation structure, constitution of various committees, board procedures, risk management strategies, etc.

Strategic Presentations are made to the Board where Directors get an opportunity to interact with Senior Management. Directors are also informed of the various developments in the Company through Press Releases, emails etc.

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 operations, Industry Outlook at the Board Meetings, Regulatory updates at Board and Audit Committee Meetings covering changes with respect to the Companies Act, Listing Regulations, Taxation and other matters, Presentations on Internal Control over Financial Reporting, Operational Control over Financial Reporting, Prevention of Insider Trading Regulations, Listing Regulations, Framework for Related Party Transactions, Meeting with Senior Executive(s) of your Company, etc. 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 includes 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 the web link for the same is: <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-Familiarisation-Programme-for-Independent-Directors.pdf>

## 8. DIRECTOR(S) SEEKING APPOINTMENT/ RE-APPOINTMENT

### Retirement by rotation

In accordance with the provisions of the Companies Act, 2013, Mr. Makrand M. Appalwar (DIN 00171950), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible offers himself for re-appointment.

### Re-Appointment of Mr. Makrand M. Appalwar as the Chairman and Managing Director of the Company

The Board of Directors of the Company, at its meeting held on 11th February, 2021 has, subject to the approval of members, re-appointed Mr. Krishnan I. Subramanian (DIN 06614842) as the Whole Time Director of the Company for a period of three years with effect from May 29, 2021 on the terms and conditions at an existing remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek members' approval for the re-appointment of Mr. Krishnan I. Subramanian (DIN 06614842) as the Whole Time Director of the Company, in terms of the applicable provisions of the Act.

## 9. CODE OF CONDUCT

The Board of your Company has laid down Code of Conduct ("Codes"), one for all the Board Members and Senior Management Personnel of the Company. The Code has been posted on the website of your Company at the web link: <https://emmbi.com/wp-content/uploads/2021/05/Emmbi-Code-of-Conduct-for-BOD-and-Senior-Management-Personnel.pdf>. All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Managing Director to this effect is enclosed at the end of this Report.

## 10. MD/CFO CERTIFICATION

The Chairman & Managing Director and Chief Financial Officer of the Company jointly give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations.

## 11. 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. Pursuant to the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

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.

## 12. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

Functions of the Company Secretary are discharged by the Company Secretary and Compliance Officer of the Company. The Company Secretary plays a key role in ensuring that the Board (including its Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings.

The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to the Directors and to facilitate convening of meetings.

The Company Secretary interfaces between the management and regulatory authorities for governance matters.



### 13. CRITERIA OF SELECTION OF NON-EXECUTIVE DIRECTORS

The Company has framed a policy which states the criteria for selection of Non-Executive Directors of the Company. The same policy is also placed on the website of the Company. The link for the same is: <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-Nomination-Remuneration-Policy.pdf>

### 14. CRITERIA FOR SELECTION/APPOINTMENT OF CEO, CFO & MANAGING DIRECTOR

The Company has framed a policy which states the criteria for selection of CEO, CFO & Managing Director of the Company. The same policy is also placed on the website of the Company. The link for the same is: <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-Nomination-Remuneration-Policy.pdf>

### 15. REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES INCLUDING CFO

The Company has framed a nomination and remuneration policy which states Remuneration Policy for the Senior Management Employees Including CFO of the Company. The same policy is also placed on the website of the Company. The link for the same is: <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-Nomination-Remuneration-Policy.pdf>

## 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. 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 in the governance, focus on specific areas and make informed decisions within the delegated authority. Majority of the members constituting the Committees are Independent Directors and each Committee is guided by its Charter or Terms of Reference, which provides for the composition, scope, powers & duties and responsibilities. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. The recommendations, observations and decisions of the Committees are placed before the Board for information and approval. During the year under review, all recommendations of the Committees were accepted by the Board.

### 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	4	4
Mr. Rama Krishnan Independent Non-Executive Director Member of the Committee	4	4
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 requisite qualifications and expertise. The Company Secretary is the Secretary to the Committee.

The representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings held quarterly, to approve financial statements. The representatives of Statutory Auditors, Executives from Accounts department, Finance department, Corporate Secretarial department and Internal Audit department attend the Audit Committee meetings. During the year, all the recommendations made by the Committee were accepted by the Board. The Internal Auditor reports directly to the Audit Committee.

As required under the Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him on his behalf shall attend the General Meeting of the Company. The Chairman of the Audit Committee Mr. Prashant Lohiya was present at the previous Annual General Meeting held on 12th September, 2020.

#### b) Meetings Held

The Audit Committee met 4 (four) times on the following dates during the financial year 2020-2021.

- 18th June, 2020
- 03rd September, 2020
- 11th November, 2020
- 11th February, 2021

#### c) Terms of Reference of the Audit Committee, inter alia, include the following:

The terms of reference of the Audit Committee are aligned with the Listing Regulations and the Act 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.

Terms of Reference of the Audit Committee, inter alia, include 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, internal auditors, cost auditors and secretarial auditors of the Company;
- Approving payment to statutory auditors, internal auditors, cost auditors, secretarial 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).
- statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations. (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations.
- 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	1	1
Dr. Venkatesh Joshi Independent Non-Executive Director Member of the Committee	1	1
Mr. Rama Krishnan Independent Non-Executive Director Member of the Committee	1	1



The Committee has been vested with the authority to, inter alia, recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record, integrity, establish Director retirement policies and appropriate succession plans and determine overall compensation policies of the Company. The Remuneration policy is available on website of the company the weblink for the same is <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-Nomination-Remuneration-Policy.pdf>

As per section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Nomination & Remuneration Committee Mr. Prashant Lohiya was present at the previous Annual General Meeting held on 12th September, 2020.

### b) Meetings Held

The Nomination & Remuneration Committee met 1 (one) time on the following dates during the financial year 2020-2021.  
11th February, 2021

### c) Terms of Reference of the Nomination & Remuneration Committee, inter alia, include the following:

- To recommend and review market practices and deciding on remuneration packages applicable to the Chairman, Managing Director, the Executive Director(s), Presidents and other Members of Senior Management as may be decided from time to time (including the Chief Financial Officer, Chief Executive Officer and Company Secretary).
- 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, recommending to the Board their appointment and removal and carrying out evaluation of every Director's performance.
- 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.
- formulation of criteria for evaluation of performance of independent directors and the board of directors.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- 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	4	4
Mr. Rama Krishnan Independent Non-Executive Director Member of the Committee	4	4
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.

As per section 178(7) of the Act and the Secretarial Standards, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Stakeholders' Relationship Committee Mr. Prashant Lohiya was present at the previous Annual General Meeting held on 12th September, 2020.

#### b) Meetings Held

The Stakeholders' Relationship Committee met 4 (four) times on the following dates during the financial year 2020-2021.

18th June, 2020  
03rd September, 2020  
11th November, 2020  
11th February, 2021

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, 2021 and reported under Regulation 13 of the Listing Regulations are as under:

Complaints as on April 1, 2020	Nil
Received during the year	1
Resolved during the year	1
Pending as on March 31, 2021	Nil

The Company has received zero complaint through SEBI Complaints Redress System (SCORES) for the financial year ended as on 31st March, 2021.

### 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	2	2
Mr. Prashant Lohiya Independent Non-Executive Director Member of the Committee	2	2
Mr. Rama Krishnan Independent Non-Executive Director Member of the Committee	2	2
Mrs. Rinku Appalwar CFO & Executive Director Member of the Committee	2	2



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

The CSR Policy for your Company is available on the website of the Company at the web link: <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-CSR-Policy.pdf>

#### b) Meetings Held

The Corporate Social Responsibility Committee met (two) time on 2 during the financial year 2020-2021

18th June, 2020

11th February, 2021

#### 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, inter alia, include the following:

The Board of Directors have constituted a Committee of Directors and delegated powers to enter into transaction relating to opening of any branch 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 Goods and Services 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, godowns and accommodations provided by the Company to its officials, Signing and executing Lease Agreements, borrowings of fresh and enhanced credit facilities from banks, financial institutions, foreign institutional investors, creation and extension of pari passu charge on securities of the Company on the fresh and enhanced credit facilities in favour of borrowers, execution of bank related all documents, papers, deeds, requests, handling of requests for disbursements, and opening and closing of bank accounts and discharge procedural requirements for availing loans/credit facilities, to borrow as per the borrowing limits under section 180 (1) (a) and section 180 (1) (c) of the Companies Act, 2013, or any amendments thereof, as passed by the members of the Company through a special resolution in the Annual General Meeting of the Company held on 13th September, 2014 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. 7,020,000 p.a.	Reappointed for 5 years w.e.f. 30th March, 2020	6 months
2	Mrs. Rinku Appalwar	Executive Director Director & CFO	* Rs. 6,480,000 p.a.	Reappointed for 5 years w.e.f. 30th March, 2020	6 months

\* Break up of remuneration paid /payable to Mr. Makrand Appalwar is as under:

Sr. No.	Particulars	2020-2021 (Rs.)
1	Salaries, Allowances and Perquisites#	7,020,000
2	Contribution to Provident and other funds	Nil
3	Performance Bonus	Nil
4	Stock Option	Nil
5	Pension	Nil
	Total	7,020,000

\* Break up of remuneration paid /payable to Mrs. Rinku Appalwar is as under:

Sr. No.	Particulars	2020-2021 (Rs.)
1	Salaries, Allowances and Perquisites#	6,480,000
2	Contribution to Provident and other funds	Nil
3	Performance Bonus	Nil
4	Stock Option	Nil
5	Pension	Nil
	Total	6,480,000

# Excludes leave encashment and gratuity which is based on actuarial valuation provided on an overall Company basis.

Note: The Actual Remuneration of Mr. Makrand Appalwar is Rs. 7,839,600 p.a. and of Mrs. Rinku Appalwar is Rs. 7,239,600 p.a. Due to Covid-19 Pandemic, Mr. Makrand Appalwar and Mrs. Rinku Appalwar decided to not to take their respective remuneration from the Company for the month of April, 2020.

##### b) Remuneration to Non-Executive and Non-Executive & Independent Directors of the Company:

The details of sitting fees paid during the year ended 31st March, 2021 are given below

Sr. No.	Name of Director	Sitting Fees Paid (Rs.)
1	Mr. Prashant Lohiya	Rs. 133,001
2	Mr. Rama Krishnan	Rs. 133,001
3	Dr. Venkatesh Joshi	Rs. 133,001
	TOTAL	Rs. 399,003



#### c) Details of Equity Shares held by Non-Executive Directors as on March 31, 2021:

Name of the Director	Position	No. of Equity Shares held	% of Paid-Up Capital
Mr. Prashant K. Lohiya	Independent Non-Executive, Director	6,250	0.04
Dr. Venkatesh G. Joshi	Independent Non-Executive, Director	—	—
Mr. Rama A. Krishnan	Independent Non-Executive, Director	—	—

#### V. SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company. The Company has formulated the Material Subsidiary policy as required under the Listing Regulations and uploaded on the website of the Company. The Link to access the policy: <https://emmbi.com/wp-content/uploads/2019/08/Policy-for-Determining-Material-Subsidiaries.pdf>

#### VI. OTHER DISCLOSURES

##### 1. RELATED PARTY TRANSACTIONS

During the financial year 2020-2021 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 weblink is same available on the website of the Company <https://emmbi.com/wp-content/uploads/2019/08/Related-Party-Transaction-Policy.pdf>

##### 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 Company has a detailed policy in place in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees (ICC) have been set up to redress complaints received regarding sexual harassment and the Company has complied with provisions relating to the constitution of Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company policy mandates prevention of sexual harassment and to ensure a free and fair enquiry process with clear timelines for resolution.

##### 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

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the Listing Regulations is implemented through the Whistleblower Policy. This Policy provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As such the Whistleblower Policy provides for protected disclosure and protection to the Whistleblower. Under the Vigil Mechanism, all Stakeholders have been provided access to the Audit Committee through the Chairperson. No personnel has been denied access to the Audit Committee. All Employees, Directors, Vendors, Suppliers or other Stakeholders associated with the Company can make the Protected Disclosure through mechanism as prescribed in the Whistleblower Policy.

The Whistleblower Policy of the Company is available on the website of the Company and can be accessed at the web link: <https://emmbi.com/wp-content/uploads/2019/08/Emmbi-Whistle-Blower-Policy.pdf>

##### 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 PRACTICES

The Company has formulated and adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' which inter alia includes 'Code of Conduct for Prevention of Insider Trading in Securities of Emmbi Industries Limited' in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("the Regulations"). The Code of Conduct has been formulated to regulate, monitor and ensure reporting of trading by the Designated Persons and their immediate relatives towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. The Code lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations.

##### 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 <https://emmbi.com/wp-content/uploads/2021/05/Emmbi-Code-of-Conduct-for-BOD-and-Senior-Management-Personnel.pdf>



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

During the financial year 2020-2021 various investor presentations were made to the institutional investors or to the analysts. The said investor presentations are available on the Company website at <https://emmbi.com/investor-presentation/>

## 12. DISCLOSURE OF ACCOUNTING TREATMENT

The Company adopted Indian Accounting Standards ("Ind AS"). Accordingly, the financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.

## 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).

## 15. ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to the SEBI circular no. CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s. Sanjay Dholakia & Associates, Practising Company Secretaries, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report.

## 16. NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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 directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report.

## 17. TERMS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act

Terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website the web link for the same is <https://emmbi.com/wp-content/uploads/2019/08/Format-for-Appointment-Letter-for-Independent-Director.pdf>

## 18. POLICY ON ARCHIVAL AND PRESERVATION OF DOCUMENTS

Regulation 9 of SEBI Listing Regulations, The Company has adopted this policy which is available on the Company's website the web link for the same is <https://emmbi.com/wp-content/uploads/2019/05/PRESERVATION-OF-DOCUMENTS-POLICY.pdf>

## 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 sixty days 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, nine monthly 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, Board'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.

## VIII. GENERAL SHAREHOLDER INFORMATION

### 1. GENERAL BODY MEETINGS

#### Annual General Meeting (AGM):

Financial Year	Date and Time	Whether any special resolution was passed	Location
2017-2018	24th September, 2018 10.30 a.m.	#Yes	99/2/1 & 9 Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230
2018-2019	25th September, 2019 10.30 a.m.	No	99/2/1 & 9 Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230
2019-2020	12th September, 2020 10.30 a.m.	#Yes	Meeting was held through OAVM through NSDL platform

#### Details of Special Resolution

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

\* Re-appointment of Mr. Prashant Lohiya as an Independent Director of the Company.

\* Re-appointment of Dr. Venkatesh Joshi as an Independent Director of the Company.



## POSTAL BALLOT

During the year under review, the Company no postal ballot as per provisions of Section 110 of the Companies Act, 2013 was carried out by the Company.

## 2. ENSUING ANNUAL GENERAL MEETING

Day, Date and Time: Tuesday, 28th of September, 2021, at 10:30 am.

Deemed 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, 2021.

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

First quarter results	On or before 14th August, 2021
Second quarter results with half yearly results	On or before 14th November, 2021
Third quarter results	On or before 14th February, 2022
Fourth quarter results	On or before 30th May 2022
Audited results for year ended on 31st March, 2020-21	On or before 30th May, 2022
Annual General Meeting for the year 2020-21	On or before 30th September, 2022

## 5. FINANCIAL YEAR

1st April to 31st March.

## 6. BOOK CLOSURE DATES

Wednesday, 22nd September, 2021 to Tuesday, 28th of September, 2021 (both days inclusive).

## 7. DIVIDEND

Company has recommended Dividend @ Re. 0.40 per equity share for financial year 2020-2021, 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 unclaimed for a period of seven years from the date of such transfer then such unclaimed 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 unclaimed/unpaid dividend are available on the website of the Company viz. [www.emmbi.com](http://www.emmbi.com).

The details of unpaid dividend are as follows:

Sr. No.	Dividend Year	Unpaid Balance as on 31/03/2021 (in Rs.)
1	2013-14	102,718.25
2	2014-15	70,025.70
3	2015-16	60,770.00
4	2016-17	59,622.00
5	2017-18	50,354.50
6	2018-19	47,900.00
7	2019-20	33,581.20

Investors are advised to send all un-cashed dividend warrants pertaining to the years shown above to the Company for revalidation. It is further informed that unclaimed/ unpaid dividend pertaining to the Financial Year 2013-14 will become due for transfer to Investor Education and Protection Fund (IEPF) in FY 21-22.

## 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 the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) equity shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years will be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account constituted under Section 125 of the Companies Act, 2013.

It is pertinent to mention that no claim shall lie against the Company, though shares which are transferred to the Suspense Account of IEPF can be claimed back by the shareholders from IEPF by following the procedure prescribed under the aforesaid rules.

Notices have been served to the individual shareholders whose shares are liable to be transferred to IEPF Suspense Account. The underlying shares will be due to be transferred to the IEPF Suspense Account in FY 21-22.

Members whose unclaimed dividends/shares are/will be transferred to the IEPF Authority can claim the same by making an online application to the IEPF by following the refund procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>.

## 10. FEES PAID TO THE STATUTORY AUDITORS

Total fees for all services paid by the Company, to statutory auditors of the Company for the Financial year ended March 31, 2021, is Rs. 14.50 Lakhs.

## 11. 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

## 12. ANNUAL LISTING FEES TO STOCK EXCHANGES

Annual Listing Fee for the year 2021-22 has been paid by the Company to BSE and NSE.

## 13. ANNUAL CUSTODIAL FEES TO DEPOSITORIES

Annual Custody Fee for the year 2021-22 has been paid by the Company to NSDL and CDSL.



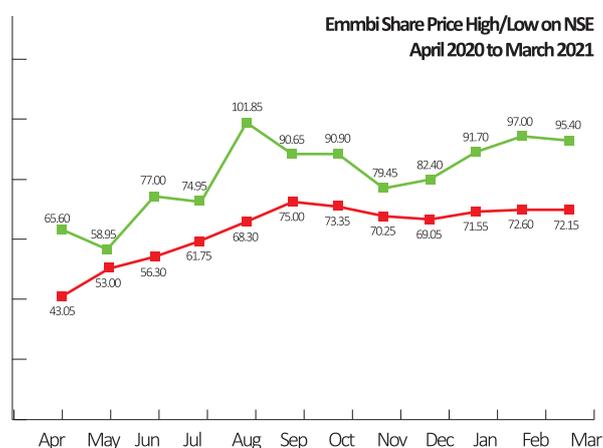
#### 14. MARKET PRICE DATA

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, 2020 to March 31, 2021 was as follows:

MONTH	BSE LIMITED (IN RUPEES)		NATIONAL STOCK EXCHANGE OF INDIA LIMITED (IN RUPEES)	
	High	Low	High	Low
April 2020	66.15	45.05	65.60	43.05
May 2020	58.40	53.10	58.95	53.00
June 2020	77.40	56.60	77.00	56.30
July 2020	75.00	62.00	74.95	61.75
August 2020	100.80	69.00	101.85	68.30
September 2020	88.00	74.05	90.65	75.00
October 2020	91.00	73.00	90.90	73.35
November 2020	79.15	67.50	79.45	70.25
December 2020	85.80	68.10	82.40	69.05
January 2021	91.25	72.00	91.70	71.55
February 2021	96.15	74.05	97.00	72.60
March 2021	95.00	72.15	95.40	72.15



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



#### 16. 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. B-5, Part B, Cross Lane, MIDC, Andheri (East), Mumbai 400 093; Tel. No. 66712001-2010; Fax No. 66712011; E-mail: investorsqy@datamatics.com.

#### 17. 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.

#### 18. 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, 2021

Category	No. of Shares Held	% of Share Holding
<b>A. Promoter's Holding</b>		
1. Promoters		
- Indian Promoters	10309371	58.28
- Foreign Promoters	00	0.00
2. Person Acting In Concern	00	0.00
Sub - Total	10309371	58.28
<b>B. Non - Promoter's Holding</b>		
3. Institutional Investors		
- Mutual Funds & UTI	00	0.00
- Banks, Financial Institutions, Insurance Cos.,	00	0.00
- Central/ State Govt. Inst., Non-Govt. Inst.	00	0.00
- Central/ State Govt. Inst., Non-Govt. Inst.	00	0.00
- FIs	1222653	6.91
Sub - Total	1222653	6.91



4. Others		
- Corporate Bodies	1172403	6.63
- Indian Public	4124006	23.31
- NRIs / OCBs / FII	840148	4.75
- Any other (Transfer to IEPF)	21669	0.12
Sub – Total	6158226	34.81
Grand – Total	17690250	100.00

#### 20. DISTRIBUTION OF SHARES AS ON 31ST MARCH, 2021

Sr No	Shares Range	Shares	% to Capital	No. of Holders	% to No. of Holders
1	From To				
1	1 500	928027	5.25	7650	83.86
2	501 1000	560150	3.17	696	7.63
3	1001 2000	585581	3.31	393	4.31
4	2001 3000	305073	1.72	119	1.30
5	3001 4000	205720	1.16	57	0.62
6	4001 5000	225746	1.28	49	0.54
7	5001 10000	637817	3.61	85	0.93
8	10001 50000	994843	5.62	52	0.57
9	50001 999999999	13247293	74.88	22	0.24
	TOTAL	17690250	100.00	9123	100.00

#### 21. 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, 2021

Description	Cases	Shares	%
Physical	1	10	0.00
CDSL	4674	2487623	14.06
NSDL	4448	15202617	85.94
TOTAL	9123	17690250	100.00

#### 22. OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

This Clause is Not Applicable to the Company.

#### 23. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Emmbi has an 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. The Company has formulated adequate system according to which commodity price risk is effectively evaluated and ensured that these risks are hedged through an effective risk management process of the Company

#### 24. PLANT LOCATIONS

##### Manufacturing Facility No. 1

Survey No. 191/2/4, Meghwad Road, Masat Village, U.T. of Dadra & Nagar Haveli, Silvassa –396 230.

##### Manufacturing Facility No. 2

Survey No. 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

##### Manufacturing Facility No. 3

Survey No. 99/2/9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

##### Manufacturing Facility No. 4

Survey No. 87, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

##### Manufacturing Facility No. 5

Survey No. 28A & 42, Masat Industrial Estate, U.T. of Dadra & Nagar Haveli, Silvassa –396 230.

#### 25. REGISTERED OFFICE

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

#### 26. CORPORATE OFFICE

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

New address with the effect from 01st July, 2021: Ground Floor of the Main Building, Dani Corporate Park, 158, CST Road, Kalina, Santacruz (East), City: Mumbai Pin Code: 400 098 INDIA

#### 27. ADDRESS FOR CORRESPONDENCE

Queries on Annual Report and dividend be addressed to Secretarial Department, Emmbi Industries Limited, Ground Floor of the Main Building, Dani Corporate Park, 158, CST Road, Kalina, Santacruz (East), City: Mumbai Pin Code: 400 098 INDIA

- Designated email id for investors: investor.grievances@emmbi.com
- Company Identification Number (CIN): L17120DN1994PLC000387 and International Securities Identification Number (ISIN): INE753K01015



Sr. No.	Particulars	Regulation	Compliance Status Yes/ No/ NA	Key Compliance Observed
1	Board of Directors	17	Yes	<ul style="list-style-type: none"> <li>Composition and Appointment of Directors</li> <li>Meetings and quorum</li> <li>Review of compliance reports</li> <li>Plans for orderly succession</li> <li>Code of Conduct</li> <li>Fees / compensation to Non-Executive Directors</li> <li>Minimum information to be placed before the Board</li> <li>Compliance Certificate by Chief Executive Officer and Chief Financial Officer</li> <li>Risk assessment and management</li> <li>Performance evaluation of Independent Directors</li> <li>Recommendation of Board</li> </ul>
2	Maximum Number of Directorships	17A	Yes	<ul style="list-style-type: none"> <li>Directorships in listed entities</li> </ul>
3	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>Composition</li> <li>Meetings and quorum</li> <li>Chairperson present at Annual General Meeting</li> <li>Role of the Committee</li> </ul>
4	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>Composition</li> <li>Meetings and quorum</li> <li>Chairperson present at Annual General Meeting</li> <li>Role of the Committee</li> </ul>
5	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>Composition</li> <li>Meetings</li> <li>Chairperson present at Annual General Meeting</li> <li>Role of the Committee</li> </ul>
6	Risk Management Committee	21	NA	NA
7	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>Vigil Mechanism and Whistle-Blower Policy for Directors and employees</li> <li>Adequate safeguards against victimisation</li> <li>Direct access to the Chairperson of Audit Committee</li> </ul>
8	Related party	23	Yes	<ul style="list-style-type: none"> <li>Policy on Related Party Transaction transactions and Policy on Materiality of related party transactions</li> <li>Prior approval including omnibus approval of Audit Committee for related party transactions</li> <li>Periodical review of related party transactions</li> <li>Disclosure on related party transactions</li> </ul>
9	Subsidiaries of the Company	24	NA	NA
10	Secretarial Audit	24A	Yes	<ul style="list-style-type: none"> <li>Annual Secretarial Compliance Report</li> </ul>
11	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>Meetings of Independent Directors</li> <li>Cessation and appointment of Independent Directors</li> <li>Familiarisation of Independent Directors</li> <li>Declaration from Independent Director that he / she meets the criteria of independence are placed at the meeting of Board of Directors</li> </ul>
12	Obligations with respect to employees including Senior Management, Key Managerial Persons, Directors and Committees Promoters	26	Yes	<ul style="list-style-type: none"> <li>Memberships / Chairmanships in</li> <li>Affirmation on compliance with Code of Conduct by Directors and Senior Management</li> <li>Disclosure of shareholding by Non-Executive Directors</li> </ul>
13	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> <li>Compliance with discretionary requirements</li> <li>Filing of quarterly, half-yearly and yearly compliance report on Corporate Governance</li> </ul>
14	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> <li>Terms and conditions of appointment of Independent Directors</li> <li>Composition of various Committees of the Board of Directors</li> <li>Code of Conduct of Board of Directors and Senior Management Personnel</li> </ul>



- Details of establishment of Vigil Mechanism / Whistle-blower policy
- Criteria of making payments to Non-Executive Directors
- Policy on dealing with related party transactions
- Details of familiarisation programmes imparted to Independent Directors

Date : 25th June, 2021  
Place: Silvassa

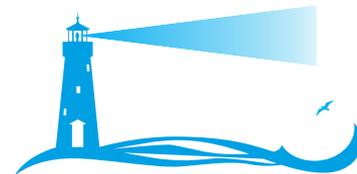
For and on behalf of the Board of Directors  
EMIMBI INDUSTRIES LIMITED

Makrand Appalwar  
Chairman & Managing Director  
DIN: 00171950

AVANA  
KAPILA  
MURGHASS  
BAG



# 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 31st March, 2021 as stipulated in Chapter IV of The 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 financial year ended 31st March 2021.

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**

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

**Place: Mumbai**  
**Date: 25th June, 2021**  
**FCS 2655 CP 1798**  
**UDIN: F002655C000511977**

**AVANA ANANT**  
**LENO BAG**



# Certifications and Declarations



## MD /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, 2021, 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: Silvassa**  
**Date: 25th June, 2021**

**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, 2021.

**Place: Silvassa**  
**Date: 25th June, 2021**

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





*Sandeep Hiwale*

# “Miracles do happen. But hard work helps.”

*Sandeep Hiwale, Cluster Sales Manager*

19th March is a day that Sandeep remembers well. On the way home from his sales calls in Aurangabad, he received a call that his colleague – Sashin Jaiswal – was serious and admitted to the Covid ward in Latur. Sandeep swung into action, covering a distance of 270 kms in 6 hours. He finally reached Latur well past midnight and rushed straight to the hospital where his friend and colleague was battling for his life

It did not look good.

Sashin was admitted to the ICU and was on oxygen support. His CT Scan score was 21 out of a possible 25 (25 being the worst). The doctors' opinion was unanimous – he had to be shifted to a bigger facility. “But he seems fine, doctor,” Sandeep said, “I mean, he’s talking to us.” This was also a sentiment that Sashin’s father echoed. “Well,” replied the doctor, “As long as Covid patients are on oxygen, they usually talk right until their last moment.”

Sandeep was stunned. Never in his wildest dreams had he thought that it would come to this. His dear friend had been visiting family in Beed and had been en-route back to his base in Aurangabad when he had collapsed at the bus stand. Life truly was so transient.

He put in a call to his CEO. “Do whatever you need to do, Sandeep,” his CEO replied, “Just save him.” It weighed heavily on Sandeep’s mind that his friend’s wife was pregnant with their first child.

But shifting Sashin was easier said than done. For one, his father was uncomfortable with the idea. “What if something happens to him,” he asked, “Will you accept responsibility?” But the father’s reluctance apart, how were they to shift Sashin to Mumbai? The company had made arrangements for an air ambulance, but unseasonal rains and a broken airport wall put lid to those plans. The authorities refused permission for the chopper to land.

They’d have to fight it out in Latur itself. Steeling himself, Sandeep went about securing supplies of critical medicines, food and everything else. The doctors had said Sashin might need at least ten doses of Remdesivir – a precious drug that was acutely in short supply at that time. Sandeep left no stone unturned and procured twelve doses.

For the next two weeks, Sandeep camped at the hospital, making sure that nothing was wanting for Sashin’s treatment. Between organizing Remdesivir, arranging for food, updating the team and consoling Sashin’s distraught family, Sandeep continued to stay connected with his sales team over phone. With time, Sashin got better and went home to a long and arduous recovery process.

Today, Sandeep looks back fondly at the lunch he had last month with Sashin – now recovered fully – and his family.

“Miracles do happen,” he smiles, “You just need to do your part.”

## 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) 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, 2021 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. Further we have to state that we have not carried out the Physical Inspection of any records maintained by the Company due to prevailing conditions of COVID 2019 prevailing in the country. We have relied on the records as made available by the Company by digital mode and also on the Management Representation Letter issued by the Company.

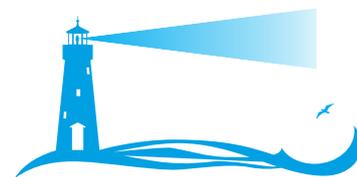
**For SANJAY DHOLAKIA & ASSOCIATES**

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

Place: Mumbai  
Date: 25th June, 2021  
UDIN: F002655C000512001



# 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, 2021, 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, 2021, 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 26 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.

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 may be 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.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.

Place : Mumbai  
Date : 25.06.2021

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

**K. Daliya**  
**Partner**  
**(M No. 166874)**  
**UDIN: 21166874AAAAAX4674**



# Annexures to the Independent Auditor's Report

## Annexure A

(Referred to in Paragraph 1 (f) 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, 2021 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 2021, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance



Place : Mumbai  
Date : 25.06.2021

For and on behalf of  
R Daliya & Associates  
Chartered Accountants  
FRN : 102060W.  
K. Daliya  
Partner  
Membership No. :- 166874  
UDIN: 21166874AAAAAX4674

#### 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 the property, plant and equipment on the basis of available information.
- (b) As explained to us, the property, plant and equipment 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 the property, plant and equipment 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.

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 37.
- (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) According to the information and explanations given to us, the company has not accepted any deposits during the year within the meaning of 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, Custom Duty, Goods and Service Tax, Cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2021 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, 2021 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 : 25.06.2021

For and on behalf of  
R Daliya & Associates  
Chartered Accountants  
FRN : 102060W  
K. Daliya  
Partner  
Membership No. :- 166874  
UDIN: 21166874AAAAAX4674



# Balance Sheet as at 31st March, 2021

PARTICULARS	NOTES	AS AT 31 MARCH, 2021 (INR MILLION)	AS AT 31 MARCH, 2020 (INR MILLION)
<b>A ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant & Equipment	5	1,241.85	1,149.75
(b) Capital Work In Progress	5	38.73	61.38
(c) Intangible Assets	5	129.82	106.68
(d) Financial Assets			
a) Investments	6	0.23	0.23
b) Loans	7	1.02	1.07
c) Other Financial Assets	8	12.41	10.25
Deferred tax Asset- MAT Credit Entitlement	9	21.09	21.09
Income Tax Asset	10	146.54	130.26
Other Non-Current Assets	11	-	0.05
Sub Total- Non Current Assets		1,591.69	1,480.76
<b>2. Current Assets</b>			
Inventories	12	902.25	786.79
Financial Assets			
(a) Trade receivables	13	638.10	520.10
(b) Cash & Cash Equivalent	14	9.21	18.74
(c) Bank balances other than b) above	15	6.03	18.29
Other Current Assets	16	137.58	160.51
Sub Total- Current Assets		1,693.16	1,504.43
<b>TOTAL ASSETS</b>		<b>3,284.85</b>	<b>2,985.19</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	17	176.90	176.90
(b) Other Equity	18	1,174.71	1,106.81
Sub Total- Share Holders' Fund		1,351.61	1,283.72
<b>2. Non-Current Liabilities</b>			
Financial Liabilities			
(a) Borrowings	19	560.18	358.92
Other Non Current Liabilities		-	-
Employee Benefit Provisions	20	13.14	12.79
Deferred Tax Liabilities	21	100.77	93.23
Liabilities for Income Tax	22	166.78	150.73
Sub Total- Non Current Liabilities		840.87	615.67
<b>3. Current Liabilities</b>			
Financial Liabilities			
(a) Borrowings	23	675.56	715.74
(b) Trade Payables	24	259.29	264.39
(c) Other Financial Liabilities	25	157.52	105.67
Provisions		-	-
Sub Total- Current Liabilities		1,092.37	1,085.80
<b>TOTAL LIABILITIES</b>		<b>3,284.85</b>	<b>2,985.19</b>
Significant Accounting Policies and Notes on Financial Statements	1 to 42		

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

K. Daliya (Partner)  
Membership No. 166874  
Place : Silvassa  
Date : 25th June, 2021

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, 2021

PARTICULARS	NOTES	AS AT 31 MARCH, 2021 (INR MILLION)	AS AT 31 MARCH, 2020 (INR MILLION)
<b>INCOME</b>			
Revenue from Operations	27	3,198.39	3,331.40
Less : GST recovered		458.50	292.07
Revenue from Operations (Net)		2,739.89	3,039.34
Other Income	28	1.93	1.61
<b>Total Revenue (I)</b>		<b>2,741.82</b>	<b>3,040.95</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	29	1,800.79	2,063.93
Changes in Inventories of Finished Goods and Stock-in-Process	30	(79.64)	(67.06)
Employees Benefits Expense	31	179.01	168.54
Finance Costs	32	113.61	119.42
Depreciation and Amortization Expense	33	72.49	69.73
Other Expenses	34	555.23	499.74
<b>Total Expenses (II)</b>		<b>2,641.49</b>	<b>2,854.31</b>
<b>Profit before Tax</b>		<b>100.33</b>	<b>186.64</b>
Tax Expenses			
(1) Current Tax		16.05	31.93
(2) Tax for earlier years		-	-
(3) Deferred Tax Liability		7.54	8.44
<b>Profit for the Period</b>		<b>76.74</b>	<b>146.27</b>
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Plans		(1.78)	(1.51)
Income Tax		-	-
<b>Total Comprehensive Income</b>		<b>74.97</b>	<b>144.76</b>
<b>Earning Per Equity Share (RUPEES)</b>			
(1) Basic (of Rs 10/- each)	35	4.34	8.27
(2) Diluted (of Rs 10/- each)	35	4.34	8.27
Significant Accounting Policies and Notes on Financial Statements	1 to 42		

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

K. Daliya (Partner)  
Membership No. 166874  
Place : Silvassa  
Date : 25th June, 2021

Kaushal Patvi  
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For and On behalf of the Board,  
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(Managing Director)

Rinku Appalwar  
(CFO & Director)



# Statement of changes in equity for the year ended 31st March, 2021

A. SHARE CAPITAL	NOTES	NO OF SHARES	INR MILLION
Equity shares of Rs. 10 each issued, subscribed and fully paid:			
Balance as on March 31, 2020	17	17.69	176.90
Balance as on March 31, 2021	17	17.69	176.90
<b>B. OTHER EQUITY</b>			
PARTICULARS	SECURITIES PREMIUM ACCOUNT	RETAINED EARNINGS	TOTAL
<b>Balance on April 1, 2019</b>	<b>272.65</b>	<b>700.07</b>	<b>972.72</b>
Profits for the year 2019-20	-	146.27	146.27
Dividend paid for FY 2018-19	-	(8.85)	(8.85)
Dividend Distribution Tax on above	-	(1.82)	(1.82)
Other Comprehensive Income / (Loss) for the year	-	(1.51)	(1.51)
<b>Balance at the end of the reporting period March 31, 2020 as per Ind AS</b>	<b>272.65</b>	<b>834.17</b>	<b>1,106.81</b>
Profits for the year 2020-21	-	76.74	76.74
Dividend paid for FY 2019-20	-	(6.56)	(6.56)
Dividend Distribution Tax on above/ TDS on Dividend	-	(0.52)	(0.52)
Other Comprehensive Income / (Loss) for the year	-	(1.78)	(1.78)
<b>Balance at the end of the reporting period March 31, 2021 as per Ind AS</b>	<b>272.65</b>	<b>902.06</b>	<b>1,174.71</b>

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

K Daliya (Partner)  
Membership No. 166874  
Place : Silvassa  
Date : 25th June, 2021

Kaushal Patvi  
Company Secretary

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, 2021

PARTICULARS	2020-21		2019-20	
	INR MILLION	INR MILLION	INR MILLION	INR MILLION
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax		100.33		186.64
Depreciation & Amortisation	72.49		69.73	
Finance Cost	113.61		119.42	
Sundry Balances Written off	1.03		2.62	
Provision For Gratuity	(1.43)		1.03	
Interest Received on Bank FD	(1.30)		(1.25)	
Dividend Received	(0.00)		(0.00)	
Rent received	-		(0.05)	
		184.39		191.50
<b>Operating Profit Before Working Capital Changes</b>		<b>284.72</b>		<b>378.14</b>
Adjustments for Working Capital Changes:				
Trade Payables and Other Current Liabilities	1.79		(8.83)	
Inventories	(115.46)		(57.43)	
Trade Receivables	(119.02)		(71.16)	
		(232.69)		(137.42)
<b>CASH FLOW FROM OPERATIONS</b>		<b>52.03</b>		<b>240.72</b>
Taxes Paid (Net)		(16.27)		(40.23)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>35.76</b>		<b>200.49</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant & Equipment	(165.08)		(176.83)	
Movement in Loans and Advances	(2.92)		(2.44)	
Purchase of Term Deposits	13.05		(8.74)	
Interest Received on Bank FD	1.30		1.25	
Dividend Received	0.00		0.00	
Rent received	-		0.05	
<b>NET CASH (USED IN) INVESTING ACTIVITIES (B)</b>		<b>(153.65)</b>		<b>(186.70)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds / (Repayment) from Long Term Borrowing	201.26		3.69	
Proceeds / (Repayment) from Short Term Borrowing	44.99		2.54	
(Increase)/decrease in Working Capital Borrowings	(17.25)		101.31	
(Loan)/ Repayment to Subsidiary & LLP	0.05		(0.21)	
Interest paid on Loan	(113.61)		(119.42)	
Dividend Paid (Including Dividend Distribution tax)/ TDS on Dividend	(7.08)		(10.66)	
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES(C)</b>		<b>108.36</b>		<b>(22.75)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(9.53)</b>		<b>(8.96)</b>
Cash & Cash Equivalent at the beginning of the Year		18.74		27.69
Cash & Cash Equivalent at the end of the Year(Refer Note no. 14)		9.21		18.74

1. This Statement is prepared as per Ind AS-7 (Indirect Method)

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

K. Daliya (Partner)  
Membership No. 166874  
Place : Silvassa  
Date : 25th June, 2021

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)

# Notes Forming Part of the Standalone Financial Statements For The Year Ended On 31st March , 2021.

## **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 June 25th, 2021.

The principal activities of the Company comprises of Manufacturing 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, 2021 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 underlying 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, if any.
- 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.





***Shubham Deshmukh***

# “Your biggest strength is belief in yourself.”

*Shubham Deshmukh, Manager Operations (Avana)*

For Shubham Deshmukh, the switch from college life to working life was quite a learning experience. Replacing theoretical knowledge with practical experience, having to unlearn and relearn basic concepts and above all, getting workers on the shop floor to listen to this wet-behind-the-ears engineering graduate, all proved to be a challenge. But nothing would prepare him for the challenges that Covid would bring.

Avana Jalasanchay was always much sought-after; the innovative product that it was. But the Covid-induced lockdown meant that Emmbi's distributors couldn't send workmen out to the field to seal and install the artificial ponds. There were thousands of square-meters of cloth that would soon become dead inventory for them, unless they found another way to use it. The germ of an idea for Avana tanks was born.

It fell to Shubham and his team to convert this idea into a viable product concept. Never one to shy away from challenges, Shubham dove right in, and figured immediately, that the existing product concept had problems – for one, it took three hours to create a single tank and worse, a cubical design meant multiple joints – and greater chances of leakage. A decision was taken to create a circular tank, which would be a lot less prone to leakages.

A special machine that helped weave it was imported from Swizerland. The Avana tank seemed tantalizingly close to becoming a reality.

Until, the team discovered that sealing the tank perfectly was easier said than done. Countless late nights later, the team decided to consult the manufacturer of the machine. The manufacturer sent a team down, who camped at the factory for two weeks, trying innumerable permutations and combinations. Close to three hundred tanks were made.

Every one of them leaked.

Tired, weary and disheartened, the team almost gave up. “I was alone in the factory one night,” recalls Shubham, “I had just about given up. Makrand sir came up to me and said, ‘why are you so scared? You know you're on the right path, so there's no way you will fail.’ Those words injected a new hope in me.”

Over the next three months, Shubham and his team worked tirelessly, trying out newer and newer ways of sealing the tank.

Until, finally, they created one that did not leak.

And that is how an idea that was born six months ago, at the peak of the pandemic, became Emmbi's latest innovation.

- 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 HDPE & PP- Woven Polymer Based 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, exgratia, 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, ESI, 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 exchange rate 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 foreign company and LLP, are measured at fair value through profit and loss as per 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 require 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.

### 3.13 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the

carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

#### **Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue to allocate the consideration in the contract.

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

##### **New and amended standards**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, etc.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

##### **4.3 Impact of Covid-19**

On March 11, 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020. The business has been severely impacted during the year on account of COVID-19.

The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year. With the unlocking of restrictions, all the Company's manufacturing facilities have been opened and business is expected to gradually improve. During the second half of the year, the Company witnessed some signs of recovery. Whilst there has been a second wave of the COVID-19 pandemic in the last few months in some States, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation. The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs.

The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID-19 may be different from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has adequate funds at its disposal and the Management is confident of securing additional financing, as required, for the next 12 months to enable the Company to meet its debts and obligations as they fall due



**Note 5 PROPERTY, PLANT AND EQUIPMENT**
**For the year ended 31ST MARCH, 2021**

		INR MILLION											
Sr. No.	PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
		As at 01-04-2020	Addns	Transfers	Adjustmnts/ Disposals	As at 31-03-21	As at 01-04-20	For the yr	Transfers	Adjustmnts/ Disposals	As at 31-03-21	As at 31-03-21	as at 31-03-20
INR Mn		INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn
<b>5.A TANGIBLE FIXED ASSETS</b>													
1	Land	33.46	-	-	-	33.46	-	-	-	-	-	33.46	33.46
2	Building	496.90	13.78	61.38	-	572.06	74.05	12.24	-	-	86.29	485.77	422.85
3	Compound Wall	0.26	-	-	-	0.26	0.20	0.01	-	-	0.21	0.06	0.07
4	Plant and Machinery	693.48	57.33	-	-	750.81	198.34	28.08	-	-	226.42	524.39	495.14
5	Electrical Installation	17.04	-	-	-	17.04	6.14	0.66	-	-	6.79	10.24	10.90
6	Furniture & Fixtures	34.82	1.05	-	-	35.88	19.08	2.98	-	-	22.05	13.82	15.75
7	Crates	0.71	-	-	-	0.71	0.67	0.04	-	-	0.70	0.01	0.04
8	Office Equipment	36.88	6.06	-	-	42.94	17.91	3.22	-	-	21.13	21.81	18.97
9	Other Equipment	0.01	-	-	-	0.01	0.01	-	-	-	0.01	0.00	0.00
10	Vehicles	30.47	2.47	-	-	32.94	17.87	2.91	-	-	20.78	12.16	12.60
11	Plant and Machinery (R & D Equipment and Pilot Plant)	162.16	6.48	-	-	168.63	22.48	6.29	-	-	28.77	139.87	139.68
12	Computer ( for R & D)	1.02	-	-	-	1.02	0.72	0.03	-	-	0.75	0.27	0.29
	<b>(A)</b>	<b>1,507.21</b>	<b>87.17</b>	<b>61.38</b>	<b>-</b>	<b>1,655.76</b>	<b>357.46</b>	<b>56.44</b>	<b>-</b>	<b>-</b>	<b>413.90</b>	<b>1,241.85</b>	<b>1,149.75</b>
<b>5.B INTANGIBLE FIXED ASSETS</b>													
	Acquired Brand & Knowledge Development Cost	151.36	39.19	-	-	190.54	44.68	16.04	-	-	60.72	129.82	106.68
	<b>(B)</b>	<b>151.36</b>	<b>39.19</b>	<b>-</b>	<b>-</b>	<b>190.54</b>	<b>44.68</b>	<b>16.04</b>	<b>-</b>	<b>-</b>	<b>60.72</b>	<b>129.82</b>	<b>106.68</b>
<b>5.C CAPITAL WIP</b>													
	Building	61.38	6.42	(61.38)	-	6.42	-	-	-	-	-	6.42	61.38
	Plant & Machinery	-	32.31	-	-	32.31	-	-	-	-	-	32.31	-
	<b>(C)</b>	<b>61.38</b>	<b>38.73</b>	<b>(61.38)</b>	<b>-</b>	<b>38.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.73</b>	<b>61.38</b>
	<b>TOTAL (A+B+C)</b>	<b>1,719.95</b>	<b>165.08</b>	<b>-</b>	<b>-</b>	<b>1,885.03</b>	<b>402.14</b>	<b>72.49</b>	<b>-</b>	<b>-</b>	<b>474.63</b>	<b>1,410.40</b>	<b>1,317.81</b>

**Note 5 PROPERTY, PLANT AND EQUIPMENT**
**For the year ended 31st March, 2020**

		INR MILLION											
Sr. No.	PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
		As at 01-04-19	Addns	Transfers	Adjustmnts/ Disposals	As at 31-03-20	As at 01-04-19	For the yr	Transfers	Adjustmnts/ Disposals	As at 31-03-20	As at 31-03-20	as at 31-03-19
INR Mn		INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn	INR Mn
<b>5.A TANGIBLE FIXED ASSETS</b>													
1	Land	33.46	-	-	-	33.46	-	-	-	-	-	33.46	33.46
2	Building	476.09	20.81	-	-	496.90	60.35	13.71	-	-	74.05	422.85	415.74
3	Compound Wall	0.26	-	-	-	0.26	0.19	0.01	-	-	0.20	0.07	0.08
4	Plant and Machinery	603.25	90.23	-	-	693.48	171.59	26.75	-	-	198.34	495.14	431.67
5	Electrical Installation	15.12	1.92	-	-	17.04	5.44	0.69	-	-	6.14	10.90	9.67
6	Furniture & Fixtures	34.13	0.70	-	-	34.82	15.96	3.11	-	-	19.08	15.75	18.16
7	Crates	0.71	-	-	-	0.71	0.60	0.07	-	-	0.67	0.04	0.11
8	Office Equipment	31.08	5.79	-	-	36.88	15.15	2.76	-	-	17.91	18.97	15.94
9	Other Equipment	0.01	-	-	-	0.01	0.01	-	-	-	0.01	0.00	0.00
10	Vehicles	28.42	2.04	-	-	30.47	15.35	2.52	-	-	17.87	12.60	13.08
11	Plant and Machinery (R & D Equipment and Pilot Plant)	160.19	1.97	-	-	162.16	16.33	6.15	-	-	22.48	139.68	143.86
12	Computer ( for R & D)	1.02	-	-	-	1.02	0.51	0.21	-	-	0.72	0.29	0.51
	<b>(A)</b>	<b>1,383.74</b>	<b>123.46</b>	<b>-</b>	<b>-</b>	<b>1,507.21</b>	<b>301.46</b>	<b>56.00</b>	<b>-</b>	<b>-</b>	<b>357.46</b>	<b>1,149.75</b>	<b>1,082.28</b>
<b>5.B INTANGIBLE FIXED ASSETS</b>													
	Acquired Brand & Knowledge Development Cost	122.74	28.61	-	-	151.36	30.94	13.74	-	-	44.68	106.68	91.80
	<b>(B)</b>	<b>122.74</b>	<b>28.61</b>	<b>-</b>	<b>-</b>	<b>151.36</b>	<b>30.94</b>	<b>13.74</b>	<b>-</b>	<b>-</b>	<b>44.68</b>	<b>106.68</b>	<b>91.80</b>
<b>5.C CAPITAL WIP</b>													
	Rakholi Building- Vaidehi II	36.63	24.75	-	-	61.38	-	-	-	-	-	61.38	36.63
	<b>(C)</b>	<b>36.63</b>	<b>24.75</b>	<b>-</b>	<b>-</b>	<b>61.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.38</b>	<b>36.63</b>
	<b>TOTAL (A+B+C)</b>	<b>1,543.12</b>	<b>176.83</b>	<b>-</b>	<b>-</b>	<b>1,719.95</b>	<b>332.41</b>	<b>69.73</b>	<b>-</b>	<b>-</b>	<b>402.14</b>	<b>1,317.81</b>	<b>1,210.71</b>



INR MILLION

Note 6	NON CURRENT INVESTMENTS	As at 31.03.2021	As at 31.03.2020
	<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
	<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>LLP</b>			
	Emmbi Watcon LLP	Mumbai	India	99.99%

INR MILLION

Note 7	LOANS (NON CURRENT)	As at 31.03.2021	As at 31.03.2020
	<b>Unsecured, Considered good</b>		
	Loan to related party - Emmbi Watcon LLP	1.02	1.07
	<b>TOTAL</b>	<b>1.02</b>	<b>1.07</b>

INR MILLION

Note 8	OTHER FINANCIAL ASSETS (NON CURRENT)	As at 31.03.2021	As at 31.03.2020
	Security Deposits	12.25	9.27
	Bank Deposits(With more than 12 months maturity)		
	Term Deposits	0.16	0.98
	<b>TOTAL</b>	<b>12.41</b>	<b>10.25</b>

INR MILLION

Note 9	DEFERRED TAX ASSET - MAT CREDIT ENTITLEMENT (NON CURRENT)	As at 31.03.2021	As at 31.03.2020
	MAT Credit Entitlement	21.09	21.09
	<b>TOTAL</b>	<b>21.09</b>	<b>21.09</b>

INR MILLION

Note 10	INCOME TAX ASSETS (NON CURRENT)	As at 31.03.2021	As at 31.03.2020
	Advance payment of Income Tax	146.54	130.26
	<b>TOTAL</b>	<b>146.54</b>	<b>130.26</b>

INR MILLION

Note 11	OTHER NON CURRENT ASSETS	As at 31.03.2021	As at 31.03.2020
	Prepaid Rental	-	0.05
	<b>TOTAL</b>	<b>-</b>	<b>0.05</b>

INR MILLION

Note 12	INVENTORIES*	As at 31.03.2021	As at 31.03.2020
	Raw Materials	241.46	182.27
	Stock-in-Process	425.25	457.37
	Finished Goods	189.67	77.90
	Stores & Spares	45.87	69.24
	<b>TOTAL</b>	<b>902.25</b>	<b>786.79</b>

\*Inventories are measured at cost



INR MILLION

<b>Note 13</b>	<b>TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
	Trade Receivables	638.10	520.10
	<b>TOTAL</b>	<b>638.10</b>	<b>520.10</b>

INR MILLION

<b>Note 14</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
	Balances with banks		
	In Current Account	-	15.44
	Cash on hand	3.02	2.83
	Others:		
	Term deposits with Banks (maturity of less than three months)	6.19	0.47
	<b>TOTAL</b>	<b>9.21</b>	<b>18.74</b>
	Cash & cash equivalents as per Cash Flow Statement	<b>9.21</b>	<b>18.74</b>

INR MILLION

<b>Note 15</b>	<b>BANK BALANCE OTHER THAN ABOVE</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
	Earmarked balances with Banks		
	Unclaimed Dividend A/c	0.42	0.46
	Term Deposits (maturity of more than three months but less than twelve months)	5.61	17.84
	<b>TOTAL</b>	<b>6.03</b>	<b>18.29</b>

INR MILLION

<b>Note 16</b>	<b>OTHER CURRENT ASSETS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
	Balance with Central Excise, Service Tax, GST and other Govt. Authorities	68.02	99.15
	Prepaid Expenses	26.44	26.55
	Other Advances	43.12	34.81
	<b>TOTAL</b>	<b>137.58</b>	<b>160.51</b>

INR MILLION

<b>Note 17</b>	<b>EQUITY SHARE CAPITAL</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
	<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>

INR MILLION

<b>17.1</b>	<b>The Reconciliation of the number of shares outstanding is set out below : Particulars</b>	<b>As at 31.03.2021 No. of Shares</b>	<b>As at 31.03.2020 No. of Shares</b>
	Equity Shares at the beginning of the year	17.69	17.69
	Changes during the year	-	-
	Equity Shares at the end of the year	17.69	17.69

INR MILLION

<b>17.2</b>	<b>The Details of Shareholders Holding more than 5% Shares Name of Shareholder</b>	<b>As at 31.03.2021</b>		<b>As at 31.03.2020</b>	
		<b>No. of Shares</b>	<b>%Held</b>	<b>No. of Shares</b>	<b>% Held</b>
	Makrand Moreshwar Appalwar	3.83	21.63%	3.83	21.62%
	Rinku Makrand Appalwar	2.37	13.38%	2.35	13.27%
	Maithili Appalwar	1.07	6.02%	1.07	6.02%
	Emmbi Laboratories Pvt Ltd	1.66	9.40%	1.66	9.40%
	Hidden Champions Fund	1.22	6.91%	1.22	6.91%
	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 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 31.03.2021	As at 31.03.2020
	<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	834.17	700.07
	Add : Profit for the Year	76.74	146.27
	Add/Less : Other Comprehensive Income for the year	(1.78)	(1.51)
	Less : Dividend	(6.56)	(8.85)
	Less : Dividend Distribution Tax / TDS on dividend	(0.52)	(1.82)
		902.06	834.17
	<b>TOTAL</b>	<b>1,174.71</b>	<b>1,106.81</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 31.03.2021		As at 31.03.2020	
		Non Current	Current	Non Current	Current
	<b>(a) Secured</b>				
	Term Loans				
	- From Banks	559.43	121.12	350.86	63.45
	- From Corporates	-	-	-	-
	Other loans & advances	-	-	-	-
	<b>(b) Unsecured</b>				
	Term Loans				
	- From Banks	0.75	7.31	8.06	20.00
	- From Corporates	-	-	-	-
	Other loans & advances	-	-	-	-
	<b>TOTAL</b>	<b>560.18</b>	<b>128.44</b>	<b>358.92</b>	<b>83.44</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 2021-22	121.12	7.31
For 2022-23	169.93	0.75
For 2023-24	152.39	-
For 2024-25	140.78	-
For 2025-26	90.11	-
For 2026-27	6.23	-



INR MILLION

Note 20	EMPLOYEE BENEFIT PROVISIONS (NON CURRENT)	As at 31.03.2021	As at 31.03.2020
	Provision for Employee Benefits (Gratuity)	13.14	12.79
	<b>TOTAL</b>	<b>13.14</b>	<b>12.79</b>

INR MILLION

Note 21	DEFERRED TAX LIABILITIES	As at 31.03.2021	As at 31.03.2020
	The balance comprises of temporary differences attributable to :		
	Depreciation(Net)	100.77	93.23
	<b>TOTAL</b>	<b>100.77</b>	<b>93.23</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 31.03.2021	As at 31.03.2020
	At the start of the year	93.23	84.79
	<b>Charged/(Credited)</b>	<b>-</b>	<b>-</b>
	- to Profit or loss (depreciation)	7.54	8.44
	<b>TOTAL</b>	<b>100.77</b>	<b>93.23</b>

INR MILLION

Note 22	PROVISIONS (NON CURRENT)	As at 31.03.2021	As at 31.03.2020
	Provision For Taxes	166.78	150.73
	<b>TOTAL</b>	<b>166.78</b>	<b>150.73</b>

INR MILLION

Note 23	BORROWINGS (CURRENT)	As at 31.03.2021	As at 31.03.2020
	Loans repayable on demand		
	From Banks		
	Secured (Refer Note 23.1)	675.56	715.74
	<b>TOTAL</b>	<b>675.56</b>	<b>715.74</b>

**23.1 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- State Bank of India, ICICI Bank, Axis Bank, DBS Bank India Ltd and Saraswat Co-op. Bank

INR MILLION

Note 24	TRADE PAYABLES	As at 31.03.2021	As at 31.03.2020
	Dues to Micro Enterprises and Small Enterprises (MESE)	-	-
	Payables other than MESE	259.29	264.39
	<b>TOTAL</b>	<b>259.29</b>	<b>264.39</b>

INR MILLION

Note 25	OTHER FINANCIAL LIABILITIES (CURRENT)	As at 31.03.2021	As at 31.03.2020
	Current maturities of long term debt (Refer Note : 19)	128.44	83.44
	Unpaid Dividends	0.42	0.46
	Others	28.66	21.77
	<b>TOTAL</b>	<b>157.52</b>	<b>105.67</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.



INR MILLION

Note 26	CONTINGENT LIABILITIES AND COMMITMENTS	As at 31.03.2021	As at 31.03.2020
a)	Contingent liabilities not provided for Guarantees'		
	1. Guarantee by Banks to Electricity Department (Silvassa)	9.94	8.76
	2. Guarantee by Banks to District Horticulture Development Society.	3.64	3.30
	3. Warranty against Sale of Retail Water Conservation products for 5 years	17.44	15.57
b)	Commitments		
	Estimated amount of contracts remaining to be executed		
	- On capital account (Net of Advances) and not provided for	6.70	9.11
	- On account of Machinery		
	- 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 Million 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.

INR MILLION

Note 27	REVENUE FROM OPERATIONS	2020-21	2019-20
	Revenue from- Sale of products		
	Export Sales	1,850.78	1,439.38
	Domestic Sales	1,347.61	1,892.03
		3,198.39	3,331.40
	Less : GST recovered	458.50	292.07
	<b>TOTAL</b>	<b>2,739.89</b>	<b>3,039.34</b>

INR MILLION

27.1	DETAILS OF SALE OF PRODUCTS	2020-21	2019-20
	<b>Manufactured Goods</b>		
	Polymer Based Multiple Products	3,198.39	3,331.40
	Traded Goods	-	-
	<b>TOTAL</b>	<b>3,198.39</b>	<b>3,331.40</b>

INR MILLION

Note 28	OTHER INCOME	2020-21	2019-20
	<b>Interest</b>		
	From Current Investments	1.30	1.25
	From Others	-	-
	<b>Dividend</b>		
	From Long Term Investments (on shares of Co Op bank)	0.00	0.00
	Other Non Operating Income	0.63	0.36
	<b>TOTAL</b>	<b>1.93</b>	<b>1.61</b>



INR MILLION

Note 29	COST OF MATERIAL CONSUMED	2020-21		2019-20	
	<b>Raw Materials Consumed</b>				
	Opening Inventory	182.27		200.47	
	Add : Purchases (Net)	1,859.97		2,045.73	
		2,042.25		2,246.20	
	Less : Closing Inventory	241.46		182.27	
	<b>TOTAL</b>	<b>1,800.79</b>		<b>2,063.93</b>	

INR MILLION

29.1	DETAILS OF INDIGENOUS AND IMPORTED RAW MATERIALS CONSUMED	2020-21		2019-20	
		Rs.	% Consumption	Rs.	% Consumption
	Imported	34.09	1.89	24.50	1.19
	Indigenous	1,766.70	98.11	2,039.42	98.81
	<b>TOTAL</b>	<b>1,800.79</b>	<b>100.00</b>	<b>2,063.93</b>	<b>100.00</b>

INR MILLION

29.2	PARTICULARS OF MATERIAL CONSUMED	2020-21		2019-20	
	Polymer Granules And Films Of Various Grades and Others	1,800.79		2,063.93	
	<b>TOTAL</b>	<b>1,800.79</b>		<b>2,063.93</b>	

INR MILLION

Note 30	CHANGES IN INVENTORIES OF STOCK-IN-TRADE, WORK-IN-PROGRESS AND FINISHED GOODS	2020-21		2019-20	
	<b>Inventories (At Close)</b>				
	Stock-in-Process	425.25		457.37	
	Finished goods	189.67		77.90	
		<b>614.92</b>		<b>535.28</b>	
	<b>Inventories (At Commencement)</b>				
	Stock-in-Process	457.37		362.26	
	Finished goods	77.90		105.96	
		<b>535.28</b>		<b>468.22</b>	
	<b>TOTAL</b>	<b>(79.64)</b>		<b>(67.06)</b>	

INR MILLION

Note 31	EMPLOYEES BENEFITS EXPENSES	2020-21		2019-20	
	Salaries	159.62		150.88	
	Employees Welfare Expenses	9.48		9.73	
	Contribution to Provident Fund and Other Fund*	7.55		5.60	
	Gratuity	2.36		2.32	
	<b>TOTAL</b>	<b>179.01</b>		<b>168.54</b>	

\*Includes amount of Rs. 26,77,504.00 received under PMRPY AND PMPRPY Schemes.

INR MILLION

Note 32	FINANCE COSTS	2020-21		2019-20	
	Interest	93.25		98.96	
	Other borrowing costs	20.36		20.46	
	<b>TOTAL</b>	<b>113.61</b>		<b>119.42</b>	

INR MILLION

Note 33	DEPRECIATION AND AMORTIZATION EXPENSES	2020-21		2019-20	
	Depreciation and Amortization	72.49		69.73	
	<b>TOTAL</b>	<b>72.49</b>		<b>69.73</b>	



Note 34	OTHER EXPENSES	2020-21	2019-20
	<b>MANUFACTURING EXPENSES</b>		
	Factory Wages	126.86	107.32
	Power and Fuel	72.31	66.25
	Labour Charges	54.16	45.09
	Consumable Stores	86.45	76.79
	Repairs & Maintenance	10.80	9.24
	Other Manufacturing Expenses	6.69	7.12
	<b>Sub-Total (A)</b>	<b>357.27</b>	<b>311.81</b>
	<b>SELLING AND DISTRIBUTION EXPENSES</b>		
	Freight Forwarding Expenses	96.81	88.79
	Sales Promotion Expenses	17.78	10.16
	Vehicle Expenses	2.89	4.43
	Discount	12.72	6.95
	Other Selling and Distribution Expenses	0.98	2.71
	Sundry Export Expenses	0.79	1.55
	Commission	0.40	0.95
	<b>Sub-Total (B)</b>	<b>132.37</b>	<b>115.55</b>
	<b>ESTABLISHMENT EXPENSES</b>		
	Legal and Professional Charges	12.59	10.92
	Scientific Research & Development	22.91	30.53
	Rent	10.51	15.53
	Tour & Travelling Expenses	10.49	18.13
	Insurance	11.32	8.24
	Printing, Stationary, Computer & Xerox Expenses	3.52	3.99
	Postage and courier Expenses	2.03	3.06
	Telephone Expenses	2.26	2.08
	General Expenses	11.71	6.51
	Electricity expenses- Mumbai Office	0.58	1.22
	Sundry Balances W/off (W /back)	1.03	2.62
	Conveyance Expenses	0.90	0.60
	Donations	0.02	0.20
	Donations for CSR Activities	4.45	1.25
	Foreign Exchange Variation (Net)	(30.20)	(34.10)
	Payment to Auditor (See Note 34.3)	1.45	1.45
	Gst Reversal On Purchases & Expenses	0.03	0.14
	<b>Sub-Total (C)</b>	<b>65.59</b>	<b>72.38</b>
	<b>TOTAL [(A)+(B)+(C)]</b>	<b>555.23</b>	<b>499.74</b>

34.1 DETAILS OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED	2020-21		2019-20	
	Rs.	% Consumption	Rs.	% Consumption
Imported	-	-	-	-
Indigenous	86.45	100	76.79	100
<b>TOTAL</b>	<b>86.45</b>	<b>100</b>	<b>76.79</b>	<b>100</b>

INR MILLION

34.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF	2020-21	2019-20
Import of Raw Materials	34.09	24.50
	34.09	24.50

INR MILLION

34.3 PAYMENT TO AUDITORS	2020-21	2019-20
<b>As Auditor</b>		
Audit Fee	0.90	0.90
Tax Audit Fee	0.20	0.20
Certification Fees	0.35	0.35
	1.45	1.45



INR MILLION

<b>34.4 EXPENDITURE IN FOREIGN CURRENCY</b>	<b>2020-21</b>	<b>2019-20</b>
Foreign Bank Charges	0.88	1.77
Testing Charges	-	0.18
Foreign Travelling Expenses	-	2.69
Discount & Commission	0.47	0.95

INR MILLION

<b>34.5 PARTICULARS</b>	<b>2020-21</b>	<b>2019-20</b>
Foreign Exchange loss / (Gain) of Rs.	(30.20)	(34.10)

INR MILLION

<b>Note 35 EARNINGS PER SHARE (EPS)</b>	<b>2020-21</b>	<b>2019-20</b>
Net Profit after tax as per Statement of Profit and Loss	76.74	146.27
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	4.34	8.27
Diluted Earnings per share	4.34	8.27
Face Value per equity share	10.00	10.00

INR MILLION

<b>Note 36 EARNINGS IN FOREIGN EXCHANGE</b>	<b>2020-21</b>	<b>2019-20</b>
FOB value of Exports	1,797.84	1,393.57

INR MILLION

<b>Note 37 RELATED PARTY DISCLOSURES</b>				
<b>Name of Related Party (Designation)</b>	<b>Nature of Transaction</b>	<b>Amount of Transaction 2020-21</b>	<b>Amount of Transaction 2019-20</b>	<b>Balance as on 31.03.21</b>
Makrand Appalwar (Managing Director)	Remuneration Outstanding Remuneration	7.02	7.80	0.45 (0.45)*
Rinku Appalwar (CFO & Director)	Remuneration Outstanding Remuneration	6.48	7.20	0.35 (0.42)*
Payment to Non- Executive Directors	Sitting Fees	0.40	0.30	-
Emmbi Watcon LLP (99.99% Share)	Loan given Loan Repaid	0.00 0.05	0.21 -	1.02 (1.07)*
S. Sastry (President works)	Remuneration	4.61	6.07	0.30 (0.41)*
Kaushal Patvi (Company Secretary)	Salary	1.16	1.34	0.09 (0.09)*
Kitec Industries (India) Ltd. (Common Director's)	Sale of Goods	2.93	0.62	0.01 -
Kitec Industries (India) Ltd. (Common Director's)	Purchases	2.29	0.23	- (0.01)*
Dividend paid to Relatives	Dividend paid to Relatives	4.11	5.10	-

(\* Figures represent balance as on 31.03.2020)



Note 38	TRADE PAYABLES TO MICRO, SMALL AND MEDIUM ENTERPRISES	2020-21	2019-20
	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 39** 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 40 : Category wise Classification of Financial Instruments

INR MILLION

Particulars	Refer Note	March 31, 2021			March 31, 2020		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>FINANCIAL ASSETS</b>							
Trade receivables	13	-	-	638.10	-	-	520.10
Loans	7	-	-	1.02	-	-	1.07
Cash and Bank Balances	14	-	-	15.24	-	-	37.03
Interest accrued		-	-	-	-	-	-
Investments	6	0.00	0.13	-	0.00	0.13	-
Security deposits	8	-	-	12.41	-	-	10.25
Others		-	-	-	-	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>0.00</b>	<b>0.13</b>	<b>666.77</b>	<b>0.00</b>	<b>0.13</b>	<b>568.45</b>
<b>FINANCIAL LIABILITIES</b>							
Trade payables	24	-	-	259.29	-	-	264.39
Short Term Borrowings	23	-	-	675.56	-	-	715.74
Interest accrued		-	-	-	-	-	-
Loans borrowed	19 & 25	-	-	688.61	-	-	442.36
Others	25	-	-	29.08	-	-	22.23
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>1,652.55</b>	<b>-</b>	<b>-</b>	<b>1,444.72</b>

(\* Please refer Note 42- Liquidity Risk)

INR MILLION

#### NOTE 41: INCOME TAX EXPENSE

A. INCOME TAX EXPENSE	For the year ended	
	March 31, 2021	March 31, 2020
Current tax		
Current tax on profits for the year	16.05	31.93
Adjustments for current tax of previous years	(0.00)	-
<b>Total Current tax expenses</b>	<b>16.05</b>	<b>31.93</b>
<b>B. DEFERRED TAX</b>		
Deferred Tax for the year	7.54	8.44
Total deferred tax expense/(benefit)	7.54	8.44
<b>Income tax expense</b>	<b>23.59</b>	<b>40.37</b>
<b>C. RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY INDIA'S TAX RATE</b>	<b>For the year ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Profit from continuing operations before income tax expense	100.33	186.64
Tax at the Indian tax rate of % (previous year %)	27.82%	29.12%
Tax effect of amounts which are not deductible (taxable) in calculating taxable income: Dividend Income from Investments exempt from tax	27.91	54.35
Effects of non deductible business expenses	1.00	1.88
Effect of Tax Incentives	-	(5.68)
Effect on account of Minimum Alternate Tax (MAT)	-	-
Effect on account of Minimum Alternate Tax (MAT) Credit Availment	(5.32)	(10.18)
Adjustments for current tax of previous years	(0.00)	-
Other items	-	-
<b>Income tax expense</b>	<b>23.59</b>	<b>40.37</b>



**NOTE 42: EMPLOYEE BENEFIT OBLIGATIONS**

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

I Defined Benefit Plans	INR MILLION	
	March 31, 2021	March 31, 2020
<b>Gratuity</b>		
Non-Current	13.14	12.79
<b>Total</b>	<b>13.14</b>	<b>12.79</b>

**A Significant assumptions :**

The significant actuarial assumptions were as follows :

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.75% p.a.	6.75% p.a.
Salary escalation rate	6.50% p.a.	6.50% p.a.
Retirement age	58 years	60 years
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate Mortality Rates	Indian Assured Lives Mortality (2012-14) 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	
	For the year ended	
	March 31, 2021	March 31, 2020
Employers' Contribution to Provident Fund	8.11	5.25

**III Gratuity**

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

Particulars	Present value of obligation	Fair value of plan assets	INR MILLION
			Net amount
April 1, 2019	10.25	0.01	10.25
Current service cost	1.53	-	1.53
Interest expense/(income)	0.79	-	0.79
<b>Total amount recognised in Profit or Loss</b>	<b>2.32</b>	<b>-</b>	<b>2.32</b>
Return on plan assets expense/(income)	-	-	-
(Gain)/loss from experience changes	(0.11)	-	(0.11)
(Gain)/loss from change in financial assumptions	1.62	-	1.62
<b>Total amount recognised in Other Comprehensive Income</b>	<b>1.51</b>	<b>-</b>	<b>1.51</b>
Employer's contribution	-	-	-
Benefits paid	(1.29)	-	(1.29)
<b>March 31, 2020</b>	<b>12.80</b>	<b>0.01</b>	<b>12.79</b>

Particulars	Present value of obligation	Fair value of plan assets	INR MILLION
			Net amount
April 1, 2020	12.80	0.01	12.79
Current service cost	1.49	-	1.49
Interest expense/(income)	0.86	-	0.86
<b>Total amount recognised in Profit or Loss</b>	<b>2.36</b>	<b>-</b>	<b>2.36</b>
Return on plan assets expense/(income)	-	-	-
(Gain)/loss from experience changes	1.78	-	1.78



(Gain)/loss from change in financial assumptions	-	-	-
<b>Total amount recognised in Other Comprehensive Income</b>	<b>1.78</b>	<b>-</b>	<b>1.78</b>
Benefits paid	(3.79)	-	(3.79)
<b>March 31, 2021</b>	<b>13.15</b>	<b>0.01</b>	<b>13.14</b>

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

Particulars	INR MILLION	
	March 31, 2021	March 31, 2020
Present value of funded obligation	13.15	12.80
Fair value of plan assets	0.01	0.01
Surplus of funded plan	13.14	12.79

iii) Sensitivity analysis

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

Assumption	Impact on defined benefit obligation March 31, 2021	
	%	Rs
<b>Discount rate</b>		
1.00% increase	-12.45%	(1.64)
1.00% decrease	15.11%	1.99
<b>Future salary increase</b>		
1.00% increase	14.99%	1.97
1.00% decrease	-12.59%	(1.65)

Assumption	Impact on defined benefit obligation March 31, 2020	
	%	Rs
<b>Discount rate</b>		
1.00% increase	-14.5%	(1.85)
1.00% decrease	17.92%	2.29
<b>Future salary increase</b>		
1.00% increase	17.78%	2.27
1.00% decrease	-14.6%	(1.87)

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.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	INR MILLION	
	March 31, 2021	March 31, 2020
Less than a year	0.24	0.49
Between 1- 2 years	0.31	-
Between 2- 5 years	1.78	0.44
Over 5 years	37.26	45.58
<b>Total</b>	<b>39.60</b>	<b>46.50</b>

#### Capital Management:

"The Company's objectives when managing capital are to:

- safeguard their ability to continue as a 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, 2021	March 31, 2020
Equity share capital	176.90	176.90
Other Equity	1,174.71	1,106.81
<b>Total Equity</b>	<b>1,351.61</b>	<b>1,283.72</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.



INR MILLION

Dividends	March 31, 2021	March 31, 2020
Particulars		
Dividends not recognised at the end of reporting period (including dividend distribution tax / TDS on dividend)	7.08	7.08

The Board of Directors have recommended the payment of a final dividend of Re. 0.40 per fully paid equity share of Rs. 10.00 each (March 31, 2020- Re 0.40). 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. 4.45 Million (Previous Year: Rs. 1.25 Million) has been spent in the year ended March 31, 2021. Gross amount required to be spent by the Company during the year: Rs. 4.21 Million (Previous Year: Rs. 4.11 Million).

INR MILLION

Particulars	In Cash	Yet to be paid in Cash	Total
	Rs.	Rs.	Rs.
Acquisition of any asset	-	-	-
Others	4.45	(0.24)	4.21
<b>Total (CY)</b>	<b>4.45</b>	<b>(0.24)</b>	<b>4.21</b>
<b>Previous Year</b>	<b>1.25</b>	<b>2.86</b>	<b>4.11</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. 10.04 Million (Previous Year Rs. 10.84 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 :-

INR MILLION

	Particulars March 31, 2021	As at March 31, 2020
For a period not later than one year	2.28	2.08
For a period later than one year and not later than five years	-	-
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, 2021**

INR MILLION

Particulars	Trade Receivables	Loans	Other Financial Assets	Total
Gross carrying amount	638.53	1.02	27.65	667.20
Expected loss rate	0.07%	0.00%	0.00%	0.07%
Expected credit losses (loss allowance provision)	0.43	-	-	0.43
<b>Carrying amount (net of impairment)</b>	<b>638.10</b>	<b>1.02</b>	<b>27.65</b>	<b>666.77</b>

**March 31, 2020**

Gross carrying amount	520.53	1.07	47.28	568.88
Expected loss rate	0.08%	0.00%	0.00%	0.08%
Expected credit losses (loss allowance provision)	0.43	-	-	0.43
<b>Carrying amount (net of impairment)</b>	<b>520.10</b>	<b>1.07</b>	<b>47.28</b>	<b>568.45</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**

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

INR MILLION

March 31, 2021	Upto 1 year	1 to 3 years	3 to 7 years
<b>Non- derivative liabilities</b>			
Trade Payables	259.29	-	-
Borrowings			
Long Term*	128.44	323.07	237.11
Interest	39.47	30.69	22.53
Short Term	675.56	-	-
Interest	53.56	-	-
Other Financial Liabilities	29.08	-	-
<b>TOTAL</b>	<b>1,185.40</b>	<b>353.76</b>	<b>259.63</b>

March 31, 2020	Upto 1 year	1 to 3 years	3 to 7 years
<b>Non- derivative liabilities</b>			
Trade Payables	264.39	-	-
Borrowings			
Long Term*	83.44	182.66	176.26
Interest	35.59	17.35	16.74
Short Term	715.74	-	-
Interest	60.29	-	-
Other Financial Liabilities	22.23	-	-
<b>TOTAL</b>	<b>1,181.68</b>	<b>200.01</b>	<b>193.01</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.

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

R. S. Daliya (Partner)  
Membership No. 166874  
Place : Silvassa  
Date : 25th June, 2021

Kaushal Patvi  
Company Secretary

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

Makrand Appalwar  
(Managing Director)

Rinku Appalwar  
(CFO & Director)





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