

# Evolve



**Annual Report 2013-2014**



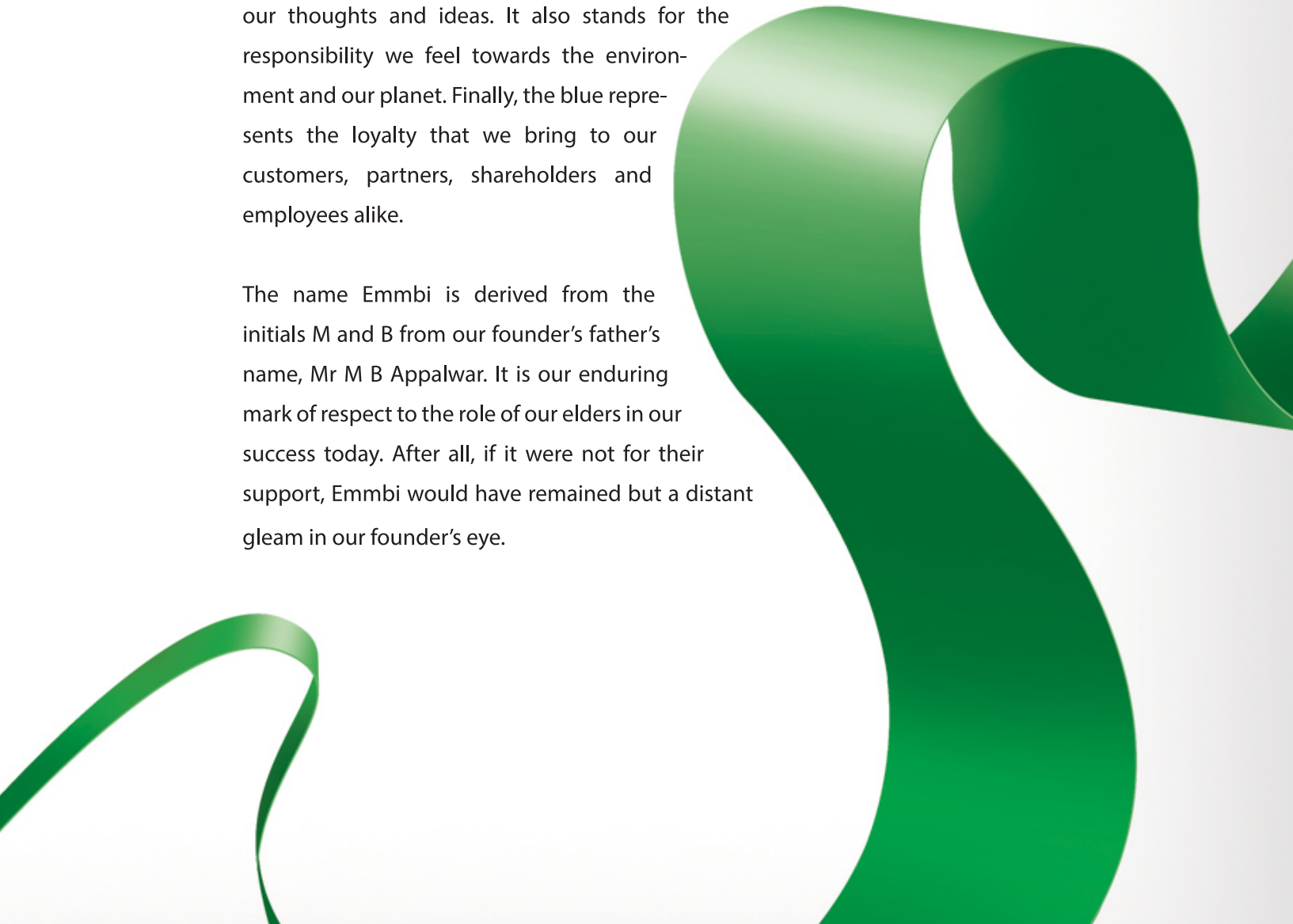


# The Whizz

A symbol that embodies the Emmbi spirit

These two traits – innovation and flexibility – are embodied in our new brand identity. Our symbol (which we call the “Whizz”) is made up of three ribbons in an upward, swirling motion. The ribbons embody the freedom and the flexibility to take on any shape and any form and to fit in any situation, quite like our flexible approach when designing products for your requirement. The upward slant of the three ribbons represents our ambition and vision to become one of the world’s foremost specialty polymer processing company. At the same time, the ribbons are in a constant circular motion, representative of our global reach and the belief that “what goes around, comes around”. The colors of our symbol represent the traits that we as an organization are proud of. Yellow stands for the optimism and the energy that we bring to the table while working on your problem. The green embodies freshness in our thoughts and ideas. It also stands for the responsibility we feel towards the environment and our planet. Finally, the blue represents the loyalty that we bring to our customers, partners, shareholders and employees alike.

The name Emmbi is derived from the initials M and B from our founder’s father’s name, Mr M B Appalwar. It is our enduring mark of respect to the role of our elders in our success today. After all, if it were not for their support, Emmbi would have remained but a distant gleam in our founder’s eye.





## From the Chairman's Desk

Dear Shareholders,

Change, it is said, is the only constant. The one that does not adapt to change invariably perishes. Nowhere is this truer than the world of business. The new post-digital world that we inhabit, flexibility and co-creation are tenets that every company that wants to succeed, must embrace.

At Emmbi, these qualities have been ingrained into us from the very beginning. We believe that it is our flexibility to work closely with our clients for tailor-make solutions for their specific needs combined with the immense trust and faith that our partners have reposed in us that has helped us becoming a force to reckon with in the Polymer industry. It is now time to look forward to the next phase of growth. To look at new horizons beyond our current markets and product mix that will firmly catapult Emmbi into the next growth orbit.

It is the background that I present to you our new brand identity. Over the last six months, Emmbi has worked closely with Interbrand, one of the world's leading brand consultancy firms, to evolve an identity that is in tune with our ambitions and our corporate ethos. We believe that our new identity accurately reflects the spirit of the new Emmbi. Perhaps the most obvious change that one sees is the symbol. The symbol has been designed in keeping with the values of Emmbi, and the logic and meaning of the symbol and the colors is detailed in the pages of this report. The name of our Company has changed from Emmbi Polyarns Limited to Emmbi Industries Limited. This is reflective of the wider horizons that we see in the future for our company, beyond just polymeric fabrics and yarns.

Emmbi Polyarns would never have come this far were it not for your support. And we hope that you would continue to support and encourage us as we embark on this new and exciting journey into the future, as Emmbi Industries.

Sincerely,

Makrand Appalwar  
Chairman  
Emmbi Industries Limited



## CORPORATE INFORMATION

### Board of Directors

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

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

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

**Mr. Sanjay R. Rath**  
Independent Director  
DIN : 00022432

**Mr. Prashant K. Lohiya**  
Independent Director  
DIN : 02990858

**Dr. Venkatesh G. Joshi**  
Independent Director  
DIN : 01234871

### Company Secretary & Compliance Officer

Mr. Kaushal R. Patvi

### Statutory Auditors

K. J. Shah & Associates  
Shop No. D-11, Sai Darshan - B,  
Ram Baug Lane, Opp. Mulji Nagar,  
Borivali (West), Mumbai 400 092

### Board Committees

#### Audit Committee

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

#### Nomination & Remuneration Committee

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

#### Committee of Directors Committee

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

### Bankers

Punjab National Bank  
Export Import Bank of India  
Axis Bank

### Share Transfer Agents

Datamatics Financial Services Limited  
Plot No. B-5, Part B Crosslane,  
MIDC, Marol, Andheri (East),  
Mumbai 400 093  
Tel: 022 - 66712151-56  
Fax: 022 - 66712011  
E-mail: investorsqry@dfssl.com

### Registered Office

99/2/1 & 9, Madhuban Industrial Estate,  
Madhuban Dam Road, Rakholi Village  
U.T. of Dadra & Nagar Haveli,  
Silvassa – 396 230  
Tel: +91 (0260) 320 0948  
Fax: 022 6784 5506  
Email: info@emmbi.com  
Website : www.emmbi.com

### Corporate Office Address

Valecha Chambers, 3rd Floor,  
Opp. Infinity Mall,  
Andheri New Link Road,  
Andheri (West), Mumbai 400 053  
Tel: +91 022 6784 5555  
Fax: +91 022 6784 5506

### Company Identification Number (CIN)

L17120DN1994PLC000387

### Stakeholders Relationship Committee

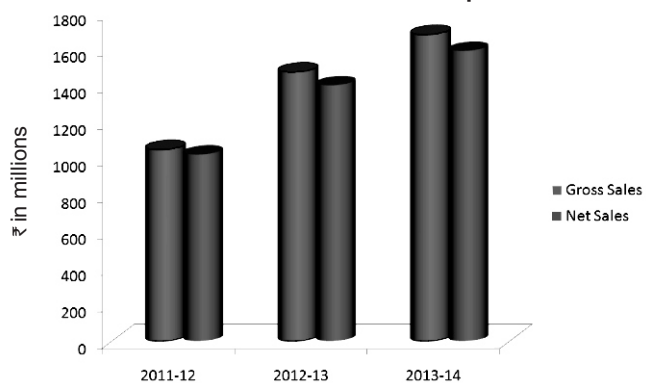
Mr. Prashant K. Lohiya (Chairman)  
Mr. Sanjay R. Rath  
Mrs. Rinku M. Appalwar

### Corporate Social Responsibility Committee

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

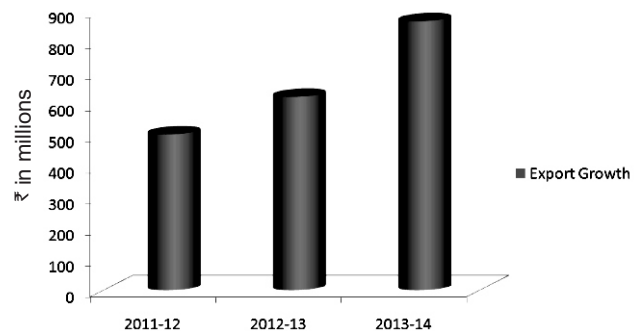


### Gross & Net Revenue From Operations



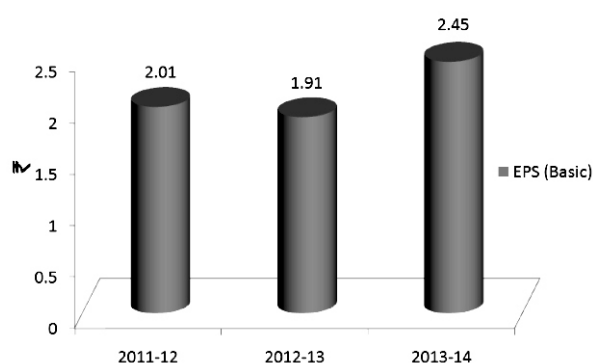
Financial Years

### Export Growth



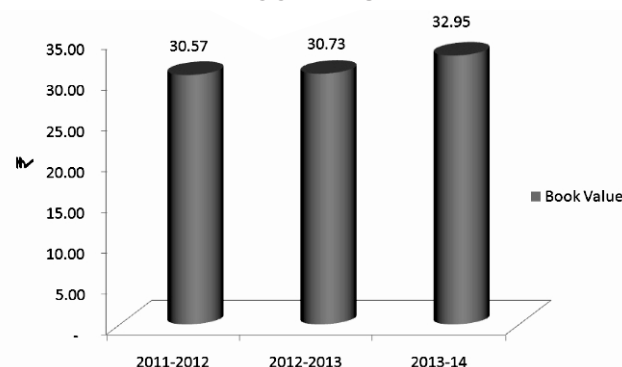
Financial Years

### EPS (Basic)



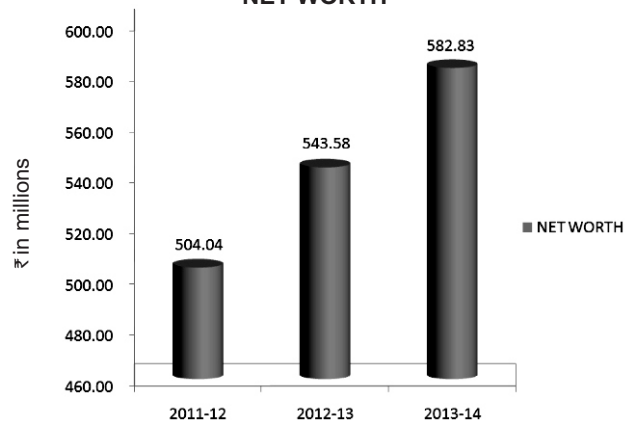
Financial Years

### BOOK VALUE



Financial Years

### NET WORTH



Financial Years

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**NOTICE**

Notice is hereby given that the Twentieth Annual General Meeting of the Shareholders of EMMBI INDUSTRIES LIMITED (Formerly known as EMMBI POLYARNS LIMITED) will be held on 13<sup>th</sup> September, 2014 at the Registered office of the Company at 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230 at 10.00 a. m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Audited Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2014 and the Report of the Directors and the Auditors thereon.
2. To approve payment of Dividend of ₹ 0.25 per Equity Share for the year ended 31<sup>st</sup> March, 2014.
3. To appoint a director in place of Ms. Rinku Appalwar (DIN: 00171976), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s. K. J. Shah & Associates, Chartered Accountants as Statutory Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

5. To Consider and if, thought fit, to pass with or without modification, the following resolution as a **Special Resolution**.

“**RESOLVED THAT** in modification to the resolution passed by the Members at the 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2013 and as recommended by Remuneration Committee and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, consent and approval of the Company be and is hereby accorded to increase in payment of remuneration being paid or provided to Mr. Makrand Appalwar (DIN: 00171950) Chairman & Managing Director of the Company with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 (Unexpired term of his appointment).

Basic Salary ₹ 4,75,000/- per month.

**RESOLVED FURTHER THAT** all other terms and conditions relating to the perquisites except the remuneration shall remain the same as decided by the Members at 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2013.

**RESOLVED FURTHER THAT** notwithstanding anything to

the contrary herein contained, where in any financial year during the currency of the tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay the above remuneration by way of salary, bonus, perquisites and allowances as specified above as minimum remuneration.

**RESOLVED FURTHER THAT** the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

6. To Consider and if, thought fit, to pass with or without modification, the following resolution as a **Special Resolution**.

“**RESOLVED THAT** in modification to the resolution passed by the Members at the 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2013 and as recommended by Remuneration Committee and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, consent and approval of the Company be and is hereby accorded to increase in payment of remuneration being paid or provided to Mrs. Rinku Appalwar (DIN: 00171976) Executive Director of the Company with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 (Unexpired term of her appointment).

Basic Salary ₹ 4,50,000/- per month.

**RESOLVED FURTHER THAT** all other terms and conditions relating to the perquisites except the remuneration shall remain the same as decided by the Members at 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2013.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay the above remuneration by way of salary, bonus, perquisites and allowances as specified above as minimum remuneration.

**RESOLVED FURTHER THAT** the Board or a Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in furtherance to the resolution passed by the Members of the Company at 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2013 and pursuant to

Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares/ 'A' Ordinary Shares and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹1000 Crores (Rupees One Thousand Crores only) or the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, whichever is higher".

- 8 To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in furtherance to the resolution passed by the Members of the Company at 19<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2013 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions of the Companies Act, 2013, the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorised, subject to requisite approvals, if any, as may be required from any of the concerned authorities to borrow money, from time to time, at its discretion either from the Company's bankers or any other bank, financial institution or any other lending institutions or persons (including Foreign Institutional Investors, Non Resident Individuals, Associations and Corporate Bodies) on such terms and conditions as may be considered suitable by the Board up to a limit not exceeding in the aggregate ₹1000 Crores (Rupees One Thousand Crores only) notwithstanding that the money to be borrowed together with the money's already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit".

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

Date: 27<sup>th</sup> May, 2014  
Place: Mumbai

**Kaushal Patvi  
Company Secretary**

### NOTES

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

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 wherever applicable is attached and forms part of this Notice.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote by electronic means, as an alternative to vote physically at the Annual General Meeting (AGM), and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e., physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

## PROCEDURE FOR E-VOTING

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

**I. For Members receiving e-mail on their registered email ids from CDSL:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdsindia.com](mailto:helpdesk.evoting@cdsindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.



- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### II. In case of members receiving the physical copy:

- Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
  - Members can cast their vote online from 9.00 a.m. on Monday, September 08, 2014 UPTO 6:00 p.m. on Wednesday, September 10, 2014. E-Voting shall not be allowed beyond 6.00 p.m. hrs of September 10, 2014. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the record date may cast their vote electronically. The record date for the purpose of e-voting is August, 8, 2014.
  - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- The Company has appointed Mr. Sanjay Dholakia, Practising Company Secretary, Membership No. FCS 2655 & CP 1798 as the Scrutinizer to count the votes casted in favour or against the resolutions proposed from item No. 1 to 8 of the Notice for point No. 5 as mentioned hereinabove and to comply with the provisions of Section 108 of the Companies Act, 2013. He will submit his report on 11<sup>th</sup> September, 2014 to the Chairman of the Company and in turn the Chairman will announce the same on the date of Annual General Meeting.
  - The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 10<sup>th</sup> September, 2014 to Saturday, 13<sup>th</sup> September, 2014 (both days inclusive).
  - The members are requested to:
    - Inform the particulars of their bank account and any change of address to their respective Depository Participants only and not to the Company or to the Registrars for members holding shares in Electronic (Demat) form.
    - Submit particulars of their bank account, viz. Name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number and any change of address to the share transfer agents of the company viz. DATAMATICS FINANCIAL SERVICES LIMITED, Plot No. A-16 and 17, MIDC, Part B Cross Lane, Marol, Andheri (East), Mumbai 400 093
  - Tel. No. 66712151-56; Fax No. 66712011; e-mail id: [emmbliinvestors@dfsfl.com](mailto:emmbliinvestors@dfsfl.com), for Members holding shares in physical form.
  - Address all correspondences, including dividend matters and change in address to the Share Transfer Agents DATAMATICS FINANCIAL SERVICES LIMITED, Plot No. A-16 and 17, MIDC, Part B Cross Lane, Marol, Andheri (East), Mumbai 400 093, Tel. No. 66712151-56; Fax No. 66712011; e-mail id: [investorsqrydfsfl.com](mailto:investorsqrydfsfl.com).
  - Quote ledger folio numbers, Client ID and DP ID in all their correspondence.
  - Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
  - Write atleast 10 days prior to the date of the Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.
  - Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.
- Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Datamatics Financial Services Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
  - 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 (Section 205A of the erstwhile Companies Act, 1956) be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
  - The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Datamatics Financial Services Limited.
  - Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

**EXPLANATORY STATEMENT****(Pursuant to Section 102 of the Companies Act, 2013)**

That following explanatory statement sets out the material facts referring to Item No. 5 to 8 of the Notice.

**ITEM NO. 5 & 6**

The Members of the Company, in the Annual General Meeting held on 30<sup>th</sup> September, 2013, had approved the revision in terms of remuneration of Mr. Makrand Appalwar, Chairman and Managing Director, with the maximum salary of ₹ 3,50,000/- p.m. During the year he has taken various initiatives to strengthen the existing business of the Company. In view of the vast experience and valuable contribution made by Mr. Makrand Appalwar towards the growth of the Company, and taking into consideration the increased business activities of the Company and the responsibilities cast on Mr. Makrand Appalwar, the Board had revised the maximum limit of salary of Mr. Makrand Appalwar from ₹ 3,50,000 p.m. to ₹ 4,75,000 p.m. with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 (Unexpired term of his appointment), with proportionate increase in the benefits related to his salary.

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

The Members of the Company, in the Annual General Meeting held on 30<sup>th</sup> September, 2013, had approved the revision in terms of remuneration of Mrs. Rinku Appalwar, Executive Director-Finance and Chief Financial Officer (CFO), with the maximum salary of ₹ 3,25,000/- p.m. In view of the vast experience and valuable contribution made by Mrs. Rinku Appalwar towards the growth of the Company, and taking into consideration the increased business activities of the Company and the responsibilities cast on Mrs. Rinku Appalwar, the Board had revised the maximum limit of salary of Mrs. Rinku Appalwar from ₹ 3,25,000 p.m. to ₹ 4,50,000 p.m. with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 (Unexpired term of her appointment), with proportionate increase in the benefits related to her salary.

The remuneration to be paid to Mrs. Rinku Appalwar is as per Section 196 and Section 197 read with Schedule V of the Companies Act, 2013.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 190 of the Companies Act, 2013.

The Resolutions at item no. 5 & 6 are recommended for approval of the Members in the best interests of the Company.

The payment of remuneration has been made under Schedule V in part II in Section II (1) (A) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Makrand Appalwar, Mrs. Rinku Appalwar and Mrs. Mitravinda Appalwar may be considered to be interested in the passing of these resolutions.

**ITEM NO. 7 & 8**

As the Members are aware the Members have passed the resolutions under Section 293(1) (a) and Section 293(1) (d) of the Companies Act, 1956 at the 19<sup>th</sup> Annual General Meeting of Members of the Company held on 30<sup>th</sup> September, 2013. Now as per the new provisions of the Companies Act, 2013 a Company is required to pass the resolutions under Section 180 of the Companies Act, 2013 for creation of charge on the assets of the Company and also for borrowings in excess of paid up capital and free reserves of the Company. The resolutions passed under the erstwhile provisions of Companies Act, 1956 are valid till 12<sup>th</sup> September, 2014. In view of the same your Directors propose the resolutions under Section 180 (1) (a) and Section 180 (1) (c) of the Companies Act, 2013.

The Resolutions under Item Nos. 7 & 8 is to obtain the consent of the shareholders for this purpose. The Company shall ensure that the debt equity ratio of the Company, at all times, will be within a reasonable limit.

None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in these resolutions.

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

Date: 27th May, 2014  
Place: Mumbai

**Kaushal Patvi  
Company Secretary**



## DIRECTORS' REPORT

To  
The members,  
**Emmbi Industries Limited**  
(Formerly known as Emmbi Polyarns Limited)

Your Directors have pleasure in presenting the **Twentieth Annual Report** and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2014.

Particulars	Year ended on 31 <sup>st</sup> March 2014 (₹ in Millions)	Year ended on 31 <sup>st</sup> March 2013 (₹ in Millions)
Gross Sales	1680.32	1474.72
Less: Excise Duty	89.82	72.81
Net Sales	1590.50	1401.91
Other income	0.59	0.32
Total revenue	1591.09	1402.23
Expenditure	1528.93	1354.01
Profit before tax	62.16	48.22
Tax expenses	18.82	15.80
Profit after Tax	43.34	32.42
Expenses of earlier year	----	----
Balance	43.34	32.42
Balance brought forward	94.21	67.02
Profit available for appropriation	137.55	99.44
Excess provision of dividend tax credited	-----	-----
Add : Excess Provision of Taxes of earlier years	0.00	0.19
Less : Mat Credit Utilised in earlier years	0.00	1.31
Balance available for appropriation	137.55	98.32
Appropriations:		
Proposed Dividend	4.42	3.54
Distribution tax on Dividend	0.75	0.57
Balance carried to Balance Sheet	132.37	94.21

## DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.25 per share of the face value of ₹ 10/- each for the year ended on 31<sup>st</sup> March, 2014 (₹ 0.20 per share for the previous year) subject to the Members' approval. The dividend payment amounts to ₹ 4.42 Million. In addition ₹ 0.75 Million is payable towards distribution tax on dividend.

## OPERATIONS

During the year under review, your Company has achieved Revenue from Operations and other Income aggregating to ₹ 1591.09 million as against ₹ 1402.23 million during the previous year, registering an increase of about 13% over the previous year. Profit after providing for taxes is ₹ 43.34 million as against ₹ 32.42 million.

## EXPORTS

F.O.B Value of Exports during the year under review were ₹ 811.32 million as against ₹ 584.99 million that is a net year on Year Growth of around 38.69%. Exports in the current financial year contributed to 54.54% in the net sales. Company has expanded its presence in 45 countries from 38 Countries in the previous year which has resulted healthy growth in the territory of operation.

## HUMAN RESOURCE DEVELOPMENT

The human resource philosophy and strategy of your company has been designed to attract and retain the best talent on offer. In practice it creates and nurtures work place challenges that keep employees engaged, motivated and innovative.

A robust manpower planning process ensures that all steps from business requirements to sourcing and staffing are seamlessly aligned.

Your Company has been successful in building a performance oriented culture with high levels of engagement and empowerment in an environment of teamwork.

Company has taken a membership of Sedex which is an internationally acclaimed web exchange for the information interchange about the ethical practices and safety issues towards the people working in the company. Your company has also prepared an model code of conduct for the behavior with employees Inspired from the ETI model code of conduct.

## QUALITY INITIATIVES

Manufacturing activity is at heart of "Emmbi's activities".

In order to achieve the improvement in the manufacturing company has adopted the concepts of **Total Productive Maintenance (TPM)**. We are successfully practicing the same and the result can be seen in the increase of defect free production in year after year.

Emmbi is conducting seminars and various training programs. We are confident this initiative will yield a great deal of benefit in Company's operations in the coming year.

## DIRECTORS

In accordance with the Articles of Association of the Company and in view of the provisions of Section 152 of the Companies Act, 2013, Mrs. Rinku Appalwar, Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. As required the requisite details of directors seeking reappointment are included in the annual report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards read

have been followed and there has been no material departure from the same;

2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the Annual Accounts of the Company on a "going concern basis".

### **CORPORATE GOVERNANCE**

As required by the clause 49 of the listing agreement, a report on Corporate Governance is appended along with a certificate of compliance from the Practicing Company Secretary, forming part of this report.

### **AUDITORS**

The Auditors M/s. K. J. Shah & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141 (3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment.

### **COST AUDITORS**

The Company has appointed M/s Atul Ambekar & Associates, Cost Auditors for conducting the audit of cost records maintained by the Company, in respect of the various products prescribed under Cost Audit Rules, 2011 of the Company for the financial year 2013-14 (Firm's Membership No. 102425).

### **LISTING FEES**

The Company confirms that the Annual Listing Fees due to Bombay Stock Exchange Limited and National Stock Exchange of (India) Limited for the financial year 2014-15 have been paid.

### **PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any fixed deposit from public within the meaning of the Section 58A of the Companies Act, 1956.

### **PARTICULARS OF THE EMPLOYEES**

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with section 217(2A) of the Companies Act, 1956.

Hence, no information is required to be appended in this regard.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO**

The details as required under section 217 (1)(e) of the Companies Act 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given below:

#### **A) Conservation of Energy:**

1. The energy required for the production is the electricity and fuel oil. The management has devised various steps to conserve the energy,
2. The Company does not have any specific proposal on hand to invest the funds for the conservation of energy.
3. No particulars are required to be disclosed in Form No. "A" with respect to conservation of energy as the Company does not fall into any category of the industries which should furnish the information in the said form.

#### **B) Technology Absorption:**

All the technologies used by the company are developed in house with its Research & Development Team and there is no import of any technology from the outside of company.

#### **C) Foreign Exchange Earnings & 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 ₹ 811.32 millions.

(₹ In Millions)

Particulars	2013-14	2012-13
Foreign Exchange Earnings	811.32	584.99
Foreign Exchange Outgo	36.62	60.04

### **ACKNOWLEDGEMENT**

Your Directors would like to express their appreciation for the assistance and co-operation received from the shareholders, customers, dealers, suppliers, banks, financial institutions, Government authorities, Export Promotion Council, other semi Government & local authorities, Administration of Union Territory of Dadra & Nagar Haveli, Stock Exchanges and business associates at all levels during the year under review.

The 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**

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014

**Makrand Appalwar**  
**Chairman & Managing Director**

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

### 2. INDUSTRY OVERVIEW

The year 2013-14 quite interesting as the world was optimizing its supply chains and reducing the inventory levels. As a result many companies which are buying the packaging material through distributors are looking for the direct manufacturing companies as vendors to them. Your Company is one of the front runners in this process and has created a Special task force to cater to this newly developed opportunity.

Indian companies in the international market are typically helped by the cost advantage they are offering over the western manufacturing companies. It is expected that Indian Raffia industry will grow @ 15 to 18% for the specialty segment for next five to seven years. Your company is very well positioned to en-cash this Boom and we expect the constant growth of around 20 % to 25 % annually for next 5 to 7 years.

### 3. EMMBI LAUNCH OF OUR NEW IDENTITY

#### I. Why Change?

- The world is changing. Competition is increasing. The way the world is doing business is changing.
- Globalization is a fact. It can't be stopped; it has already happened; it is here to stay. And we are moving into a new global stage.
- The new world requires new rules to compete and win!

#### II. The rules of engagement in the Next Global Stage

- Creativity: With technology shrinking space and technical superiority, only the most creative will win.
- Co-Creation: Gone are the days where a manufacturer

decided what was to be made. Today's solutions are co-created with the customer.

- Community: Success will increasingly depend on how well a company is able to create communities around its offerings and brands.
- Cognitive Capital: Intelligence and the ability to apply that will increasingly be a measure of how successful a business is.

**These are qualities that Emmbi already has!**

### III. In 2012, we engaged with 'INTERBRAND'

The world's leading brand consultancy, Interbrand has been advising us on rebranding for the new growth horizons of our business.

### IV. Interbrand spoke to a large number of employees and stakeholders

Over their engagement with us, the Interbrand team spent months together speaking to our employees, workers in the factories and customers – both domestic and international. They enlisted a number of traits that the brand Emmbi displayed:

- Honesty
- Passion, Courage
- Trust, Dependability, Commitment
- Ingenuity, Innovation
- Professionalism, Intelligence
- Pride

### V. Based on deliberations, "Innovation" was chosen as a positioning territory and based on the positioning territory, the new identity was evolved



## 4 DOMESTIC BUSINESS OUTLOOK

The steps which were initiated last year are showing their definite fruits this financial year. There was also a steep growth of products in the Domestic market that was achieved by newly launched products such as "Aqua Save" which encompasses the Range of Water Storage Tanks from 250 Liters to 2000 Liters, Canal Liners and Pond Liners and various other property packaging products. The

management is also in the process of creating a network of retail distributors for our new product range.

The Company is involved in producing various types of Specialty Bulk Packaging material for the Indian Market. In Domestic market, your Company remains one of the most active players for the packaging needs of the E-Commerce Companies, FMCG Products such as Detergent Powder, Branded Salt and Branded Wheat flour etc.

## 5. INTERNATIONAL BUISNESS OUTLOOK

Company has improved its share in the international market for various packaging needs for products like Construction Aggregates, Chemicals, Seeds, Fertilizers, and Cement & Food Grains etc. Some of the high value added products, the Company makes for the international market are Car/Automobile Covers, Container Liners, Anti Corrosive Packaging, Electrically conductive polymer based packaging etc.

As per the new policy of export promotion one of the Flagship product of the company's Export profile is declared under "Focus Product Scheme" & Few more customer countries are added to "Focus Market" of the Ministry of Commerce for the Financial Year 2013-14. This will yield a good boost to Indian Exports and in turn your companies Export performance.

In order to achieve the desired top line in the Export sector Your Company has decided to expand its reach in more geographical areas. This will reduce Companies' dependence on any single market.

## 6. OPPORTUNITIES AHEAD

Your Company has maintained a steady growth in spite of intense competition and slowdowns in the global markets due to its ability to adapt new technologies, product innovation, indentifying and meeting the customers' expectation in terms of high quality, prompt service & performance and development of new markets through retail distribution network. The management expertise and their association with the polymer processing industry for the past decade have always been an added advantage to your Company.

The Company is focusing on new product development to increase its offerings to existing customers and also to tap demand from the new customers. The planned utilization of added capacity will enable us to achieve growth and increase our geographical coverage. The Management intends to increase the share of higher value added products in total sales mix as a long term policy.

## 7. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Your Company operates only in one segment which wide range of custom made products for the polymer processed materials for customers.

## 8. QUALITY MANAGEMENT SYSTEMS

Management has initiated an implementation of new "Integrated Management System"(IMS) which is a tailor-made combination of ISO 9001 & OSAHAS 18000 and ISO 14000. This new implementation of IMS will provide company a much needed edge over the Global Competition.

Your Company has successfully completed the process of re-certification of its certificate of ISO 9001: 2008. This would position the Company with the latest level of global quality standard.

## 9. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has a system of internal controls which is commensurate with the size and nature of operations. These controls ensure that all the assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported diligently. There are well established policies and procedures in place across your Company.

## 10. FINANCIAL HIGHLIGHTS WITH RESECT TO OPERATIONAL PERFORMANCE

(₹ In Millions)

Particulars	F.Y. 2013-14	F.Y. 2012-13
Sales and other income	1591.09	1402.23
Net profit after interest, depreciation and Tax	43.34	32.42

## 11. MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

The overall industrial relations during the year under review were peaceful. Contribution and cooperation from all level of employees was excellent and is reflected in the performance of the Company.

## 12. CAUTIONARY STATEMENT

The estimation and expectation made in this report may differ from actual performance due to various economic conditions, Government policies and other related factors.

**For and on behalf of the Board**

Place: Mumbai  
Date : 27<sup>th</sup> May, 2014

**Makrand Appalwar**  
Chairman & Managing Director



## CORPORATE GOVERNANCE REPORT

### 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, lenders, 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 Agreement.



The responsibility for putting the recommendations into practice lies directly with the Board of Directors and the Management of the Company. The driving forces of Corporate Governance at Emmbi Industries Limited are its core values, which are belief in people, entrepreneurship, customer orientation and the pursuit of excellence.

### A. BOARD OF DIRECTORS

#### 1. Size of the Board of Directors

The Board has an optimum combination of Executive Directors, Non-Executive Directors and Independent Directors and is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges.

#### Executive Directors

The Board consists of two Executive Whole Time Non Independent Directors.

#### Non-Executive Directors

The Board consists of four Non-Executive Directors

#### Independent Directors

The Board consists of three Independent Non-Executive Directors

### 2. Composition of Board of Directors

The composition of the board of directors should ensure that the board can attend to the common interests of all shareholders and meet the company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the board can function effectively as a collective body. The composition of the Board of Directors also takes into account the development phase of the Company, the special requirements of the industry and the needs of the Company's operations. Both sexes are represented in the Board of Directors.

The current policy of EMMBI is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate its functions of governance and management. The composition of the Board is in conformity with the requirements of clause 49 of the listing agreement.

The present composition of the Board of EMMBI is as follows

Mr. Makrand Appalwar, Chairman & Managing Director

Mrs. Rinku Appalwar, Executive Director-Finance & Chief Financial Officer

Dr. (Mrs.) Mitravinda Appalwar, Non-Executive Non-Independent Director

Mr. Sanjay Rathi, Independent Non-Executive Director

Mr. Prashant Lohiya, Independent Non-Executive Director

Dr. Venkatesh Joshi, Independent Non-Executive Director

### 3. Separation of the Office of Chairman and the Chief Executive Officer (CEO)

At Emmbi, the role and office of the Chairman and CEO are separate, this promotes balance of power and prevents unfettered decision making power with a single individual. Further, there is also a clear demarcation of the role and responsibilities of Chairman and Chief Executive Officer (CEO). The CEO leads internally, with the Chairman adding value in strategy and structure, and ensuring that the Company is represented with integrity and influence to

institutions, investors, analysts and other stakeholders. The Chairman provides necessary support to the CEO, and both need regular and structured access to the executive and management team. The CEO is the principal executive of the Company and is accountable for the management and operations of the Company and implementation of business policies and strategies agreed to by the Board of Directors in a manner that is consistent with best business practices.

Mr. Makrand M. Appalwar is the Chairman and the Managing Director of the Company.

Mr. Ashesh Y. Garg is the Chief Executive Officer (CEO) of the Company.

#### 4. Board Meetings

The Board met 7 (seven) times on the following dates during the financial year 2013-2014.

29 <sup>th</sup> May, 2013,	14 <sup>th</sup> June, 2013,
14 <sup>th</sup> August, 2013,	30 <sup>th</sup> September, 2013
14 <sup>th</sup> October, 2013,	14 <sup>th</sup> November, 2013
12 <sup>th</sup> February, 2014.	

#### 5. Board Procedure

The Company follows a structured process of decision-making by the Board and its Committees. Detailed agenda, management reports and other explanatory statements are circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. To address specific urgent needs, meetings are also called at shorter notice but never less than a minimum of seven days. In some instances, resolutions are passed by circulation. The Board is also free to recommend inclusion of any matter in the agenda for discussion. Senior management officials are called 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 Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

#### 6. Attendance of Directors in Board Meetings

Sr. No.	Name of the Board Member	No. of Board Meetings attended during the financial year 2013-2014	No. of Directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies
1	Mr. Makrand M. Appalwar	7	-----	-----
2	Mrs. Rinku M. Appalwar	7	-----	-----
3	Dr. Mitravinda M. Appalwar	5	-----	-----
4	Mr. Sanjay R. Rathi	5	10	-----
5	Dr. Venkatesh G. Joshi	5	-----	-----
6	Mr. Prashant K. Lohiya	5	-----	-----

None of the Directors hold Directorship in more than the permissible number of Companies under the relevant provision. Further, none of the Directors on the Board is a member of Ten Committees or Chairman of more than Five Committees.

Sitting Fees paid to the Non-Executive Directors for attending the Board Meetings:

Sr. No.	Name of the Director	Sitting Fees paid (₹)
1	Dr. Mitravinda Appalwar	₹ 32,500
2	Mr. Sanjay Rathi	₹ 47,500
3	Mr. Prashant Lohiya	₹ 47,500
4	Dr. Venkatesh Joshi	₹ 47,500

#### Details of Equity Shares held by Non-Executive Directors as on March 31, 2014

Name of the Director	Position	No. of Equity Shares held	% of Paid-Up Capital
Dr. Mitravinda M. Appalwar	Non-Executive Director	194,000	1.096
Mr. Sanjay R. Rathi	Independent Non-Executive, Director	2,100	0.012
Dr. Venkatesh G. Joshi	Independent Non-Executive, Director	---	---
Mr. Prashant K. Lohiya	Independent Non-Executive, Director	6,250	0.035

#### 7. Directors seeking Appointment & Re-Appointment

The following Directors retires by rotation, in the Annual General Meeting and being eligible offer themselves for re-appointment.

Name of the Director	Category	Profile
Mrs. Rinku M. Appalwar	Whole Time Executive Director	DOB: 19.08.1971 Education: B.Sc. (Chemistry), DMM, DAM

#### B. 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 Committee. The committees have a combination of Executive and Non-Executive/Independent Directors. All the Board committees constitute an important element of the governance process. The Chairperson of the Board, in consultation with the Company Secretary and the committee Chairperson, determines the frequency of the committee meetings. The Chairman of each Board committee fulfills an important leadership role similar to that of the Chairman of the Board, particularly in creating the conditions for overall committee and individual Director Effectiveness.

Committees deliberate on the matters referred to it by the Board. The Company Secretary in consultation with the Chairman of the Company and Chairman of the respective Board Committee prepares the agenda and supporting papers for discussion at each Committee Meeting. Recommendations of the committees are submitted to the Board to take decision on the matter referred.



## C. 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. Members of the Audit Committee possess financial / accounting expertise / exposure.

### Terms of Reference of the Audit Committee:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.
- Recommending to the Board, the appointment, re-appointment of the statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment.
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval.
- Reviewing the adequacy of internal control systems and internal audit function, 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.
- Discussing with internal auditors any significant findings and follow up there on.
- 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.
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors.
- Discussion with the 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.
- 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.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- To look into the reasons, if any, for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- Reviewing the statement of significant related party transactions.
- To approve 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 of the candidate.
- The Audit Committee is further empowered to do the following:
  - i. To investigate any activity within terms of reference;
  - ii. To seek information from any employee;
  - iii. To obtain outside legal professional advice; and
  - iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- In addition to the above, all items listed in Clause 49 (II) (D) of the Listing Agreement.



**Present Composition and Attendance of the Audit committee:**

<b>Mr. Sanjay Rathi</b> Independent Non-Executive Director Chairman of the Audit Committee No. of meetings held 4 No. of meetings attended 4	<b>Mr. Prashant Lohiya</b> Independent Non-Executive Director Member of the Audit Committee No. of meetings held 4 No. of meetings attended 4
<b>Dr. Venkatesh Joshi</b> Independent Non-Executive Director Member of the Audit Committee No. of meetings held 4 No. of meetings attended 4	<b>Ms. Rinku Appalwar</b> Executive Non-Independent Director Member of the Audit Committee No. of meetings held 4 No. of meetings attended 4

The composition of the Audit Committee meets with requirements of Section 177 of the Companies Act, 2013, Section 292A of the erstwhile Companies Act, 1956 and Clause 49 of the Listing Agreement.

**Meetings Held**

The Audit Committee met 4 (four) times on the following dates during the financial year 2013-2014.

29<sup>th</sup> May, 2013                      14<sup>th</sup> August, 2013  
 14<sup>th</sup> November, 2013              12<sup>th</sup> February, 2014

- The Chairman of the Audit Committee Mr. Sanjay Rathi was present at the previous Annual General Meeting held on 30th September, 2013.

**D. NOMINATION & REMUNERATION COMMITTEE**

The terms of reference of this Committee was conferred on the 'Nomination & Remuneration Committee' constituted by the Board on May 27, 2014; consequently, the 'Remuneration Committee' was dissolved w.e.f. May 27, 2014.

The Company has constituted a separate committee to recommend/review the remuneration of the Managing Director and Whole-time Directors, based on their performance and defined assessment criteria. The committee also reviews the constitution of the Board and recommends induction of new directors to the Board.

**Terms of Reference of the Nomination & Remuneration Committee:**

- To recommend and review the remuneration packages of the Managing Director and Whole Time Directors including pension rights and compensation payment.
- To recommend and review on the sitting fees to be paid to the Non-Executive Directors and Independent Directors for attending the Board Meetings.

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- 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.
- To formulate the criteria for evaluation of Independent Directors and the Board.

**Meetings Held**

During the financial year 2013-2014, 1 (one) Remuneration Committee meeting was held on 29<sup>th</sup> May, 2013.

**Present Composition and Attendance of the Nomination & Remuneration committee:**

<b>Mr. Sanjay Rathi</b> Independent Non-Executive Director Chairman of the Nomination & Remuneration Committee	<ul style="list-style-type: none"> <li>No. of meeting held 1</li> <li>No. of meeting attended 1</li> </ul>
<b>Mr. Prashant Lohiya</b> Independent Non-Executive Director Member of the Nomination & Remuneration Committee	<ul style="list-style-type: none"> <li>No. of meeting held 1</li> <li>No. of meeting attended 1</li> </ul>
<b>Dr. Venkatesh Joshi</b> Independent Non-Executive Director Member of the Nomination & Remuneration Committee	<ul style="list-style-type: none"> <li>No. of meeting held 1</li> <li>No. of meeting attended 1</li> </ul>

The composition and terms of reference of the nomination & remuneration committee are in compliance with provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The details of remuneration paid to the Managing Director and Executive Director during the year ended 31st March, 2014 is given as follows:

Name of the Director	Position held	Remuneration (₹)	Service Contract
Mr. Makrand Appalwar	Chairman and Managing Director	₹ 42,00,000 p.a.	3 Years
Mrs. Rinku Appalwar	Executive Director and Chief Financial Officer	₹ 39,00,000 p.a.	3 Years

**E. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The terms of reference of this Committee was conferred on the 'Stakeholders Relationship Committee' constituted by the Board on May 27, 2014; consequently, the 'Shareholders'/Investors' Grievance Committee' was dissolved w.e.f. May 27, 2014.

The Company has constituted a Stakeholders Relationship Committee of Directors 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.

## Terms of Reference of the Stakeholders Relationship Committee:

- To look into redressal of investors' complaints and requests such as transfer of shares/debentures, non-receipt of dividend, 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 declared dividends 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.
- To monitor the implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.

Status of Investor Complaints as on March 31, 2014 and reported under Clause 41 of the Listing Agreement are as under:

Complaints as on April 1, 2013	: Nil
Received during the year	: Nil
Resolved during the year	: Nil
Pending as on March 31, 2014	: Nil

## Present Composition and Attendance of the Stakeholders Relationship Committee:

Mr. Prashant Lohiya Independent Non-Executive Director Chairman of Stakeholders Relationship Committee	<ul style="list-style-type: none"> <li>No. of meetings held 4</li> <li>No. of meetings attended 4</li> </ul>
Mr. Sanjay Rathi Independent Non-Executive Director Member of the Stakeholders Relationship Committee	<ul style="list-style-type: none"> <li>No. of meetings held 4</li> <li>No. of meetings attended 4</li> </ul>
Ms. Rinku Appalwar Executive Non-Independent Director Member of the Stakeholders Relationship Committee	<ul style="list-style-type: none"> <li>No. of meetings held 4</li> <li>No. of meetings attended 4</li> </ul>

The Stakeholders Relationship Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

The Stakeholders Relationship Committee met 4 (four) times on the following dates during the financial year 2013-2014.

29 <sup>th</sup> May, 2013	14 <sup>th</sup> August, 2013
14 <sup>th</sup> November, 2013	12 <sup>th</sup> February, 2014

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 info@emmbi.com.

## F. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted by the Board on May 27, 2014 considering requirements of the Companies Act, 2013 relating to the constitution of a Corporate Social Responsibility Committee.

## Composition of Corporate Social Responsibility Committee:



The Committee's constitution meets with the requirements of the Companies Act, 2013.

## G. 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 Committee:

The Board of Directors have constituted a Committee of Directors Committee and delegated powers to transact certain regular matters relating to the business of the Company. The Committee handles work relating to opening of 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 Sales tax, Service 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 and accommodations provided by the Company to its officials, Signing and executing Lease Agreements, borrowings from banks, financial institutions, foreign institutional investors and opening of bank accounts and discharge procedural requirements for availing loans/opening bank and such other matters as delegated to the Committee by the Board of Directors.

#### Present Composition and Attendance of the Committee of Directors Committee:

Mr. Makrand Appalwar Executive Non-Independent Director Chairman of Committee of Directors Committee	<ul style="list-style-type: none"> <li>• No. of meetings held 10</li> <li>• No. of meetings attended 10</li> </ul>
Mr. Sanjay Rathi Independent Non-Executive Director Member of the Committee of Directors Committee	<ul style="list-style-type: none"> <li>• No. of meetings held 10</li> <li>• No. of meetings attended 10</li> </ul>
Ms. Rinku Appalwar Executive Non-Independent Director Member of the Committee of Directors Committee	<ul style="list-style-type: none"> <li>• No. of meetings held 10</li> <li>• No. of meetings attended 10</li> </ul>

## H. DISCLOSURES

### Related Party Transactions

During the financial year 2013-2014 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.

### Statutory Compliance, Penalties and Strictures

During the year the Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authority on all matters related to capital markets. No penalties or strictures have been imposed on the Company by these authorities.

### CEO/CFO Certification

The Chief Executive Officer (CEO) and/or the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2014.

### Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

The status of compliance with Non-mandatory requirements is as under:

- The Company has adopted the guidelines for the composition of the Board of Directors, which provide for the tenure and retirement age for the Non-Executive Directors.
- The Company has also set up Committee of Directors Committee. The detail of this Committee is given in this report.

### Code for Prevention of Insider Trading

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, there exists a Code of Conduct for prevention of Insider Trading in the Company. During the year SEBI issued a notification on August 16, 2011, mandating disclosures of shareholding by the promoters and promoter group at the time of becoming the promoter or part of promoter group and at the time whenever there is a change in the shareholding of such persons in excess of the limits specified. This was included in the Company's Code of Conduct for prevention of insider trading.

### Means of Communications

The Quarterly results are normally 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)

In accordance with Clause 54 of the Listing Agreement, the following details are displayed on the company's website [www.emmbi.com](http://www.emmbi.com)

- Details of business
- Financial results
- Shareholding patterns
- Code of conduct
- Contact details of officials handling investor information.

### Training of Board Members

The Company believes that it is in the best interest of the Company to train the Board members. Training of Board Members conveys the knowledge and understanding needed in order to be effective as a member of the Board of Directors.

The Management makes comprehensive presentations on business model, regulatory updates, new initiatives, business scenario, Company positioning, etc. and also sends relevant material to the Board on an overview of latest happenings in the corporate world.

The training programmes help in providing an appreciation of what makes effective board members, their roles and responsibilities, especially in the context of the regulatory environment, stakeholder objectives as well as social responsibilities.

## 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.

## I. GENERAL SHAREHOLDER INFORMATION

**Particulars of the Annual General Meetings held during the previous three years are as follows**

Financial Year	Date	Time	Location
2010-2011	27 <sup>th</sup> September, 2011	11.00 a.m.	Renaissance Federation club, Juhu Versova Link Road, Andheri (West), Mumbai 400053.
2011-2012	27 <sup>th</sup> September, 2012	11.00 a.m.	99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230.
2012-2013	30 <sup>th</sup> September, 2013	10.00 a.m.	99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230.

## Ensuing Annual General Meeting

Day, Date and Time: Saturday, 13<sup>th</sup> September, 2014, at 10.00 a.m.

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

Dividend payment date: On or before 12<sup>th</sup> October, 2014.

## Reporting of unaudited/audited financial results in respect of Financial Year 2014-15 (Tentative)

First quarter results	On or before 14 <sup>th</sup> August, 2014
Second quarter results with half yearly results	On or before 14 <sup>th</sup> November, 2014
Third quarter results	On or before 14 <sup>th</sup> February, 2015
Fourth quarter results	On or before 15 <sup>th</sup> May 2015
Audited results for year ended on 31 <sup>st</sup> March, 2015	On or before 31 <sup>st</sup> May, 2015
Annual General Meeting for the year 2014-15	On or before 30 <sup>th</sup> September, 2015

## Financial Year

1<sup>st</sup> April to 31<sup>st</sup> March.

## Book Closure

10<sup>th</sup> September, 2014 to 13<sup>th</sup> September, 2014 (both days inclusive).

## Dividend

Company has declared Dividend @ Re. 0.25 per share for financial year 2013-14, subject to approval of shareholders.

## Listing of Shares

Name	Address	Code
Bombay Stock Exchange Limited (BSE)	Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400001	533161
National Stock Exchange of (India) Limited (NSE)	Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla complex, Bandra (East), Mumbai - 400051	EMMBI

## Listing Fees to Stock Exchanges

The Company has paid the Annual listing fees for the financial year 2014-2015 to the above stock exchanges.

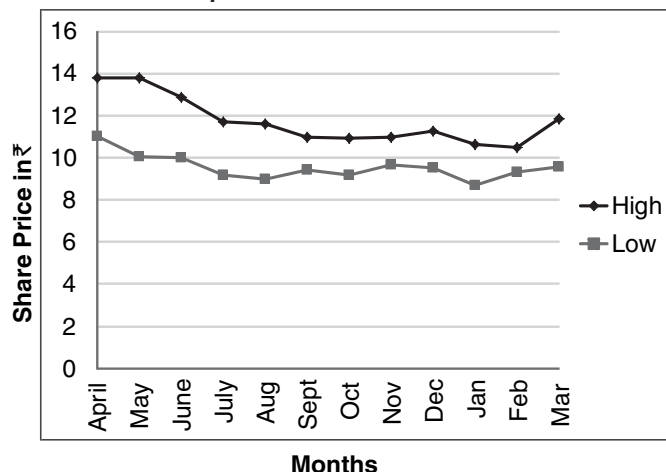
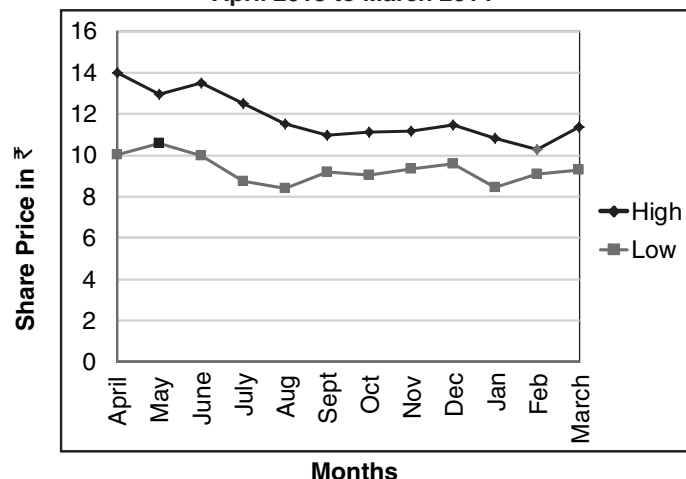
## Custodial Fees to Depositories

The Company has paid Custodial fees for the financial year 2014-2015 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

## Stock Performance

The performance of the stock in the Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India Limited (NSE) for the period of 12 months from April 1, 2013 to March 31, 2014 was as follows:

Month	Bombay Stock Exchange (in ₹)		National Stock Exchange (in ₹)	
	High	Low	High	Low
April 2013	13.80	11.05	14.00	10.05
May 2013	13.78	10.05	12.95	10.60
June 2013	12.90	10.00	13.50	10.00
July 2013	11.70	9.20	12.50	8.75
August 2013	11.61	9.00	11.55	8.40
September 2013	11.00	9.40	11.00	9.20
October 2013	10.95	9.20	11.15	9.05
November 2013	11.00	9.67	11.20	9.35
December 2013	11.25	9.50	11.50	9.60
January 2014	10.65	8.71	10.85	8.45
February 2014	10.50	9.35	10.30	9.10
March 2014	11.85	9.55	11.40	9.30

**Emmbi Share Price High/Low on BSE from April 2013 to March 2014**

**Emmbi Share Price High/Low on NSE from April 2013 to March 2014**


### Registrar & Transfer Agents

Share Transfers in physical and Demat form is handled by the Company's Share Transfer Agents: M/s. Datamatics Financial Services Limited, having their office situated at Plot No. A-16 and 17, MIDC, Part B, Cross Lane, Marol, Andheri (East), Mumbai 400 093.; Tel. No. 66712151-56; Fax No. 66712161; E-mail: investorsqry@dfssl.com

### Share Transfer System

All the transfers in physical form are received, processed and approved by the Registrar and Share Transfer Agents and sent back to transferee.

### Shareholding Pattern

Pattern of shareholding as on 31st March, 2014

Category	No. of Shares Held	% of Share Holding
<b>A. Promoter's Holding</b>		
1. Promoters		
- Indian Promoters	92,64,150	52.3687
- Foreign Promoters	00	00
2. Person Acting In Concern	00	00
<b>Sub – Total</b>	<b>92,64,150</b>	<b>52.3687</b>
<b>B. Non – Promoter's Holding</b>		
3. Institutional Investors		
- Mutual Funds & UTI	00	00
- Banks, Financial Institutions, Insurance Cos.,	00	00
- Central/ State Govt. Inst., Non-Govt. Inst.	00	00
- FIIS	00	00
<b>Sub – Total</b>	<b>00</b>	<b>00</b>
4. Others		
- Corporate Bodies	8,77,544	4.9606
- Indian Public	74,43,826	42.0787
- NRIs / OCBs / FIIS	1,04,730	0.59204
- Any other	00	00
<b>Sub – Total</b>	<b>84,26,100</b>	<b>47.6313</b>
<b>Grand – Total</b>	<b>1,76,90,250</b>	<b>100.00</b>

### Distribution of shareholding as on 31st March, 2014

Sr. No.	Shares Range		Shares	% To Capital	No. Of Holders	% To No. of Holders
	From	To				
1	1	500	988437	5.59	5111	74.59
2	501	1000	683368	3.86	810	11.82
3	1001	2000	638560	3.61	406	5.93
4	2001	3000	426954	2.41	168	2.45
5	3001	4000	273553	1.55	75	1.10
6	4001	5000	276554	1.56	59	0.86
7	5001	10000	755458	4.27	102	1.49
8	10001	50000	1648386	9.32	87	1.27
9	50001	and above	11998980	67.83	34	0.50
<b>TOTAL</b>			<b>17690250</b>	<b>100.00</b>	<b>6852</b>	<b>100.00</b>

### Dematerialization of shares and liquidity

The Company's shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form.



The number of shares held in dematerialized and physical mode is as under:

Description	Cases	Shares	%
Physical	1	10	0
CDSL	2924	3012663	17.03
NSDL	3927	14677577	82.97
<b>TOTAL</b>	<b>6852</b>	<b>17690250</b>	<b>100.00</b>

## Major Plants Location

### Unit 1

191/2/4, Masat Village, Meghwad Road, U.T. of Dadra & Nagar Haveli, Silvassa 396 230.

### Unit 2

99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

### Unit 3

99/2/9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.

## Registered Office

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

## Corporate Office

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

## Address for correspondence

Queries on Annual Report and dividend be addressed to Secretarial Department, Emmbi Industries Limited, Valecha Chambers, 3rd Floor, Opp. Infiniti Mall, Andheri New Link Road, Andheri (West), Mumbai 400 053.

- Designated email id for investors: investor.grievances@emmbi.com
- Company Identification Number (CIN): L17120DN1994PLC000387
- ISIN: INE 753K01015

## Sending of Documents in Electronic Form

### Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send Notices, Audited Financial Statements, Directors' Report, Auditors' Report, etc., to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

Keeping in view the aforesaid green initiative of MCA, your Company shall send the Annual Report to its shareholders in electronic form, to the e-mail address provided by them and made available to it by the Depositories. In case of any changes in your e-mail address, you are requested to please inform the same to your Depository.

**Shareholders can avail this facility by registering their e-mail address with the Company by sending the request on e-mail to [info@emmbi.com](mailto:info@emmbi.com).**

**You will get following advantages by registering your e-mail address with the Company for availing the Annual Report:**

- It will enable you to receive the communication promptly;
- It will avoid loss of documents in postal transit;
- It will help in eliminating wastage of paper, reduce paper consumption and, in turn, save trees;

Please note that these documents will also be available on the Company's website [www.emmbi.com](http://www.emmbi.com) for download by the shareholders.

The physical copies of the Annual Report will also be available at our Registered Office in Silvassa for inspection during office hours.

In case you desire to receive the above mentioned documents in physical form, please write to us or send us an e-mail at [info@emmbi.com](mailto:info@emmbi.com). Upon receipt of a request from you, physical copy shall be provided free of cost.

We are sure, that as a responsible citizen, you will wholeheartedly support this initiative and will co-operate with the Company in implementing the same.

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

Date: 27<sup>th</sup> May, 2014  
Place: Mumbai

**Kaushal Patvi  
Company Secretary**

**CORPORATE GOVERNANCE CERTIFICATE**

To The Members  
**Emmbi Industries Limited**

We have examined the compliance of conditions of corporate governance by Emmbi Industries Limited (Formerly known as Emmbi Polyarns Limited) for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 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.

In our opinion and to the best of our information and according to the explanation given to us, and based on the representations made by Directors and the Management, we certify that the Company has complied with the conditions as contained in the Listing Agreement with the Stock Exchange.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

**For SANJAY DHOLAKIA & ASSOCIATES**  
**Practising Company Secretary**

**Sanjay Dholakia**  
**Proprietor**

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014      **Membership No. FCS 2655 & CP 1798**

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**Declaration pursuant to Clause 49 of the listing agreement regarding adherence to the Code of Conduct**

To  
**The Shareholders of Emmbi Industries Limited**

This is to affirm that the Board of Directors of Emmbi Industries Limited (Formerly known as Emmbi Polyarns Limited) has adopted a Code of Conduct for its Directors and Senior Management Personnel in Compliance with the provisions of Clause 49 (1D) of the Listing Agreement with the Stock Exchange and Board and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31<sup>st</sup> March, 2014.

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014      **Makrand Appalwar**  
**Chairman**

**CEO / CFO Certificate**

To,  
The Board of Directors,  
**Emmbi Industries Limited**  
(Formerly Known as Emmbi Polyarns Limited)

Dear Sirs,

I hereby certify that -

- (a) I have reviewed financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2014, 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 my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I 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 i 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.

Place: Mumbai  
Date: 27<sup>th</sup> May, 2014

**Rinku Appalwar**  
**Chief Financial Officer**



## INDEPENDENT AUDITORS' REPORT

To the Members of  
**Emmbi Industries Limited**  
(Formerly Known as Emmbi Polyarns Limited)

### Report on the Financial Statements

We have audited the accompanying financial statements of **EMMBI INDUSTRIES LIMITED**, ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 15, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003, ("the Order") as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004,' issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
  - ii) In our opinion, proper Books of Accounts as required by law, have been kept by the Company so far as appears from our examination of those books.
  - iii) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account.
  - iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 15, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act 2013;
  - v) On the basis of written representations received from the Directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For K. J. SHAH & ASSOCIATES  
**Chartered Accountants**  
FRN : 127308W

**K. J. SHAH**  
Proprietor

Place : Mumbai  
Date : 27<sup>th</sup> May, 2014

Membership No. 030784

**ANNEXURE TO THE AUDITORS' REPORT OF  
EVEN DATE TO THE MEMBERS OF EMMBI  
INDUSTRIES LIMITED (FORMERLY KNOWN  
AS EMMBI POLYARNS LIMITED)**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on verification.
- (c) In our opinion and according to the information and explanation given to us substantial part of fixed assets has not been disposed by the company during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals.
- (b) In our opinion, and according to the information and explanation given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) As informed to us, during the year the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion, and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control. We have not observed any failure on the part of the company to correct major weakness in internal control.
- (v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transaction that needs to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (vi) The company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the records maintained by the Company pursuant to the Cost Accounting Rules, 2011 applicable to the Company under section 209 (1) (d) of the Companies Act, 1956 for maintenance of cost records from current year and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
- (ix) (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, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31<sup>st</sup> March, 2014 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 March 2014, are as follows:
- Amount is due under Income Tax Act, 1961 as Income Tax amounting ₹ 90,22,240/- for the period 01.04.2009 to 31.03. 2010. The Appeal is pending with Commissioner of Income Tax - Appeal.
- (x) The Company has neither accumulated losses as at March 31, 2014 nor it has incurred any cash losses during the financial year ended on that date and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank.
- (xii) The term loan taken by the company has been applied for the purpose for which they were raised.
- (xiii) On the basis of our examination of the books of accounts and information and explanation given to us, in our opinion, the funds raised on short term basis have not been used for long term investments and vice-versa.
- (xiv) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (xv) Matters specified in clauses (iii) - (b), (c), (d), (e), (f) and (g), (xii), (xiii), (xiv), (xv), (xviii), (xix), (xx) of paragraph 4 of the CARO, 2003 do not apply to the company.

For and on behalf of  
**K. J. Shah & Associates**  
Chartered Accountants  
FRN 127308W

**( Kirti J. Shah )**

Proprietor

Membership No.: 030784

Place : Mumbai  
Date : 27<sup>th</sup> May, 2014

## 20th Annual Report 2013 - 2014

### BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTES	As At 31st March, 2014	(₹ In Millions) As At 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	176.90	176.90
Reserves and Surplus	3	405.02	366.85
Money received against share warrants	4	-	-
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	61.45	84.45
Deferred tax liabilities (Net)	6	43.09	37.05
Long-term provisions	7	43.05	35.78
<b>Current Liabilities</b>			
Short-term borrowings	8	591.18	474.17
Trade payables	9	14.69	30.48
Other current liabilities	9	68.46	62.18
Short-term provisions	10	6.31	4.30
<b>TOTAL</b>		<b>1,410.17</b>	<b>1,272.16</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	514.49	474.88
Intangible Asset	11	5.26	-
<b>Non-current investments</b>			
Long term loans and advances	12	2.99	2.99
Other non-current assets	13	37.82	33.29
	14	0.12	0.18
<b>Current Assets</b>			
Inventories	15	486.31	405.54
Trade receivables	16	311.50	255.54
Cash and cash equivalents	17	1.51	3.68
Short-term loans and advances	18	50.17	96.06
<b>TOTAL</b>		<b>1,410.17</b>	<b>1,272.16</b>
Significant Accounting Policies and Notes on Financial Statements	1 to 34		

As per our report of even date  
For **K. J. SHAH & ASSOCIATES**  
Chartered Accountants  
FRN : 127308W

**K. J. SHAH (Proprietor)**  
Membership No. 030784

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2014

**Kaushal Patvi**  
Company Secretary

For and On behalf of the Board  
For EMMBI INDUSTRIES LIMITED,  
**Makrand Appalwar**  
Chairman & Managing Director

**Rinku Appalwar**  
Executive Director

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

(₹ In Millions)

PARTICULARS	NOTES	For The Year Ended On 31st March, 2014	For The Year Ended On 31st March, 2013
<b>INCOME</b>			
Revenue from Operations	20	1,680.32	1,474.72
Less : Excise Duty		89.82	72.81
Revenue from Operations (Net)		1,590.50	1,401.91
Other Income	21	0.59	0.32
<b>Total Revenue (I)</b>		<b>1,591.09</b>	<b>1,402.23</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	22	1,060.58	906.78
Purchase of Stock-in-Trade	23	122.63	192.07
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	24	(76.76)	(97.49)
Employee Benefits Expense	25	55.01	60.97
Finance Costs	26	63.11	52.99
Depreciation and Amortization Expense	27	28.90	24.88
Other Expenses	28	275.46	213.80
<b>Total Expenses(II)</b>		<b>1,528.93</b>	<b>1,354.01</b>
<b>Profit before exceptional and extraordinary items and tax (I - II)</b>		<b>62.16</b>	<b>48.22</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>62.16</b>	<b>48.22</b>
Extraordinary Items		-	-
<b>Profit before Tax</b>		<b>62.16</b>	<b>48.22</b>
Tax Expenses			
(1) Current Tax (Net of MAT Credit)		12.25	9.65
(2) Tax for earlier years		0.53	-
(3) Deferred Tax		6.04	6.15
<b>Profit for the Year</b>		<b>43.34</b>	<b>32.42</b>
<b>Earning Per Equity Share</b>			
(1) Basic	29	2.45	1.91
(2) Diluted	29	2.45	1.91

As per our report of even date  
For **K. J. SHAH & ASSOCIATES**  
Chartered Accountants  
FRN : 127308W

**K. J. SHAH (Proprietor)**  
Membership No. 030784

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2014

**Kaushal Patvi**  
Company Secretary

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

**Makrand Appalwar**  
Chairman & Managing Director

**Rinku Appalwar**  
Executive Director

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2014

## 20th Annual Report 2013 - 2014

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014.

PARTICULARS	2013-14		2012-13	
	₹	₹	₹	₹
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit Before Tax		62.16		48.22
Depreciation & Amortisation	28.90		24.88	
Finance Cost	63.11		52.99	
Market Development expenses written off	0.05		0.05	
Advance expenses for Export written off	7.59		9.18	
Sundry Balances Written off	1.01		0.27	
Provision For Gratuity	(0.42)		0.95	
Donations	0.13		0.12	
Provison for Excise Duty	0.95		(0.34)	
Interest Received on Bank FD	(0.58)		(0.15)	
Dividend Received	(0.00)		(0.02)	
Rent received	(0.01)		-	
		100.73		87.93
Operating Profit Before Working Capital Changes		162.88		136.15
<b>Adjustments for Working Capital Changes :</b>				
Trade Payables and Other Current Liabilities	(15.26)		25.42	
Inventories	(80.77)		(111.84)	
Trade Receivables	(56.96)		(51.51)	
Short Term Loans & Advances(Dr.)	41.63	(111.37)	(54.30)	(192.24)
CASH FLOW FROM OPERATIONS		51.52		(56.09)
<b>Extraordinary Items :</b>				
Donations		(0.13)		(0.12)
		51.39		(56.21)
Taxes Paid		(8.14)		(10.60)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>		43.25		(66.80)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets and additions in CWIP	(73.77)		(68.77)	
Movement in Loans and Advances	(4.86)		43.40	
Interest Received on Bank FD	0.58		0.15	
Dividend Received	0.00		0.02	
Rent received	0.01		-	
<b>NET CASH USED FOR INVESTING ACTIVITIES (B)</b>		(78.03)		(25.21)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :-</b>				
Proceeds from Term Loan	99.77		134.45	
Interest paid on Loan	(63.11)		(52.99)	
Share Warrant Money Received	-		12.30	
Dividend Paid (Including Dividend Distribution tax)	(4.05)		(5.68)	
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>		32.61		88.07
CASH GENERATED DURING THE YEAR (A+B+C)		(2.17)		(3.94)
Cash & Cash Equivalent at the beginning of the Year		3.68		7.62
Cash & Cash Equivalent at the end of the Year		1.51		3.68

As per our report of even date  
For **K. J. SHAH & ASSOCIATES**  
Chartered Accountants  
FRN : 127308W

**K. J. SHAH (Proprietor)**  
Membership No. 030784

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2014

**Kaushal Patvi**  
Company Secretary

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

**Makrand Appalwar**  
Chairman & Managing Director

**Rinku Appalwar**  
Executive Director

Place : Mumbai  
Dated : 27<sup>th</sup> May, 2014

**GENERAL INFORMATION**

**EMMBI INDUSTRIES LIMITED** (Formerly known as Emmbi Polyarns Limited) ('the Company') is a public limited company and is listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange (India) Limited (NSE). The Company is engaged in the business of manufacturing and trading of HDPE & PP - Woven Polymer Based Products.

**SIGNIFICANT ACCOUNTING POLICIES****1 Basis of preparation of Financial Statements**

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and as per the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- b) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

**2 Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation. The cost is inclusive of interest incidental expenses incurred during construction period and is net of cenvat credit availed and exchange rate difference arising on long term foreign currency monetary items in so far as they relate to the acquisition of depreciable asset. The fixed assets are tested for impairment. There is no impairment loss.

**3 Depreciation and Amortization**

Depreciation on all Tangible assets and Amortization on all Intangible Assets is provided on Straight Line Method (SLM) as per Section 205(2)(b) of the Companies Act, 1956 at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets purchased or acquired during the year is provided on pro rata basis according to the period each asset was put to use during the year. No depreciation has been provided on Vat, Excise Duty, Education cess and Higher Education Cess which has been claimed as CENVAT/Vat set off.

**4 Investments**

Long term investments are valued at cost.

**5 Valuation of Inventories**

Items of inventories are valued at lower of cost or net realisable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Raw materials, Stores and Spares are valued at weighted average cost. Processed stocks and finished goods are valued at material cost plus appropriate value of overheads. Provision for Excise duty on opening and closing inventory of finished goods (domestic stock and wastage) is included under Note No. 10.

**6 Revenue Recognition**

Revenue (Income) is recognised only when it is reasonably certain that the ultimate collection will be made.

Interest on Investments is recognised on a time proportion basis taking into account amounts invested and the rate of interest.

Dividend Income on Investments is recognised for when the right to receive the payment is established.

**7 Sales**

Sales are recognised on dispatch of material to customers. Sales are net of indirect taxes payable.



### 8 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes.

There are no Contingent Assets.

### 9 Employee Benefits

- a) Gratuity is accounted on the basis of valuation made by the LIC.  
The Company has created a Trust with LIC for Gratuity. Contribution is paid to LIC Employees Group Gratuity Fund.
- b) Short Term Employee benefits  
The undiscounted amount of Short Term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services.
- c) Bonus and Leave Encashment is paid during the year.

### 10 Foreign Exchange Transactions

- a) Transactions in Foreign Currency are accounted at the exchange rate prevailing on the date of Transactions. Exchange fluctuations between the transaction date and the settlement date in respect of Revenue Transactions are recognized in Profit & Loss A/c.
- b) All export proceeds not realised at the year end are restated at the rate prescribed in the month of March by Central Board of Excise and Customs. The exchange difference arising there from has been recognised as income / expenses in the Current Year's Profit & Loss A/c.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

### 11 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A Qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

### 12 Taxes on Income

- a) Current tax is measured at the amount expected to be paid to the tax authorities, after taking into consideration benefits admissible under the provisions of the Income - Tax Act, 1961.
- b) Deferred tax liabilities are recognised for future tax consequences attributable to the "timing differences" between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is not recognised unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

### 13 Earning Per Share

Basic Earning per share is calculated by dividing the Net Profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

## Note 2 SHARE CAPITAL

**Authorised Share Capital**

1,80,00,000 (P.Y. : 1,80,00,000) Equity shares of ₹ 10/- each.

**Issued, Subscribed & Paid-up**

1,76,90,250 Equity shares of ₹ 10/- each fully paid up

**TOTAL**

(₹ In Millions)

As At 31st March, 2014	As At 31st March, 2013
180.00	180.00
180.00	180.00
176.90	176.90
176.90	176.90

2.1 46,99,530 Equity Shares out of Shares Issued, Subscribed and Paid up were allotted as Bonus Shares in the last five years (Dt: 20.08.2009) by way of capitalisation of free reserves of the company

2.2 86,57,700 Equity Shares out of Shares Issued, Subscribed and Paid up were issued during the year ended 31<sup>st</sup> March, 2010 for cash as initial public offer in February, 2010

2.3 12,00,000 Equity Shares out of Shares Issued, Subscribed and Paid up were allotted during the year ended 31<sup>st</sup> March, 2013 on conversion of share warrant monies.

2.4 The Reconciliation of the number of shares outstanding is set out below :

**Particulars**

Equity Shares at the beginning of the year

Add : Equity Shares allotted on Conversion of Share Warrants

Equity Shares at the end of the year

As At 31st March, 2013	As At 31st March, 2012
No. of Shares	No. of Shares
17.69	16.49
-	1.20
17.69	17.69

2.5 The Details of Shareholders Holding more than 5% Shares :

**Name of Shareholder**

Makrand Moreswar Appalwar

Rinku Makrand Appalwar

Emmbi Laboratories Pvt Ltd

Maithili Agrotech Private Limited

**As At 31st March, 2014**

No. of Shares (In Millions)	% Held
-----------------------------------	--------

4.22 23.87

1.93 10.89

1.63 9.19

1.05 5.94

**As At 31st March, 2013**

No. of Shares (In Millions)	% Held
-----------------------------------	--------

4.20 23.73

1.93 10.89

1.63 9.19

1.05 5.94

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ In Millions)	
<b>Note 3 RESERVES AND SURPLUS</b>		<b>As At 31st March, 2014</b>	<b>As At 31st March, 2013</b>
<b>(a) Securities Premium Reserves</b>			
As per last Balance Sheet		272.65	264.25
Add : On Conversion of Share Warrant into Equity Shares		-	8.40
		<b>272.65</b>	<b>272.65</b>
<b>(b) Profit &amp; Loss A/c</b>			
As per last Balance Sheet		94.21	67.02
Add : Profit for the Year		43.34	32.42
Add : Excess Provision of Taxes of earlier years		-	0.19
Less : Mat Credit Utilised in earlier years		-	(1.31)
		<b>137.55</b>	<b>98.32</b>
Less: Appropriations			
Proposed Dividend			
(Dividend Per Share ₹ 0.25/- (Previous Year ₹ 0.20/-)		4.42	3.54
Dividend Distribution Tax		0.75	0.57
		<b>132.37</b>	<b>94.21</b>
<b>TOTAL</b>		<b>405.02</b>	<b>366.85</b>

		(₹ In Millions)	
<b>Note 4 EQUITY SHARE WARRANTS</b>		<b>As At 31st March, 2014</b>	<b>As At 31st March, 2013</b>
Balance at the beginning of the year		-	8.10
Add : Share Warrants Money advance received during the year		-	12.30
Less : Converted into Shares during the year		-	20.40
<b>TOTAL</b>		<b>-</b>	<b>-</b>

		(₹ In Millions)			
<b>Note 5 LONG TERM BORROWINGS</b>		<b>As At 31st March, 2014</b>		<b>As At 31st March, 2013</b>	
		<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
<b>(a) Secured</b>					
Term Loans					
- From Banks		56.88	30.00	79.19	31.25
- From Corporates		-	-	-	0.10
Other loans & advances		-	-	1.80	1.94
<b>(b) Unsecured</b>					
Term Loans					
- From Banks		-	-	-	-
- From Corporates		4.57	11.00	3.46	2.01
Other loans & advances		-	-	-	-
<b>TOTAL</b>		<b>61.45</b>	<b>41.00</b>	<b>84.45</b>	<b>35.29</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

- 5.1 Term Loans are secured by way of deposit of the title deed in respect of immovable properties of the Company including Land & Building situated at Plot no. 191/2/4, Massat Village, Meghwad Road, UT of Dadra & Nagar Haveli, Silvassa - 396230 & at Plot no. 99/2/1&9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, UT of Dadra & Nagar Haveli, Silvassa - 396230 and by hypothecation of Plant & Machinery and Furniture & Fixtures The term loan are secured by way of first charge.
- 5.2 Other Loans and Advances are secured by way of hypothecation of Cars and Transport Vehicles purchased under Hire Purchase Scheme.
- 5.3 There is no default in repayment of principal loan or interest thereon.
- 5.4 REPAYMENT SCHEDULE

Years	Term Loans	Unsecured Loan
For 2014-15	30.00	11.00
For 2015-16	29.59	3.98
For 2016-17	16.64	0.60
For 2017-18	10.00	-
For 2018-19	0.65	-

		(₹ In Millions)	
Note 6	DEFERRED TAX LIABILITIES (NET)	As At 31st March, 2014	As At 31st March, 2013
	Net Deferred Tax Liability (Opening)	37.05	30.90
	Deferred Tax Liability		
	Fixed Asset & Others	8.52	10.56
	Deferred Tax Asset		
	Disallowances Under the Income Tax Act, 1961 & Others	2.48	4.40
	Net Deferred Tax Liability (Closing)	43.09	37.05

		(₹ In Millions)	
Note 7	LONG-TERM PROVISIONS	As At 31st March, 2014	As At 31st March, 2013
	Provision for Employee Benefits (Gratuity + Leave Encashment)	2.51	2.94
	Provision For Taxes	40.54	32.84
	<b>TOTAL</b>	<b>43.05</b>	<b>35.78</b>

		(₹ In Millions)	
Note 8	SHORT TERM BORROWINGS	As At 31st March, 2014	As At 31st March, 2013
	Secured		
	Working Capital Loans from Banks		
	Working Capital Loans from Banks	591.18	474.17
	<b>TOTAL</b>	<b>591.18</b>	<b>474.17</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 8.1 Working Capital Loans :

- i) Cash Credit & Packing Credit loans from Punjab National Bank are secured by first pari passu charge on hypothecation of entire current assets, both present and future, of the Company including stocks and book debts, stock in transits and stock for job work. Second pari passu charge on immovable properties of the Company including Land & Building situated at Plot no. 191/2/4, Massat Village, Meghwad Road, UT of Dadra & Nagar Haveli, Silvassa - 396230 and at Plot no. 99/2/1&9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, UT of Dadra & Nagar Haveli, Silvassa 396230.
- ii) Working Capital and Pre-Cum-Post Shipment Loan from Exim Bank is secured by first Pari-Passu charge on entire current assets both present & future; Second Pari-Passu charge on the entire movable fixed assets both present and future; second Pari-Pasu charge on the entire Land and other Immovable properties both present and future.
- iii) Working Capital and Pre-Cum-Post Shipment Loan from Axis Bank is secured by first Pari-Passu charge on entire current assets both present & future; Second Pari-Passu charge on the entire movable fixed assets both present and future; second Pari-Pasu charge on the entire Land and other Immovable properties both present and future.

Note 9 OTHER CURRENT LIABILITIES	(₹ In Millions)	
	As At 31st March, 2014	As At 31st March, 2013
Trade Payables	23.91	39.80
Current maturities of long term debt (Refer Note : 4)	41.00	35.29
Interest accrued but not due on borrowings	-	0.80
Unpaid Dividends	0.17	0.11
Other Payables	18.08	16.65
<b>TOTAL</b>	<b>83.15</b>	<b>92.66</b>

9.1 There are no amounts due or outstanding to be credited to Investor Education and Protection Fund.

Note 10 SHORT-TERM PROVISIONS	(₹ In Millions)	
	As At 31st March, 2014	As At 31st March, 2013
Proposed Dividend	4.42	3.54
Tax on Dividend	0.75	0.57
Others (Provision for Excise Duty on Finished Goods)	1.14	0.19
<b>TOTAL</b>	<b>6.31</b>	<b>4.30</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

## Note 11 : FIXED ASSETS

(₹ In Millions)

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
		As at 01-04-2013	Additions	Deductions/Adjustments	As at 31-03-2014	As at 01-04-2013	For the Year	Deductions/Adjustments	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
	<b>TANGIBLE FIXED ASSETS</b>										
1	Freehold Land	13.71	13.29	-	27.00	-	-	-	-	27.00	13.71
2	Building	146.15	33.82	-	179.97	14.03	5.25	-	19.29	160.68	132.11
3	Compound Wall	0.26	-	-	0.26	0.14	0.01	-	0.15	0.12	0.13
4	Plant and Machinery	354.54	12.23	-	366.77	59.60	18.77	-	78.37	288.39	294.94
5	Electrical Installation	9.80	1.10	-	10.90	2.55	0.49	-	3.03	7.87	7.25
6	Furniture & Fixtures	12.46	2.88	-	15.34	3.16	0.85	-	4.01	11.33	9.30
7	Crates	0.71	-	-	0.71	0.28	0.05	-	0.33	0.38	0.43
8	Office Equipment	9.96	4.95	-	14.90	4.39	1.56	-	5.94	8.96	5.57
9	Other Equipment	0.08	-	-	0.08	0.06	0.00	-	0.07	0.01	0.01
10	Vehicles	17.74	-	-	17.74	6.31	1.68	-	7.99	9.75	11.43
	(A)	565.40	68.27	-	633.67	90.52	28.66	-	119.18	514.49	474.88
	<b>INTANGIBLE FIXED ASSETS</b>										
11	Brand Development Expenses	-	3.87	-	3.87	-	0.19	-	0.19	3.69	-
12	Knowledge Development Expenses	-	1.62	-	1.62	-	0.05	-	0.05	1.57	-
	(B)	-	5.50	-	5.50	-	0.24	-	0.24	5.26	-
	<b>TOTAL (A+B)</b>	565.40	73.77	-	639.16	90.52	28.90	-	119.42	519.74	474.88
	PREVIOUS YEAR	496.62	104.89	36.12	565.40	65.63	24.88	-	90.52	474.88	430.99

(₹ In Millions)

## Note 12 NON CURRENT INVESTMENTS

Investment in Equity Shares (Unquoted, fully Paid up) :

2,500 Equity Shares of Zoroastrian Co-Op Bank Ltd. Of Rs. 40/- each

2,500 Equity Shares of Saraswat Co-Op Bank Ltd. Of Rs. 10/- each

25% Shares of Global Bag S.R.O.

TOTAL

As At 31st March, 2014	As At 31st March, 2013
0.10	0.10
0.03	0.03
2.87	2.87
<b>2.99</b>	<b>2.99</b>

(₹ In Millions)

## Note 13 LONG TERM LOANS &amp; ADVANCES

Unsecured, Considered good

Security Deposits

Advance tax

MAT Credit Entitlement

Other loans and advances

TOTAL

As At 31st March, 2014	As At 31st March, 2013
4.91	0.06
32.91	24.36
-	1.27
-	7.59
<b>37.82</b>	<b>33.29</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ In Millions)	
<b>Note 14 OTHER NON-CURRENT ASSETS</b>		<b>As At 31st March, 2014</b>	<b>As At 31st March, 2013</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)		0.12	0.18
<b>TOTAL</b>		<b>0.12</b>	<b>0.18</b>
		(₹ In Millions)	
<b>Note 15 INVENTORIES</b>		<b>As At 31st March, 2014</b>	<b>As At 31st March, 2013</b>
Raw Materials		127.01	123.57
Stock-in-Process		292.22	236.83
Finished Goods		56.19	34.82
Stores & Spares		10.89	10.32
<b>TOTAL</b>		<b>486.31</b>	<b>405.54</b>
		(₹ In Millions)	
<b>Note 16 TRADE RECEIVABLES</b>		<b>As At 31st March, 2014</b>	<b>As At 31st March, 2013</b>
Unsecured, Considered Good			
Over Six months from the date they are due for the payment		1.82	2.84
Others		309.67	252.71
<b>TOTAL</b>		<b>311.50</b>	<b>255.54</b>
		(₹ In Millions)	
<b>Note 17 CASH AND CASH EQUIVALENTS</b>		<b>As At 31st March, 2014</b>	<b>As At 31st March, 2013</b>
Balances with banks		0.33	0.05
Cash on hand		0.08	0.60
Others:			
Unclaimed Dividend A/c		0.17	0.11
Term deposits with Banks		0.94	2.91
<b>TOTAL</b>		<b>1.51</b>	<b>3.68</b>
		(₹ In Millions)	
<b>Note 18 SHORT TERM LOANS AND ADVANCES</b>		<b>As At 31st March, 2014</b>	<b>As At 31st March, 2013</b>
Balance with Central Excise, Service Tax and other Govt. Authorities		17.38	19.87
Prepaid Expenses		5.89	5.16
Capital Advances		2.00	12.90
Other loans and advances		24.90	58.13
<b>TOTAL</b>		<b>50.17</b>	<b>96.06</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ In Millions)

## Note 19 CONTINGENT LIABILITIES AND COMMITMENTS

	As At 31st March, 2014	As At 31st March, 2013
a) Contingent liabilities		
Guarantees'		
- Guarantee by Banks to Electricity Department (Silvassa)	4.45	4.45
- Guarantee furnished to Banks in respect of Letter of Credit	-	-
b) Commitments		
Estimated amount of contracts unexecuted on capital account	5.70	1.05
c) The Income tax demand for the A. Y. 2010-11 of Rs. 90.22 lakhs is disputed for which appeal has been made with CIT (Appeal).		

(₹ In Millions)

## Note 20 REVENUE FROM OPERATIONS

	2013-14	2012-13
Revenue from - Sale of products		
Export Sales	867.43	623.85
Domestic Sales	801.76	845.53
Other Operating Revenue(B class goods)	11.14	5.34
	1,680.32	1,474.72
Less : Excise Duty	89.82	72.81
<b>TOTAL</b>	<b>1,590.50</b>	<b>1,401.91</b>

(₹ In Millions)

## 20.1 DETAILS OF SALE OF PRODUCTS

## Manufactured Goods

Polymer Based Multiple Products

HDPE &amp; PP - Woven Polymer Based Products

## Traded Goods

	2013-14	2012-13
Polymer Based Multiple Products	1,546.18	1,275.81
HDPE & PP - Woven Polymer Based Products	11.14	5.34
Traded Goods	123.01	193.57
<b>TOTAL</b>	<b>1,680.32</b>	<b>1,474.72</b>

(₹ In Millions)

## Note 21 OTHER INCOME

	2013-14	2012-13
Interest		
From Current Investments	0.20	0.13
From Others	0.38	0.01
Dividend		
From Long Term Investments	0.00	0.02
Other Non Operating Income	0.01	0.15
<b>TOTAL</b>	<b>0.59</b>	<b>0.32</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

		(₹ In Millions)	
		2013-14	2012-13
<b>Note 22 COST OF MATERIAL CONSUMED</b>			
Raw Materials Consumed			
Opening Inventory		123.57	111.63
Add : Purchases (Net)		1,064.02	918.72
		1,187.59	1,030.35
Less : Closing Inventory		127.01	123.57
<b>TOTAL</b>		<b>1,060.58</b>	<b>906.78</b>

**22.1 DETAILS OF INDIGENOUS AND IMPORTED RAW MATERIALS CONSUMED**

	2013-14		2012-13	
	₹	% of Consumption	₹	% of Consumption
Imported	15.49	1.46	38.64	4.26
Indigenous	1,045.09	98.54	868.14	95.74
<b>TOTAL</b>	<b>1060.58</b>	<b>100.00</b>	<b>906.78</b>	<b>100.00</b>

**22.2 PARTICULARS OF MATERIAL CONSUMED**

Polymer Granules And Films Of Various Grades and Others

2013-14	2012-13
1,060.58	906.78
<b>TOTAL</b>	<b>1,060.58</b>

		(₹ In Millions)	
		2013-14	2012-13
<b>Note 23 PURCHASE OF STOCK-IN-TRADE</b>			
Trading Purchase - Mumbai			
HDPE/PP Laminated Fabric		122.63	192.07
<b>TOTAL</b>		<b>122.63</b>	<b>192.07</b>

		(₹ In Millions)	
		2013-14	2012-13
<b>Note 24 CHANGES IN INVENTORIES OF STOCK-IN-TRADE, WORK-IN-PROGRESS AND FINISHED GOODS</b>			
<b>Inventories (At Close)</b>			
Stock-in-Process		292.22	236.83
Finished goods		56.19	34.82
		348.41	271.66
<b>Inventories (At Commencement)</b>			
Stock-in-Trade		-	1.19
Stock-in-Process		236.83	148.13
Finished goods		34.82	24.85
		271.66	174.17
<b>TOTAL</b>		<b>(76.76)</b>	<b>(97.49)</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ In Millions)

## Note 25 EMPLOYEES BENEFITS EXPENSES

	2013-14	2012-13
Salaries	49.64	55.18
Contribution to Provident Fund and Other Fund	1.36	1.33
Employees Welfare Expenses	3.55	3.19
Gratuity	0.46	1.26
<b>TOTAL</b>	<b>55.01</b>	<b>60.97</b>

## 25.1 Post employment benefits

Company has taken a Group Gratuity Policy of LIC of India to cover the employer's obligation towards Gratuity under the payment of Gratuity Act and the fund required to be maintained to cover the Present Value of past service benefit and current service cost is fully funded by the company as per the valuation made. The Company has shifted to Funded Scheme of Gratuity with LIC. Previously the company had Non - Funded Gratuity Scheme.

The Actuarial Liability worked out by LIC Funded Scheme as on 1<sup>st</sup> April 2013 is ₹ 0.86 millions as against Non Funded Liability worked out to ₹ 2.94 millions as on 31<sup>st</sup> March 2013 and hence the figures of previous year is not comparable.

As on 31.03.2014

i) <b>Assumptions</b>	<b>As on 31/03/2014</b>
Discount Rate	0.08
Salary Escalation	0.03
ii) <b>Table Showing Changes in Present Value of obligation as on 31/03/2014</b>	<b>Gratuity (Funded)</b>
	<b>2013-14</b>
Present Value of obligation at the beginning of the year	0.86
Current Service cost	0.10
Interest cost	0.07
Actuarial (gain)/loss on obligation	0.32
Benefits paid during the year	(0.23)
Present Value of obligation at year end	1.13
iii) <b>Table showing Changes in fair Value of plan Asset as on 31/03/2014</b>	<b>Gratuity (Funded)</b>
<b>Particulars</b>	<b>2013-14</b>
Fair Value of plan assets at the beginning of the year	0.46
Expected return on plan Assets	0.04
Contributions	0.50
Actuarial (gain)/loss on obligation	NIL
Benefits paid during the year	(0.23)
<b>Fair Value of plan assets as at year end</b>	<b>0.78</b>
iv) <b>Table showing Fair Value of plan Asset as on 31/03/2014</b>	<b>Gratuity (Funded)</b>
<b>Particulars</b>	<b>2013-14</b>
Fair Value of plan assets at the beginning of the year	0.46
Expected return on plan Assets	0.04
Contributions	0.50
Benefits paid during the year	(0.23)
Fair Value of Plan Assets at the end of the year	0.78
Funded Status	(0.35)
Excess of Actual over estimated return on Plan Assets	NIL

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ In Millions)

v)	<b>Actuarial (gain)/loss recognised</b>	<b>Gratuity (Funded)</b>
	<b>Particulars</b>	<b>2013-14</b>
	Actuarial (gain)/loss on obligation	(0.32)
	Actuarial (gain)/loss for the year - plan assets	NIL
	Actuarial (gain)/loss on obligation	0.32
	Actuarial (gain)/loss recognised in the year	0.32
vi)	<b>Amounts to be recognised in Balance Sheet and Statement of Profit and Loss</b>	<b>Gratuity (Funded)</b>
	<b>Particulars</b>	<b>2013-14</b>
	Present Value of obligation at the end of the year	1.13
	Fair Value of plan assets at the end of the year	0.78
	Funded Status	(0.35)
	Net Asset / Laibility recognised in Balance Sheet	(0.35)
vii)	<b>Expenses recognised during the year</b>	<b>Gratuity (Funded)</b>
	<b>Particulars</b>	<b>2013-14</b>
	Current Service cost	0.10
	Interest cost on benefit obligation	0.07
	Net actuarial (gain) / loss recognised in the year	0.32
	Expected return on plan assets	(0.04)
	Expenses recognised during the year	0.45

As on 31.03.2013

<b>Details of Provision for Gratuity</b>	<b>Gratuity Unfunded</b>
<b>Particulars</b>	<b>2012-13</b>
Defined Benefit Obligation	2.94
Fair Value of Plan Assets	Nil
Plan (Assets)/Liability	Nil

<b>Change in defined benefit obligation</b>	<b>Gratuity Unfunded</b>
<b>Particulars</b>	<b>2012-13</b>
Defined benefit obligation at the beginning of the year	1.99
Current Service cost	0.62
Interest cost @ (C.Y. 8.50% ..L.Y. 8.50% )	0.17
Actuarial (gain)/loss on obligation	0.39
Benefits paid during the year	(0.23)
Defined benefit obligation, end of the period	2.94

**Profit & Loss Statement**

<b>Net Period gratuity cost</b>	<b>Gratuity Unfunded</b>
<b>Particulars</b>	<b>2012-13</b>
Current Service cost	0.62
Interest cost on benefit obligation	0.17
Net actuarial (gain) / loss recognised in the year	0.39
Expected return on plan assets	
Net benefit expense	1.18



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ In Millions)

Actuarial Assumptions	Gratuity Unfunded
Particulars	2012-13
Mortality Table LIC	1994-96 (Ultimate)
Discount rate (per annum)	8.25%
Rate of escalation in salary (per annum)	6.50%
Withdrawal Rate	1.00%
Retirement Age	60 Yrs

		(₹ In Millions)	
Note 26	FINANCE COSTS	2013-14	2012-13
	Interest	58.00	47.98
	Other borrowing costs	5.11	5.01
	<b>TOTAL</b>	<b>63.11</b>	<b>52.99</b>

		(₹ In Millions)	
Note 27	DEPRECIATION AND AMORTIZATION EXPENSES	2013-14	2012-13
	Depreciation and Amortization	28.90	24.88
	<b>TOTAL</b>	<b>28.90</b>	<b>24.88</b>

		(₹ In Millions)	
Note 28	OTHER EXPENSES	2013-14	2012-13
	Manufacturing Expenses :		
	Processing and Lamination Charges	1.41	6.81
	Power and Fuel	36.31	29.32
	Consumable Stores	31.58	29.36
	Factory Wages	64.63	40.40
	Labour Charges	23.37	10.38
	Excise duty - Provision on Finished Stock (Net)	0.95	(0.34)
	Repairs & Maintenance (Others)	2.81	2.28
	Other Manufacturing Expenses	2.30	2.88
	<b>Sub-Total (A)</b>	<b>163.36</b>	<b>121.08</b>
	Selling and Distribution Expenses :		
	VAT / CST A/c	0.01	-
	Vehicle Expenses	3.18	2.66
	Freight Forwarding Expenses	38.03	36.08
	Sales Promotion Expenses	10.00	11.40
	Discount	9.94	5.75
	Commission	0.10	0.14
	Sundry Export Expenses	1.36	1.21
	Other Selling and Distribution Expenses	0.78	5.56
	<b>Sub-Total (B)</b>	<b>63.40</b>	<b>62.79</b>

# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ In Millions)	
		2013-14	2012-13
<b>Note 28 OTHER EXPENSES (Contd.)</b>			
<b>Establishment Expenses</b>			
Legal and Professional Charges		6.17	7.79
General Expenses		18.26	0.46
Tour & Travelling Expenses		6.19	6.93
Payment to Auditor (See Note 28.4)		1.25	1.10
Insurance		4.96	3.69
Rent		3.77	3.53
Telephone Expenses		1.54	1.34
Postage and courier Expenses		1.81	1.46
Printing, Stationary, Computer & Xerox Expenses		2.81	2.51
Conveyance Expenses		0.27	0.28
Electricity expenses - Mumbai Office		0.51	0.47
Sundry Balances W/off		1.01	0.27
Donations		0.13	0.12
	<b>Sub-Total (C)</b>	<b>48.69</b>	<b>29.93</b>
	<b>TOTAL [(A)+(B)+(C)]</b>	<b>275.46</b>	<b>213.80</b>

28.1 Disclosures as required by AS 19, "Leases", notified under sub-section (3C) of Section 211 of Companies Act, 1956

- (i) The Company has taken Office and Warehouse premises under operating lease or leave and license agreements. These are non cancellable and range between 11 months and 3 Years under Leave and License arrangement, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable Interest Free Security Deposits under certain agreements.

- (ii) Lease Payments are recognised in the Statement of Profit and Loss under Rent in Note 28.

## 28.2 DETAILS OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED

		2013-14		2012-13	
		₹	% of Consumption	₹	% of Consumption
Imported		-	-	-	-
Indigenous		31.58	100.00	29.36	100.00
	<b>TOTAL</b>	<b>31.58</b>	<b>100.00</b>	<b>29.36</b>	<b>100.00</b>

## 28.3 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

	2013 - 14	2012-13
Raw Material	15.49	38.64
Capital Goods	-	0.54

## 28.4 PAYMENT TO AUDITORS

### As Auditor

	2013 - 14	2012-13
Audit Fee	0.90	0.90
Tax Audit Fee	0.10	0.10
Certification Fees	0.25	0.10
<b>TOTAL</b>	<b>1.25</b>	<b>1.10</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ In Millions)	
<b>28.5 EXPENDITURE IN FOREIGN CURRENCY</b>		<b>2013 - 14</b>	<b>2012-13</b>
Foreign Bank Charges		1.06	0.92
Bank Interest		14.76	16.50
Books Periodicals		-	0.01
Testing Charges		0.93	0.88
Foreign Travelling Expenses		3.27	2.38
Advertising Charges		0.23	-
Clearance Charges		0.54	-
Membership Fees		0.33	0.16
<b>28.6 Particulars</b>		<b>2013-14</b>	<b>2012-13</b>
Foreign Exchange loss / (Gain) of Rs.		17.53	(11.49)

		(₹ In Millions)	
<b>Note 29 EARNINGS PER SHARE (EPS)</b>		<b>2013-14</b>	<b>2012-13</b>
Net Profit after tax as per Statement of Profit and Loss		43.34	32.42
Weighted Average number of equity shares used as denominator for calculating EPS		17.69	16.96
Weighted Average number of equity shares used as denominator for calculating DEPS		17.69	16.96
Basic Earnings per share		2.45	1.91
Diluted Earnings per share		2.45	1.91
Face Value per equity share		10.00	10.00

		(₹ In Millions)	
<b>Note 30 EARNINGS IN FOREIGN EXCHANGE</b>		<b>2013-14</b>	<b>2012-13</b>
FOB value of Exports		811.32	584.99

Name of Related Party (Designation)	Nature of Transaction	Amount of Transaction		Balance as on 31.03.2014
		2013-14	2012-13	
Makrand Appalwar	Remuneration	4.20	3.90	
(Managing Director)	Payable for Remuneration			0.25
				(0.26)*
Rinku Appalwar	Remuneration	3.90	3.60	
(Finance Director)	Payable for Remuneration			0.10
				(0.11)*
Mitravinda Appalwar	Sitting Fees	0.03	0.02	
(Director)				
Ashesh Garg	Remuneration	1.80	1.80	
(C.E.O)				
Dividend paid to relatives	Dividend paid to relatives	1.85	2.43	

(\*figures in bracket represent balances as on 31.03.2013.)

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		In Millions)	
		2013-14	2012-13
<b>Note 32</b>	<b>TRADE PAYABLES TO MICRO, SMALL AND MEDIUM ENTERPRISES</b>		
	Sundry Creditors include dues to 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.		
<b>Note 33</b>	Since Company operates in only one segment i.e. manufacture of HDPE/ PP/ raffia products and trading in similar items hence no need for separate disclosure of segment information as per AS - 17 issued by ICAI.		
<b>Note 34</b>	Figures of Previous year have been rearranged / regrouped as and when necessary in terms of Current year's grouping.		

As per our report of even date  
 For **K. J. SHAH & ASSOCIATES**  
 Chartered Accountants  
 FRN : 127308W

For and On behalf of the Board  
 For EMMBI INDUSTRIES LIMITED,  
**Makrand Appalwar**  
 Managing Director

**K. J. SHAH (Proprietor)**  
 Membership No. 030784  
  
 Place : Mumbai  
 Dated : 27<sup>th</sup> May, 2014

**Kaushal Patvi**  
 Company Secretary

**Rinku Appalwar**  
 Executive Director  
  
 Place : Mumbai  
 Dated : 27<sup>th</sup> May, 2014

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(Formerly known as EMMBI POLYARNS LIMITED)

CIN L17120DN1994PLC000387

Registered office: 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230 • Tel.:91-0260-3200948 • Email: info@emmbi.com

**ATTENDANCE SLIP**

**Joint shareholders may obtain additional slip at the venue of the meeting.**

DP ID	
Client ID	

Folio No.	
No. of Shares	

Annual General Meeting of EMMBI INDUSTRIES LIMITED will be held on 13<sup>th</sup> September, 2014 at 10.00 a.m.

I/We record my/our presence at the Twentieth Annual General Meeting to be held on 13<sup>th</sup> September, 2014 at 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230 at 10.00 a. m.

Name of the Shareholder / Proxy (In Block Letters)	
Signature of the Shareholder / Proxy	

**NOTE:** You are requested to sign and handover this slip at the entrance of the meeting venue.

----- Tear Here -----



(Formerly known as EMMBI POLYARNS LIMITED)

CIN L17120DN1994PLC000387

Registered office: 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230 • Tel.:91-0260-3200948 • Email: info@emmbi.com

**Form No. MGT-11**

**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN	CIN L17120DN1994PLC000387		
Name of the company	EMMBI INDUSTRIES LIMITED (Formerly known as Emmbi Polyarns Limited)		
Registered office	99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230.		
Name of the member (s)			
Registered address			
E-mail Id			
Folio No/ Client Id		DP ID	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

Name			
Address			
E-mail Id		Signature	

OR FAILING HIM

Name			
Address			
E-mail Id		Signature	

OR FAILING HIM

Name			
Address			
E-mail Id		Signature	

Tear Here

----- Tear Here -----

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth General Meeting to be held on 13<sup>th</sup> September, 2014 at 99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa – 396 230 at 10.00 a. m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For *	Against*
1. Adoption of Financial Statements for the year ended 31st March, 2014		
2. Declaration of Dividend on Equity Shares		
3. Appointment of Mrs. Rinku Appalwar, who retires by rotation.		
4. Re-Appointment of M/s. K J Shah & Co., as Auditors & fixing their remuneration.		
5. Increase in Payment of Remuneration to Mr. Makrand Appalwar as Chairman and Managing Director.		
6. Increase in Payment of Remuneration to Ms. Rinku Appalwar as Executive Director & CFO.		
7. Creation of Mortgagee or charge on the assets of the Company		
8. Borrowing in excess of paid up capital and free reserves.		

Signed this..... day of..... 2014

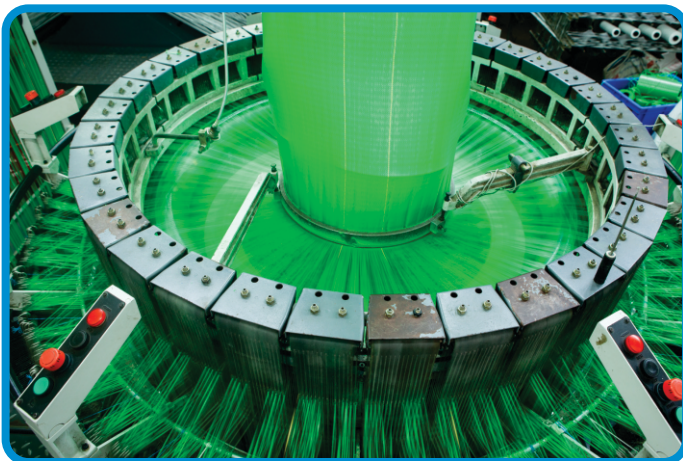
Signature of Shareholder: ..... /

Signature of Proxy holder(s): .....

Affix  
Revenue  
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.
- \*4. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.







# Polymer solutions for a Happier World

At Emmbi, we're constantly working to make our products and services more reliable, less expensive and more eco-friendly. We do this by combining our understanding of your business, our expertise in polymer processing, our state-of-the-art manufacturing processes and innovative product applications. The result? Satisfied customers. Happier employees. Supportive vendors and partners. And ultimately, a happier world around us.

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