

17th Annual Report 2010 - 2011

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Company Information

Board of Directors:

Mr. Makrand Appalwar Executive & Non-Independent
Chairman & Managing Director

Mrs. Rinku Appalwar Executive & Non-Independent
Director - Finance

Dr. Mitravinda Appalwar Non-Executive &
Non-Independent Director

Mr. Sanjay Rathi Non-Executive &
Independent Director

Mr. Prashant Lohiya Non-Executive &
(w.e.f. 31st May, 2010) Independent Director

Dr. Venkatesh Joshi Non-Executive &
(w.e.f. 11.12.2010) Independent Director

Mr. Ashesh Garg Non-Executive &
(Upto 11.12.2010) Independent Director

Company Secretary:

Ashvini Godbole
info@emmbi.com

Registered Office:

601-604, Hari Om Chambers, 6th Floor,
Behind Sahara Samay, Off. New Link Road,
Andheri (West), Mumbai 400053

Auditors:

M/s. K. J. Shah & Associates
Chartered Accountants

Registrar & Transfer Agents:

Datamatics Financial Services Limited
Plot No. A 16 & 17, MIDC
Part B Crosslane, Marol
Andheri (East), Mumbai 400093
Tel: 022 - 66712151-56
Email: emmbiipo@dfssl.com

Emmbi Polyarns Limited

NOTICE

NOTICE is hereby given that Seventeenth Annual General Meeting of the Members of EMMBI POLYARNS LIMITED will be held on Tuesday, 27th September, 2011, at Renaissance Federation Club, at Juhu Varsova Link Road, Andheri (West), Mumbai 400053, at 11 a.m, to transact the following business.

ORDINARY BUSINESS

- 1) To consider and adopt the Directors' Report and the Audited Statement of Accounts of the Company for the year ended 31st March 2011.
- 2) To declare the Dividend on Equity Shares for the year 2010-2011.
- 3) To appoint a director in place of Mrs. Rinku Appalwar, who retires by rotation and being eligible offers herself for re-appointment.
- 4) To appoint a director in place of Mr. Sanjay Rathi, who retires by rotation and being eligible offers himself for re-appointment.
- 5) To appoint M/s. K. J. Shah & Associates as Auditors and to fix their remuneration.

SPECIAL BUSINESS

- 6) To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
“**RESOLVED THAT** Dr. Venkatesh Joshi, who was appointed as an Additional Director of the Company on 11th December, 2010 under Article 112, of Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.

**By Order of the Board of Directors of
EMMBI POLYARNS LTD.**

Date : 24th August, 2011
Place : Mumbai

**Sd/-
ASHVINI GODBOLE
COMPANY SECRETARY**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
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 relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed to and form part of this notice.
- 4) The Register of Members and Share Transfer Register of the Company will remain closed from Friday, 23rd September, 2011 to Tuesday, 27th September, 2011 (both days inclusive).
- 5) The Dividend as recommended by Board, if approved at the ensuing Annual General Meeting, will be paid to those Members whose names appear on the Company's Register of Members as on 27th September, 2011 in respect of shares held in physical mode and whose names appear in beneficial position (BENPOS) received from the depositories as on 22nd September, 2011.
- 6) The members are requested to :
 - a. Intimate changes, if any, in their Registered address to the Registrar and Transfer Agents of the Company 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. 66712192
 - b) Quote ledger folio numbers in all their correspondence.
 - c) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
 - d) Write atleast 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.

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EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

That following explanatory statement sets out the material facts referring to Item No. 6 of the Notice.

ITEM NO. 6

Dr. Venkatesh Joshi, was appointed as an Additional Director under Article 112 of the Articles of Association of the Company w. e. f. 11th December, 2010 pursuant to Section 260 of the Companies Act, 1956. As per the term of appointment, his term as Director expires at the forthcoming Annual General Meeting. The Company in turn has received notice from a member alongwith a deposit of Rs. 500/- in cash pursuant to Section 257 of the Companies Act, 1956 signifying his intention to appoint him as Director of the Company liable to retire by rotation. The Directors recommend his appointment in the best interests of the Company.

None of the Directors of the Company except Dr. Venkatesh Joshi is interested in the passing of this resolution.

**By Order of the Board of Directors of
EMMBI POLYARNS LTD.**

Date : 24th August, 2011

Place : Mumbai

**Sd/-
ASHVINI GODBOLE
COMPANY SECRETARY**

Emmbi Polyarns Limited

Information provided pursuant to Clause 49 of the Listing Agreement with the Exchange(s) in respect of individuals proposed to be appointed / re-appointed as Director(s) and for whom revision in terms of appointment (including revision of remuneration) is to be considered at the Meeting.

Name of Director	Mrs. Rinku Appalwar	Mr. Sanjay Rathi	Dr. Venkatesh Joshi
Date of Birth	19.08.1971	06.05.1965	01.07.1956
Date of Appointment	29.11.1994	22.02.2007	11.12.2010
Number of Shares held	18,81,550	2100	Nil
Number of Warrants held	Nil	Nil	Nil
Qualifications	B. Sc (Chemistry), DMM, DAM	B.Com, LLB, CS	M.D. (Ayurveda)
Experience in special functional Area	Financial Systems manager, Risk Management and Forex Management	Vast Experience in Company Law and other related laws, Provides guidance in compliance of legal matters	Nil
Directorship held in other Public CompaniesA s on (31-03-2011)	Nil	1. Future Mobile and Accessories Ltd 2. Mobile Repair Service City India Ltd 3. Erudite Knowledge Services Limited 4. Future Ideas Realtors India Ltd 5. Future Consumer Enterprises Ltd 6. Future Outdoor Media Solutions Ltd 7. Rural Fairprice Wholesale Ltd 8. Future Ideas Company Ltd 9. Goldmohur Design and Apparel Park Limited. 10. Future Freshfoods Limited	Nil

Name of Director	Chairman/Membership in Committees of other Companies		
	Name of the Company	Type of Committee	Membership Status
Mrs. Rinku Appalwar	Nil	Nil	N.A.
Mr. Sanjay Rathi	Nil	Nil	N.A.
Dr. Venkatesh Joshi	Nil	Nil	N.A.

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DIRECTORS' REPORT

To
The members,
Emmbi Polyarns Limited.

Your Directors have pleasure in presenting the Seventeenth Annual Report and the Audited Financial Statements for the year ended 31st March, 2011.

FINANCIAL RESULTS.

(Rs. in lacs)

	Year ended on 31st March 2011	Year ended on 31st March 2010
Sales	7540.20	5183.62
Other income (including non-recurring income)	40.68	9.18
Gross Profit before Interest & Depreciation	744.73	575.11
Less : Depreciation	103.69	85.38
Interest	188.30	205.22
Profits before tax	452.74	284.52
Less: Provision for Taxation. (including earlier years and deferred tax)	186.67	107.39
Profit after tax	266.07	177.13
Less : Items of previous year	9.20	-
Profit available for appropriation	256.87	177.13
Appropriations:		
Provision for proposed Dividend	32.98	Nil
Provision for Income Tax on proposed dividend	5.48	NIL
Surplus carried to Balance Sheet	218.41	177.13

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs 0.20 per share of the face value of Rs. 10/- each for the year ended on 31 March 2011 (Rs. NIL for the previous year) subject to the Members' approval. The dividend payment amounts to Rs. 32.98 lacs. In addition Rs. 5.48 lacs is payable towards tax on dividend.

OPERATIONS

During the year under review, your Company has achieved Operational and other Income of Rs 7580.88 lacs as against 5252.80 lacs during the previous year, registering an increase of about 44% over the previous year. Profit after providing for taxes is Rs. 266.13 lacs as against Rs. 177.13 lacs during the previous year, registering an increase of about 50% over previous year.

EXPANSION PROJECT

The planned capacity expansion project for the company was for increasing production capacity from the 5000 MTA in pre IPO period to 17200 MTA after completion of IPO. The expansion was planned in two phases and the first phase of expansion to increase the capacity to 12000 MTA has been completed during the year as per schedule. Second phase of increasing the capacity from 12000 MTA to 17200 MTA will be completed before 30th September 2011 as per schedule.

EXPORTS

Exports during the year under review were Rs. 2818 lacs(CIF) as against Rs. 2129 lacs (CIF) in the previous financial year and contributed to 37% in the net sales. Company has expanded its presence in 29 countries from 18 Countries in the previous year which has resulted in this 34 % growth.

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Strategic Alliances

The Company has taken further steps to increase the international presence by investing Rs. 35.52 lacs during the year towards 25 % of business share in a company called Global Bag s.r.o in Czech Republic . This Company is one of the largest Jumbo bag distributor in the east European Countries ,Czech Republic , Slovenia , Slovakia and Poland.

International Credit Rating

The Company has been rated by Dun & Bradstreet at 4A2 (Condition – Good). The rating is assigned on the basis of tangible net worth and composite appraisal of the company .

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.

Quality Initiatives:

Manufacturing activity is a 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 conducting seminars and various training programs. We are confident this initiative will yield a great deal of benefit in companies operation in the coming year.

DIRECTORS

During the year Dr . Venkatesh Joshi, who has resigned on 31st May, 2010 from the Board of the company, was appointed as an additional director w.e.f 11th December 2010.He holds office up to the date of forth coming Annual General meeting . The Company in turn has received a notice from a member under Section 257 of the Companies Act,1956 along with requisite amount of Rs. 500 proposing the candidature of Dr. Joshi as director of the Company liable to retire by rotation.

During the year Mr. Ashesh Garg resigned from the Board w.e.f 11th December 2010. The board appreciates the services rendered by the director during the tenure of office as director of the Company.

In accordance with the Articles of Association of the Company and in view of the provisions of Section 255 of the Companies Act, 1956, Mrs. Rinku Appalwar and Mr. Sanjay Rathi, Directors 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 Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

1. in the preparation of the Annual Accounts for the year ended on 31 March 2011, the applicable accounting standards have been followed along with proper explanation for material departure, if any;
2. they have selected such appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the said financial year;
3. they 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. they have prepared the said Accounts on a “going concern basis”

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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.

The Board of Directors of the Company adopted the code of conduct and the same is posted on the Company's web site. The Directors and senior management personnel have affirmed their compliance with the said code.

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 reappointment. They have submitted a certificate of their eligibility for reappointment under section 224 (1-B) of the Companies Act, 1956 and they are not disqualified under amended section 226(3)(e) of the said Act.

LISTING FEES

The Company confirms that the Annual Listing Fees due to Bombay Stock Exchange Ltd and National Stock Exchange of (India) Limited for the financial year 2011-12 have been paid.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any public deposit 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 are developed in house and there is no import of any technology.

C) Foreign Exchange Earnings & Outgo:

	(Rs. In lacs)	
	2010-11	2009-10
Foreign Exchange Earnings	2749.22	2049.46
Foreign Exchange Outgo	547.22	395.44

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ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and cooperation received from the shareholders, customers, dealers, suppliers, banks, financial institutions, Government authorities, Export Promotion council, other semi Government 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 of the workers, staff and executives of the Emmbi family.

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2011

(MAKRAND APPALWAR)
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY OVERVIEW:

Polymer Based Packaging Industry has matured over past 25 years in this country. The industry had initially progressed in 1970 era in the developed economies like USA & EU. Over the years the industry was compelled to shift the manufacturing bases to satellite countries like Mexico and other East European countries due to uncontrollable increasing labour cost. This shift took place during 1985 to 1995. With increase in popularity in the NAFTA agreement and the formation of "European Union" the labour costs in these satellite countries went through the roof and highly labour oriented packaging industry once again started looking for the New Place to settle.

This was the same period when India experienced the "Polymer Revolution".

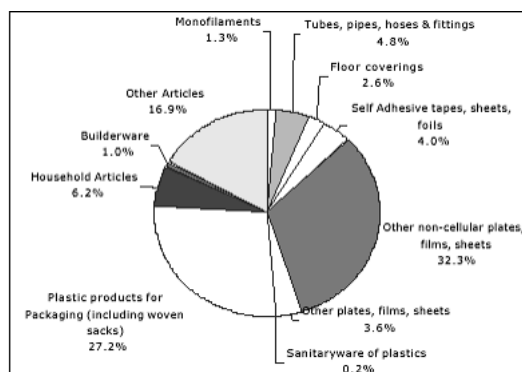
2. DOMESTIC BUSINESS OUTLOOK:

The Company is involved in producing various types of packaging material for the Domestic as well as Export Markets. In Domestic market, your Company remains one of the most active players for the packaging needs of the FMCG products such as Detergent Powder, Branded Salt and Branded Wheat flour etc.

The year under review was very successful and company has achieved a Top line growth of 46% and the profit before tax has increased by around 60%. Company continued to improve its operational profitability by conserving costs and improving efficiencies.

The Company has the philosophy of long term partnerships with clients while addressing their packaging requirements. The focused customer-centric approach of your Company has resulted in high levels of client satisfaction and retention resulting in high level of business growth year after year.

It is estimated that till the year 2015 the domestic Raffia Sector will double itself considering 2010 as a reference year. Presently around 3 Lac people are employed by this sector though out the country.



The management has initiated steps to increase the product base that has shown many positive results during the year 2010-11. The Company was able to increase its export by 34% vis a vis previous year. Company has also expanded its sales footprint from 18 Countries in the last year to around 29 Countries this year. There was also a steep growth of 51 % in the Domestic market that was achieved by launching new 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.

3. INTERNATIONAL BUSINESS OUTLOOK:

In recent years, the Company has acquired substantial 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.

In the past few years Company has set a very strong base across the globe distributing its products through various

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distribution channels in around 29 countries. Company has reached a level where the Company can reap the fruits for all the hard work put in developing the product line and distribution network across the world. The global demand of the raffia sector, which is a principal focus product line of the Company, will show a tremendous growth in years to come.

4. NEW PRODUCTS:

As planned phase I of expansion from IPO proceeds was completed during the year increasing the production capacity of the company to the tune of 12000 MT per annum. Phase II of the expansion will be completed before 30th September, 2011.

Company will be focusing its marketing efforts in developing the network in the Rural India for the distribution of its Specialty product "Flexi Tank". This will give company a sound footage in the market of water storage which is estimated to be in the range of Rs. 10,000 crores.

Company was able to maintain the sale of its rural shopping bags through the rural weekly markets.

Your Company has developed skills and facility to manufacture "Technical Textile" that will be converted in various value added usages. These applications of Technical Textile are under development by the Company on its own and also along with the users.

5. OPPORTUNITIES AHEAD:

Your Company has maintained a steady growth inspite of intense competition and rising raw material prices 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 packaging 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 capacity addition 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.

6. SEGMENTWISE OR PRODUCTWISE PERFORMANCE:

Your Company operates only in one segment which wide range of custom made products for the packaging need of the customers.

7. QUALITY MANAGEMENT SYSTEMS:

Management has initiated a new "Quality Value Programme" for the implementation of Various Quality Standards in the Company. Company has moved to next level of implementation of ISO – 22000 HACCP, a standard respected by the Food Grade Packaging Industry Globally. This would help the Company to penetrate the market of the high returns regime i.e. Food & Pharmaceutical Industry.

Your Company has successfully completed the process of up-gradation of its certificate from ISO 9001: 2000 to ISO 9001: 2008. This would position the Company with the latest level of global quality standard.

8. MEMBERSHIP OF EUROPEAN FIBC MANUFACTURING ASSOCIATION:

Your Company has the distinct honor to be a First Non European FIBC Manufacturing Company to be part of European FIBC Manufacturing Association. This affiliation would help the Company to gain much higher confidence in the products of the Company from European Customers.

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.

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10. FINANCIAL HIGHLIGHTS WITH RESPECT TO OPERATIONAL PERFORMANCE:

(Rs. In lacs)

Particulars	F.Y. 2010-11	F.Y. 2009-10	% Change
Sales and other income	7580.88	5192.81	46
Net profit after interest, depreciation and Tax	256.87	174.71	47

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 Emmbi Polyarns Limited

Place: Mumbai
Date: 30th May, 2011

(Makrand Appalwar)
Chairman & Managing Director

Emmbi Polyarns Limited

CORPORATE GOVERNANCE REPORT

As per the Clause 49 of Listing Agreement with Stock Exchange, incorporate certain mandatory disclosure requirements with regard to Corporate Governance. Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures the accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations and societal expectations. In pursuance of the requirements of Corporate Governance, the Board of Directors Report the following;

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is an ongoing process and Company continuously strives for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings which is shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself by trustee of its Shareholders aims at maximizing shareholders value and protecting the interest of other stakeholders.

II. BOARD OF DIRECTORS:

i) Composition of the Board of Directors:

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, at least 50% of the Board should consist of Independent Directors, if the Chairman is an Executive Director.

The strength of the Board was 6 Directors as on 31st March, 2011 comprising of three promoter Directors consisting of One Managing Director, One Whole-Time Director and One Non-Executive Director and three Independent Directors. The independent Directors do not have any material or pecuniary relationship or transaction with the Company, its promoters or its management, which may affect their judgment in any manner.

The composition of Board and category of Directors is as follows:

STRENGTH OF BOARD

Sr. No.	Name of Director	Category & Designation
	1. Mr. Makrand Appalwar	Executive & Non-Independent Chairman & Managing Director
	2. Mrs. Rinku Appalwar	Executive & Non-Independent Director – Finance
	3. Dr. Mitravinda Appalwar	Non-Executive & Non-Independent Director
	4. Mr. Sanjay Rathi	Non-Executive & Independent Director
	5. Mr. Prashant Lohiya	Non-Executive & Independent Director
	6. Dr. Venkatesh Joshi	Non-Executive & Independent Director

None of the Directors hold Directorship in more than the permissible no. of Company 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.

ii) Board Meetings:

The Board met 5 times during the year from April, 2010 to March, 2011, i.e. as per following:

Sr. No.	Board Meetings
1	31.05.2010
2	14.08.2010
3	14.11.2010
4	11.12.2010
5	11.02.2011

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The necessary quorum was present for all the meetings.

Attendance of Board Meetings:

Sr. No.	Director	Attendance of Board Meetings
1	Makrand Appalwar	5
2	Rinku Appalwar	5
3	Mitravinda Appalwar	2
4	Sanjay Rathi	5
5	Venkatesh Joshi	2
6	Prashant Lohiya	2
7	Ashesh Garg*	4

*Since resigned w.e.f. 11th December, 2010.

iii) Directors seeking Appointment & Re-appointment:

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

Sr. No.	Director	Category	Profile
1	Rinku Appalwar	Executive Director	DOB: 19-08-1971 Education: BSC (Chem) DMM,DAM
2	Sanjay Rathi	Non-Executive Independent Director	DOB: 06-05-1965 Education: B.Com, LLB & Company Secretary

- b. Dr. Venkatesh Joshi, who was appointed as an Additional Director w. e. f. 11th December, 2010 pursuant to Section 260 of the Companies Act, 1956. As per the term of appointment, his term as Director expires at the forthcoming Annual General Meeting. The Company in turn has received notice from a member alongwith a deposit of Rs. 500/- in cash pursuant to Section 257 of the Companies Act, 1956 signifying his intention to appoint him as Director of the Company liable to retire by rotation. The Directors recommend his appointment in the best interests of the Company.

III. AUDIT COMMITTEE:

The Audit Committee of the company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. 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.

- Overseeing of the Company's financial reporting process and disclosure of financial information and financial risk management policies.
- Review of quarterly and annual financial statements ensuring compliance with regulatory guidelines before submission to the Board of Directors
- Review of adequacy of internal control systems and discussions of significant internal audit findings including internal control and weakness, if any.
- Recommend appointment, removal of statutory auditors and payment of fees to them and appointment of CFO/ whole-time Finance Director.
- Review management discussion and analysis of financial condition and results of operation.
- Review areas of operation of internal audit team and their performance.
- Review the statement of significant related party transactions.

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Present composition of the committee:

Sr. No.	Name of the member	Position	Status	Meetings attended
1.	Mr. Sanjay Rathi	Chairman	Non-Executive Independent Director	4
2.	Ms. Rinku Appalwar	Member	Promoter–Director (Finance)	4
3.	Mr. Prashant Lohiya (w.e.f. 31.05.2010)	Member	Non-Executive Independent Director	2
4.	Dr. Venkatesh Joshi (w.e.f. 11.12.2010)	Member	Non-Executive Independent Director	2
5.	Mr. Ashesh Garg (upto 11.12.2010)	Member	Non-Executive Independent Director	3

Meeting and attendance

- The audit committee meetings were held for four (4) times during the Financial Year 2010-11 on 31.05.2010, 14.08.2010, 14.11.2010, 11.02.2011.
- The Chairman of the Audit Committee Mr. Sanjay Rathi was present at the Annual General Meeting held on 30th September 2010 to answer the shareholders' queries.
- Quorum of the committee is two (2) independent directors.
- The internal auditors, head of finance and statutory auditors are permanent invitees at the meetings. The Company secretary acts as secretary to the committee.
- Minutes of the audit committee are placed before and discussed in the Board Meeting held subsequently.

iv. REMUNERATION COMMITTEE:

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 remuneration committee recommends and the Board of Directors determine the remuneration to the Managing Director and Whole Time Director within the framework as approved by the Shareholders and also decide on the sitting fees to be paid to the Non-Executive Directors and Independent Directors for attending the Board Meetings.

Present composition of the committee:

Sr. No.	Name	Position	Category
1.	Sanjay Rathi	Chairman	Non-Executive Independent Director
2.	Prashant Lohiya(w.e.f. 31.05.2010)	Member	Non-Executive Independent Director
3.	Venkatesh Joshi(w.e.f. 11.12.2010)	Member	Non-Executive Independent Director
4.	Ashesh Garg(upto 11.12.2010)	Member	Non-Executive Independent Director

The details of remuneration paid to the Managing Director and Whole-Time Director during the year ended 31st March, 2011 is given as follows:

Director	Position	Remuneration	Service Contract
Mr. Makrand Appalwar	Managing Director	Rs. 33,50,000 p.a.	3 Years
Mrs. Rinku Appalwar	Whole-Time Director	Rs. 30,50,000 p.a.	3 Years

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

Sr. No.	Name of Director	Sitting Fees paid
1	Sanjay Rathi	Rs. 25,000
2	Prashant Lohiya	Rs. 10,000
3	Venkatesh Joshi	Rs. 10,000
4	Ashesh Garg	Rs. 20,000
5	Mitravinda Appalwar	Rs. 10,000

V INVESTORS/SHAREHOLDERS GRIEVANCES COMMITTEE:

The Company has constituted a shareholders/investors Grievances 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.

The Committee oversees performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Present composition of the committee:

Sr. No.	Name	Position	Category
1.	Venkatesh Joshi (w.e.f. 11.12.2010)	Chairman	Non-Executive Independent Director
2.	Rinku Appalwar	Member	Promoter – Director (Finance)
3.	Ashesh Garg (upto 11.12.2010)	Member	Non-Executive Independent Director
4.	Sanjay Rathi	Member	Non-Executive Independent Director

Details of Investor Complaints:

The Corporate secretarial department and Datamatics Financial Services Limited, RTA, attend all the grievances of the investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs and Registrar of Companies etc.

During the year company had received two complaints from SEBI regarding non-allotment of shares to the investor. The complaint was solved promptly and Company had sent reply to the report to SEBI & the investor.

VI. COMMITTEE OF DIRECTORS:

The Company has constituted a Committee of Directors to handle the day to day 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 and such other authorities/ bodies/ departments such as Sales tax, Luxury 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 upto Rs 500 lacs for any one borrowing and opening of bank accounts and discharge procedural requirements for availing loans/opening bank.

Present composition of the committee:

Sr. No.	Name	Position	Category
1.	Makrand Appalwar	Chairman	Promoter – Director
2.	Rinku Appalwar	Member	Promoter – Director (Finance)
3.	Mitravinda Appalwar	Member	Non-Executive Non - Independent Director
4.	Sanjay Rathi	Member	Non-Executive Independent Director

Emmbi Polyarns Limited

VII. DISCLOSURES:

There are no materially significant transactions made by the Company's with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

VIII. MEANS OF COMMUNICATIONS:

The quarterly results are published properly and also displayed on the Company's website.

In accordance with Clause 54 of the Listing Agreement, the following details are displayed on the company's website www.fibcindia.com

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

IX. GENERAL SHAREHOLDER INFORMATION:

General Body Meetings:

Date time and venue for the last 3 Annual General Meetings are given below;

Fin. Year	Date	Time	Location
31-03-2008	21 st July, 2008	11.00 a. m.	Registered Office of the Company
31-03-2009	20 th August, 2009	10.30 a. m.	-do-
31-03-2010	30 th September, 2010	10.00 a.m.	The Renaissance Federation Club, Juhu Varsova Road, Andheri (West), Mumbai 400053

Ensuing Annual General Meeting:

Day, date and time : Tuesday, 27th September, 2011, at 11 a.m.

Venue : The Renaissance Federation Club, Juhu Varsova Road, Andheri (West), Mumbai 400053

Dividend payment date : On or before 25th October, 2011

Reporting of unaudited / audited financial results in respect of Financial Year 2011-12:

- (a) First quarter results : On or before 14th Aug. 2011
- (b) Second quarter results with half yearly results : On or before 14th Nov. 2011
- (c) Third quarter results : On or before 14th Feb. 2012
- (d) Fourth quarter results : On or before 15th May 2012
- (e) Audited results for year ended on 31st March, 2012 : On or before 31 May, 2012
- (f) Annual General Meeting for the year 2011-12 : On or before 30 Sept. 2012

Financial Year:

1st April, to 31st March.

Book Closure:

23rd September, 2011 to 27th September, 2011 (both days inclusive).

Dividend:

Company has declared Dividend @ 20 paise per share for the financial year 2010-11, subject to approval of shareholders.

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Listing of Shares:

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

Annual listing fees for the financial year 2011-2012 have been paid to the above stock exchange.

Stock market data month wise high, low and volume:

Demat Script Code No. - ISIN: INE 753K01015

Month wise	High Price	Low Price	No. of Shares
Apr-10	23.1	18.25	2365584
May-10	18.8	14.25	1695345
Jun-10	20.3	14.55	3284954
Jul-10	20.2	17.3	1181371
Aug-10	19.1	16.5	793336
Sep-10	22.7	16.5	2408713
Oct-10	22.3	19	1215660
Nov-10	24	16.75	1535928
Dec-10	19.4	15.7	282567
Jan-11	17.9	14.9	168457
Feb-11	16.5	13.25	222623
Mar-11	14.4	12.47	331401

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. 66712192.; E-mail : emmbipro@dfssl.com

Share Transfer System:

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

Shareholding Pattern:

Pattern of shareholding by ownership as on 31st March, 2011.

Category	No. of Shares Held	% of Share Holding
A. Promoter's Holding		
1. Promoters	78,03,250	47.32
- Indian Promoters	00	00
- Foreign Promoters	00	00
2. Person Acting In Concern	00	00
Sub – Total	78,03,250	47.32

Emmbi Polyarns Limited

Category	No. of Shares Held	% of Share Holding
B.Non – Promoter’s Holding		
3. Institutional Investors		
- Mutual Funds & UTI	00	00
- Banks, Fis, Insurance Cos.,	00	00
- (Central/ State Govt. Inst., Non-Govt. Inst.)	00	00
- FIIS	00	00
Sub – Total	00	00
4. Others		
- Private Corporate Bodies	15,41,409	9.34
- Indian Public	70,51,502	42.76
- NRIs / OCBs / FIIS	94,089	00.57
- Any other (please specify)(Clearing Member)		
Sub – Total	86,87,000	52.67
Grand – Total	1,64,90,250	100.00

Distribution of shareholding as on 31st March, 2011:

Number of equity shares	Number of shareholder	% of shareholders
Upto 500	6600	75.74
501 to 1000	1043	11.97
1001 to 2000	514	5.90
2001 to 3000	185	2.12
3001 to 4000	83	0.95
4001 to 5000	70	0.80
5001 to 10000	107	1.23
10001 to 50000	89	1.02
50001 to 100000	11	0.13
1000001 & above	12	0.14
Total	8714	100.00

Dematerialization of shares and liquidity

100% of shareholding has been dematerialized.

Description	Cases	Shares	%
Physical	1	10	0
CDSL	3744	8664208	52.54
NSDL	4969	7826032	47.46
TOTAL	8714	16490250	100

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Trading in Equity Shares of the Company is permitted only in dematerialized form.

Plants at:

Rakholi, Silvassa

99/2/1 and 99/2/9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, Silvassa 396230 (UT of D&NH)

Masat, Silvassa

191/2/4, Masat Village, Meghwad Road, Silvassa 396230 (UT of D&NH)

Address for correspondence:

- Queries on Annual Report and dividend be addressed to Secretarial Department, Emmbi Ployarns Limited, 601-604, Hari Om Chambers, 6th Floor, Behind Sahara Samay, Off. New Link Road, Andheri (West) , Mumbai 400053
- **Designated email id for investors:** investor.grievances@emmbi.com
- **Company identification number:** L17120MH1994PLC083322 and **ISIN:** 753K01015
- **Compliance**

This section of the report together with the information given under the Management Discussion and Analysis constitute a detailed compliance report on Corporate Governance.

The Company has complied with mandatory requirement of Corporate Governance. The Board would review implementation of non mandatory requirements.

Practicing Company Secretary's certificate regarding compliance of conditions of Corporate Governance is annexed to this report.

Declaration by the CEO on Code of Conduct as required by Clause 49I(D)(ii)

This is to declare that the Company has received affirmations of compliance with the applicable Code of Conduct from the Directors and Senior Management personnel of the Company in respect of the financial year 2010-2011.

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2011

Sd/
(MAKRAND APPALWAR)
Chairman & Managing Director

Emmbi Polyarns Limited

CEO/CFO Certificate

To,
The Board of Directors
Emmbi Polyarns Limited

Dear Sirs,

We hereby certify that -

- (a) we have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2011, and that to the best of our knowledge and belief:
 - (i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We hereby certify that
 - (i) there have been no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in accounting policies during the year; and
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Mumbai
Date: 30th May, 2011

Sd/
Makrand Appalwar
Managing Director

Sd/
Rinku Appalwar
Finance Director

CORPORATE GOVERNANCE CERTIFICATE

TO THE MEMBERS,
EMMBI POLYARNS LIMITED

We have examined the compliance of conditions of corporate governance by Emmbi Polyarns Limited for the year ended 31st March, 2011 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,**

Place: Mumbai
Date: 30th May, 2011

Sd/-
Sanjay Dholakia
Practising Company Secretary
Proprietor

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Auditor's Report

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF EMMBI POLYARNS LIMITED, MUMBAI.

1. We have audited the attached Balance Sheet of EMMBI POLYARNS LIMITED, MUMBAI as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 (' the Act') and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the Company.
4. In accordance with the provision of section 227 of the Companies Act , 1956, we report as under :
 - 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 such Books.
 - iii. The said Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account.
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by the report is in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - v. On the basis of written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that the none of the Directors are disqualified as on 31st March, 2011 from being appointed as Director under clause (g) of sub-section (1) of Section 274 of the Companies act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in 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 31st March, 2011.
 - b) In the case of the Profit and Loss Account , of the Profit for the year ended on 31st March, 2011.
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March, 2011.

For and on behalf of
K. J. SHAH & ASSOCIATES
Chartered Accountants
FRN : 127308W

Sd/-
K. J. SHAH
Proprietor
Membership No. 030784

Place : Mumbai
Dated : 30th May, 2011

Emmbi Polyarns Limited

Annexure to the Auditor's Report of even date to the members of Emmbi Polyarns Limited.

- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. 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.

There was no substantial disposal of fixed assets during the year.

- (ii) The management has conducted physical verification of inventory at reasonable intervals. 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. 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 need 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) Maintenance of cost records under section 209 (1) (d) of the Act have not been prescribed by the Central Government.
- (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 31st March, 2011 for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there are no dues of Sales Tax, Custom duty, Wealth Tax, Excise duty, Service Tax, Cess and other statutory dues which has not been deposited on account of any dispute.
- (x) The Company has neither accumulated losses as at March 31, 2011 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) Based on our examination and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit/Nidhi/Mutual Benefit Fund/Society and Clause (xiii) of the Order is not applicable.

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- (xiv) In our opinion, and according to the information and explanation given to us, there is no dealing or trading in shares, securities, debentures and other investments.
- (xv) On the basis of the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The term loan taken by the company has been applied for the purpose for which they were raised.
- (xvii) On the basis of our examination of the books of accounts and information and explanation given to us, in our opinion, no funds have been raised on short term basis.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books of accounts 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.

For and on behalf of
K. J. SHAH & ASSOCIATES
Chartered Accountants
FRN : 127308W

Sd/-
K. J. SHAH
Proprietor
Membership No. 030784

Place : Mumbai
Dated : 30th May, 2011

Emmbi Polyarns Limited

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
a) Share Capital	1	164,902,500	164,902,500
b) Reserves & Surplus	2	303,918,864	282,075,630
		468,821,364	446,978,130
2. Loan Funds			
a) Secured Loans	3	291,102,419	122,455,722
b) Unsecured Loans	4	4,410,353	17,403,575
		295,512,772	139,859,297
3. Deferred Tax Liability (Net)			
		23,556,488	13,320,509
TOTAL		787,890,623	600,157,936
II. APPLICATION OF FUNDS			
1. Fixed Assets: (At Cost)			
a) Gross Block	5	269,205,029	190,096,872
b) Less: Depreciation		48,726,887	38,357,875
c) Net Block		220,478,142	151,738,998
d) Capital Work In Progress		108,809,949	10,224,305
		329,288,091	161,963,303
2. Investments			
	6	3,677,007	125,463,018
3. Current Assets, Loans and Advances			
a) Inventories	7	203,420,347	115,794,423
b) Sundry Debtors	8	159,160,011	120,683,360
c) Cash and Bank Balances	9	26,646,962	7,626,011
d) Loans and Advances	10	109,865,781	117,339,904
		499,093,102	361,443,699
Less:			
4. Current Liabilities & Provisions			
a) Current Liabilities	11	21,347,293	38,698,296
b) Provisions		23,106,879	10,354,784
		44,454,172	49,053,080
Net Current Assets		454,638,929	312,390,619
5. Miscellaneous Expenditure			
Miscellaneous expenses (to the extent not written off or adjusted)	12	286,596	340,996
TOTAL		787,890,623	600,157,936
Notes to the Accounts		19	

Schedules referred to above and notes attached there to form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of

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

Sd/-
K. J. SHAH (Proprietor)
Membership No. 030784
Place : Mumbai
Dated : 30th May, 2011

Sd/-
Ashvini Godbole
Company Secretary

On behalf of the Board.

1. Sd/-
Makrand Appalwar

2 Sd/-
Rinku Appalwar
Directors

Place : Mumbai
Dated : 30th May, 2011

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	For the year Ended on 31st March, 2011 Rupees	For the year Ended on 31st March, 2010 Rupees
INCOME			
Export Sales		281,769,909	212,869,372
Domestic Sales		494,898,893	326,716,799
Gross Turnover		<u>776,668,802</u>	<u>539,586,171</u>
Less : Excise Duties		22,648,444	21,223,869
Net Turnover		<u>754,020,358</u>	<u>518,362,302</u>
Other Income	13	<u>4,068,201</u>	<u>918,389</u>
		<u>758,088,560</u>	<u>519,280,691</u>
II. EXPENDITURE			
Cost of Materials	14	525,371,186	345,306,409
Manufacturing Expenses	15	66,197,754	59,957,063
Payment to and provisions for employees	16	34,174,232	20,085,459
Selling and administrative expenses	17	57,871,820	36,420,393
		<u>683,614,993</u>	<u>461,769,324</u>
Profit before Financial Expenses and Depreciation		74,473,567	57,511,368
Less : Financial Expenses	18	18,830,183	20,521,512
Less : Depreciation		<u>10,369,013</u>	<u>8,537,732</u>
PROFIT BEFORE TAXATION		<u>45,274,372</u>	<u>28,452,124</u>
Less : Provision For Taxation			
- Current Income Tax		8,428,099	4,993,840
- Deferred Income Tax (Including Earlier Year)		10,235,979	5,844,430
- Excess Provision of Income Tax (Net)		-	(120,793)
- Short Provision of Fringe Benefit Tax (Net)		3,539	22,054
		<u>26,606,755</u>	<u>17,712,593</u>
PROFIT AFTER TAXATION		<u>26,606,755</u>	<u>17,712,593</u>
Less : Expenses of Previous Year		919,750	-
PROFIT AVAILABLE FOR APPROPRIATION		<u>25,687,005</u>	<u>17,712,593</u>
Appropriation :			
Less : Proposed Dividend		3,298,050	-
Dividend Distribution tax		547,773	-
SURPLUS CARRIED TO BALANCE SHEET		<u>21,841,182</u>	<u>17,712,593</u>
Earning Per Share (Refer Note.12) : BASIC		1.56	2.04
Earning Per Share (Refer Note.12) : DILUTED		1.56	2.04
Notes to the Accounts	19		

Schedules referred to above and notes attached there to form an integral part of the Profit and Loss Account
This is the Balance Sheet referred to in our report of even date.

For and on behalf of
K. J. SHAH & ASSOCIATES
Chartered Accountants
FRN : 127308W

Sd/-
K. J. SHAH (Proprietor)
Membership No. 030784
Place : Mumbai
Dated : 30th May, 2011

Sd/-
Ashvini Godbole
Company Secretary

On behalf of the Board.

1. Sd/-
Makrand Appalwar

2. Sd/-
Rinku Appalwar
Directors

Place : Mumbai
Dated : 30th May, 2011

Emmbi Polyarns Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE : '1'	AS AT 31st March, 2011 Rupees	AS AT 31st March, 2010 Rupees
SHARE CAPITAL		
Authorised Share Capital		
1,80,00,000 (Previous year 1,80,00,000) equity shares of Rs. 10/- each	180,000,000	180,000,000
	<u>180,000,000</u>	<u>180,000,000</u>
Issued, Subscribed & Paid-up		
1,64,90,250 Equity shares(1,64,90,250) of Rs. 10/- each fully paid up	164,902,500	164,902,500
Of the above:		
i) 46,99,530 Equity Shares of Rs. 10 Each fully paid up were allotted on Dt: 20.08.2009 by way of bonus shares by capitalising free reserves of the company.		
ii) 50,000 Pref. Shares fully converted to Equity shares of Rs. 10 each during the year ended 31st March, 2007.		
iii) 86,57,700 Equity Shares of Rs. 10/- each were issued during the year ended 31st March, 2010 for cash as initial public offer in February, 2010		
	<u>164,902,500</u>	<u>164,902,500</u>
SCHEDULE : '2'		
RESERVES & SURPLUS		
a) Securities Premium A/c		
As per last Balance Sheet	264,244,948	-
Add : Premium on Issue of Equity Shares	-	303,019,500
Add: (Less) : Share Issue (expenses) refund	2,052	38,774,552
	<u>264,247,000</u>	<u>264,244,948</u>
b) Profit and Loss Account :		
As per last Balance Sheet	17,830,682	47,113,389
Add : Profit after tax	21,841,182	17,712,593
Less : Issue of Bonus Shares	-	(46,995,300)
	<u>39,671,864</u>	<u>17,830,682</u>
	<u>303,918,864</u>	<u>282,075,630</u>

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SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31st March, 2011 Rupees	AS AT 31st March, 2010 Rupees
SCHEDULE : '3'		
SECURED LOANS		
1. FROM BANKS :		
Term Loan : (Note 1)	57,586,284	52,586,181
Working capital : (Note 1)	228,041,024	68,261,158
Hire Purchase loan (Note 2)	4,712,843	-
	290,340,151	120,847,339
2. OTHER LOAN : (Note 1)		
a) From Banks	-	581,952
b) From Corporate	762,268	1,026,431
	762,268	1,608,383
	291,102,419	122,455,722

Notes:

1. (a) Secured by way of deposit of the title deed in respect of all the immovable properties of the Company situated at plot no. 191/2/4 at village Masat and at plot no. 99/2/1, Madhuban Ind. Estate, Rakholi , Taluka Silvassa within UT of Dadara and Nagar Haveli .
- (b) Secured by way of hypothecation of movables including movable machinery, machinery spares, tools and accessories, present and future.
- (c) Secured by hypothecation of all inventories, book debts and other current assets.
2. The Company has purchased cars and transport vehicles under hire purchase scheme and the said loan is secured by the hypothecation of vehicles acquired under the loan.
3. Rupee term loan repayable within twelve months Rs. 2,21,52,519/- (Previous year Rs. 1,71,49,744/-).

SCHEDULE: '4'

UNSECURED LOANS :

From Banks & Inter Corporates (Amount repayable within twelve months Rs.31,11,842 /-) (Previous Year Rs.1,28,68,803/-)	4,410,353	17,119,575
Loans from Directors and shareholders (Amount repayable within twelve months Rs. NIL/-)(Previous Year Rs.NIL/-)	-	284,000
	4,410,353	17,403,575

Emmbi Polyarns Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET SCHEDULE "5" : FIXED ASSETS

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost of Acqui. As on 1-4-2010	Addition during the year	Deduction during the year	Cost as on 31-03-2011	Up to 1-4-2010	Charge for the period	Deduction during the year	Total up to 31-03-2011	As on 31-03-2011	As on 31-3-2010
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
1	Land : Freehold	7,548,499	-	-	7,548,499	-	-	-	-	7,548,499	7,548,499
2	Building	46,235,901	207,346	-	46,443,247	6,360,991	1,547,669	-	7,908,660	38,534,586	39,874,909
3	Compound Wall	263,916	-	-	263,916	111,243	8,815	-	120,057	143,859	152,673
4	Plant and Machinery	112,995,980	70,043,793	-	183,039,773	24,103,477	6,429,506	-	30,532,983	152,506,789	88,892,502
5	Electrical Installation	5,756,320	54,200	-	5,810,520	1,504,928	275,029	-	1,779,957	4,030,564	4,251,392
6	Furniture & Fixtures	5,857,156	1,836,586	-	7,693,742	1,412,625	461,179	-	1,873,805	5,819,937	4,444,530
7	Crates	711,271	-	-	711,271	148,595	45,023	-	193,619	517,653	562,676
8	Office Equipment	4,089,732	1,007,505	-	5,097,238	1,971,302	661,535	-	2,632,837	2,464,400	2,118,430
9	Other Equipment	77,020	-	-	77,020	48,764	4,875	-	53,639	23,381	28,256
10	Vehicles	6,561,078	5,958,726	-	12,519,804	2,695,949	935,381	-	3,631,330	8,888,474	3,865,128
		190,096,872	79,108,156	-	269,205,029	38,357,875	10,369,013	-	48,726,887	220,478,142	151,738,998
	CAPITAL WORK IN PROGRESS :-										
11	New Factory Bldg Rakholi	10,224,305	14,208,619	-	24,432,924	-	-	-	-	24,432,924	10,224,305
12	New Plant & Mach. (Rakholi)	-	71,118,219	-	71,118,219	-	-	-	-	71,118,219	-
13	New Electrical Instt. (Rakholi)	-	1,597,053	-	1,597,053	-	-	-	-	1,597,053	-
14	New Factory Bldg (99/2/9) (Including Land)	-	11,661,754	-	11,661,754	-	-	-	-	11,661,754	-
		10,224,305	98,585,644	-	108,809,949	-	-	-	-	108,809,949	10,224,305
	GRAND TOTAL	200,321,177	177,693,801	-	378,014,978	38,357,875	10,369,013	-	48,726,887	329,288,091	161,963,303
	Previous Year	171,809,940	30,366,554	1,855,317	200,321,177	30,034,073	8,537,732	213,930	38,357,875	161,963,303	141,775,867

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SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31st March, 2011 Rupees	AS AT 31st March, 2010 Rupees
SCHEDULE : '6'		
INVESTMENTS :		
Unquoted Shares:		
Zoroastrian Co-op Bank Ltd. - Share account 2500 shares of Rs 40/- each, fully paid up	100,000	100,000
Saraswat Co-op Bank Ltd. - Share account 2500 shares of Rs 10/- each, fully paid up	25,000	25,000
Shares of Global Bag S.R.O.	3,552,007	-
Unquoted Mutual Funds :		
HDFC Cash Management Fund-Treasury Advantage Plan	-	20,051,658
LIC MF Liquid Fund - Dividend Plan	-	65,179,889
UTI MF - Dividend Plan	-	40,106,471
	3,677,007	125,463,018
SCHEDULE : '7'		
INVENTORIES		
(At Cost or Market Value whichever is lower)		
Raw materials	61,506,373	27,403,893
Work-in-process	106,474,236	63,811,844
Finished Goods	30,107,286	22,076,991
Stores & Spares	4,149,215	2,501,695
Trading - Stock	1,183,237	-
	203,420,347	115,794,423
SCHEDULE : '8'		
SUNDRY DEBTORS		
Unsecured (Considered Good)		
Debts Outstanding for more than Six months :		
Considered good	11,867,862	11,958,785
Considered doubtful	-	-
	11,867,862	11,958,785
Others : Considered Good	147,292,149	108,724,575
	159,160,011	120,683,360

Emmbi Polyarns Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31st March, 2011 Rupees	AS AT 31st March, 2010 Rupees
SCHEDULE : '9'		
CASH AND BANK BALANCES		
Cash on hand	3,113,819	3,192,196
Balances with Scheduled Banks :		
On Current account:	19,977,127	1,590,082
On Term deposits	3,556,017	2,843,733
	<u>26,646,962</u>	<u>7,626,011</u>
SCHEDULE : '10'		
LOANS AND ADVANCES		
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received	75,003,761	93,298,813
Balance with Central Excise Authorities	12,702,317	11,372,238
Deposits - Others	1,484,150	3,026,186
Prepaid expenses	5,381,840	1,636,489
Advance Income Tax and TDS	10,286,409	6,340,286
Advance Fringe benefit Tax	472,710	472,710
MAT Credit Entitlement	4,534,594	1,193,182
	<u>109,865,781</u>	<u>117,339,904</u>
SCHEDULE : '11'		
CURRENT LIABILITIES AND PROVISIONS		
(A) CURRENT LIABILITIES		
Sundry Creditors - Raw Materials	5,263,076	18,910,460
Sundry Creditors - Others	2,951,029	1,773,994
Sundry Creditors - Micro, Small and Medium enterprises	-	-
Trade Deposits	-	2,762,730
Other Liabilities	13,133,188	15,251,111
	<u>21,347,293</u>	<u>38,698,296</u>
(B) PROVISIONS:		
Provision for Employees Benefit	2,137,248	1,659,075
Provision for Income Tax	16,653,994	8,225,895
Provision for Fringe Benefit tax	469,814	469,814
Provision for Dividend	3,298,050	-
Provision for Dividend Distribution tax	547,773	-
	<u>23,106,879</u>	<u>10,354,784</u>
SCHEDULE : '12'		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Miscellaneous Expenditure	286,596	340,996
	<u>286,596</u>	<u>340,996</u>

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SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the Year Ended on 31st March, 2011 Rupees	For the Year Ended on 31st March, 2010 Rupees
SCHEDULE : '13'		
OTHER INCOME		
Interest on Fixed Deposits (TDS Rs. 30,468 /-)	523,097	228,633
Dividend Income	2,087,177	374,724
Profit on Sale of Investments	193,828	-
Gain on Exchange	959,851	266,528
Sundry Balances written back	304,249	48,504
	4,068,201	918,389
 SCHEDULE : '14' : COST OF MATERIALS :		
Raw Materials Consumed :		
Opening Stock	27,403,893	5,703,215
Add : Purchases (net of material returned)	361,906,675	329,299,589
	389,310,568	335,002,804
Less : Closing stock	61,506,373	27,403,893
	327,804,195	307,598,910
 Adjustment of Stock in process and Finished goods :		
Closing Stock :		
Work-in-process	106,474,236	63,811,844
Finished goods	30,107,286	22,076,991
	136,581,522	85,888,835
Less : Opening Stocks:		
Work-in-process	63,811,844	60,453,838
Finished goods	22,076,991	6,938,519
	85,888,835	67,392,357
(Increase)/Decrease in Stock Process and Finished Goods	(50,692,687)	(18,496,479)
	277,111,508	289,102,432
 Trading :		
Opening Stock	-	-
Add : Purchases (net of material returned)	249,442,915	56,203,977
	249,442,915	56,203,977
Less : Closing stock	1,183,237	-
	248,259,678	56,203,977
 SCHEDULE : '15' : MANUFACTURING AND OPERATING EXPENSES :		
Processing, Lamination and Bag Making charges	6,240,792	6,800,640
Security Expenses	1,330,717	1,082,692
Power and Fuel	15,160,236	14,476,285
Consumable Stores	16,597,885	11,557,983
Factory Wages	13,983,026	15,623,505
Labour Charges	11,043,695	7,838,062

Emmbi Polyarns Limited

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the Year Ended on 31st March, 2011 Rupees	For the Year Ended on 31st March, 2010 Rupees
SCHEDULE : '15' : MANUFACTURING AND OPERATING EXPENSES :(contd.)		
Excise duty - Provision on Finished Stock (Net)	220,068	923,248
VAT / CST Account	-	439,327
Repairs & Maintenance	1,030,453	978,606
Container Detention Charges	49,100	79,979
Freight Charges on Stock Transfer	487,783	156,735
Godown Rent	54,000	-
	<u>66,197,754</u>	<u>59,957,063</u>
SCHEDULE : '16' : PAYMENT TO AND PROVISION FOR EMPLOYEES :		
Directors' Remuneration	6,000,000	5,700,000
Directors' Sitting Fees	75,000	65,000
Salaries, Allowances & Bonus to Staff	24,362,092	12,463,923
Contribution to PF & Admn Charges	736,944	587,740
Employees welfare	2,089,890	935,407
Provision for Gratuity and Leave encashment	910,306	333,389
	<u>34,174,232</u>	<u>20,085,459</u>
SCHEDULE : '17' : SELLING & ADMINISTRATION EXPENSES :		
Insurance	1,611,957	1,838,987
Rent	1,524,801	1,236,540
License Fees	9,000	3,200
Legal and Professional Charges	5,524,510	2,728,790
Tour & Travelling Exp.	3,116,632	842,065
Conveyance Exp.	222,829	149,023
Vehicle Expenses	1,040,814	583,195
Freight Forwarding Exp.	24,420,483	17,656,445
Telephone Expenses	1,041,830	661,550
Postage and courier Expenses	971,786	1,066,071
Printing, Stationary, Computer & Xerox Exp.	1,475,040	1,403,041
Audit Fees	750,000	500,000
Sales promotion expenses	11,250,472	3,217,139
Discount	872,846	1,250,818
Commission	118,370	75,764
Electricity expenses - Mumbai Office	324,010	239,160
Sundry Export Expenses	734,996	612,563
Loss on Sale of Fixed Assets	-	16,387
Other Miscellaneous Expenses	2,861,445	2,339,655
	<u>57,871,820</u>	<u>36,420,393</u>
SCHEDULE : '18' : FINANCIAL EXPENSES :		
Interest on :		
Term Loans	3,184,296	6,951,522
Others	2,908,954	3,058,716
Hire charges	244,286	106,460
Cash Credit Account	10,852,246	10,065,697
Export Loan	1,640,400	339,117
	<u>18,830,183</u>	<u>20,521,512</u>

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2011.

SCHEDULE : 19

A. NATURE OF OPERATIONS :

The Company is a manufacturer of various woven polymer based products. The products manufactured by the Company are used in packaging , automobiles, infrastructure and various other sectors.

B. 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.
- (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 and incidental expenses incurred during construction period and is net of cenvet credit availed.

The fixed assets are tested for impairment. There is no impairment loss.

3 Depreciation :-

Depreciation on all Tangible 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 carried 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.

Excise duty related to finished goods(domestic stock and wastage) is included under Schedule 15.

6 Revenue Recognition :-

Revenue (Income) is recognised only when it is reasonably certain that the ultimate collection will be made. Revenue and Expenses are accounted on accrual basis and at historical cost. Dividend income is accounted when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

7 Sales:-

Sales are recognised on despatch of material to customers. Sales are net of trade discount, rebates and indirect taxes payable. Rebates and discounts are accounted for as and when determined.

8 Expenses :-

Material known liabilities are provided for on the basis of available information/estimates.

Expenses are accounted on accrual basis and at historical cost.

Emmbi Polyarns Limited

SCHEDULE : 19 (Continued)

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2011: (Continued)

B. SIGNIFICANT ACCOUNTING POLICIES :

9 Contingent Liabilities :-

Contingent Liabilities are disclosed by way of Notes on Accounts. Provision is made in the accounts for those liabilities which are likely to materialise after the year end till the Finalisation of accounts and having effect on the position stated in the Balance Sheet as at the year end.

10 Employee benefits :

Provision for Gratuity and leave encashment are accounted on the basis of valuation made by the actuary.

11 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 prevailing at the year end. The exchange difference arising there from has been recognised as income / expenses in the Current Year's Profit & Loss A/c alongwith underlying transaction.
- c) The premium or discount arising at the inception of forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

12 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.

13 Taxes on Income :-

Tax expense comprises both current and deferred tax.

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.

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, in the management judgement, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

14 Earning per Share :

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on "Earnings per share".

15 Excise : Excise duty deducted from turnover represents excise duty collected on sale of goods. Excise duty shown under expenditure represents difference between excise duty on opening and closing stocks of finished goods.

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SCHEDULE : 19 (Continued)

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2011: (Continued)

C. NOTES ON ACCOUNTS:

1. Corresponding figures of the previous year have been regrouped wherever necessary to confirm to current period's figures.

	2010-11 Rupees	2009-10 Rupees
2. Contingent Liabilities not provided for :-		
Guarantee given by the Company to Electricity Department L.C.	2,850,000	2,850,000
	9,790,981	10,416,000
3. Auditor's Remuneration:	2010-11	2009-10
Audit Fee	700,000	450,000
Tax audit work.	50,000	50,000
Others :Certifying Limited review report	250,000	563,000
Service tax	103,000	109,000
TOTAL	<u>1,103,000</u>	<u>1,172,000</u>
4. Disclosure of Deferred Tax Asset & Liability :-		
Particulars	As on 31.03.11	As on 31.03.10
Deferred Tax Liability on Account of :-	Rupees	Rupees
Depreciation	4,985,326	5,963,320
Disallowance u/s 43B	480,599	-
Deferred Tax Liability	<u>5,465,925</u>	<u>5,963,320</u>
Deferred Tax Asset on Account of :-		
Disallowance u/s 43B	482,830	-
Others	3,425,663	118,890
Deferred Tax Asset	<u>3,908,493</u>	<u>118,890</u>
Deferred Tax Liability (Net)	<u>1,557,432</u>	<u>5,844,430</u>
Add : - Deferred Tax Liability of Earlier Year	8,678,547	-
Amt. of D.T. Liab. to be charged in P & L A/c.	<u>10,235,979</u>	<u>5,844,430</u>

5. Additional information pursuant to the provisions of Paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 :-

(I) Information in respect of Capacities and Production :-

	Unit of Measurment	Licensed Capacity		Installed Capacity*		Actual Production	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Polymer based finished Products	MT	N.A.	N.A.	M.T.	M.T.	M.T.	M.T.
				5000 Upto 15.01.2011	5,000	4643.748	4612.108
				12197 from 16.01.2011			

* Installed capacity is as certified by the management.

Emmbi Polyarns Limited

SCHEDULE : 19 (Continued)

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2011: (Continued)

C. NOTES ON ACCOUNTS:

(II) Information regarding Sales and Stocks :-

A. Particulars in respect of Goods Manufactured

Particulars	For the year ended on 31.03.2011		For the year ended on 31.03.2010	
	Quantity / MTS	value / Rupees	Quantity / MTS.	value / Rupees
SALES :-				
Polymer based multiple Products	4,705.786	528,446,936	4,936.121	482,714,254
Total	4,705.786	528,446,936	4,936.121	482,714,254

B. Particulars in respect of Goods Traded

Particulars	For the year ended on 31.03.2011		For the year ended on 31.03.2010	
	Quantity / MTS	Value / Rupees	Quantity / MTS.	Value / Rupees
Opening Stock	-	-	-	-
Purchases	2,394.320	249,442,915	523.345	56,203,977
Sales	2,382.970	248,221,866	523.345	56,871,918
Closing Stock	11.350	1,183,237	-	-

C. Particulars in respect of Finished Goods

OPENING STOCK				
Polymer based multiple Products	295638 NOS.	16,422,550	177745 NOS.	4,858,878
HDPE/ PP based'B' class finished Products	66500 KGS.	4,329,150	34689 KGS.	2,079,641
CLOSING STOCK				
Polymer based multiple Products	358,530 NOS.	19,333,115	295638 NOS.	16,422,550
HDPE/ PP based'B' class finished Products	107,700 KGS.	9,228,813	66500 KGS.	4,329,150

(III) Details of Raw Materials Consumed:-

Particulars	For the year ended on 31.03.2011		For the year ended on 31.03.2010	
	Quantity / MTS	value / Rupees	Quantity / MTS.	value / Rupees
Polymer granules and Films of various grades.	4,716.699	327,804,195	5,000.327	307,598,910

(IV) Details of indigenous and imported Raw Materials , components and spares consumed :-

Raw material

Particulars	For the year ended on 31.03.2011		For the year ended on 31.03.2010	
	% of total consumption	value / Rupees	% of total Consumption	value / Rupees
Raw material				
Imported	14.43%	47,317,643	12.66%	38,937,448
Indigenous	85.57%	280,486,552	87.34%	268,661,463
	100.00%	327,804,195	100.00%	307,598,910

Components and spare parts :

Imported	NIL	NIL	NIL	NIL
Indigenous	100 %	16,597,885	100 %	11,557,983

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SCHEDULE : 19 (Continued)
NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2011: (Continued)
C. NOTES ON ACCOUNTS:

	2010-11 Rupees	2009-10 Rupees		
6 Expenditure in foreign currency :				
Seminar Expenses	82,600	-		
Advertisement Expenses	38,988	-		
Foreign Bank Charges	384,487	-		
Bank Interest EXIM PCFC	1,049,086	-		
Bank Interest PNB 13 FCTL	1,640,400	-		
Books Periodicals	10,924	-		
Testing Charges	487,266	-		
Foreign Travelling Expenses	30,075	169,083		
Shares of Global Bags S.R.O.	3,552,007	-		
Product Development For Conference	-	115,954		
Market Development For Business Development	-	169,489		
EFIBCA Membership Fees	128,033	153,000		
	7,403,866	607,526		
7 Sundry Creditors include dues to small and medium scale industrial undertaking Rs.	-	-		
8 CIF Value of imports :	2010-11	2009-10		
Raw Material	47,317,643	38,937,448		
Stores and spares	Nil	Nil		
Capital Goods	Nil	Nil		
9 Earning in Foreign Exchange : Sale Value (FOB)	274,921,576	204,945,711		
10 Directors remuneration :				
a) Makrand Appalwar	3,350,000			
Less : Capitalised	<u>400,000</u>	3,000,000		
b) Rinku Appalwar	3,050,000	2,700,000		
11 The Company has received further share application money during the year Rs.	-	-		
12 Earning Per Share as computed in accordance with the AS-20	2010-11	2009-10		
Basic Earnings Per Share	Rs.1.56	Rs.2.04		
Diluted Earnings per share	Rs.1.56	Rs.2.04		
13 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.				
14 Expenditure on employees in respect of Remuneration of not less than Rs. 60,00,000/- per year where employed throughout the year or Rs. 5,00,000/- per month where employed for a part of the year.				
	Current year	Previous year		
Particulars	Throughout the year Rupees	For the part of the year Rupees	Throughout the year Rupees	For the part of the Year Rupees
Salaries, Bonus & Ex-gratia and commission	-	-	-	-
No. of Employees (Directors)	-	-	-	-

Emmbi Polyarns Limited

SCHEDULE : 19 (Continued)

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2011: (Continued)

C. NOTES ON ACCOUNTS:

	2010-11	2009-10
15 Estimated amounts of contracts remaining to be executed on Capital account (Net of Advances)	327,377	905,954

16 Disclosures required by AS 29 "Provisions, Contingent liabilities and contingent Assets."

a) Movement in provisions:

Sr. No.	Particulars of disclosure	Provision for Excise duty	Provision for Others	Totals
1	Balance as at 1-4-2010	1,325,291	99,185	1,424,476
2	Additional provision during the Period	1,545,358	124,734	1,670,092
3	Provision used during the Period	1,325,291	99,185	1,424,476
4	Provision reversed during the Period	-	-	-
5	Balance as at 31-03-2011	1,545,358	124,734	1,670,092

b) Nature of Provisions:

- i. Provision for Excise duty of Rs.1,545,358.29 on Finished stock on 31.03.2011
- ii. Other provision includes Provision for Contribution to PF

17 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.

18 Disclosures required by AS 18 relating to related parties / related party transactions.

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of Transaction Current period	Amount of Transaction Previous year (31.03.2010)	Balance 31.03.2011 (31.03.2010)
i) Makrand Appalwar	Managing Director	Net Remuneration	2,950,000	3,000,000	-
		Remuneration Capitalised	400,000		-
		Bonus Equity shares allotted	-	17,011,500	-
		Unsecured Loan (Repaid)	(35,000)	(500,000)	-
		Payable for Remuneration			(35000)* 222,191 (160751)*
		Purchase of Office Premises as per MOU dated 19.01.1999 option to purchase office premises option exercised jointly with Rinku Appalwar vide letter dated 19.08.2009	-	625,000	
ii Rinku Appalwar	Finance Director	Remuneration	3,050,000	2,700,000	-
		Bonus Equity shares allotted		11,289,300	-
		Unsecured Loan	(9,000)	(1,000,000)	-
		Payable for Remuneration			(9,000)* 170,490 (79259)*
		Purchase of Office Premises as per MOU dated 19.01.1999 option to purchase office premises option exercised jointly with Makrand Appalwar vide letter dated 19.08.2009	-	1,000,000	
iii Moreshwar Appalwar	Relative	Consultancy fees	68,750	165,000	-
		Bonus Equity shares allotted	-	712,350	-

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SCHEDULE : 19 (Continued)

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2011: (Continued)

C. NOTES ON ACCOUNTS:

iv	Emmbi Laboratories Associate Company Pvt. Ltd	Bonus Equity shares allotted	-	9,750,000	-
v	Maithili Appalwar	Relative	Unsecured Loan	(50,000)	50,000
			Bonus Equity shares allotted	-	370,500
vi	M.B.Appalwar HUF	Relative	Unsecured Loan	(190,000)	190,000
			Bonus Equity shares allotted		150
vii	Maithilee Agrotech Pvt. Ltd.	Associate Company	Bonus Equity shares allotted	-	6,300,000
vii	Mitravinda Appalwar	Relative	Bonus Equity shares allotted	-	1,164,000

*(Figures in Bracket represent Balances as on 31.03.2010)

			2010-11	2009-10
19	Exchange Gain / (Loss) on Export Debtors	Credited to Other Income	959,851	(566,722)
	Exchange Gain/(Loss) on Import Creditors	Credited to Purchase	1,925,935	833,250
	Exchange Gain/(Loss) on Sales realised	Credited to Sales	385,014	1,741,313

20 Post employment benefits

The provision for Gratuity and Leave encashment benefits are made as per Actuarial certificate.

Balance Sheet :-

i) Details of Provision for Gratuity

Particulars	2010-11	2009-10
Defined Benefit Obligation	1,930,737	1,361,796
Fair Value of Plan Assets	Nil	Nil
Plan (Assets)/Liability	Nil	Nil

ii) Change in defined benefit obligation

Particulars	2010-11	2009-10
Defined benefit obligation at the beginning of the year	1,361,796	1,407,541
Current Service cost	343,828	324,251
Interest cost @ (C.Y. 8.25% ..L.Y. 7.75%)	112,348	109,084
Actuarial (gain)/loss on obligation	122,115	(397,225)
Benefits paid during the year	(9,350)	(81,855)
Defined benefit obligation, end of the period	<u>1,930,737</u>	<u>1,361,796</u>

iii) Net Period gratuity cost

Particulars	2010-11	2009-10
Current Service cost	343,828	324,251
Interest cost on benefit obligation	112,348	109,084
Net actuarial (gain) / loss recognised in the year	122,115	(397,225)
Expected return on plan assets	Nil	Nil
Net benefit expense	<u>578,291</u>	<u>36,110</u>

iv) Details of Provision for Leave Encashment Benefits

Particulars	2010-11	2009-10
Defined Benefit Obligation	206,511	297,279
Fair Value of Plan Assets	Nil	Nil
Plan (Assets)/Liability	Nil	Nil

Emmbi Polyarns Limited

SCHEDULE : 19 (Continued)

NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2011: (Continued)

C. NOTES ON ACCOUNTS:

v) Change in defined Leave Encashment Benefit obligation

Particulars	2010-11	2009-10
Defined benefit obligation at the beginning of the year	297,279	275,860
Current Service cost	26,773	222,849
Interest cost @ (C.Y. 8.25% ..L.Y. 7.75%)	24,526	21,379
Actuarial (gain)/loss on obligation	280,716	53,051
Benefits paid during the year	(422,783)	(275,860)
Defined benefit obligation, end of the period	206,511	297,279

vi) Net Period Leave Encashment Benefits cost

Particulars	2010-11	2009-10
Current Service cost	26,773	222,849
Interest cost on benefit obligation	24,526	21,379
Net actuarial (gain) / loss recognised in the year	280,716	(216,854)
Expected return on plan assets	Nil	Nil
Net benefit expense	332,015	27,374

21 Research and development expenditure debited to the Profit and Loss account by charge to relevant heads of account amount to Rs. 15,000 (Previous year Rs. 2,75,479/-)

22 During the year the Company has acquired and redeemed the following Investments

Sr. No.	Particulars	Face Value p.u. Rupees	Opening Units as at 01.04.10	Acquired During the year	Redeemed during the year	Closing Units as at 31.03.2011
MUTUAL FUNDS :-						
i	HDFC Cash Management Fund- Treasury Advantage Plan	10.032	1,998,869	4,319	2,003,188	-
ii	LIC MF Savings Plus Daily - Div. Plan	10.000	6,517,989	91,746	6,609,735	-
iii	UTI Floating Rate Fund- Div Plan	1,000.77	40,076	497	40,573	-
iv	LIC MF Liquid Fund - Dividend Plan	10.98	-	6,097,618	6,097,618	-
v	LIC MF Liquid Fund - Growth Plan	17.28	-	3,850,712	3,850,712	-
vi	UTI Treasury Advantage Fund	1,019.45	-	30,198	30,198	-
vii	UTI Liquid Cash Plan Growth Option	1,549.42	-	15,351	15,351	-

23 The balance of Sundry Debtors and Sundry Creditors are subject to confirmation

For and on behalf of

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

Sd/-
K. J. SHAH (Proprietor)
Membership No. 030784
Place : Mumbai
Dated : 30th May, 2011

Sd/-
Ashvini Godbole
Company Secretary

On behalf of the Board.

1. Sd/-
Makrand Appalwar

2 Sd/-
Rinku Appalwar
Directors

Place : Mumbai
Dated : 30th May, 2011

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	2010-11		2009-10	
	Rs. P.	Rs. P.	Rs. P.	Rs. P.
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		45,274,371.54		28,452,123.63
Depreciation	10,369,012.66		8,537,732.11	
Interest Paid	18,830,182.69		20,521,511.81	
Market Development expenses written off	54,400.00		54,400.00	
Advance expenses for Export written off	9,127,223.76		1,541,739.00	
Provision For Gratuity	578,291.01		36,110.23	
Provision For Leave Encashment	332,015.00		297,279.00	
Donations	71,859.00		142,490.00	
Loss on Transfer of Office Premises	-		16,387.28	
Provison for Excise Duty	220,067.58		1,325,290.71	
Interest Received on Bank FD	(184,949.00)		(228,633.00)	
Dividend Received	(2,087,177.32)		(374,723.89)	
Profit on Sale of Investments	(193,827.54)		-	
Gain on Exchange	(959,850.60)		(266,528.00)	
Foreign Exchange fluctuation Profit on Sales	(385,014.04)	35,772,233.20	(1,741,313.17)	29,861,742.08
		81,046,604.74		58,313,865.71
Extraordinary Items :				
Donations	(71,859.00)		(142,490.00)	
Gain on Exchange	959,850.60		266,528.00	
Foreign Exchange Gain on Sales	385,014.04	1,273,005.64	1,741,313.17	1,865,351.17
Operating Profit Before Working Capital Changes		82,319,610.38		60,179,216.88
Adjustments for Working Capital Changes :				
Increase in Stock	(87,625,923.54)		(40,039,741.73)	
Increase in Debtors	(38,476,650.58)		(50,160,063.02)	
Decrease in Loans & Advances	5,580,034.69		(92,345,416.06)	
Decrease in Current Liabilities	(18,896,361.49)	(139,418,900.92)	17,240,617.44	(165,304,603.37)
CASH FLOW FROM OPERATIONS		(57,099,290.54)		(105,125,386.49)
Taxes Paid		(7,288,559.00)		(4,759,925.75)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)		(64,387,849.54)		(109,885,312.24)
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Pur. of Fixed Assets and additions in CWIP	(177,668,508.79)		(30,366,554.35)	
Purchase of Investments	(3,552,006.86)		(125,338,017.89)	
Sale of Office Premises	-		125,000.00	
Cost of Sale of Investments	125,338,017.89		-	
Profit on Sale of Investments	193,827.54		-	
Dividend Received	2,087,177.32		20,000.00	
Interest Received	184,949.00		228,633.00	
NET CASH USED FOR INVESTING ACTIVITIES (B)		(53,416,543.90)		(155,330,939.24)
(C) CASH FLOW FROM FINANCING ACTIVITIES :-				
Proceeds from Term Loan	169,492,812.42		(67,585,361.76)	
Repayment of Other Loan	(846,115.65)		295,802.42	
Interest paid on Loan	(18,830,182.69)		(20,521,511.81)	
Repayment of Unsecured loan	(12,993,221.72)		4,811,748.94	
Issue of equity share capital	-		389,596,500.00	
Share Issue (expenses) refund	2,052.00		(38,774,552.44)	
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		136,825,344.36		267,822,625.35
CASH GENERATED DURING THE YEAR (A+B+C)		19,020,950.92		2,606,373.87
Cash & Cash Equivalent at the beginning of the Year 01.04.2010		7,626,011.48		5,019,637.61
Cash & Cash Equivalent at the end 31.03.2011		26,646,962.40		7,626,011.48

NOTES

- 1 Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statement" issued by the ICAI.
- 2 Cash and cash equivalents at the end of the year represent cash and bank balances .

For and on behalf of
K. J. SHAH & ASSOCIATES
Chartered Accountants
FRN : 127308W
Sd/-
K. J. SHAH (Proprietor)
Membership No. 030784
Place :Mumbai
Dated : 30th May, 2011

Sd/-
Ashvini Godbole
Company Secretary

On behalf of the Board.
1. Sd/-
Makrand Appalwar
2 Sd/-
Rinku Appalwar
Directors
Place :Mumbai
Dated : 30th May, 2011

Emmbi Polyarns Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :-

I. Registration Details :-

Registration No.	:	L17120MH1994PLC083322
State Code	:	11
Balance Sheet Date	:	31-03-2011.

II. Capital Raised During the Year :-

		Rupees
Public Issue including premium	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

III. Position of Mobilisation and Deployment of Funds :-

		Rupees
Total Liabilities	:	787,890,623
Total Assets	:	787,890,623
Sources of Funds :-		
Paid - up Capital	:	164,902,500
Share application money	:	-
Reserve & Surplus	:	303,918,864
Secured Loans	:	291,102,419
Unsecured Loans	:	4,410,353
Deferred Tax Liability	:	23,556,488
Application of Funds :-		
Net Fixed Assets	:	329,288,091
Investments	:	3,677,007
Net Current Assets	:	454,638,929
Misc. Expenditure	:	286,596
Accumulated Losses	:	-

IV. Performance of Company :-

Turnover	:	758,088,560
Total Expenditure	:	712,814,188
Profit/(Loss) Before Tax	:	45,274,372
Profit/(Loss) After Tax	:	21,841,182
Earning Per Share	:	1.56
Dividend Rate	:	2.00%

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms) :-

Description		
Manufacturer of H.D.P.E./ PP Circular Woven Sacks products		392390

On behalf of the Board.

1. Sd/-
Makrand Appalwar

Sd/-
Ashvini Godbole
Company Secretary

2 Sd/-
Rinku Appalwar
Directors

Place : Mumbai
Dated : 30th May, 2011

EMMBI POLYARNS LIMITED

Registered Office: 601-604, Hari Om Chambers, Behind Sahara Samay, Off. New Link Road, Andheri (West), Mumbai 400053.

ATTENDANCE SILP

Members **attending the** meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I, hereby record my attendance at the Seventeen Annual General Meeting held on 27th September, 2011 at The Renaissance Federation Club, Juhu Varsova Link Road, Andheri (West), Mumbai 400053 at 11:00 am.

DP ID :	CLIENT ID :
NAME AND ADDRESS OF SHAREHOLDER(IN BLOCK CAPITALS)	FOLIO NO.

SIGNATURE OF THE SHARE HOLDER OR PROXY: _____



Tear Here



EMMBI POLYARNS LIMITED

Registered Office: 601-604, Hari Om Chambers, Behind Sahara Samay, Off. New Link Road, Andheri (West), Mumbai 400053.

PROXY

DP ID :	CLIENT ID :
----------------	--------------------

Folio No. _____

Name of the Shareholder(s): _____

I/We _____ of _____ Being a Member/Members of EMMBI POLYARNS LIMITED hereby appoint _____ of _____ (or failing him) _____ of _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the company to be held on Friday, 27th September, 2011 at the Renaissance Federation Club, Juhu Varsova Link Road, Andheri (West), Mumbai 400053 at 11:00 am and at any adjournment thereof.

AS WITNESS my hand/our hands this _____ day of _____ 2011.

SIGNATURE OF THE SHAREHOLDER OR PROXY _____

Affix Re. 1
Revenue
Stamp

Signed by the said

NOTE: The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting. The Proxy need not be a member of the Company.

Note: The Proxy must be lodged with the Company at its registered Office: 601-604, Hari Om Chambers, Behind Sahara Samay, Off. New Link Road, Andheri (West), Mumbai 400053, not less than Forty Eight hours before the time for holding the aforesaid meeting.