

Emmbi Polyarns Limited

18th Annual Report
2011-2012

FROM THE CHAIRMAN'S DESK



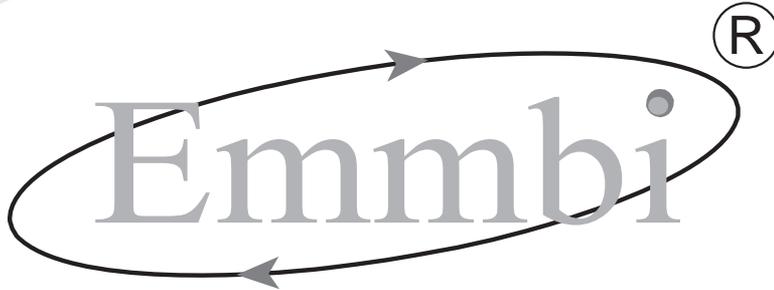
“ Emmbi sees the delivery of quality products as a duty not only towards its customers but also towards the society as a whole. We at emmbi aim to make our products reliable and eco-friendly. We sincerely hope that our endeavours can satisfy the needs of our customers and give fruitful returns to our share holders. ”

Makrand Appalwar

Chairman & Managing Director

Speciality Polymer Processing

EMMBI : AS WE SEE IT



Emmbi is perceived differently by different people, but for us it commonly signifies our happiness.

The name Emmbi is a combination of the two English alphabets - M and B which stand for the initials of our founder's father Mr. MB Appalwar. This is our way to present our respect towards elders and appreciate their contribution to our success.

The letter " i ", to us is reminiscent of the culture and tradition of our great country India and is an indication of our never ending spirit, the spirit to carry on, and the spirit to turn the odds in our favour and emerge bigger and better than before.

The blue ring signifies globalization and is a continuation of our gratitude towards our customers who have helped us make a mark internationally. The red arrowhead show the dynamic vision of the company while vouching to satisfy our customers and meet their needs at each and every point. We at Emmbi believe that Change is the only thing that is constant and as time changes we strive to progress, strong in bond with our customers, suppliers and share holders as an even larger family.

At Emmbi we firmly believe "To know you is knowhow."

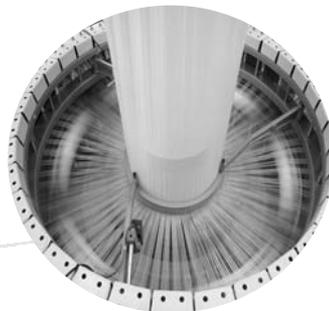
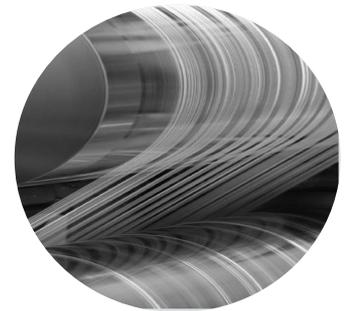
Speciality Polymer Processing

VISION



Emmbi's vision is to be a global leader in the field of Woven Polymer based products in multi-faced applications. We will achieve the same through an in-depth knowledge in polymer processing and best manufacturing practices. We will augment our "state-of-the-art" manufacturing process with innovative product applications to increase the future sustainability and growth for the country.

We are committed to the conservation of environmental resources. Company will work in generating the highest yield in "per kg polymer usage" in the products. We will work and develop products with highest level of recyclables.



Speciality Polymer Processing



Company Information

Board of Directors

Chairman and Managing Director

Makrand M. Appalwar

Executive Director

Rinku M. Appalwar

Non-Executive Directors

Dr. Mitravinda M. Appalwar

Sanjay R. Rathi

CA Prashant K. Lohiya

Dr. Venkatesh G. Joshi

Compliance Officer

Kaushal R. Patvi

Auditors

K. J. Shah & Associates

Board Committees

Audit Committee

Sanjay R. Rathi

(Chairman)

CA Prashant K. Lohiya

Dr. Venkatesh G. Joshi

Rinku M. Appalwar

Remuneration Committee

Sanjay R. Rathi

(Chairman)

CA Prashant K. Lohiya

Dr. Venkatesh G. Joshi

Shareholders'/Committee of Directors of Investors' Grievance Committee

Dr. Venkatesh G. Joshi

(Chairman)

Sanjay R. Rathi

Rinku M. Appalwar

Makrand M. Appalwar

(Chairman)

Sanjay R. Rathi

Dr. Mitravinda M. Appalwar

Rinku M. Appalwar

Bankers

Punjab National Bank

Export Import Bank of India

Major Plants Location

Unit 1

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

Unit 2

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

Unit 3

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

Registered Office

99/2/1, Madhuban Industrial Estate,
Madhuban Dam Road,
Rakholi Village,
U.T. of Dadra & Nagar Haveli,
Silvassa 396 230
E-mail: info@emmbi.com
Website: www.fibcindia.com

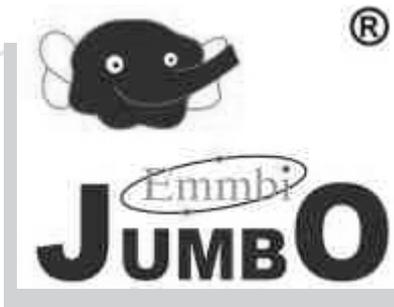
Registrars & Transfer Agents

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

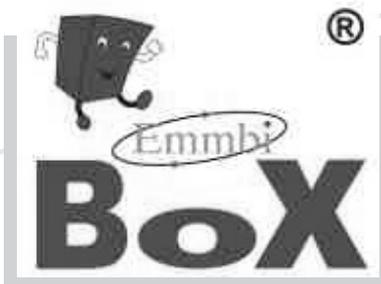
18th Annual General Meeting on Thursday, September 27, 2012 at 11.00 a.m. at 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa-396230

BRANDS

From Jumbo to Sack, Box to Flat and Shield to Aqua-Save each one of our products is customized by giving in complete nerve and sinew to make them strong, reliable and eco-friendly.



We are producing around six hundred thousand **Jumbo** bags per month. Apart from U+2 & Circular design bags, we specialize in Baffle bag, UN certified Bags, Single & Two Loop bags. In addition to standard FIBCs, we take pride in offering proprietary technology, modified carbon graphite polymer chain compound type "C" bags and chopped strand technology based static deceptive type "D" bags.



Under the brand **BOX** we specialize in Container Liners for 20' & 40' containers. We produce the liners made out of woven PP, woven PE and PE Film. These liners are suitable for carrying dry bulk cargo such as polymers, cement, fertilizers, and various other granular materials. We have world class technology to produce PE film based liquid container liners.



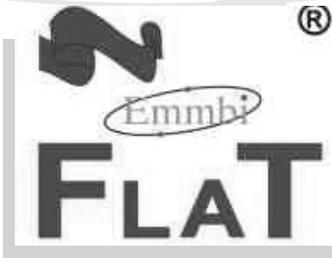
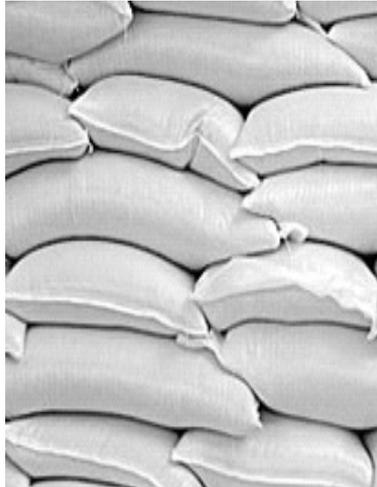
Some of the other products we produce under this brand are Garden waste bags, Rectangular bale covers & Automobile covers.

Speciality Polymer Processing

BRANDS



We are producing **more than one hundred thousand Sacks** per day of different quality from 14 to 36 inch tubular-width, from 500 to 1200 denier. Bags can be of different texture such as uncoated, extrusion coated and multi-color BOPP coated.



FLAT-A wide width Specialty fabric brand under which we offer various PE and PP woven fabric based products, such as Ground covers, Geo textiles, silt fencing, Fire retardant scaffolding, and roofing underlayment.



Speciality Polymer Processing

BRANDS



As the name suggests, "Shield" is a highly sophisticated Vapor Corrosion Inhibitor Anti-corrosive packaging material. VCI chemical with very high surface tension is impregnated in different types of polymer substrate to get perfect anticorrosive property. This material is available in the form of Woven PE bags, PE Sheets, PE Films & Bags.



Understanding its responsibility towards Mother Nature, Emmbi is happy to offer its eco friendly brand Aqua Save. The AQUA SAVE range of products, helps in conservation transportations & storage of water and various other liquids.



Speciality Polymer Processing



NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of EMMBI POLYARNS LIMITED will be held on Thursday, 27th September, 2012, at the Registered office of the Company at 99/2/1 Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa - 396230 at 11 a.m. to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2012 and audited Profit and Loss Account for the year ended 31st March, 2012 together with the reports of the Directors and the Auditors thereon.
- 2) To approve payment of Dividend of Re.0.30 per Equity Share for the year ended 31st March, 2012.
- 3) To appoint a director in place of Mr. Prashant Lohiya, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a director in place of Dr. Venkatesh Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint M/s. K. J. Shah & Associates, Chartered Accountants as Statutory Auditors and to fix their remuneration.

By Order of the Board of Directors
For **EMMBI POLYARNS LIMITED**

Date : 13th August, 2012
Place : Mumbai

Makrand Appalwar
Chairman and Managing Director

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 THE 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 Register of Members and Share Transfer Register of the Company will remain closed from Thursday, 20th September, 2012 to Wednesday, 26th September, 2012 (both days inclusive).
- 4) 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, 2012 in respect of shares held in physical mode and whose names appear in beneficial position (BENPOS) received from the depositories as on 21st September, 2012.
- 5) The members are requested to :
 - a) Inform the particulars of their bank account and any change of address to their respective **Depository Participants only and not to the Company or to the Registrars** for members holding shares in **Electronic (Demat) form**.
 - b) Submit particulars of their bank account, viz. Name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number and any change of address to the share transfer agents of the Company viz. DATAMATICS FINANCIAL SERVICES LIMITED, Plot No. A-16 and 17, MIDC, Part B Cross Lane, Marol, Andheri (East), Mumbai 400 093 for Members holding shares in **physical form**.
 - c) Address all correspondences, including dividend matters and change in address to the Share Transfer Agents DATAMATICS FINANCIAL SERVICES LIMITED, Plot No. A-16 and 17, MIDC, Part B Cross Lane, Marol, Andheri (East), Mumbai 400 093. Tel. No. 66712151-56; Fax No. 66712011, E-mail id : emmbiinvestors@dfssl.com
 - d) Quote ledger folio numbers, Client ID and DP ID in all their correspondence.
 - e) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.

18th Annual Report 2011 - 2012

- f) 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.

Information pursuant to Revised 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	Mr. Prashant Lohiya	Dr. Venkatesh Joshi
Date of Birth	22.09.1970	01.07.1956
Date of Appointment	31.05.2010	11.12.2010
Number of Shares held	6,250	Nil
Number of Warrants held	Nil	Nil
Qualifications	B. Com, FCA	M.D. (Ayurveda)
Experience in special functional Area	Vast Experience in Accounts and other related matters.	Nil
Directorship held in other Public Companies As on (31-03-2012)	Nil	Nil

Name of Director	Chairman/Membership in Committees of other Companies		
	Name of the Company	Type of Committee	Membership Status
Mr. Prashant Lohiya	Nil	Nil	N.A.
Dr. Venkatesh Joshi	Nil	Nil	N.A.



DIRECTORS' REPORT

To
The members,
Emmbi Polyarns Limited

Your Directors have pleasure in presenting the **Eighteenth Annual Report** and the Audited Financial Statements for the year ended 31st March, 2012

Particulars	Year ended on 31 st March 2012 (₹ in Lacs)	Year ended on 31 st March 2011 (₹ in lacs)
Sales	10225.73	7540.20
Other income	9.57	40.68
Total revenue	10,235.30	7,580.89
Expenditure	9,733.31	7,128.14
Profit before tax	501.99	452.74
Tax expenses	171.12	186.68
Profit after Tax	330.87	266.07
Expenses of earlier year	---	9.20
Balance	330.87	256.87
Balance brought forward	396.72	178.31
Profit available for appropriation	727.59	435.18
Excess provision of dividend tax credited	0.13	---
Balance available for appropriation	727.72	435.18
Appropriations:		
Proposed Dividend	49.47	32.98
Distribution tax on Dividend	8.03	5.48
Balance carried to Balance Sheet	670.22	396.72

DIVIDEND

Your Directors are pleased to recommend a dividend of Re 0.30 per share of the face value of ₹ 10/- each for the year ended on 31st March, 2012 (₹ 0.20 per share for the previous year) subject to the Members' approval. The dividend payment amounts to ₹ 49.47 lacs. In addition ₹ 8.03 lacs is payable towards distribution tax on dividend.

OPERATIONS

During the year under review, your Company has achieved Operational and other Income of ₹ 10235.30 lacs as against ₹ 7580.89 lacs during the previous year, registering an increase of about 35% over the previous year. Profit after providing for taxes is ₹ 330.87 lacs as against ₹ 266.07 lacs during the previous year, registering an increase of about 24% 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 18200 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 last financial year as per schedule. Second phase of increasing the capacity from 12000 MTA to 18200 MTA has been successfully completed during this financial year.

EXPORTS

Exports during the year under review were ₹ 5028 lacs (CIF) as against ₹ 2818 lacs (CIF) that is a net year on Year Growth of around 78%. Exports in the previous financial year and contributed to 48% in the net sales. Company has expanded its presence in 38 countries from 29 Countries in the previous year which has resulted in this 30 % growth in the territory.

STRATEGIC ALLIANCES

The Companies step to be Strategic partner with Global Bag s.r.o. is working in the favour of the company. Company could develop new products and geographical areas due to this alliance. This Company is one of the largest Jumbo bag distributors 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.

Company has taken a membership of Sedex which is an internationally acclaimed web exchange for the information interchange about the ethical practices and safety issues towards the people working in the company.

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

In accordance with the Articles of Association of the Company and in view of the provisions of Section 255 of the Companies Act, 1956, Dr. Venkatesh Joshi and Mr. Prashant Lohiya, 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 31st March, 2012, 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, 2012 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”.

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

COST AUDITORS

As per the Order dated 24th January, 2012 and the Companies (Cost Audit Report) Rules, 2011 and the Companies (Cost Accounting Records) Rules, 2011 issued by the Ministry of Corporate Affairs, it has become mandatory to appoint Cost Auditor for conducting the cost audit of the company.

M/s. Y. R. Doshi & Associates, Cost Accountants (Membership No. 00286F) has been appointed as Cost Auditors of the Company to audit the cost accounts for the financial year 2012-2013.

LISTING FEES

The Company confirms that the Annual Listing Fees due to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of (India) Limited (NSE) for the financial year 2012-13 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:

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. During the year the Company has exports (FOB value) worth ₹ 4891.27 lacs.

Particulars	(₹ In lacs)	
	2011-12	2010-11
Foreign Exchange Earnings	4891.27	2749.22
Foreign Exchange Outgo	940.23	548.92

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the shareholders, customers, dealers, suppliers, banks, financial institutions, Government authorities, Export Promotion council, other semi Government 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: 29th May, 2012

(Makrand Appalwar)
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY OVERVIEW

The year 2011-12 was very eventful as far as the Woven PP & PE industry is concerned. Conventionally Chain has been very large player in the Commodity sector of this industry since last two decades. With the Chinese currency Strengthening in front of various global currencies there is a typical shift of buying from the American continent.

Indian players in the international market are typically helped by this shift and considering the global trend the Indian Raffia industry will grow @ 25% for the specialty segment for next five to seven years. Your company is very well positioned to en-cash this Boom and we expect the constant growth of around 35 % to 40 % annually for next 5 to 7 years considering the present global trends.

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 Company has been very instrumental in helping its various customers in the domestic market to upgrade its packaging from the Standard 25 Kg. packaging to 1000 Kg. International Grade packaging. With the expertise of producing 1000 Kg. Packaging for the Global Market Company has a hand on experience which will come very useful in the domestic market

The year under review was very successful and company has achieved a Top line growth of around 40% and the profit before tax has increased by around 10.88%. Company continued to improve its operational profitability by conserving costs and improving efficiencies.

The management has initiated steps to increase the product base that has shown many positive results during the year 2011-12. The Company was able to increase its export by 78% vis-a-vis previous year. Company has also expanded its sales footprint from 29 Countries in the last year to around 38 Countries this year. There was also a steep growth of products in the Domestic market that was achieved by newly launched products such as “**Aqua Save**” which encompasses the Range of Water Storage Tanks from 250 Liters to 2000 Liters, Canal Liners and Pond Liners and various other property packaging products. The management is also in the process of creating a network of retail distributors for our new product range.

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.

As per the new policy of export promotion one of the Flagship product of the company's Export profile is declared under “Focus Product Scheme” of the Ministry of Commerce for the Financial Year 2012-13. This will yield a good boost to Indian Exports and in turn your company's Export performance.

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

4. NEW PRODUCTS

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 ₹ 10 thousand 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 net work. 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 utilization of added capacity will enable us to achieve growth and increase our geographical coverage. The Management intends to increase the share of higher value added products in total sales mix.

6. SEGMENT WISE 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. 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.

10. FINANCIAL HIGHLIGHTS WITH RESECT TO OPERATIONAL PERFORMANCE

(₹ In lacs)

Particulars	F.Y. 2011-12	F.Y. 2010-11	% Change
Sales and other income	10235.30	7580.89	35%
Net profit after interest, depreciation and Tax	330.87	266.07	24%

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.

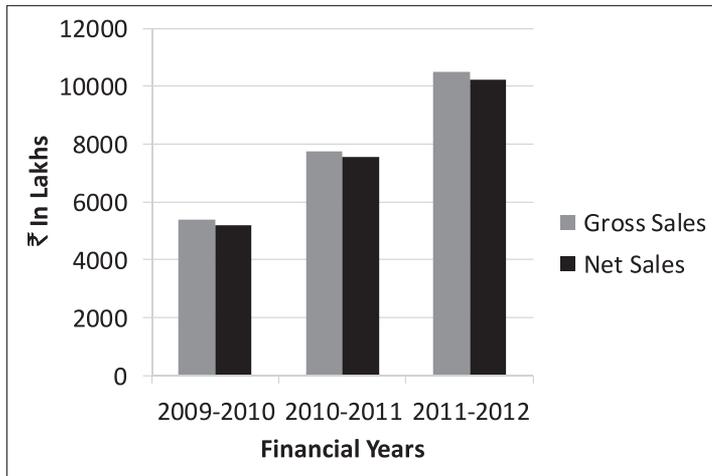
For EMMBI POLYARNS LIMITED

Place: Mumbai
Date : 29th May, 2012

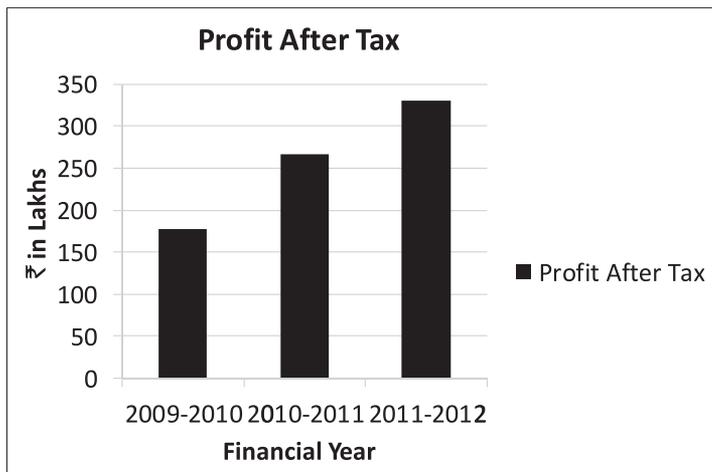
(Makrand Appalwar)
Chairman & Managing Director

GROSS & NET REVENUE FROM OPERATIONS

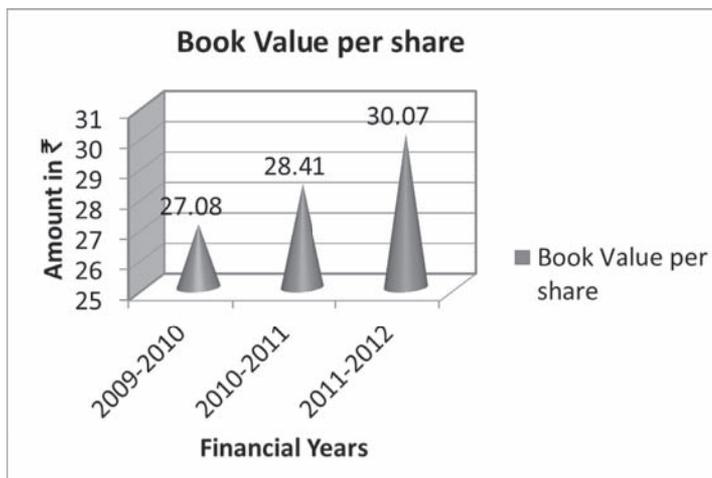
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CORPORATE GOVERNANCE REPORT

Company's philosophy on Corporate Governance

Corporate governance seeks to raise the standards of corporate management, strengthen the Board systems, significantly increase its effectiveness and ultimately serve the objective of maximizing the shareholders' value. Corporate Governance ensures fairness, transparency and integrity of the management.

The Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, lenders, government, suppliers, dealers etc. and accordingly lays great emphasis on regulatory compliances. The Company firmly believes that Corporate Governance is a powerful tool to sub serve the long-term growth of the Company and continues to give high priority to the principles and practice of Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of Corporate Governance as laid down in the Listing Agreement.

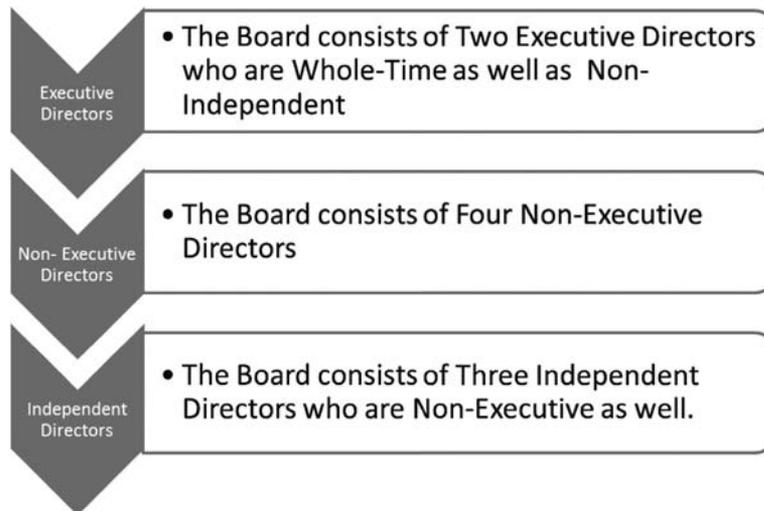


The responsibility for putting the recommendations into practice lies directly with the Board of Directors and the Management of the Company. The driving forces of Corporate Governance at Emmbi Polyarns Limited are its core values, which are belief in people, entrepreneurship, customer orientation and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

A. BOARD OF DIRECTORS

1. Size of the Board of Directors

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

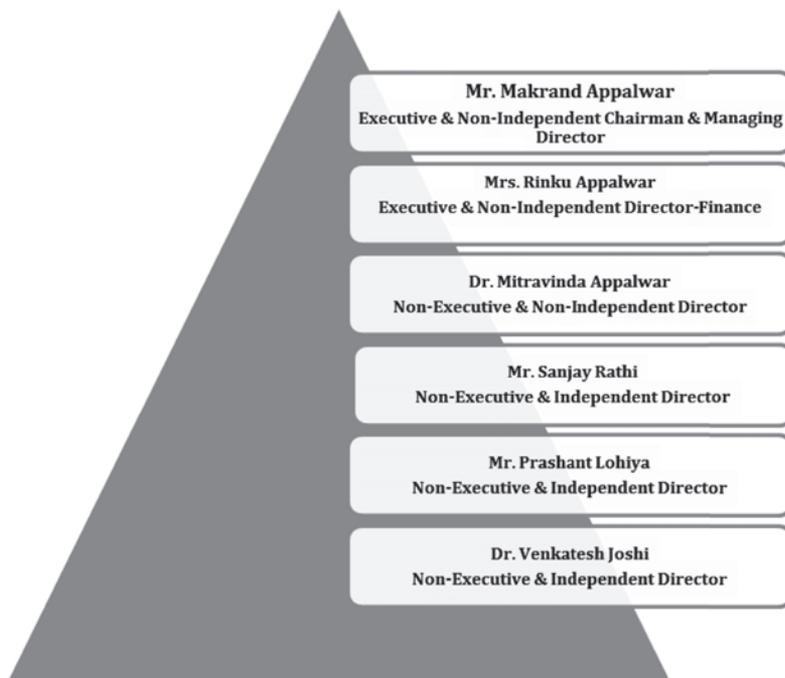


2. Composition of Board of Directors

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

The current policy of EMMBI is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate its functions of governance and management.

The present composition of the Board of EMMBI is as follows



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

At Emmbi, the role and office of the Chairman and CEO are separate, this promotes balance of power and prevents unfettered decision making power with a single individual. Further, there is also a clear demarcation of the role and responsibilities of Chairman and Chief Executive Officer (CEO). The CEO leads internally, with the Chairman adding value in strategy and structure, and ensuring that the Company is represented with integrity and influence to institutions, investors, analysts and other stakeholders. The Chairman provides necessary support to the CEO, and both need regular and structured access to the executive and management team. The CEO is the principal executive of the Company and is accountable for the management and operations of the Company and implementation of business policies and strategies agreed to by the Board of Directors in a manner that is consistent with best business practices.

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

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

4. Board Meetings

The Board met 9 (nine) times on the following dates during the financial year 2011-2012.

25 th April, 2011	6 th June, 2011	2 nd November, 2011
8 th May, 2011	13 th August, 2011	14 th November, 2011
30 th May, 2011	1 st November, 2011	14 th February, 2012

5. Board Procedure

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

6. Attendance of Directors in Board Meetings

Sr. No.	Name of the Board Member	No. of Board Meetings attended during the financial year 2011-2012	No. of Directorships in other Public Limited Companies	No. of Committee positions held in other Public Limited Companies
1	Mr. Makrand M. Appalwar	9	—	—
2	Mrs. Rinku M. Appalwar	9	—	—
3	Dr. Mitravinda M. Appalwar	7	—	—
4	Mr. Sanjay R. Rathi	7	—	—
5	Dr. Venkatesh G. Joshi	6	—	—
6	Mr. Prashant K. Lohiya	3	—	—

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.

Details of Equity Shares held by Non-Executive Directors as on March 31, 2012

Name of the Director	Position	No. of Equity Shares held	% of Paid-Up Capital
Dr. Mitravinda M. Appalwar	Non-Executive, Non-Independent	194,000	1.1765
Mr. Sanjay R. Rathi	Non-Executive, Independent	2,100	0.0127
Dr. Venkatesh G. Joshi	Non-Executive, Independent	---	---
Mr. Prashant K. Lohiya	Non-Executive, Independent	6,250	0.0379

7. Directors seeking Appointment & Re-Appointment

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

Name of the Director	Category	Profile
Mr. Prashant Lohiya	Non-Executive Independent Director	DOB: 22-09-1970 Education: B.Com, FCA
Dr. Venkatesh Joshi	Non-Executive Independent Director	DOB: 01-07-1956 Education: M.D. (Ayurveda)

B. Committees of the Board

The Company has constituted Four committees of the Board of Directors viz. Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee, and Committee of Directors Committee. The committees have a combination of Executive and Non-Executive/Independent Directors. All the Board committees constitute an important element of the governance process. The Chairperson of the Board, in consultation with the Company Secretary and the committee Chairperson, determines the frequency of the committee meetings. The Chairman of each Board committee fulfills an important leadership role similar to that of the Chairman of the Board, particularly in creating the conditions for overall committee and individual Director Effectiveness. Committees deliberate on the matters referred to it by the Board. The Company Secretary in consultation with the Chairman of the Company and Chairman of the respective Board Committee prepares the agenda and supporting papers for discussion at each Committee Meeting. Recommendations of the committees are submitted to the Board to take decision on the matter referred.



C. AUDIT COMMITTEE

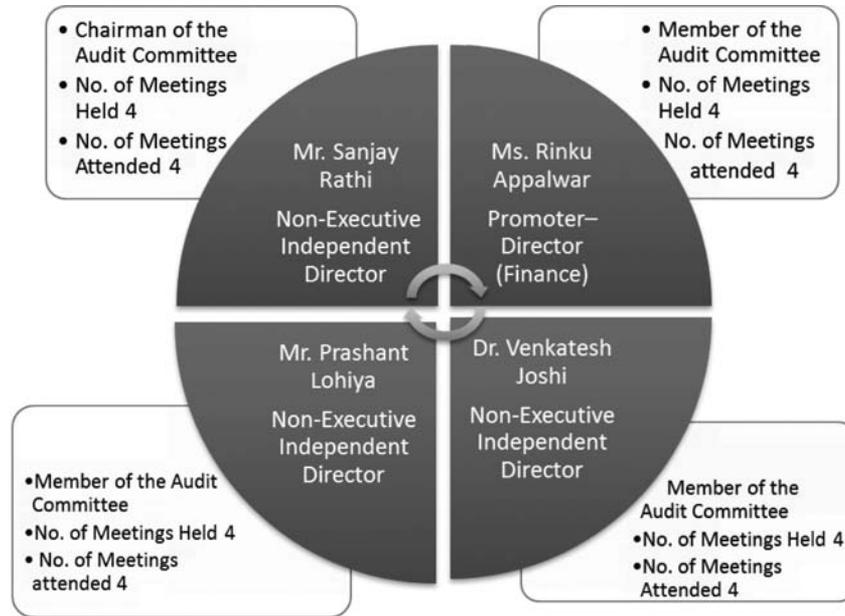
The Audit Committee of the company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The Audit Committee assists the Board in its responsibility for overseeing the quality of the accounting, auditing and reporting practices of the Company and its compliances with the legal and regulatory requirements.

Scope of the Audit Committee

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.
- Recommending to the Board, the appointment, re-appointment of the statutory auditors, fixation of audit fees and fees for other services.
- Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval.
- Reviewing the adequacy of internal control systems and internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussing with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons, if any, for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- Review the statement of significant related party transactions.

- In addition to the above, all items listed in Clause 49 (II) (D) of the Listing Agreement.
- The Audit Committee is further empowered to do the following:
 - i. To investigate any activity within terms of reference;
 - ii. To seek information from any employee;
 - iii. To obtain outside legal professional advice; and
 - iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Present Composition and Attendance of the Audit committee



Meetings Held

The Audit Committee met 4 (four) times on the following dates during the financial year 2011-2012.

- | | |
|---------------------------------|---------------------------------|
| 30 th May, 2011 | 13 th August, 2011 |
| 14 th November, 2011 | 14 th February, 2012 |

- The Chairman of the Audit Committee Mr. Sanjay Rathi was present at the Annual General Meeting held on 27th September 2011 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.

D. REMUNERATION COMMITTEE

The Company has constituted a separate committee to recommend/review the remuneration of the Managing Director and Executive Directors, based on their performance and defined assessment criteria.

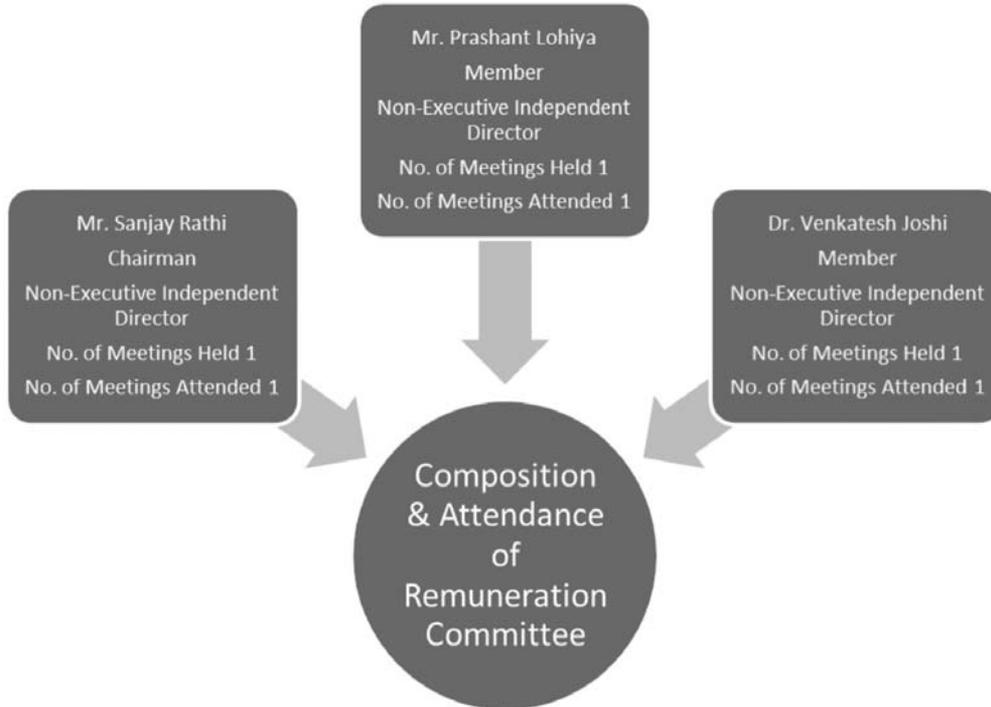
The remuneration committee recommends and the Board of Directors determine the remuneration to the Managing Director and Executive Director within the framework as approved by the Shareholders and also decide on the sitting fees to be paid to the Non-Executive Directors and Independent Directors for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

Scope of the Remuneration Committee

- To appraise the performance of Managing and Executive Director and
- To determine and recommend to the Board, compensation payable to Managing and Executive Director.

Meetings Held

During the financial year 2011-2012, 1 (one) Remuneration Committee meeting was held on 14th February, 2012.



The details of remuneration paid to the Managing Director and Executive Director during the year ended 31st March, 2012 is given as follows:

Director	Position	Remuneration	Service Contract
Mr. Makrand Appalwar	Chairman and Managing Director	₹ 36,00,000 p.a.	3 Years
Mrs. Rinku Appalwar	Executive Director	₹ 33,00,000 p.a.	3 Years

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

Sr. No.	Name of Director	Sitting Fees paid
1	Dr. Mitravinda Appalwar	₹ 35,000
2	Mr. Sanjay Rathi	₹ 35,000
3	Mr. Prashant Lohiya	₹ 15,000
4	Dr. Venkatesh Joshi	₹ 30,000

E. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Company has constituted a Shareholders'/Investors' Grievance 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.

Scope of the Shareholders'/Investors' Grievance Committee

To look into redressal of investors' complaints and requests such as transfer of shares/debentures, non-receipt of dividend, annual report, etc.

To approve allotment, transfer, transmission, consolidation, split, name deletion and issue of duplicate share certificate of

equity shares of the Company;

To redress shareholder and depositor complaints like non receipt of Balance Sheet, non-receipt of declared dividends etc.;

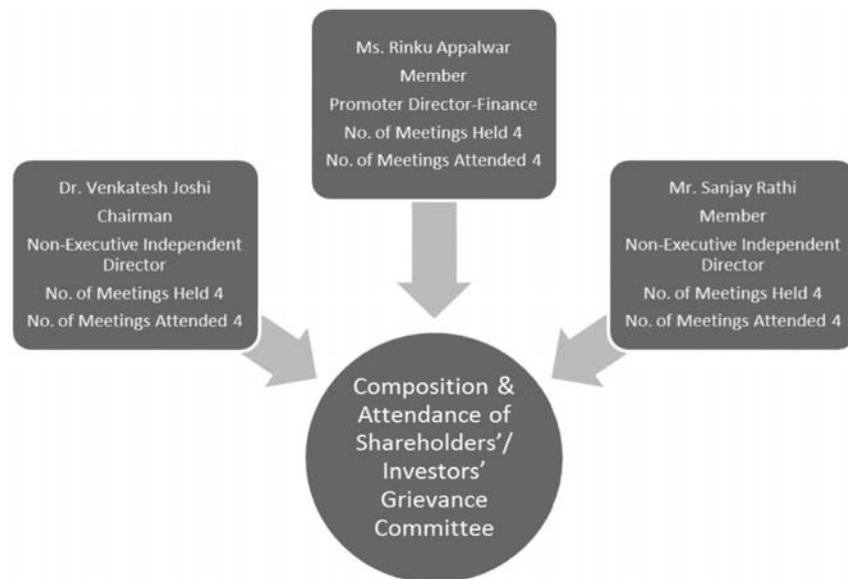
To review service standards and investor service initiatives undertaken by the Company;

To address all matters pertaining to Depositories for dematerialization of shares of the Company and other matters connected therewith.

Status of Investor Complaints as on March 31, 2012 and reported under Clause 41 of the Listing Agreement are as under:

Complaints as on April 1, 2011	:	Nil
Received during the year	:	Nil
Resolved during the year	:	Nil
Pending as on March 31, 2012	:	Nil

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.



The Shareholders'/Investors' Grievance Committee met 4 (four) times on the following dates during the financial year 2011-2012.

10 th June, 2011	19 th September, 2011
12 th November, 2011	14 th February, 2012

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.

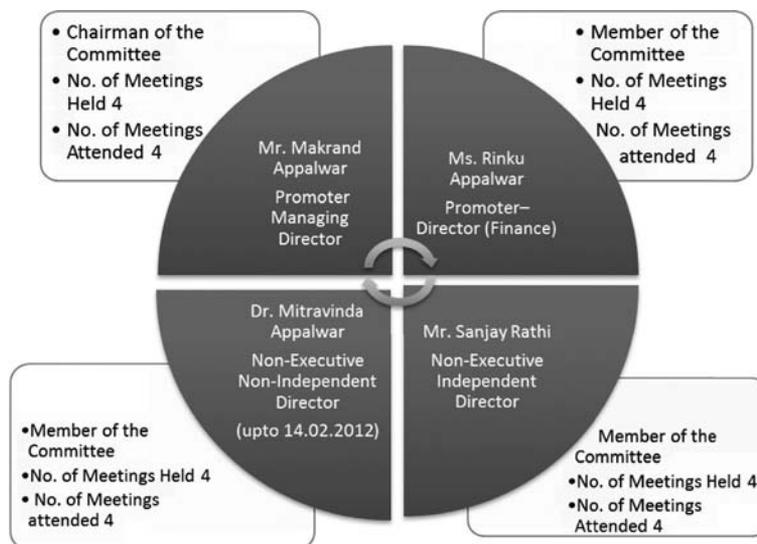
F. COMMITTEE OF DIRECTORS COMMITTEE

The Company has constituted a Committee of Directors to handle the day to day business of the Company.

Scope of the Committee of Directors Committee

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, Service tax, ESIC, Shops & Establishment authorities etc., all over India, making application with the appropriate authorities anywhere in India, for new telephone lines for offices, stores, warehouses and accommodations provided by the Company to its officials, Signing and executing Lease Agreements, borrowings upto ₹ 500 lacs for any one borrowing and opening of bank accounts and discharge procedural requirements for availing loans/ opening bank.

Present Composition and Attendance of the Committee of Directors Committee



The Committee of Directors Committee met 4 (four) times on the following dates during the financial year 2011-2012.

10th June, 2011

3rd October, 2011

7th October, 2011

14th February, 2012

E. DISCLOSURES

Related Party Transactions

During the financial year 2011-2012 there were no materially significant transactions entered into between the Company and its promoters, directors or the management, or relatives, etc. that may have potential conflict with the interests of the Company at large. Declarations have been received from the senior management personnel to this effect.

Statutory Compliance, Penalties and Strictures

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

CEO/CFO Certification

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2012.

Non-Mandatory Requirements

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

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

- The Company has adopted the guidelines for the composition of the Board of Directors, which provide for the tenure and retirement age for the Non-Executive Directors.
- The Company has set up a Remuneration Committee pursuant to Clause 49 of the Listing Agreement. The broad terms of reference of the Committee are to appraise the performance of Managing/ Executive Directors, determine and recommend to the Board, compensation payable to Managing/ Executive Directors.
- The Company has also set up Committee of Directors Committee. The detail of this Committee is given above.
- The Company also endeavours to comply with the Secretarial Standards issued by the Institute of company Secretaries of India (ICSI) which are non-mandatory in nature.

Code for Prevention of Insider Trading

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

MEANS OF COMMUNICATIONS

The Quarterly results are published in the following newspapers in the state of Gujarat as the Registered office of the Company is situated in Silvassa, U. T. of Dadra and Nagar Haveli.

- The Economic Times (English)
- The Economic Times (Gujarati)

The Quarterly results are also displayed on the Company's website: www.fibcindia.com

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.

Training of Board Members

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

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

During the past year the Company's Chairman and Managing Director Mr. Makrand Appalwar has undergone the following Trainings:

1. Certificate from One of the most reputed B-Schools, Indian Institute of Management, Ahmedabad for Programme on Customer Based Business Strategy.
2. Certificate by Professor Philip Kotler on Marketing 3.0, Values Driven Marketing.

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

Secretarial Audit

As stipulated by SEBI, a Qualified Practising Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms the total Listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

G. GENERAL SHAREHOLDER INFORMATION

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

Financial Year	Date	Time	Location
2008-2009	20 th August, 2009	10.30 a.m.	309/310, Third Floor, Kuber Complex, New Link Road, Andheri (West), Mumbai 400053
2009-2010	30 th September, 2010	10.30 a.m.	Renaissance Federation club, Juhu Versova Link Road, Andheri (West), Mumbai 400053
2010-2011	27 th September, 2011	11.00 a.m.	Renaissance Federation club, Juhu Versova Link Road, Andheri (West), Mumbai 400053

One Extraordinary General Meeting (EGM) was held by the Company on 6nd June, 2011 At 10.00 A.M. at Rakholi Unit, 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T Of Dadra & Nagar Haveli, Silvassa – 396230 during the financial year ended March 31st, 2012.

Postal Ballot was conducted for the shifting of registered office from the State of Maharashtra to the State of Gujarat vide Resolution passed on 6th June, 2011.

Ensuing Annual General Meeting

Day, date and time : Thursday, 27th September, 2012, at 11.00 a.m.

Venue : 99/2/1, Madhuban Industrial estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa - 396230

Dividend payment date : On or before 26th October, 2012

Reporting of unaudited / audited financial results in respect of Financial Year 2012-13 (Tentative)

First quarter results	On or before 14 th August, 2012
Second quarter results with half yearly results	On or before 14 th November, 2012
Third quarter results	On or before 14 th February, 2013
Fourth quarter results	On or before 15 th May 2013
Audited results for year ended on 31 st March, 2013	On or before 31 st May, 2013
Annual General Meeting for the year 2012-13	On or before 30 th September, 2013

Financial Year

1st April, to 31st March.

Book Closure

20th September, 2012 to 26th September, 2012 (both days inclusive).

Dividend

Company has declared Dividend @ Re. 0.30 per share for financial year 2011-12, subject to approval of shareholders.

Listing of Shares

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

Listing Fees to Stock Exchanges

The Company has paid the Annual listing fees for the financial year 2012-2013 to the above stock exchanges.

Custodial Fees to Depositories

The Company has paid Custodial fees for the financial year 2012-2013 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Stock market data month wise, high and low

Demat Script Code No. - ISIN: INE 753K01015

Registrar & Transfer Agents

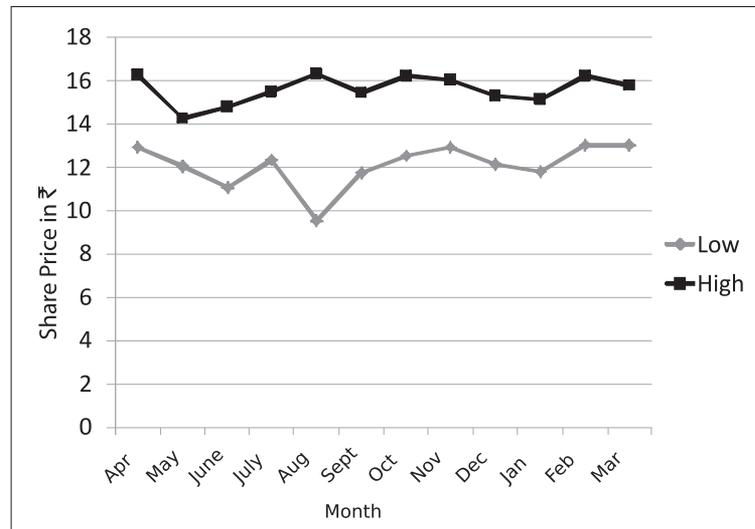
Share Transfers in physical and Demat form is handled by the Company's Share Transfer Agents: M/s. Datamatics Financial Services Limited, having their office situated at Plot No. A-16 and 17, MIDC, Part B, Cross Lane, Marol, Andheri (East), Mumbai 400 093.; Tel. No. 66712151-56; Fax: 022 - 66712011; E-mail: emmbiinvestors@dfssl.com

Share Transfer System

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

Month	Bombay Stock Exchange (in ₹)	
	High	Low
April 2011	16.25	12.90
May 2011	14.25	12.00
June 2011	14.80	11.02
July 2011	15.49	12.30
August 2011	16.30	9.50
September 2011	15.40	11.75
October 2011	16.20	12.50
November 2011	16.00	12.90
December 2011	15.25	12.11
January 2012	15.15	11.80
February 2012	16.20	13.00
March 2012	15.79	13.00

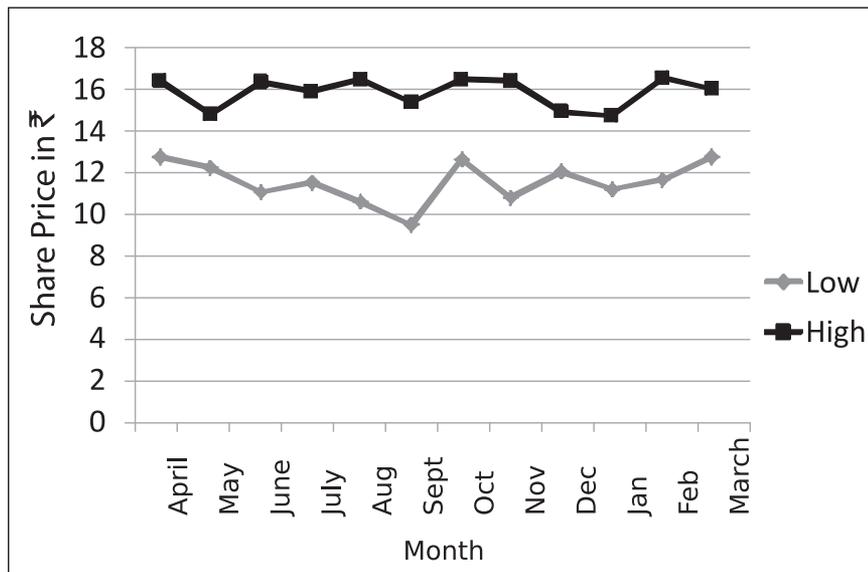
Emmbi Share Price High/Low on BSE from April 2011 to March 2012



18th Annual Report 2011 - 2012

Month	National Stock Exchange (in ₹)	
	High	Low
April 2011	16.40	12.75
May 2011	14.75	12.25
June 2011	16.35	11.05
July 2011	15.90	11.50
August 2011	16.50	10.55
September 2011	15.35	9.50
October 2011	16.45	12.60
November 2011	16.40	10.80
December 2011	14.90	12.00
January 2012	14.70	11.15
February 2012	16.55	11.60
March 2012	16.00	12.75

Emmbi Share Price High/Low on NSE from April 2011 to March 2012



Shareholding Pattern

Pattern of shareholding as on 31st March, 2012

Category	No. of Shares Held	% of Share Holding
A. Promoter's Holding		
1. Promoters		
- Indian Promoters	80,25,850	48.6703
- Foreign Promoters	00	00
2. Person Acting In Concern	00	00
Sub – Total	80,25,850	48.6703
B. Non – Promoter's Holding		
3. Institutional Investors		
- Mutual Funds & UTI	00	00
- Banks, Financial Institutions, Insurance Cos.,	00	00
- (Central/ State Govt. Inst., Non-Govt. Inst.)	00	00
- FIIS	00	00
Sub – Total	00	00
4. Others		
- Corporate Bodies	39,32,127	23.8452
- Indian Public	41,85,268	25.3802
- NRIs / OCBs / FIIS	1,02,780	0.6233
- Any other	2,44,225	1.4810
Sub – Total	84,64,400	51.3297
Grand – Total	1,64,90,250	100.00

Distribution of shareholding as on 31st March, 2012

Sr. No.	Shares Range		Shares	% To Capital	No. Of Holders	% To No. Of Holders
	From	To				
1	1	500	1185705	7.19	6010	74.56
2	501	1000	862582	5.23	1008	12.50
3	1001	2000	764581	4.64	483	5.99
4	2001	3000	489839	2.97	192	2.38
5	3001	4000	304105	1.84	84	1.04
6	4001	5000	269016	1.63	57	0.71
7	5001	10000	852849	5.17	115	1.43
8	10001	50000	1712460	10.38	88	1.09
9	50001	9999999999	10049113	60.95	24	0.30
TOTAL			16490250	100.00	8061	100.00

Dematerialization of shares and liquidity

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

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

Description	Cases	Shares	%
Physical	1	10	0
CDSL	3453	8456781	51.28
NSDL	4607	8033459	48.72
TOTAL	8061	16490250	100

Major Plants Location

Unit 1

191/2/4, Masat Village, Meghwad Road, U.T. of Dadra & Nagar Haveli, Silvassa 396230

Unit 2

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

Unit 3

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

Registered Office

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

Corporate Office

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

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 (CIN):** L17120DN1994PLC000387 and **ISIN:** INE753K01015

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 2011-2012.



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, 2012, 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: 29th May, 2012

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, 2012 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**

Sanjay R. Dholakia
Practising Company Secretary
Proprietor

Place: Mumbai
Date: 29th May, 2012

Auditor's Report

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

We have audited the attached Balance Sheet of EMMBI POLYARNS LIMITED, MUMBAI as at 31st March, 2012, the Profit and Loss Statement and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statement are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

1. 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 enclosed 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.
2. 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 Statement 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 Statement 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, 2012 and taken on record by the Board of Directors, we report that the none of the Directors are disqualified as on 31st March, 2012 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, 2012.
 - b) In the case of the Profit and Loss Statement , of the Profit for the year ended on 31st March, 2012.
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on 31st March, 2012.

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

Place : Mumbai
Date:29.05.2012

K. J. SHAH
Proprietor
Membership No. 030784

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) We have broadly reviewed the records maintained by the Company pursuant to the Cost Accounting Rules, 2011 applicable to the Company under section 209 (1) (d) of the Companies Act, 1956 for maintenance of cost records from current year and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out any detailed examination of such records.

(ix) (a) According to the records, information and explanation provided to us, the company is regular in depositing with appropriate authorities undisputed amount of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2012 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, 2012 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.

(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.

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- (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 account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

(Kirti J. Shah)
Proprietor
Membership No. :- 030784

Place :- Mumbai
Date : 29.05.2012



BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	NOTE No.	As At 31st March, 2012 (₹ in Lacs)		As At 31st March, 2011 (₹ in Lacs)	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,649.03		1,649.03	
Reserves and Surplus	2	3,312.69		3,039.19	
Money received against share warrants	3	81.00	5,042.72	-	4,688.21
Non-Current Liabilities					
Long-term borrowings	4	460.21		65.37	
Deferred tax liabilities (Net)	5	308.96		235.56	
Other Long term liabilities	6	-		-	
Long-term provisions	7	191.14	960.31	106.26	407.20
Current Liabilities					
Short-term borrowings	8	3,818.12		2,280.41	
Trade payables	9	111.22		52.63	
Other current liabilities	9	523.83		879.36	
Short-term provisions	10	160.58	4,613.76	140.26	3,352.66
TOTAL			10,616.79		8,448.08
ASSETS					
Non-Current Assets					
Fixed assets					
Tangible assets	11	3,948.72		2,204.78	
Intangible assets	11	-		-	
Capital work-in-progress	11	361.17		1,088.10	
Intangible assets under development	11	-		-	
Non-current investments	12	29.92		36.77	
Long term loans and advances	13	919.42		1,036.57	
Other non-current assets	14	2.32	5,261.56	2.87	4,369.09
Current Assets					
Current investments	15	-		-	
Inventories	16	2,936.96		2,034.20	
Trade receivables	17	2,042.99		1,591.60	
Cash and cash equivalents	18	76.20		266.47	
Short-term loans and advances	19	299.08		186.71	
Other current assets	20	-	5,355.23	-	4,078.99
TOTAL			10,616.79		8,448.08

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

K. J. SHAH (Proprietor)
Membership No. 030784
Place : Mumbai
Dated : 29th May, 2012

For and On behalf of the Board
Makrand Appalwar
Chairman & Managing Director

Rinku Appalwar
Executive Director - Finance
Place : Mumbai
Dated : 29th May, 2012

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	NOTE No.	For The Year Ended On 31st March, 2012 (₹ in Lacs)	For The Year Ended On 31st March, 2011 (₹ in Lacs)
INCOME			
Revenue from operations (Net)	22	10,225.73	7,540.20
Other Income	23	9.57	40.68
Total Revenue (I)		10,235.30	7,580.89
EXPENDITURE			
Cost of materials consumed	24	4,830.55	3,278.04
Purchase of Stock-in-Trade	25	2,591.94	2,494.43
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(364.04)	(518.76)
Employee benefit expense	27	594.70	340.99
Financial costs	28	323.65	204.50
Depreciation and amortization expense	29	169.08	103.69
Other expenses	30	1,587.43	1,225.24
Total Expenses(II)		9,733.31	7,128.14
Profit before exceptional and extraordinary items and tax (I - II)		501.99	452.74
Exceptional Items		-	-
Profit before extraordinary items and tax		501.99	452.74
Extraordinary Items		-	-
Profit before Tax		501.99	452.74
Tax expense			
(1) Current tax		97.72	84.28
(2) Deferred tax		73.39	102.36
(3) Short Provision of FBT (Net)		-	0.04
Profit/(Loss) for the Year from continuing operations		330.87	266.07
Less : Expenses of previous year		-	9.20
Profit/(Loss) for the Year		330.87	256.87
Earning per equity share			
(1) Basic	31	2.01	1.56
(2) Diluted	31	1.95	1.56
Significant Accounting Policies and Notes on Financial Statements	1 to 36		

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

K. J. SHAH (Proprietor)
Membership No. 030784
Place : Mumbai
Dated : 29th May, 2012

For and On behalf of the Board
Makrand Appalwar
Chairman & Managing Director

Rinku Appalwar
Executive Director - Finance
Place : Mumbai
Dated : 29th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012.

PARTICULARS	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	501.99	452.74
Depreciation & Amortisation	169.08	103.69
Finance Cost	323.65	204.50
Market Development expenses written off	0.54	0.54
Advance expenses for Export written off	91.82	91.27
Provision For Gratuity	4.74	5.78
Provision For Leave Encashment	-	3.32
Donations	2.17	0.72
Travelling Expenses	6.86	-
Provison for Excise Duty	(10.09)	2.20
Interest Received on Bank FD	(1.18)	(1.85)
Dividend Received	(0.05)	(20.87)
Profit on Sale of Investments	-	(1.94)
Sundry Balances Written back	(6.16)	(3.04)
Profit on Foreign Exc. Fluctuation - Debtors	(1.99)	(0.63)
Profit on Foreign Exc. Fluctuation - FCTL	(0.19)	(8.97)
Foreign Exchange fluctuation Profit on Sales	(42.31)	(3.85)
Operating Profit Before Working Capital Changes	1,038.86	823.63
Adjustments for Working Capital Changes :		
Trade Payables and Other Current Liabilities	(4.31)	(64.33)
Inventories	(902.75)	(876.26)
Trade Receivables	(451.39)	(384.77)
Short Term Loans & Advances(Dr.)	(112.36)	86.67
CASH FLOW FROM OPERATIONS	(431.95)	(1,238.69)
Extraordinary Items :		
Donations	(2.17)	(0.72)
Profit on Foreign Exc. Fluctuation - Debtors	1.99	0.63
Foreign Exchange Gain on Sales	42.31	3.85
Taxes Paid	(389.82)	(411.31)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	(477.66)	(484.19)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Pur. of Fixed Assets and additions in CWIP	(1,186.09)	(1,776.69)
Movement in Loans and Advances	113.13	(152.46)
Purchase of Investments	-	(35.52)
Proceeds from sale of Investments	-	1,255.32
Dividend Received	0.05	20.87
Interest Received	1.18	1.85
NET CASH USED FOR INVESTING ACTIVITIES (B)	(1,071.72)	(686.62)
(C) CASH FLOW FROM FINANCING ACTIVITIES :-		
Proceeds from Term Loan	1,639.48	1,556.53
Interest paid on Loan	(323.65)	(204.50)
Share Warrant Money Received	81.00	-
Dividend Paid (Including Dividend Distributin tax)	(37.90)	-
Issue of equity share capital	-	-
Share Issue (expenses) refund	-	0.02
Profit on Foreign Exc. Fluctuation - FCTL	0.19	8.97
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	1,359.12	1,361.02
CASH GENERATED DURING THE YEAR (A+B+C)	(190.27)	190.21
Cash & Cash Equivalent at the beginning of the Year	266.47	76.26
Cash & Cash Equivalent at the end of the Year	76.20	266.47

As per our report of even date

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

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

Place : Mumbai
Dated : 29th May, 2012

For and On behalf of the Board

Makrand Appalwar
Chairman & Managing Director

Rinku Appalwar
Executive Director - Finance

Place : Mumbai
Dated : 29th May, 2012

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of Financial Statements

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

2 Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. The cost is inclusive of interest and incidental expenses incurred during construction period and is net of cenvat 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 valued at cost.

5 Valuation of Inventories

Items of inventories are valued at lower of cost or net realisable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Raw materials, Stores and Spares are valued at weighted average cost.

Processed stocks and finished goods are valued at material cost plus appropriate value of overheads. Provision for Excise duty on opening and closing inventory of finished goods (domestic stock and wastage) is included under Note No. 10

6 Revenue Recognition

Revenue (Income) is recognised only when it is reasonably certain that the ultimate collection will be made. 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 dispatch of material to customers. Sales are net of 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.

9 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. There are no Contingent Assets.

10 Employee Benefits

- a) Provision for Gratuity and leave encashment are accounted on the basis of valuation made by the actuary. The Company has created a Trust with LIC for Gratuity which is under approval.
- b) Short Term Employee benefits The undiscounted amount of Short Term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefit includes compensated absences such as paid annual leave and performance Incentives.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**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 prescribed in the month of March by Central Board of Excise and customs. The exchange difference arising there from has been recognised as income / expenses in the Current Year's Profit & Loss A/c alongwith underlying Transactions.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

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

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

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current years' presentation in conformity with new schedule VI .

Note 1 SHARE CAPITAL

	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
Authorised Share Capital		
1,80,00,000 (P.Y. : 1,80,00,000) Equity shares of ₹ 10/- each.	1,800.00	1,800.00
	<u>1,800.00</u>	<u>1,800.00</u>
Issued, Subscribed & Paid-up		
1,64,90,250 (P.Y. : 1,64,90,250) Equity shares of ₹ 10/- each fully paid up	1,649.03	1,649.03
TOTAL	<u>1,649.03</u>	<u>1,649.03</u>

- 1.1 46,99,530 Equity Shares out of Shares Issued, Subscribed and Paid up were allotted as Bonus Shares in the last five years (Dt: 20.08.2009) by way of capitalisation of free reserves of the company
- 1.2 50,000 Equity Shares out of Shares Issued, Subscribed and Paid up were allotted against conversion of Preference Shares in the last five years which were converted during the year ended 31st March, 2007.
- 1.3 86,57,700 Equity Shares out of Shares Issued, Subscribed and Paid up were issued during the year ended 31st March, 2010 for cash as initial public offer in February, 2010

1.4 The Reconciliation of the number of shares outstanding is set out below :	As At 31st March, 2012	As At 31st March, 2011
Particulars	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	16,490,250	16,490,250
Add : Issued during the year	-	-
Equity Shares at the end of the year	<u>16,490,250</u>	<u>16,490,250</u>

1.5 The Details of Shareholders Holding more than 5% Shares :	As At 31st March, 2012		As At 31st March, 2011	
Name of Shareholder	No. of Shares	% Held	No. of Shares	% Held
Makrand Moreshwar Appalwar	2,986,850	18.11	2,835,250	17.19
Rinku Makrand Appalwar	1,925,750	11.68	1,881,550	11.41
Emmbi Laboratories Pvt Ltd	1,625,000	9.85	1,625,000	9.85
Maithili Agrotech Private Limited	1,050,000	6.37	1,050,000	6.37

Note 2

RESERVES AND SURPLUS

	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
(a) Securities Premium Reserves		
As per last Balance Sheet	2,642.47	2,642.45
Add : Premium on Issue of Equity Shares	-	-
Add : Share Issue (expenses) Refund	-	0.02
	<u>2,642.47</u>	<u>2,642.47</u>
(b) Profit & Loss A/c		
As per last Balance Sheet	396.72	178.31
Add : Profit for the Year	330.87	256.87
Add : Excess Provision of Tax on Proposed Dividend - (2010-11)	0.13	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

		As At 31st March, 2012		As At 31st March, 2011	
		(₹ in Lacs)		(₹ in Lacs)	
			727.72		435.18
	Less: Appropriations				
	Proposed Dividend		49.47		32.98
	Dividend Distribution Tax		8.03		5.48
			670.22		396.72
	TOTAL		3,312.69		3,039.19
Note 3	EQUITY SHARE WARRANTS		As At 31st March, 2012		As At 31st March, 2011
			(₹ in Lacs)		(₹ in Lacs)
	Balance at the beginning of the year		-		-
	Add : Share Warrants Money advance received during the year		81.00		-
	Less : Converted into Shares during the year		-		-
	TOTAL		81.00		-
Note 4	LONG TERM BORROWINGS	As At 31st March, 2012	As At 31st March, 2011		
		(₹ in Lacs)	(₹ in Lacs)		
		Non Current	Current	Non Current	Current
(a)	Secured				
	Term Loans				
	- From Banks	449.93	281.42	20.23	555.64
	- From Corporates	0.98	3.57	4.55	3.07
	Other loans & advances	9.30	18.31	27.61	19.52
(b)	Unsecured				
	Term Loans				
	- From Banks	-	7.86	7.86	20.35
	- From Corporates	-	5.12	5.12	10.77
	Other loans & advances	-	-	-	-
	TOTAL	460.21	316.28	65.37	609.34
4.1	Term Loans are secured by way of deposit of the title deed in respect of all the immovable properties of the Company including Land & Building situated at Plot no. 191/2/4, Massat Village, Meghwad Road, UT of Dadra & Nagar Haveli, Silvassa - 396230 and at Plot no. 99/2/1&9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, UT of Dadra & Nagar Haveli, Silvassa - 396230 and by way of hypothecation of Plant & Machinery and Personal Gurantee of directors.				
4.2	Other Loans and Advances are secured by way of hypothecation of Cars and Transport Vehicles purchased under Hire Purchase Scheme				

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note 5	DEFERRED TAX LIABILITIES (NET)	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
(a)	Net Deferred Tax Liability (Opening)	235.56	133.21
	Deferred Tax Liability		
	Fixed Asset	101.21	49.85
	Others	4.78	91.59
	Gross Deferred Tax Liability	105.99	141.44
	Deferred Tax Asset		
	Disallowances Under the Income Tax Act, 1961	32.60	39.08
	Others	-	-
	Gross Deferred Tax Asset	32.60	39.08
(b)	Net Deferred Tax Liability (During the Year)	73.39	102.36
	Net Deferred Tax Liability (Closing)	(a+b) 308.96	235.56
Note 6	OTHER LONG TERM LIABILITIES	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Trade payables	-	-
	Others	-	-
	TOTAL	-	-
Note 7	LONG-TERM PROVISIONS	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Provision for Employee Benefits (Gratuity)	19.90	19.31
	Provision For Taxes (Earlier Years)	166.54	82.26
	Fringe Benefit Tax (Earlier Years)	4.70	4.70
	Others	-	-
	TOTAL	191.14	106.26
Note 8	SHORT TERM BORROWINGS	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Secured		
	Working Capital Loans from Banks		
	Working Capital Loans from Banks	3,818.12	2,280.41
	Other loan and advances	-	-
	Unsecured		
	Loans repayable on demand		
	From banks	-	-
	From other parties	-	-
	Other loans and advances	-	-
	TOTAL	3,818.12	2,280.41

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

8.1 Working Capital Loans :

- i) Cash Credit loans are secured by hypothecation of present and future stock of raw materials, stock-in process, finished goods, stores and spares (not relating to plant and machinery), book debts and materials in transit;
- ii) Packing Credit loans are secured by hypothecation of present and future stock of raw materials, stock-in process, finished goods and book debts
- iii) Working Capital and Pre-Cum-Post Shipment Loan from Exim Bank is secured by Pari Passu first charge on entire current assets both present & future; Pari Passu second charge on the entire movable fixed assets both present and future; Pari Pasu second charge on the entire Land and other Immovable properties both present and future.

Note 9 OTHER CURRENT LIABILITIES

	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
Trade Payables	186.75	82.14
Current maturities of long term debt (Refer Note : 4)	316.28	609.34
Interest accrued but not due on borrowings	4.11	3.51
Unpaid Dividends - 2010-2011	0.43	-
Other Current Liabilities	127.48	237.00
TOTAL	<u>635.06</u>	<u>931.99</u>

Note 10 SHORT-TERM PROVISIONS

	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
Provision for Leave Encashment	-	2.07
Proposed Dividend	49.47	32.98
Tax on Dividend	8.03	5.48
Provision for Income Tax	97.72	84.28
Others (Provision for Excise Duty on Finished Goods)	5.36	15.45
TOTAL	<u>160.58</u>	<u>140.26</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

SR. NO.	PARTICULARS	GROSSBLOCK			DEPRECIATION			NETBLOCK		
		As at 01-04-2011	Additions	Deductions/ Adjustments	As at 31-03-2012	For the Year	Deductions/ Adjustments	Upto 31-03-2012	As at 31-03-2012	As at 31-03-2011
	TANGIBLE FIXED ASSETS									
1	Freehold Land	75.48	-	-	75.48	-	-	-	75.48	75.48
2	Building	464.43	572.72	-	1,037.15	20.42	-	99.50	937.64	385.35
3	Compound Wall	2.64	-	-	2.64	0.09	-	1.29	1.35	1.44
4	Plant and Machinery	1,830.40	1,267.23	-	3,097.63	119.15	-	424.48	2,673.15	1,525.07
5	Electrical Installation	58.11	29.00	-	87.10	3.17	-	20.97	66.13	40.31
6	Furniture & Fixtures	76.94	25.52	-	102.46	5.38	-	24.11	78.34	58.20
7	Crates	7.11	-	-	7.11	0.45	-	2.39	4.73	5.18
8	Office Equipment	50.97	15.76	-	66.73	8.29	-	34.62	32.11	24.64
9	Other Equipment	0.77	-	-	0.77	0.05	-	0.59	0.18	0.23
10	Vehicles	125.20	2.79	-	127.99	12.08	-	48.40	79.60	88.88
	(A)	2,692.05	1,913.02	-	4,605.07	169.08	-	656.34	3,948.72	2,204.78
	CAPITAL WORK IN PROGRESS									
11	New Factory Bldg Rakholi	244.33	-	244.33	(0.00)	-	-	-	(0.00)	244.33
12	New Plant & Mach. (Rakholi)	711.18	555.86	1,097.95	169.10	-	-	-	169.10	711.18
13	New Electrical Instl. (Rakholi)	15.97	7.16	23.13	(0.00)	-	-	-	(0.00)	15.97
14	New Factory Bldg (99/2/9)	116.62	75.46	-	192.07	-	-	-	192.07	116.62
	(Including Land)									
	(B)	1,088.10	638.48	1,365.40	361.17	-	-	-	361.17	1,088.10
	GRAND TOTAL (A+B)	3,780.15	2,551.50	1,365.40	4,966.24	169.08	-	656.34	4,309.90	3,292.88
	PREVIOUS YEAR	2,003.21	1,776.94	-	3,780.15	103.69	-	487.27	3,292.88	1,619.63

Note 11 : FIXED ASSETS

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note 12	NON CURRENT INVESTMENTS	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Investment in Equity Shares (Unquoted, fully Paid up) :		
	2,500 Equity Shares of Zoroastrian Co-Op Bank Ltd. Of ₹ 40/- each	1.00	1.00
	2,500 Equity Shares of Saraswat Co-Op Bank Ltd. Of ₹ 10/- each	0.25	0.25
	25% Shares of Global Bag S.R.O.	28.67	35.52
	TOTAL	<u>29.92</u>	<u>36.77</u>
Note 13	LONG TERM LOANS & ADVANCES	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Unsecured, Considered good		
	Capital Advances	275.00	462.60
	Security Deposits	28.68	14.84
	Advance tax	192.46	102.86
	MAT Credit Entitlement	43.58	45.35
	Advance Fringe Benefit Tax	4.73	4.73
	Advance Wealth Tax	0.01	-
	Other loans and advances	374.96	406.19
	TOTAL	<u>919.42</u>	<u>1,036.57</u>
Note 14	OTHER NON-CURRENT ASSETS	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Miscellaneous Expenditure (to the extent not written off or adjusted)	2.32	2.87
	Others	-	-
	TOTAL	<u>2.32</u>	<u>2.87</u>
Note 15	CURRENT INVESTMENTS	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
		-	-
	TOTAL	<u>-</u>	<u>-</u>
Note 16	INVENTORIES	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Raw Materials	1,116.27	615.06
	Stock-in-Process	1,481.33	1,064.74
	Finished Goods	248.48	301.07
	Stores & Spares	79.00	41.49
	Stock-in-Trade	11.88	11.83
	TOTAL	<u>2,936.96</u>	<u>2,034.20</u>

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note 17	TRADE RECEIVABLES	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Unsecured, Considered Good		
	Over Six months	116.31	244.04
	Others	1,926.68	1,347.56
	TOTAL	2,042.99	1,591.60
Note 18	CASH AND CASH EQUIVALENTS	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Balances with banks	64.50	199.77
	Cash on hand	2.15	31.14
	Others:		
	Unclaimed Dividend A/c	0.43	-
	Term deposits with Banks	9.11	35.56
	TOTAL	76.20	266.47
Note 19	SHORT TERM LOANS AND ADVANCES	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Balance with Central Excise Authorities	216.39	127.02
	Prepaid Expenses	56.34	53.82
	Other loans and advances	26.34	5.87
	TOTAL	299.08	186.71
Note 20	OTHER CURRENT ASSETS	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
		-	-
	TOTAL	-	-
Note 21	CONTINGENT LIABILITIES AND COMMITMENTS	As At 31st March, 2012 (₹ in Lacs)	As At 31st March, 2011 (₹ in Lacs)
	Contingent liabilities		
	Claims against the company not acknowledged as debt Guarantees'	-	-
	- Guarantee by Banks to Electricity Department (Silvassa)	44.50	28.50
	- Guarantee furnished to Banks in respect of Letter of Credit	65.51	97.91
	Other money for which the company is contingently liable	-	-
	Commitments		
	Estimated amount of contracts unexecuted on capital account	18.13	3.27
	Uncalled liability on shares and other investments partly paid	-	-
	Other commitments	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note 22	REVENUE FROM OPERATIONS	2011-12	2010-11
		(₹ in Lacs)	(₹ in Lacs)
	Revenue from - Sale of products		
	Export Sales	5,027.96	2,817.70
	Domestic Sales	5,452.92	4,935.02
	Other Operating Revenue(B class goods)	13.54	13.97
		10,494.42	7,766.69
	Less : Excise Duty	268.69	226.48
	TOTAL	10,225.73	7,540.20
22.1	DETAILS OF SALE OF PRODUCTS	2011-12	2010-11
		(₹ in Lacs)	(₹ in Lacs)
	Manufactured Goods		
	Polymer Based Multiple Products	7,886.23	5,270.50
	Hdpe/ PP Based 'B' Class Finished Products / Others	13.54	13.97
	Traded Goods	2,594.65	2,482.22
	TOTAL	10,494.42	7,766.69
Note 23	OTHER INCOME	2011-12	2010-11
		(₹ in Lacs)	(₹ in Lacs)
	Interest		
	From Current Investments	1.18	1.85
	From Long Term Investments	-	-
	From Others	-	3.38
	Dividend		
	From Current Investments	-	20.67
	From Long Term Investments	0.05	0.20
	Net Gain on Sale of Investments		
	From Current Investments	-	1.94
	From Long Term Investments	-	-
	Other Non Operating Income	8.34	12.64
	TOTAL	9.57	40.68
Note 24	COST OF MATERIAL CONSUMED	2011-12	2010-11
		(₹ in Lacs)	(₹ in Lacs)
	Raw Materials Consumed		
	Opening Inventory	615.06	274.04
	Add : Purchases (Net)	5,331.75	3,619.07
		5,946.82	3,893.11
	Less : Closing Inventory	1,116.27	615.06
	TOTAL	4,830.55	3,278.04

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

24.1	DETAILS OF INDIGENOUS AND IMPORTED RAW MATERIALS CONSUMED	2011-12		2010-11	
		₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
	Imported	807.13	16.71%	473.18	14.43%
	Indigenous	4,023.42	83.29%	2,804.87	85.57%
	TOTAL	4,830.55	100.00%	3,278.04	100.00%
24.2	PARTICULARS OF MATERIAL CONSUMED			2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
	Polymer Granules And Films Of Various Grades and Others			4,830.55	3,278.04
	TOTAL			4,830.55	3,278.04
Note 25	PURCHASE OF STOCK-IN-TRADE			2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
	Trading Purchase - Mumbai				
	Fabric			-	219.88
	HDPE/PP Laminated Fabric			2,591.94	2,274.55
	TOTAL			2,591.94	2,494.43
Note 26	CHANGES IN INVENTORIES OF STOCK-IN-TRADE, WORK-IN-PROGRESS AND FINISHED GOODS			2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
	Inventories (At Close)				
	Stock-in-Trade			11.88	11.83
	Stock-in-Process			1,481.33	1,064.74
	Finished goods			248.48	301.07
				1,741.68	1,377.65
	Inventories (At Commencement)				
	Stock-in-Trade			11.83	-
	Stock-in-Process			1,064.74	638.12
	Finished goods			301.07	220.77
				1,377.65	858.89
	TOTAL			(364.04)	(518.76)
Note 27	EMPLOYEE BENEFITS EXPENSE			2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
	Salaries & Wages			540.69	303.62
	Contribution to Provident Fund and Other Fund			9.34	7.37
	Employees Welfare Expenses			36.48	20.90
	Provision for Gratuity and Leave Encashment			8.18	9.10
	TOTAL			594.70	340.99
27.1	Post employment benefits				

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, The obligation for leave encashment is recognised in the same manner as gratuity. Since the Defined Gratuity Benefit Obligation and Leave Encashment Benefit obligation are unfunded, there are no plan assets which are maintained exclusively therefore.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

A Balance Sheet

i) Details of Provision for Gratuity

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
Defined Benefit Obligation	19.90	19.31	-	2.07
Fair Value of Plan Assets	Nil	Nil	Nil	Nil
Plan (Assets)/Liability	Nil	Nil	Nil	Nil

ii) Change in defined benefit obligation

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
Defined benefit obligation at the beginning of the year	19.31	13.62	2.07	2.97
Current Service cost	4.62	3.44	-	0.27
Interest cost @ (C.Y. 8.50% ..L.Y. 8.25%)	1.64	1.12	0.18	0.25
Actuarial (gain)/loss on obligation	(1.52)	1.22	3.12	2.81
Benefits paid during the year	(4.14)	(0.09)	(5.36)	(4.23)
Defined benefit obligation, end of the period	19.90	19.31	-	2.07

B Profit & Loss Statement

i) Net Period gratuity cost

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
Current Service cost	4.62	3.44	-	0.27
Interest cost on benefit obligation	1.64	1.12	0.18	0.25
Net actuarial (gain) / loss recognised in the year	(1.52)	1.22	3.12	2.81
Expected return on plan assets	-	-	-	-
Net benefit expense	4.74	5.78	3.30	3.32

C Actuarial Assumptions

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
Mortality Table LIC	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.50%	8.25%	8.50%	8.25%
Rate of escalation in salary (per annum)	6.50%	6.50%	6.50%	6.50%
Withdrawal Rate	1%	1%	1%	1%
Retirement Age	60 Yrs	60 Yrs	60 Yrs	60 Yrs

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note 28	FINANCE COSTS	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
	Interest	296.30	178.35
	Other borrowing costs	27.36	26.15
	TOTAL	323.65	204.50
Note 29	DEPRECIATION AND AMORTIZATION EXPENSES	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
	Depreciation	169.08	103.69
	TOTAL	169.08	103.69
Note 30	OTHER EXPENSES	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
	Manufacturing Expenses :		
	Processing, Lamination and Bag Making Charges	94.89	62.41
	Power and Fuel	214.27	151.60
	Consumable Stores	280.48	165.98
	Factory Wages	143.69	139.83
	Labour Charges	108.08	110.44
	Excise duty - Provision on Finished Stock (Net)	(10.09)	2.20
	Repairs & Maintenance (Others)	15.15	10.30
	Other Manufacturing Expenses	30.90	18.73
	Sub-Total (A)	877.36	661.49
	Selling and Distribution Expenses :		
	VAT / CST Account	-	-
	Vehicle Expenses	20.27	10.41
	Freight Forwarding Expenses	250.00	244.20
	Sales Promotion Expenses	115.31	112.50
	Discount	31.17	8.73
	Commission	4.47	1.18
	Sundry Export Expenses	7.90	7.35
	Other Selling and Distribution Expenses	11.61	6.18
	Sub-Total (B)	440.73	390.56
	Establishment Expenses		
	Legal and Professional Charges	78.77	52.75
	General Expenses	10.94	6.84
	Tour & Travelling Expenses	61.23	31.17
	Payment to Auditor (See Note 30.3)	11.00	10.00
	Insurance	28.24	16.12
	Rent	32.34	15.25
	Telephone Expenses	11.55	10.42
	Postage and courier Expenses	8.90	9.72
	Printing, Stationary, Computer & Xerox Expenses	17.09	14.75
	Conveyance Expenses	3.15	2.23
	Electricity expenses - Mumbai Office	3.98	3.24
	Donations	2.17	0.72
	Sub-Total (C)	269.35	173.19
	TOTAL [(A)+(B)+(C)]	1,587.43	1,225.24

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

30.1 DETAILS OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED	2011-12		2010-11	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
Imported	-	0.00%	-	0.00%
Indigenous	280.48	100.00%	165.98	100.00%
TOTAL	280.48	100.00%	165.98	100.00%
30.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF			2011-12	2010-11
			(₹ in Lacs)	(₹ in Lacs)
Raw Material			807.13	473.18
Stores and spares			-	-
Capital Goods			-	-
30.3 PAYMENT TO AUDITORS			2011-12	2010-11
			(₹ in Lacs)	(₹ in Lacs)
As Auditor				
Audit Fee			9.00	7.00
Tax Audit Fee			1.00	0.50
Limited Review			1.00	2.50
Service Tax			1.13	1.03
In Other Capacity			-	-
TOTAL			12.13	11.03
30.4 EXPENDITURE IN FOREIGN CURRENCY			2011-12	2010-11
			(₹ in Lacs)	(₹ in Lacs)
Seminar Expenses			-	0.83
Advertisement Expenses			-	0.39
Foreign Bank Charges			6.53	3.84
Bank Interest			104.91	28.60
Books Periodicals			-	0.11
Testing Charges			1.24	4.87
Foreign Travelling Expenses			19.02	0.30
Shares of Global Bags S.R.O.			-	35.52
Membership Fees			1.40	1.28
Note 31 EARNINGS PER SHARE (EPS)			2011-12	2010-11
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ In Lacs)			330.87	256.87
Weighted Average number of equity shares used as denominator for calculating EPS			16,490,250	16,490,250
Weighted Average number of equity shares used as denominator for calculating DEPS			16,966,721	16,490,250
Basic Earnings per share			2.01	1.56
Diluted Earnings per share			1.95	1.56
Face Value per equity share			10	10

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

31.1	Calculation of Weighted Average Nos of Shares for Earnings Per Share	2011-12	2010-11
	Nos. of Equity Shares for purpose of Basic Earnings' Per Share	16,490,250	16,490,250
	Add : Advance Share Warrants Money		
	Share Warrant Money (₹ In Lacs)	81.00	
	Value Per Share ₹ 10 @ premium of ₹ 7	17.00	
	No. of Share Warrants convertible to Equity Shares	476,471	-
	Nos. of Equity Shares for purpose of Diluted Earnings' Per Share	16,966,721	16,490,250
Note 32	EARNINGS IN FOREIGN EXCHANGE	2011-12	2010-11
		(₹ in Lacs)	(₹ in Lacs)
	FOB value of Exports	4,891.27	2,749.22
Note 33	RELATED PARTY DISCLOSURES		
	Name of Related Party (Designation)	Amount of Transaction	
	Nature of Transaction	2011-12	2010-11
		(₹ in Lacs)	(₹ in Lacs)
			Balance as on 31.03.2012
	Makrand Appalwar (Managing Director)	36.00	29.50
	Remuneration		-
	Remuneration Capitalised	-	4.00
	Keyman Insurance	2.36	-
	Unsecured Loan Repaid	-	0.35
	Payable for Remuneration		2.16
			(2.22)*
	Rinku Appalwar (Finance Director)	33.00	30.50
	Remuneration		-
	Keyman Insurance	1.99	-
	Unsecured Loan Repaid	-	0.09
	Payable for Remuneration		1.29
			(1.71)*
	Mitravinda Appalwar (Director)	0.35	
	Sitting Fees		
	Ashesh Garg (C.E.O)	18.00	
	Remuneration		
	Moreshwar Appalwar (Relative)	-	0.69
	Consultancy Fees		
	Maithili Appalwar (Relative)	-	0.50
	Unsecured Loan Repaid		
	M.B.Appalwar HUF (Relative)	-	1.90
	Unsecured Loan Repaid		
	Dividend paid to relatives	15.96	-

*(Figures in Bracket represent Balances as on 31.03.2011)

Note 34	TRADE PAYABLES TO MICRO, SMALL AND MEDIUM ENTERPRISES	2011-12 (₹ in Lacs)	2010-11 (₹ in Lacs)
	Sundry Creditors include dues to small and medium scale industrial undertaking	-	-
	Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the company) The Company has sought confirmation from all the creditors regarding their registration as Micro, Small and Medium Enterprises, however till date of the Balance Sheet, no confirmation has been received and hence none of the creditors have been categorised as pertaining to Micro, Small and Medium Enterprises.		
Note 35	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.		
Note 36	The balance of Sundry Debtors and Sundry Creditors are subject to confirmation Travelling Expenses Includes ₹ 6,85,507/- which pertains to earlier year		

Dear Shareholders,

SENDING OF DOCUMENTS IN ELECTRONIC FORM

Green Initiative in Corporate Governance

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

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

Shareholders can avail this facility by registering their e-mail address with the Company by sending the request on e-mail to info@emmbi.com.

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

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

Please note that these documents will also be available on the Company's website www.fibcindia.com for download by the shareholders.

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

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

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

For and on behalf of the Board.

MAKRAND APPALWAR
Chairman & Managing Director

Place: Mumbai

Date : 29th May, 2012

EMMBI POLYARNS LIMITED

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

ATTENDENCE 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 certify that I am registered shareholder/proxy for the registered shareholder of the Company. I, hereby record my presence at the Eighteenth Annual General Meeting to be held on Thursday, 27th September, 2012 at 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396230, at 11.00 a.m.

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

PROXY

DP ID :	CLIENT ID :
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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 on my/our behalf at the
Eighteenth Annual General Meeting of the company to be held on Thursday, 27th September, 2012 at 99/2/1, Madhuban
Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396230 at 11.00 a.m. and at
any adjournment(s) thereof

SIGNATURE OF THE SHAREHOLDER OR PROXY _____

Affix ₹ 1
Revenue
Stamp

Signed by the said

Note: The proxy form in order to be effective, should be duly stamped, completed and deposited with the Company at its registered office at 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396230, not less than Forty Eight hours before the time for holding the aforesaid meeting.

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BOOK-POST



Regd. Office: 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396230
Tel.: +91-022-6784 5555; **Fax:** +91-022-6784 5506., **Website:** www.emmbi.com;

Works: Masat & Rakholi Unit: Plot No. 191/2/4 at village Masat and at Plot No. 99/2/1 & 9, Madhuban Industrial Estate, Rakholi, U.T. of Dadra & Nagar Haveli, Silvassa - 396 230 India Tel.: +91 (0260) 320 0948.