

16th Annual Report 2009 - 2010

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Board of Directors:

Mr. Makrand Appalwar	Executive & Non-Independent Chairman & Managing Director
Mrs. Rinku Appalwar	Executive & Non-Independent Director – Finance
Dr. Mitravinda Appalwar	Non-Executive & Non-Independent Director
Mr. Sanjay Rathi	Non-Executive & Independent Director
Mr. Ashesh Garg	Non-Executive & Independent Director
Dr. Venkatesh Joshi (upto 31 st May, 2010)	Non-Executive & Independent Director
Mr. Prashant Lohiya (w.e.f. 31 st May, 2010)	Non-Executive & Independent Director

Company Secretary:

Ashvini Godbole
info@emmbi.com

Registered Office:

309/310, Third Floor, Kuber Complex,
Opp. Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai 400053

Auditors:

M/s. K. J. Shah & Associates

Registrar & Transfer Agents:

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

Emmbi Polyarns Limited

NOTICE

NOTICE is hereby given that Sixteenth Annual General Meeting of the Members of EMMBI POLYARNs LIMITED will be held on Thursday, 30th September, 2010, at Renaissance Federation Club, at Juhu Varsova Link Road, Andheri (West), Mumbai 400053, at 10.30 am, to transact the following business.

ORDINARY BUSINESS

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

SPECIAL BUSINESS

- 5) To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Prashant Lohiya, who was appointed as an Additional Director of the Company on 31st May, 2010 under Article 112, of Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

- 6) To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the resolution passed in the meeting of remuneration committee and Board of directors of the company held on 14th August, 2010 and in accordance with the provisions of sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and as per provisions of Schedule XIII of the Companies Act, 1956, the Company hereby approves the following revision in remuneration payable to Mr. Makrand Appalwar, as Managing Director of the Company, from 01.09.2010 for the remaining period of appointment, i.e. upto 31.03.2012, on the terms and conditions as set out in the resolution approved by the Company in its Extra Ordinary General Meeting held on 25 July 2009.

Basic Salary – Rs.3,00,000 per month

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

RESOLVED FURTHER THAT The Board of Directors of the Company are hereby further authorised to alter and vary the terms and conditions as set out in the above resolution in such manner as may be agreed to between the Board of Directors and Mr. Makrand Appalwar in the best interest of the Company, within the limits laid down in Section 198 and 309 of the Companies Act, 1956 and Schedule XIII thereto or any amendments thereof or as may be otherwise permissible in law."

- 7) To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the resolution passed in the meeting of remuneration committee and Board of directors of the company on 14th August, 2010 and in accordance with the provisions of sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and as per provisions of Schedule XIII of the Companies Act, 1956, the Company hereby approves the following revision in remuneration payable to Mrs. Rinku Appalwar, as Finance Director of the Company, from 01.09.2010 for the remaining period of appointment, i.e. upto 31.03.2012, on the terms and conditions as set out in the resolution approved by the Company in its Extra Ordinary General Meeting held on 25 July 2009.

Basic Salary – Rs.2,75,000 per month

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

RESOLVED FURTHER THAT The Board of Directors of the Company are hereby further authorised to alter and vary the terms and conditions as set out in the above resolution in such manner as may be agreed to between the Board of Directors and Mrs. Rinku Appalwar in the best interest of the Company, within the limits laid down in Section 198 and 309 of the Companies Act, 1956 and Schedule XIII thereto or any amendments thereof or as may be otherwise permissible in law.”

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

Date : 14th August 2010
Place : Mumbai

**Sd/-
ASHVINI GODBOLE
COMPANY SECRETARY**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed to and form part of this notice.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Friday the 24th September, 2010 to Thursday the 30th September, 2010 (both days inclusive).
5. The members are requested to :
 - a. Intimate changes, if any, in their Registered address to the Registrar and Transfer Agents of the Company DATAMATICS FINANCIAL SERVICES LIMITED, Plot No. A -16 and 17, MIDC, Part B Cross Lane, Marol, Andheri (East), Mumbai 400 093; Tel. No. 66712151-56; Fax No. 66712192
 - b. Quote ledger folio numbers in all their correspondence.
 - c. Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
 - d. Write atleast 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.
6. The members are requested to note the ISIN allotted by the Depositories for Company's Equity Shares is INE753K01015.
7. Disclosure pursuant to Clause 49 of the Listing Agreement in regard to the directors seeking appointment and re-appointment at the ensuing Annual General Meeting is given in the Annexure.

Emmbi Polyarns Limited

EXPLANATORY STATEMENT

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

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

ITEM NO. 5

Mr. Prashant Lohiya, was appointed as an Additional Director under Article 112 of the Articles of Association of the Company w. e. f. 31st May, 2010 pursuant to Section 260 of the Companies Act, 1956. As per the term of appointment, his term as Director expires at the forthcoming Annual General Meeting. The Company in turn has received notice from a member alongwith a deposit of Rs. 500/- in cash pursuant to Section 257 of the Companies Act, 1956 signifying his intention to appoint him as Director of the Company liable to retire by rotation. The Directors recommend his appointment in the best interests of the Company.

None of the Directors of the Company is interested in the passing of this resolution.

ITEM NO. 6

Mr. Makrand Appalwar was appointed as Managing Director w.e.f. 01.04.2009 and his appointment had been approved by the members of the Company in Extra Ordinary General Meeting held on 25.07.2009. The Remuneration Committee and Board of Directors, at their meeting held on 14th August, 2010, approved the revision in his remuneration by increasing basic salary to Rs.3,00,000 per month with effect from 01.09.2010 for the remaining period of appointment, i.e. upto 31.03.2012 at the same terms and conditions as approved by the members on 25.07.2009.

A statement as required under proviso (iv) of subparagraph B of Section II of Part II of Schedule XIII is attached herewith.

The copy of the draft resolution and other related documents are kept at the Registered Office of the Company open for inspection during the 11:00 AM to 01:00 PM on all working days.

Mr. Makrand Appalwar for self and Mrs. Rinku Appalwar as wife of Mr. Makrand Appalwar and Mrs. Mitravinda Appalwar as mother of Mr. Makrand Appalwar are interested in the above resolution. No other directors are interested in the above resolution.

Directors recommend the Special Resolution for the approval of the Shareholders.

The above resolution and explanatory statement shall also be construed to be statement to be sent to shareholders under section 302 of the Companies Act, 1956.

ITEM NO. 7

Mrs. Rinku Appalwar was appointed as Director Finance w.e.f. 01.04.2009 and her appointment had been approved by the members of the Company in Extra Ordinary General Meeting held on 25.07.2009. The Remuneration Committee and Board of Directors, at their meeting held on 14th August, 2010, approved the revision in her remuneration by increasing basic salary to Rs. 2,75,000 per month with effect from 01.09.2010 for the remaining period of appointment, i.e. upto 31.03.2012 at the same terms and conditions as approved by the members on 25.07.2009.

A statement as required under proviso (iv) of subparagraph B of Section II of Part II of Schedule XIII is attached herewith.

The copy of the draft resolution and other related documents are kept at the Registered Office of the Company open for inspection during the 11:00 AM to 01:00 PM on all working days.

Mrs. Rinku Appalwar for self and Mr. Makrand Appalwar as husband of Mrs. Rinku Appalwar and Mrs. Mitravinda Appalwar as mother-in-law of Mrs. Rinku Appalwar are interested in the above resolution. No other directors are interested in the above resolution.

Directors recommend the Special Resolution for the approval of the Shareholders.

The above resolution and explanatory statement shall also be construed to be statement to be sent to shareholders under section 302 of the Companies Act, 1956.

Statement as referred in Item No. 6 & 7.

I. GENERAL INFORMATION :

- (1) **Nature of industry : Manufacturer of the Poly-yarn and poly-fabrics to be used in multiple applications including predominant use in packaging industry;**
- (2) **Date or expected date of commencement of commercial production: not applicable since already in commercial production;**
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: not applicable since already in commercial production;**
- (4) **Financial performance based on given indicators (Rs. in Lacs)**

	2009-10	2008-09
Operating income	5,183.62	3,973.86
Profits for the year before tax	284.52	172.69
Profit after tax	177.13	126.96

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(5) Export performance and net foreign exchange collaborations (Rs. in Lacs)

	2009-10	2008-09
Foreign Exchange Earnings	2049.46	2249.00
Foreign Exchange Outgo	395.44	7.03

(6) Foreign investments or collaborators, if any: **No foreign investment or collaboration.**

II. INFORMATION ABOUT THE APPOINTEE : **MR. MAKRAND APPALWAR**

- (1) Background details : **Engineering Graduate**
- (2) Past remuneration: **Rs.2,50,000 per month**
- (3) Recognition or awards: **Presented paper on technical paper in the World FIBC Congress "India advantage to improve the Carbon Footprint on the mother earth", Received "Udyog Ratan Award" by institute of Economic Studies.**
- (4) Job profile and his suitability: **Managing Director responsible for overall management and operations of the Company**
- (5) Remuneration proposed: **Rs.3,00,000 per month**
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): **The remuneration payable is comparatively commensurate to the person with similar profile in similar industry.**
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: **Promoter of the company and spouse of the Finance Director.**

II. INFORMATION ABOUT THE APPOINTEE : **MRS. RINKU APPALWAR**

- (1) Background details : **Science Graduate, MBA**
- (2) Past remuneration: **Rs.2,25,000 per month**
- (3) Recognition or awards: **Being first generation entrepreneur, developed all financial tools with help of the consultants to develop a good MIS system.**
- (4) Job profile and his suitability: **Finance Director responsible for Finance, procurement and administration.**
- (5) Remuneration proposed: **Rs.2,75,000 per month**
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): **The remuneration payable is comparatively commensurate to the person with similar profile in similar industry.**
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: **Promoter of the company and spouse of the Managing Director.**

III. OTHER INFORMATION :

- (1) Reasons of loss or inadequate profits: **The Company is continuously taking expansions to achieve economies of scale. The Company has been improving its profit track record on continuous basis.**
- (2) Steps taken or proposed to be taken for improvement: **With expansion of the production facility and the increase of the market to international customers, now the management is expecting the better profitability levels. Increase of economies of scale would also contribute to the profitability.**
- (3) Expected increase in productivity and profits in measurable terms: **The Company continued to see profitable growth in the financial year 2009-2010 across all markets in existing business. The year ended March 31 2010, the Company earned net profit of Rs.177.13 lacs an increase of 40 % over previous year's Rs.126.96 lacs. With the proposed expansion, the profitability of the Company would further surge to more better levels.**

IV. DISCLOSURES :

- (1) The shareholders of the company shall be informed of the remuneration package of the managerial person **Remuneration package is included in the resolution.**
- (2) **The corporate governance report is attached and the details of the remuneration package is being included at appropriate place in the report and accounts and notes to accounts.**

The above disclosure shall also be treated as the disclosure under section 302 of the Companies Act, 1956.

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

Date : 14th August 2010
Place : Mumbai

Sd/-
ASHVINI GODBOLE
COMPANY SECRETARY

Emmbi Polyarns Limited

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

Name of Director	Mr. Makrand Appalwar	Mrs. Rinku Appalwar	Mrs. Mitravinda Appalwar
Date of Birth	21.11.1969	19.08.1971	03.10.1945
Date of Appointment	29.11.1994	29.11.1994	29.11.1994
Number of Shares held	28,35,250	18,81,550	1,94,000
Number of Warrants held	Nil	Nil	Nil
Qualifications	B.E. (Electronics & Telecommunications)	B. Sc (Chemistry), DMM, DAM	B.A.M.S.
Experience in special functional Area	Development of Production systems and Production planning along with product development	Financial Systems Manager, Risk Management and Forex Management	Nil
Directorship held in other Public CompaniesAs on (31-03-2010)	Nil	Nil	Nil

Name of Director	Chairman/Membership in Committees of other Companies		
	Name of the Company	Type of Committee	Membership Status
Mr. Makrand Appalwar	Nil	Nil	N.A.
	Nil	Nil	N.A.
	Nil	Nil	N.A.
	Nil	Nil	N.A.
Mrs. Rinku Appalwar	Nil	Nil	N.A.
	Nil	Nil	N.A.
	Nil	Nil	N.A.
	Nil	Nil	N.A.
Mrs. Mitravinda Appalwar	Nil	Nil	N.A.
	Nil	Nil	N.A.
	Nil	Nil	N.A.
	Nil	Nil	N.A.

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DIRECTORS' REPORT

To
The members,
Emmbi Polyarns Limited.

Your Directors have pleasure in presenting their 16th Annual Report alongwith the Audited Accounts of the Company for the year ended 31st March, 2010.

Financial Results.

(Rs. in lacs)

	2009-10	2008-09
Operating income	5,183.62	3,973.86
Other income (including non-recurring income)	6.03	0.78
Earnings before Interest & Depreciation	575.11	489.32
Less : Depreciation	85.38	78.55
Interest	205.22	238.09
Profits for the year before tax	284.52	172.69
Less : Provision for Taxation.	107.39	45.73
Profit after tax	177.13	126.96
Add : Surplus brought forward from previous year	471.13	344.17
Amount available for appropriation	648.26	471.13
Appropriation		
Less : Issue of Bonus shares	(469.95)	Nil
Surplus carried to Balance Sheet	178.31	471.13

Note: Figures of previous year have been regrouped wherever necessary to make the information comparable.

Initial Public Offer:

During the year under review, the Company had successfully completed its initial Public Offer for raising its Equity for an amount of Rs. 38.95 Crores. The proceeds of this IPO will be used for the capacity expansion programme of the Company and other objects as stated in the Prospectus. The shares were listed on 24th February, 2010 on Bombay Stock Exchange and National Stock Exchange.

Expansion:

The Company is under implementation to enhance its manufacturing capacity from present level of 5000 M/Ts per year with addition of around 13000 M/Ts per year. The final installed capacity of the Company will be around 18,000 M/Ts. per year.

Overview of Operations:

The year under review was under the shadow of last years global economic down turn. Considering the above fact Company has focused to develop the business into the domestic market. Company continued to improve its operational profitability by conserving costs and improving efficiencies.

The Company has the philosophy of long term partnerships with clients while addressing their packaging requirements. The focused customer-centric approach of your Company has resulted in high levels of client satisfaction and retention even during the difficult period of global recession.

The management decided to increase the product base of the Company in order to fight the wave of global showdown. The Company was able to maintain the 95% of its sale in the field of Export vis a vis previous year There was also a steep growth in the Domestic market that was achieved by launching new products range of “**AquaSave**” in the Domestic market. We have created large network retail distributors for our new product range.

The Company continues to see growth in Sales as well as in Profit for the Financial Year 2009-2010 across all markets in existing business. For the year ended 31st March, 2010, the Company earned a total income of Rs.51.90 crores, posting an increase of 31% over the previous year of Rs.39.75 Crores.

DIVIDEND

The Board do not recommend any dividend for the year under review in view to conserve of the expansion project of the Company.

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Management Discussion and Analysis

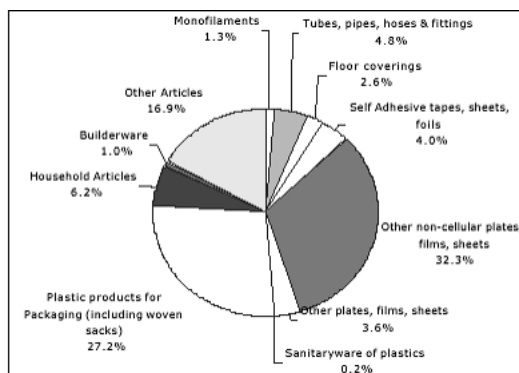
Industry Overview:

Polymer Based Packaging Industry has now matured over past 25 years in this country. The industry was initially progressed in 1970 era in the developed economies like US & EU. Many fold increase in the cost of wages has forced the industry to shift its base to the satellite countries like Mexico & other South American countries for the US Market and East European countries for the European Market. This shift took place during 1985 to 1995. With increase in popularity in the NAFTA agreement and the formation of “European Union” the wages in these satellite countries went through the roof and highly labour oriented packaging industry once again started looking for the New Place to settle.

This was the same period when India experienced the “Polymer Revolution”.

Scope and Global Opportunity:

In the past three years Company has set a very strong base across the globe and has reached a level where the Company can reap the fruits for all the hard work put in developing the product line and distributor network across the world. The global demand of the raffia sector, which is a principal focus product line of the Company, will show a tremendous growth in years to come.



New Products:

This was one of the most fruitful year in the field of the Launch of New products for the Company. “AquaSave” the Product range specially focused on the water conservation based products was one of the big success.

Company has commissioned a pilot project for its most innovative product “Canal Liner” in the Goki Irrigation Project in the State of Maharashtra and the product is tested and approved by the Department of Irrigation Government of Maharashtra.

With the Completion of Phase 1 Expansion of the Expansion project Company will be in position to commercially reap the fruits of past two years of its longdrawn research.

Company was able to main the sale of its bags through the Rural weekly markets also secured the sale of 0.5 % of total domestic revenue through its rural initiative.

The base product produced by the Company remains as the “Technical Textile”. For this Base Product, value added usages are under development by the Company and may be developed along with the users as well. Presently, 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. In recent years, the Company has acquired substantial share in the export markets for the various packaging needs for products like Construction Aggregates, Chemicals, Seeds, Fertilizers, and Cement & Food Grains etc.

Few of the most value added products, the Company make are Car/Automobile Covers, Container Liners, Anti Corrosive Packaging, Electrically conductive polymer based packaging etc.

Corporate Vision:

Management’s vision for the Company is to be a global leader in the field of woven polymer based products in multifaceted applications. We will achieve the same through our acquired in-depth knowledge in polymer processing and continuously

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adhering to best manufacturing practices. We will augment our “state of art” manufacturing processes with innovative product applications to increase the future sustainability and growth for the Company.

We are committed to the conservation of environmental resources. Company is working towards generating the highest yield in “per kg polymer usage”. We would be initiating the research and development programme to develop the products with highest level of recyclable advantage.

Corporate Mission:

Management continuously seeks to maximize returns to all stakeholders through its vision, which will be attained through the following practices.

- Nurturing a strong management culture, which provides clear objectives to achieve acceptable growth and returns to all the shareholders.
- Streamlining and investing in appropriate technologies to expand the capabilities to provide in time supply to customers.
- Inculcating in employees a culture of service excellence to all customers to provide services to customers to their satisfaction.
- Optimising operational efficiencies and working capital investment by strategic investment in the manufacture of quality branded products for getting maximum benefits from its suppliers of equipments.
- Continuing expansion of product ranges and services to promote the growth of markets, penetrate additional sectors, and contribute to the development of infrastructure.
- Implementing ongoing skills and development programmes for employees to improve their capability to contribute their maximum for the benefit of other stakeholders;
- Embracing the principle of sustainable development, to achieve and effectively measure and manage integrated economic, social, environmental and business performance.

Corporate Values:

Your Company **Emmbi Polyarns Limited**, subscribes to a comprehensive value system.

- **Accountability** – extended to all stakeholders and including ongoing communication with both internal and external role players.
- **Entrepreneurship** –constantly innovating and encouraging individual participation to build and develop the business.
- **Equal opportunity and development** - employing best employment practices, empowerment policies and training to create an environment where a positive work ethic is encouraged and rewarded.
- **Fairness** – ensuring that all stakeholders are treated equally.
- **Honesty** – in all interaction with both with both internal and external stakeholders.
- **Respect** – for human rights, human dignity and social justice.
- **Responsibility** – for decisions and actions and for employees.
- **Service excellence** - reinforcing partnerships and relationships and creating new ones by standards of performance.
- **Transparency** – providing comprehensive accurate, timely communication with all stakeholders.
- **Environmental protection** – optimizing resource utilization and implementing environmental management to minimize waste and emission.

The above value system has been summarized into six core values that is driven and published throughout the Company.

These values are:

- **Total commitment to the cause:** Understanding and supporting the greater purpose of the Company to create an environment in which every individual can prosper and provide for his or her family's needs and aspirations. Even more than this, providing opportunities for people to grow and to express their leadership abilities for the good of all involved with the Company.

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- **Absolute honesty and integrity:** requires that each employee is honest with himself or herself by living up to the Company's requirements of conduct and performance and treating the Company's assets with care and respect.
- **Tenacity:** having the stamina and persistence to remain with cause even though difficult and challenging times, knowing that the reward will make the journey worthwhile.
- **The leadership:** is not about self interest or self gratification. It requires the ability to coordinate the resources of the Company in the best interest of all involved in the Company.
- **Drive:** being goal and performance oriented seeking fair reward and career fulfillment.
- **Respect:** treating one another with dignity and the Company's time, resources and assets with respect.

Quality Management Systems

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

Your Company is also in the process of upgrading the present **ISO 9001:2000** standard certification to **ISO 9001-2008** level. This would position the Company with the latest level of global quality standard. The certification is expected to be completed during the third quarter of the next financial year.

Public Deposits

During the year under review, the Company has not accepted any 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.

Directors

Mrs. Mitravinda Appalwar and Mr. Makrand Appalwar resign from the Board by rotation and are eligible for the re-appointment at the forthcoming Annual General Meeting.

It is further proposed to increase remuneration of Mr. Makrand Appalwar, Managing Director of the Company and Mrs. Rinku Appalwar, Exevutive director. Necessary resolution and explanatory statement giving details of increase is attached separately.

Directors' Responsibility Statement:

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

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate 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.
- iv. That the annual accounts have been prepared on a going concern basis; and
- v. That the Company has adequate internal system and controls in place to ensure compliance of laws applicable to the Company