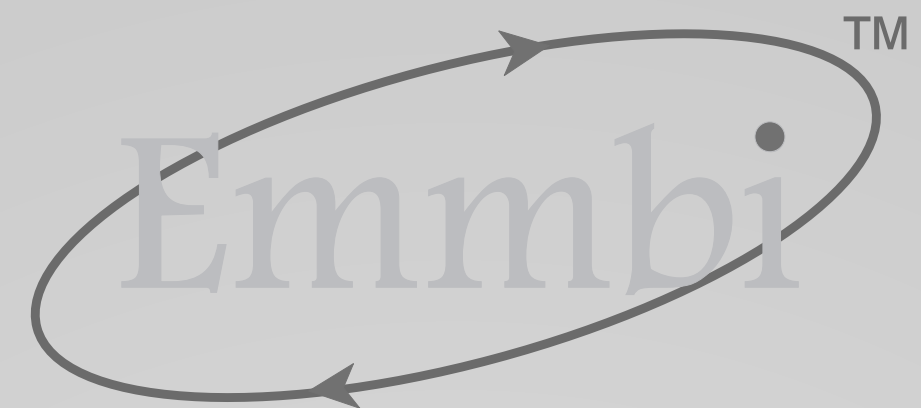


BOOK-POST



17th Annual Report

2010-2011

EMMBI POLYARNS LIMITED

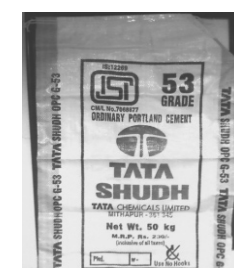
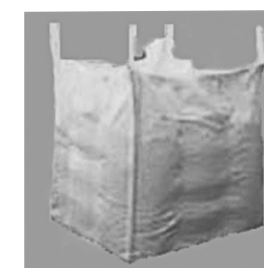
Beyond packaging...

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

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, Madhuban Industrial Estate, Rakholi, U.T. of Dadra & Nagar Haveli, Silvassa - 396 230 India Tel.: +91 (0260) 320 0948.

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

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

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

Company Secretary:

Ashvini Godbole
info@emmbi.com

Registered Office:

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

Auditors:

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

Registrar & Transfer Agents:

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

Emmbi Polyarns Limited

NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

Date : 24th August, 2011
Place : Mumbai

**Sd/-
ASHVINI GODBOLE
COMPANY SECRETARY**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed to and form part of this notice.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, 23rd September, 2011 to Tuesday, 27th September, 2011 (both days inclusive).
5. The Dividend as recommended by Board, if approved at the ensuing Annual General Meeting, will be paid to those Members whose names appear on the Company's Register of Members as on 27th September, 2011 in respect of shares held in physical mode and whose names appear in beneficial position (BENPOS) received from the depositories as on 22nd September, 2011.
- 6) The members are requested to :
 - a. Intimate changes, if any, in their Registered address to the Registrar and Transfer Agents of the Company DATAMATICS FINANCIAL SERVICES LIMITED, Plot No. A-16 and 17, MIDC, Part B Cross Lane, Marol, Andheri (East), Mumbai 400 093; Tel. No. 66712151-56; Fax No. 66712192
 - b) Quote ledger folio numbers in all their correspondence.
 - c) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
 - d) Write atleast 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.

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EXPLANATORY STATEMENT

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

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

ITEM NO. 6

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

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

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

Date : 24th August, 2011

Place : Mumbai

**Sd/-
ASHVINI GODBOLE
COMPANY SECRETARY**

Emmbi Polyarns Limited

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

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

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

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DIRECTORS' REPORT

To
The members,
Emmbi Polyarns Limited.

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

FINANCIAL RESULTS.

(Rs. in lacs)

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

DIVIDEND

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

OPERATIONS

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

EXPANSION PROJECT

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

EXPORTS

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

Emmbi Polyarns Limited

Strategic Alliances

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

International Credit Rating

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

Human Resource development

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

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

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

Quality Initiatives:

Manufacturing activity is a heart of “Emmbi’s activities.

In order to achieve the improvement in the manufacturing company has adopted the concepts of Total Productive Maintenance (TPM) .

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

DIRECTORS

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

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

In accordance with the Articles of Association of the Company and in view of the provisions of Section 255 of the Companies Act, 1956, Mrs. Rinku Appalwar and Mr. Sanjay Rathi, Directors of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. As required the requisite details of directors seeking reappointment are included in the annual report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

1. in the preparation of the Annual Accounts for the year ended on 31 March 2011, the applicable accounting standards have been followed along with proper explanation for material departure, if any;
2. they have selected such appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the said financial year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the said Accounts on a “going concern basis”

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CORPORATE GOVERNANCE

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

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

AUDITORS

The Auditors M/s. K.J Shah & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for reappointment. They have submitted a certificate of their eligibility for reappointment under section 224 (1-B) of the Companies Act, 1956 and they are not disqualified under amended section 226(3)(e) of the said Act.

LISTING FEES

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

PUBLIC DEPOSITS

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

PARTICULARS OF THE EMPLOYEES

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended in this regard.

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

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

A) Conservation of Energy:

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

B) Technology Absorption:

All the technologies are developed in house and there is no import of any technology.

C) Foreign Exchange Earnings & Outgo:

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

Emmbi Polyarns Limited

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and cooperation received from the shareholders, customers, dealers, suppliers, banks, financial institutions, Government authorities, Export Promotion council, other semi Government authorities, Administration of Union Territory of Dadra & Nagar Haveli, Stock Exchanges and business associates at all levels during the year under review. The Directors also wish to place on record their deep appreciation for the committed services of the workers, staff and executives of the Emmbi family.

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2011

(MAKRAND APPALWAR)
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY OVERVIEW:

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

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

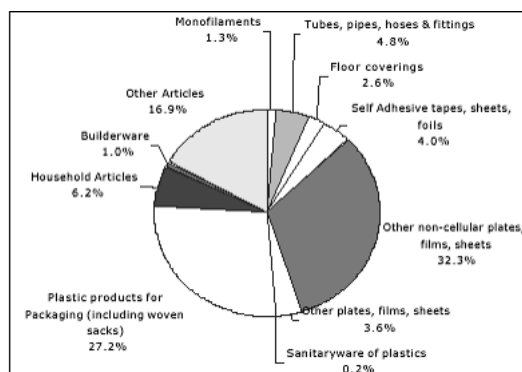
2. DOMESTIC BUSINESS OUTLOOK:

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

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

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

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



The management has initiated steps to increase the product base that has shown many positive results during the year 2010-11. The Company was able to increase its export by 34% vis a vis previous year. Company has also expanded its sales footprint from 18 Countries in the last year to around 29 Countries this year. There was also a steep growth of 51 % in the Domestic market that was achieved by launching new products such as "Aqua Save" which encompasses the Range of Water Storage Tanks from 250 Liters to 2000 Liters, Canal Liners and Pond Liners and various other property packaging products. The management is also in the process of creating a network of retail distributors for our new product range.

3. INTERNATIONAL BUSINESS OUTLOOK:

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

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