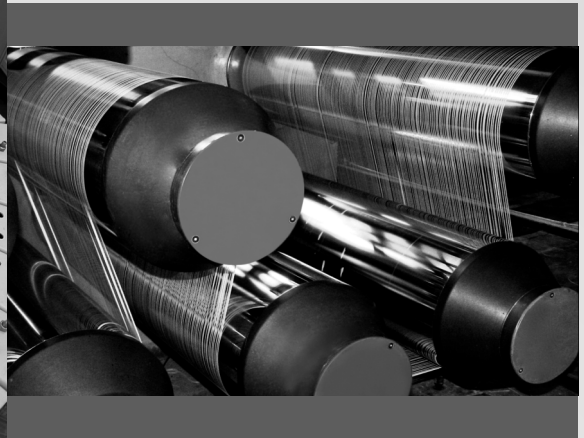
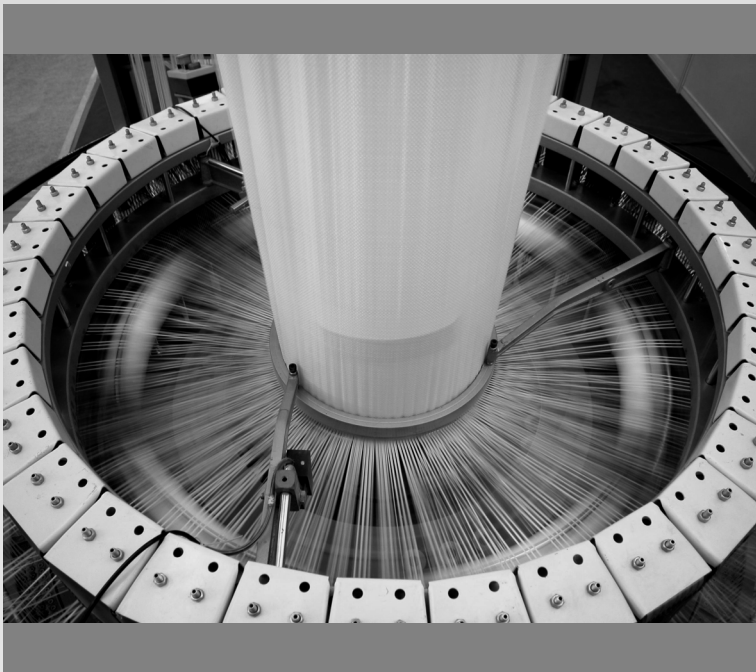


**Emmbi**®  
Speciality Polymer Processing



# **Emmbi Polyarns Limited**

**19<sup>th</sup> Annual Report  
2012-2013**



## 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. ”

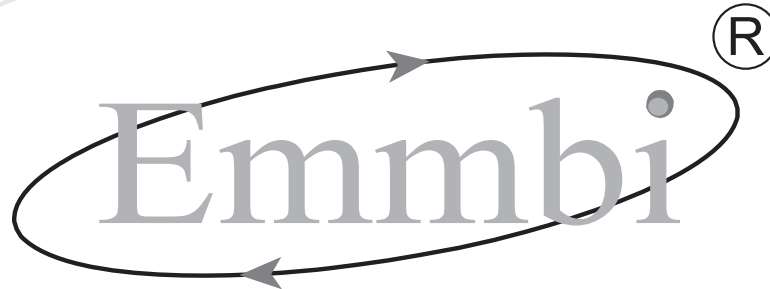
**Makrand Appalwar**  
Chairman & Managing Director

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Speciality Polymer Processing

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## 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.

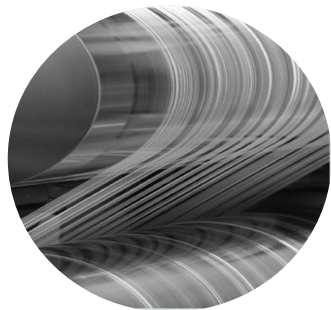
At Emmbi we firmly believe "To know you is knowhow."

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**Speciality Polymer Processing**

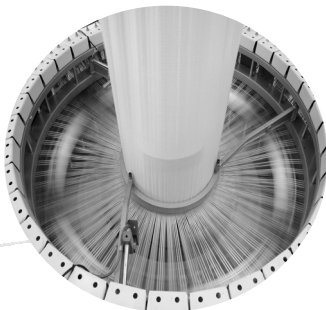
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# VISION



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 & Chief Financial Officer

Rinku M. Appalwar

#### Non-Executive Directors

Dr. Mitravinda M. Appalwar  
Sanjay R. Rathi  
CA Prashant K. Lohiya  
Dr. Venkatesh G. Joshi

#### Company Secretary

Kaushal R. Patvi

#### Auditors

K. J. Shah & Associates

### Board Committees

#### Audit Committee

Sanjay R. Rathi  
(Chairman)  
Prashant K. Lohiya

Dr. Venkatesh G. Joshi  
Rinku M. Appalwar

#### Shareholders'/Investors' Grievance Committee

Prashant K. Lohiya  
(Chairman)  
Sanjay R. Rathi  
Rinku M. Appalwar

#### Remuneration Committee

Sanjay R. Rathi  
(Chairman)  
Prashant K. Lohiya

Dr. Venkatesh G. Joshi

#### Committee of Directors Committee

Makrand M. Appalwar  
(Chairman)  
Rinku M. Appalwar  
Sanjay R. Rathi

### Bankers

Punjab National Bank  
Export Import Bank of India  
Axis Bank Limited

### 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

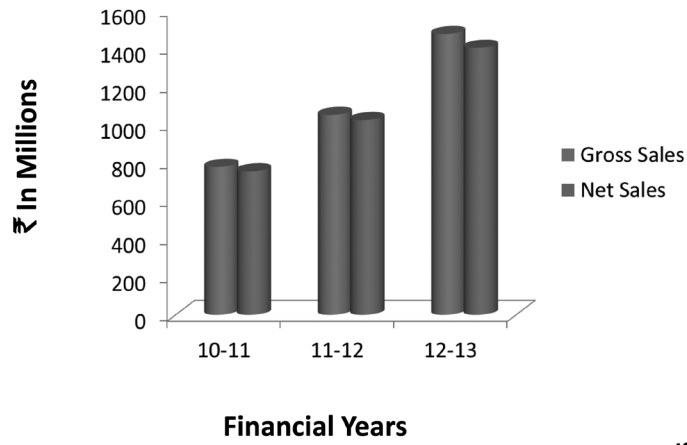
### Registrars & Transfer Agents

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

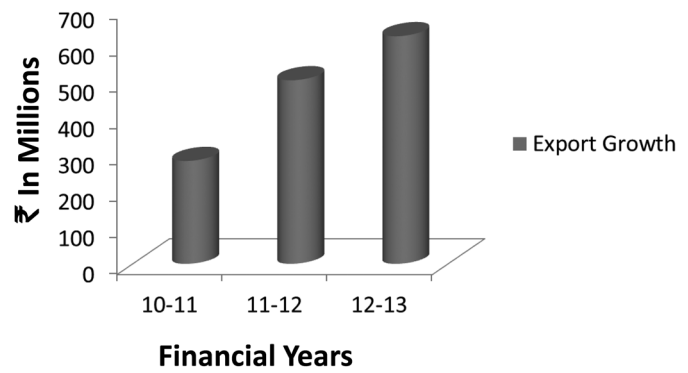
19th Annual General Meeting on Monday, September 30, 2013 at 10.00 a.m. at 99/2/1, Madhuban Industrial Estate,  
Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa-396230.

# 19th Annual Report 2012 - 2013

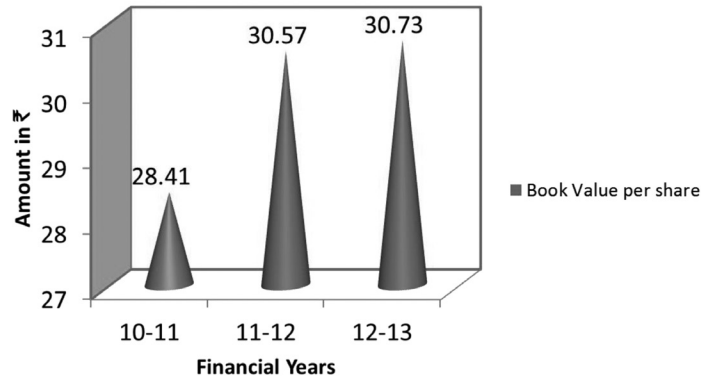
**GROSS & NET REVENUE FROM OPERATIONS**



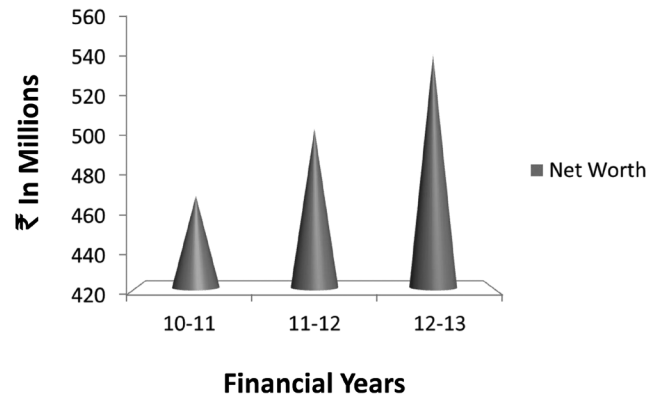
**Export Growth**



**Book Value per share**



**Net Worth**





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### NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of EMMBI POLYARNS LIMITED will be held on Monday, 30<sup>th</sup> September, 2013, 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 – 396 230 at 10.00 a. m. to transact the following business:

#### ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013 and audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2013 together with the reports of the Directors and the Auditors thereon.
- 2) To approve payment of Dividend of ₹ 0.20 per Equity Share for the year ended 31<sup>st</sup> March, 2013.
- 3) To appoint a director in place of Mr. Makrand Appalwar, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a director in place of Mrs. Mitravinda Appalwar, who retires by rotation and being eligible, offers herself for re-appointment.
- 5) To appoint M/s. K. J. Shah & Associates, Chartered Accountants as Statutory Auditors and to fix their remuneration.

#### SPECIAL BUSINESS

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

**“RESOLVED THAT** the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorised, pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956 and all other applicable provisions if any, of the Companies Act, 1956 or any other law for the time being in force (including any statutory modifications or amendment thereto or re-enactment thereof for the time being in force), subject to requisite approvals, if any, as may be required from any of the concerned authorities to borrow money, from time to time, at its discretion either from the Company’s bankers or any other bank, financial institution or any other lending institutions or persons (including Foreign Institutional Investors, Non Resident Individuals, Associations and Corporate Bodies) on such terms and conditions as may be considered suitable by the Board upto a limit not exceeding in the aggregate ₹ 1,000 crores (Rupees One Thousand Crores) notwithstanding that the money to be borrowed together with the money’s already borrowed by the Company (apart from the temporary loans

obtained from the Company’s bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit”.

- 7) To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to Ordinary Shares/ ‘A’ Ordinary Shares and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹ 1,000 Crores or the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, whichever is higher”.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

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

**“RESOLVED THAT** in modification of Resolution No. 6 passed at the Annual General Meeting of the Company held on September 30, 2010 for revision in terms of remuneration of Mr. Makrand Appalwar, Chairman and Managing Director of the Company and pursuant to the provisions of sections 198, 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 Board hereby approves the increase in payment of remuneration payable to Mr. Makrand Appalwar, as Managing Director of the Company, with effect from 01.10.2012 to 30.09.2015, on the terms and conditions as set out in the resolution approved by the Company in its Remuneration Committee Meeting held on 10<sup>th</sup> November, 2012.

Basic Salary – ₹ 3,50,000 per month

**RESOLVED FURTHER THAT** all other terms and conditions relating to the perquisites except the remuneration shall remain the same as decided by the Board of Directors in the Board Meeting held on 14<sup>th</sup> February, 2012.

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

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

“**RESOLVED THAT** in modification of Resolution No. 7 passed at the Annual General Meeting of the Company held on September 30, 2010 for revision in terms of remuneration of Mrs. Rinku Appalwar, Executive Director and Chief Financial Officer of the Company and pursuant to the provisions of sections 198, 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 Board hereby approves the increase in payment of remuneration payable to Mrs. Rinku Appalwar, as Executive Director of the Company, with effect from 01.10.2012 to 30.09.2015, on the terms and conditions as set out in the resolution approved by the Company in its Remuneration Committee Meeting held on 10<sup>th</sup> November, 2012.

Basic Salary – ₹ 3,25,000 per month

**RESOLVED FURTHER THAT** all other terms and conditions relating to the perquisites except the remuneration shall remain the same as decided by the Board of Directors in the Board Meeting held on 14<sup>th</sup> February, 2012.

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

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

**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 Friday, 20<sup>th</sup> September, 2013 to Monday, 30<sup>th</sup> September, 2013 (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 30<sup>th</sup> September, 2013 in respect of shares held in physical mode and whose names appear in beneficial position (BENPOS) received from the depositories as on 19<sup>th</sup> September, 2013.
- 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 Tel. No. 66712151-56; Fax No. 66712011; e-mail id: emmbiinvestors@dfssl.com, 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.

## 19th Annual Report 2012 - 2013

- 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.
- 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.

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

Date : 29<sup>th</sup> May, 2013  
Place : Mumbai

**Kaushal Patvi  
Company Secretary**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

#### **Item No. 6 & 7:**

The Members of the Company are informed that as the Company is planning to raise further capital towards funding requirements and approaching Banks and Financial Institutions for availing Term Loans and Working Capital facilities for its expansion of business activities, it was felt necessary to authorize the Board of Directors to borrow further sums of money thereby raising the total borrowing limit to ₹ 1,000 Crores (Rupees One Thousand Crores Only). Section 293(1) (d) of the Companies Act, 1956 provides, inter alia, that the Board of Directors shall not without the consent of the Members in General Meeting borrow money, and the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves i.e., reserves not set apart for any specific purpose provided that the total amount upto which monies may be borrowed by the Company shall not exceed ₹ 1,000 Crores. (Rupees One Thousand Crores Only). The Resolution under Item No. 6 is to obtain the consent of the shareholders for this purpose. The Company shall ensure that the debt equity ratio of the Company, at all times, will be within a reasonable limit.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders of the said securities as mentioned in the Resolution at Item No. 7. As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a resolution under Section 293(1)(a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding ₹ 1,000 crores or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher.

The above proposals are in the interest of the Company and the Directors commend the Resolutions in Item Nos. 6 and 7 of the Notice for approval by the Members.

None of the Directors are concerned or interested in the Resolutions at Item Nos. 6 and 7 of the accompanying Notice.

#### **Item No. 8:**

At the Annual General Meeting of the Company held on September 30, 2010, the Members had approved the revision in terms of remuneration of Mr. Makrand Appalwar, Chairman and Managing Director, with the maximum amount of salary of ₹ 3,00,000 p.m. Taking into consideration the increased business activities of the Company and the responsibilities cast on Mr. Makrand Appalwar, the Board has revised the maximum limit of salary of Mr. Makrand Appalwar from ₹ 3,00,000 p.m. to ₹ 3,50,000 p.m., with effect from 01.10.2012 for the remainder of the tenure of his appointment i.e. up to 30.09.2015, with proportionate increase in the benefits related to his salary.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act as amended from time to time.

All other terms and conditions relating to the appointment of Mr. Makrand Appalwar as approved by the Members of the Company will remain unchanged.

In compliance with the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act, the revised terms of remuneration of Mr. Makrand Appalwar as specified above are now being placed before the Members for their approval.

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

Mr. Makrand Appalwar and Mrs. Rinku Appalwar, Mrs. Mitravinda Appalwar being relatives of Mr. Makrand Appalwar are concerned or interested in Item No. 8 of the accompanying Notice.

The Board commends the Resolution at Item No. 8 for approval by the Members.

#### **Item No. 9:**

At the Annual General Meeting of the Company held on September 30, 2010, the Members had approved the revision in terms of remuneration of Mrs. Rinku Appalwar, Executive Director-Finance and Chief Financial Officer, with the maximum amount of salary of ₹ 2,75,000 p.m. Taking into consideration the increased business activities of the Company and the responsibilities cast on Mrs. Rinku Appalwar, the Board has revised the maximum limit of salary of Mrs. Rinku Appalwar from ₹ 2,75,000 p.m. to ₹ 3,25,000 p.m., with effect from 01.10.2012 for the remainder of the tenure of her appointment i.e. up to



30.09.2015, with proportionate increase in the benefits related to her salary.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act as amended from time to time.

All other terms and conditions relating to the appointment of Mrs. Rinku Appalwar as approved by the Members of the Company will remain unchanged.

In compliance with the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act, the revised terms of remuneration of Mrs. Rinku Appalwar as specified above are now being placed before the Members for their approval.

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

Mrs. Rinku Appalwar and Mr. Makrand Appalwar, Mrs. Mitravinda Appalwar being relatives of Mrs. Rinku Appalwar are concerned or interested in Item No. 9 of the accompanying Notice.

The Board commends the Resolution at Item No. 9 for approval by the Members.

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

Date : 29<sup>th</sup> May, 2013  
Place : Mumbai

**Kaushal Patvi  
Company Secretary**

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	<b>Mr. Makrand Appalwar</b>	<b>Mrs. Mitravinda Appalwar</b>
Date of Birth	21.11.1969	03.10.1945
Date of Appointment	29.11.1994	29.11.1994
Number of Shares held	41,98,000	1,94,000
Number of Warrants held	Nil	Nil
Qualifications	B. E. (Electronics & Telecommunications)	B.A.M.S.
Experience in special functional Area	Development of Production Systems and Production Planning along with product development	Nil
Directorship held in other Public Companies As on (31-03-2013)	Nil	Nil

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

# 19th Annual Report 2012 - 2013

## DIRECTORS' REPORT

To  
The members,  
**Emmbi Polyarns Limited**

Your Directors have pleasure in presenting the **Nineteenth Annual Report** and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2013.

Particulars	Year ended on 31 <sup>st</sup> March 2013 (₹ in Millions)	Year ended on 31 <sup>st</sup> March 2012 (₹ in Millions)
Sales	1401.91	1022.57
Other income	0.32	0.96
Total revenue	1402.23	1,023.53
Expenditure	1354.01	9,73.33
Profit before tax	48.22	50.20
Tax expenses	15.80	17.11
Profit after Tax	32.42	33.09
Expenses of earlier year	---	---
Balance	32.42	33.09
Balance brought forward	67.02	39.67
Profit available for appropriation	99.44	72.76
Excess provision of dividend tax credited	---	0.01
Add : Excess Provision of Taxes of earlier years	0.19	---
Less : Mat Credit Utilised in earlier years	1.31	---
Balance available for appropriation	98.32	72.77
Appropriations:		
Proposed Dividend	3.54	4.95
Distribution tax on Dividend	0.57	0.8
Balance carried to Balance Sheet	94.21	67.02

## DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.20 per share of the face value of ₹ 10/- each for the year ended on 31<sup>st</sup> March, 2013 (₹ 0.30 per share for the previous year) subject to the Members' approval. The dividend payment amounts to ₹ 3.54 Millions. In addition ₹ 0.57 Millions is payable towards distribution tax on dividend.

## OPERATIONS

During the year under review, your Company has achieved Revenue from Operations and other Income aggregating to ₹ 1402.23 millions as against ₹ 1023.53 millions during the previous year, registering an increase of about 37% over the previous year. Profit after providing for taxes is ₹ 32.42 millions as against ₹ 33.09 millions of previous year.

## EXPORTS

Exports during the year under review were ₹ 584.99 millions as against ₹ 489.13 millions that is a net year on Year Growth of around 19.60%. Exports in the previous financial year contributed to 44.50% in the net sales. Company has expanded its presence in 45 countries from 38 Countries in the previous year which has resulted healthy growth in the territory of operation.

## HUMAN RESOURCE DEVELOPMENT

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

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

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

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

## 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, Mr. Makrand Appalwar and Mrs. Mitravinda Appalwar, 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 the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In preparation of the annual accounts for the year ended March 31, 2013 the applicable accounting standards have been followed and there has been no material departure;
2. The Directors have selected such 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 March 31, 2013 and of the profit of the Company for the year ended on that date;

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the Annual Accounts of the Company on a “going concern basis”.

#### **CORPORATE GOVERNANCE**

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

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 (1-B) of the Companies Act, 1956 and they are not disqualified under amended section 226(3)(e) of the said Act.

#### **COST AUDITORS**

M/s Atul Ambekar & Associates, Cost Accountants, were re-appointed as Cost Auditors for the financial year 2013- 14 to conduct cost audit of the accounts maintained by the Company, in respect of the various products prescribed under Cost Audit Rules, 2011. (Firm’s Membership No. 102425).

#### **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 2013-14 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 ₹ 584.99 millions.

(₹ In Millions)

Particulars	2012-13	2011-12
Foreign Exchange Earnings	584.99	489.13
Foreign Exchange Outgo	60.04	94.02

#### **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 : 29<sup>th</sup> May, 2013

**(Makrand Appalwar)**  
**Chairman & Managing Director**

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. FORWARD-LOOKING STATEMENTS

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

### 2. INDUSTRY OVERVIEW

The year 2012-13 quite interesting as the world was optimizing its supply chains and reducing the inventory levels. As a result many companies which are buying the packaging material through distributors are looking for the direct manufacturing companies as vendors to them. Your Company is one of the front runners in this process and has created a Special task force to cater to this newly developed opportunity.

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

### 3. DOMESTIC BUSINESS OUTLOOK

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

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

The year under review was very successful and company has achieved a Top line growth of around 50% and the profit

before tax have increased by around 3.94%. Company will be putting all its efforts to improve its operational profitability by conserving costs and improving efficiencies.

### 4. INTERNATIONAL BUSINESS OUTLOOK

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

As per the new policy of export promotion one of the Flagship product of the company's Export profile is declared under "Focus Product Scheme" & Few more customer countries are added to "Focus Market" of the Ministry of Commerce for the Financial Year 2012-13. This will yield a good boost to Indian Exports and in turn your companies Export performance.

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

### 5. NEW PRODUCTS

Company's efforts to distribute the water conservation products is now taking better Shape Development of Rural network in the 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 continues to sale of its rural shopping bags through the rural weekly markets as one of the important sustainability initiative.

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.

### 6. OPPORTUNITIES AHEAD

Your Company has maintained a steady growth in spite 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 as a long term policy.

#### 7. 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.

#### 8. 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 re-certification of its certificate of ISO 9001: 2008. This would position the Company with the latest level of global quality standard.

#### 9. 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.

#### 10. 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.

#### 11. FINANCIAL HIGHLIGHTS WITH RESECT TO OPERATIONAL PERFORMANCE

(₹ In Millions)

Particulars	F.Y. 2012-13	F.Y. 2011-12
Sales and other income	1402.23	1023.53
Net profit after interest, depreciation and Tax	32.42	33.09

#### 12. 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.

#### 13. 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

Date : 29<sup>th</sup> May, 2013  
Place : Mumbai

(Makrand Appalwar)  
Chairman & Managing Director



**CORPORATE GOVERNANCE REPORT**

**Company’s philosophy on Corporate Governance**

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

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

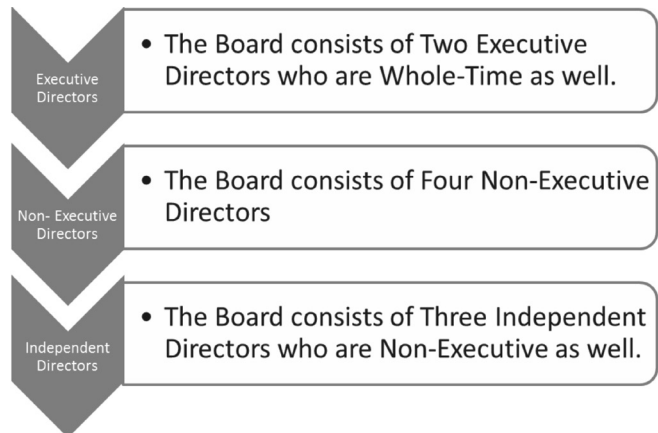


The responsibility for putting the recommendations into practice lies directly with the Board of Directors and the Management of the Company. The driving forces of Corporate Governance at Emmbi Polyarns Limited are its core values, which are belief in people, entrepreneurship, customer orientation and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

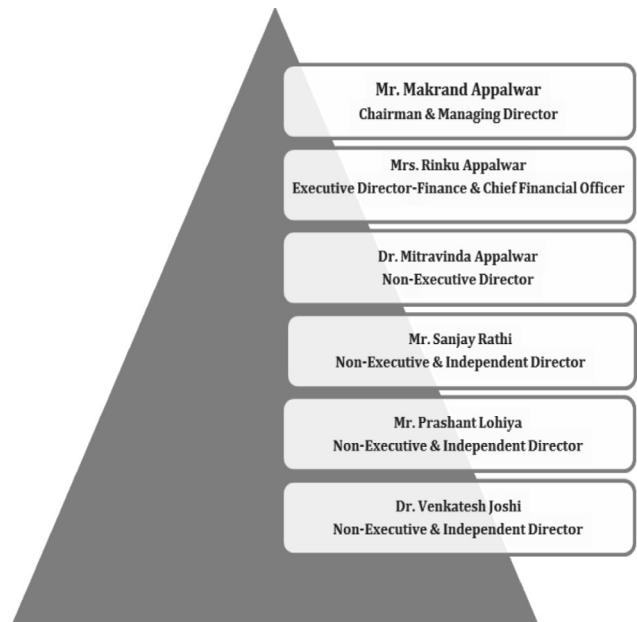


**2. Composition of Board of Directors**

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 2012-2013.

29 <sup>th</sup> May, 2012, 13 <sup>th</sup> August, 2012, 5 <sup>th</sup> December, 2012,
12 <sup>th</sup> June, 2012, 27 <sup>th</sup> September, 2012, 7 <sup>th</sup> January, 2013,
25 <sup>th</sup> July, 2012, 10 <sup>th</sup> November, 2012, 13 <sup>th</sup> February, 2013

### 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 2012-2013	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	4	-----	-----
4	Mr. Sanjay R. Rathi	5	10	-----
5	Dr. Venkatesh G. Joshi	5	-----	-----
6	Mr. Prashant K. Lohiya	5	-----	-----

None of the Directors hold Directorship in more than the permissible 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.

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	₹ 20,000
2	Mr. Sanjay Rathi	₹ 25,000
3	Mr. Prashant Lohiya	₹ 25,000
4	Dr. Venkatesh Joshi	₹ 25,000

### Details of Equity Shares held by Non-Executive Directors as on March 31, 2013

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

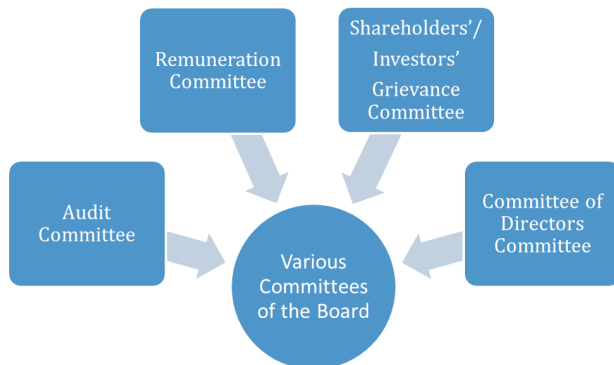
### 7. Directors seeking Appointment & Re-Appointment

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

Name of the Director	Category	Profile
Mr. Makrand M. Appalwar	Whole Time Executive Director	DOB: 21.11.1969 Education: B. E. (Electronics & Telecommunications)
Dr. Mitravinda M. Appalwar	Non-Executive Director	DOB: 03.10.1945 Education: B.A.M.S.

## 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

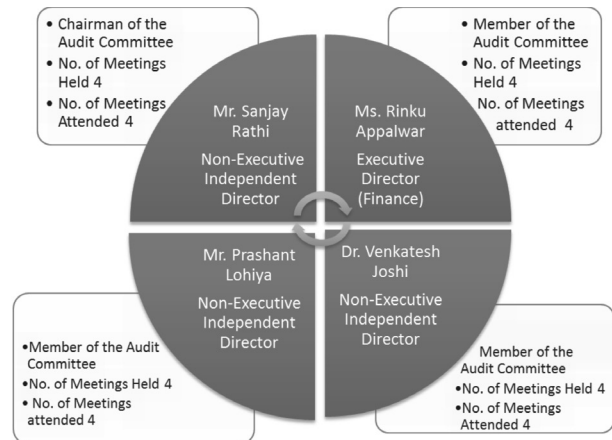
The Audit Committee of the company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The Audit Committee assists the Board in its responsibility for overseeing the quality of the accounting, auditing 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:
  - To investigate any activity within terms of reference;
  - To seek information from any employee;
  - To obtain outside legal professional advice; and
  - 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 2012-2013.

- 29<sup>th</sup> May, 2012                      13<sup>th</sup> August, 2012  
 10<sup>th</sup> November, 2012              13<sup>th</sup> February, 2013

- The Chairman of the Audit Committee Mr. Sanjay Rathi was present at the Annual General Meeting held on 27<sup>th</sup> September 2012 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 Whole-time Directors, based on their performance and defined assessment criteria.

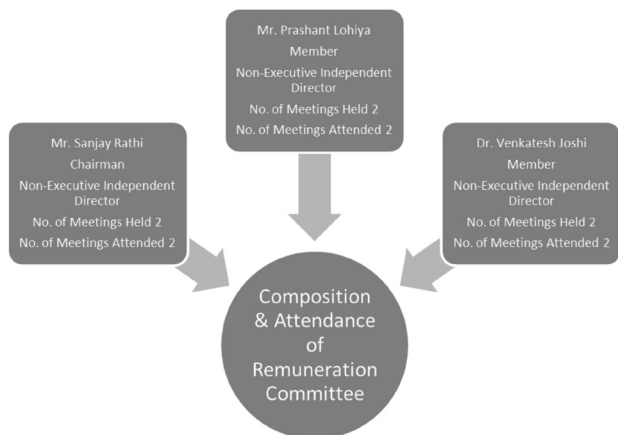
The remuneration committee recommends and the Board of Directors determine the remuneration to the Managing Director and Whole Time Director within the framework as approved by the Shareholders and also decide on the sitting fees to be paid to the Non-Executive Directors and Independent Directors for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

##### 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 2012-2013, 2 (two) Remuneration Committee meetings were held on 29<sup>th</sup> May, 2012 and 10<sup>th</sup> November, 2012.



The details of remuneration paid to the Managing Director and Executive Director during the year ended 31<sup>st</sup> March, 2013 is given as follows:

Director	Position	Remuneration	Service Contract
Mr. Makrand Appalwar	Chairman and Managing Director	₹ 39,00,000 p.a.	3 Years
Mrs. Rinku Appalwar	Executive Director and Chief Financial Officer	₹ 36,00,000 p.a.	3 Years

#### 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.;

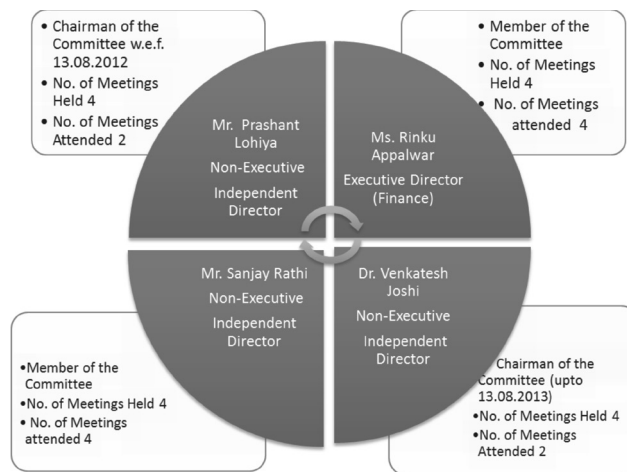
To review service standards and investor service initiatives undertaken by the Company;

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, 2013 and reported under Clause 41 of the Listing Agreement are as under:

Complaints as on April 1, 2012 :	Nil
Received during the year :	Nil
Resolved during the year :	Nil
Pending as on March 31, 2013 :	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 2012-2013.

29<sup>th</sup> May, 2012                      13<sup>th</sup> August, 2012

10<sup>th</sup> November, 2012                13<sup>th</sup> February, 2013

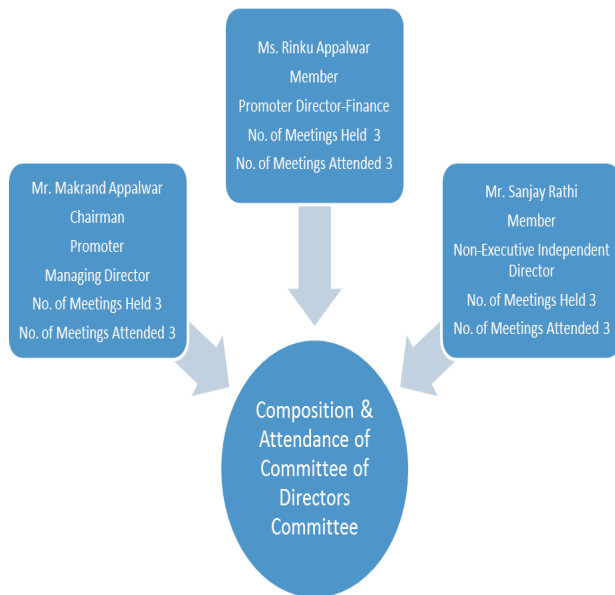
The Corporate secretarial department and Datamatics Financial Services Limited, RTA, attend all the grievances of the investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs and Registrar of Companies etc.

## 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 3 (three) times on the following dates during the financial year 2012-2013.

29<sup>th</sup> May, 2012                      13<sup>th</sup> August, 2012

10<sup>th</sup> November, 2012

## E. DISCLOSURES

### Related Party Transactions

During the financial year 2012-2013 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, 2013.

### 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 in this report.

### Code for Prevention of Insider Trading

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

## MEANS OF COMMUNICATIONS

The Quarterly results are 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.emmbi.com](http://www.emmbi.com)

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

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

### Training of Board Members

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

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

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

### Secretarial Audit

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

## G. GENERAL SHAREHOLDER INFORMATION

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

Financial Year	Date	Time	Location
2009-2010	30 <sup>th</sup> September, 2010	10.30 a.m.	Renaissance Federation club, Juhu Versova Link Road, Andheri (West), Mumbai 400053.
2010-2011	27 <sup>th</sup> September, 2011	11.00 a.m.	Renaissance Federation club, Juhu Versova Link Road, Andheri (West), Mumbai 400053.
2011-2012	27 <sup>th</sup> September, 2012	11.00 a.m.	99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230.

### Ensuing Annual General Meeting

Day, Date and Time : Monday, 30<sup>th</sup> September, 2013, at 10.00 a.m.

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

Dividend payment date: On or before 30<sup>th</sup> October, 2013

### Reporting of Unaudited / Audited Financial Results in respect of Financial Year 2013-14 (Tentative)

First quarter results	On or before 14 <sup>th</sup> August, 2013
Second quarter results with half yearly results	On or before 14 <sup>th</sup> November, 2013
Third quarter results	On or before 14 <sup>th</sup> February, 2014
Fourth quarter results	On or before 15 <sup>th</sup> May 2014
Audited results for year ended on 31 <sup>st</sup> March, 2014	On or before 31 <sup>st</sup> May, 2014
Annual General Meeting for the year 2013-14	On or before 30 <sup>th</sup> September, 2014

### Financial Year

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

### Book Closure

20<sup>th</sup> September, 2013 to 30<sup>th</sup> September, 2013 (both days inclusive).

### Dividend

Company has declared Dividend @ ₹ 0.20 per share for financial year 2012-13, subject to approval of shareholders.

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## Listing of Shares

Name	Address	Code
Bombay Stock Exchange Limited (BSE)	Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400001	533161
National Stock Exchange of (India) 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 2013-2014 to the above stock exchanges.

## Custodial Fees to Depositories

The Company has paid Custodial fees for the financial year 2013-2014 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

Month	Bombay Stock Exchange (in ₹)		National Stock Exchange (in ₹)	
	High	Low	High	Low
April 2012	15.00	12.50	15.00	12.40
May 2012	13.74	11.05	14.90	11.40
June 2012	12.49	10.60	12.25	10.65
July 2012	12.10	10.60	12.10	10.65
August 2012	12.45	10.80	12.25	9.40
September 2012	13.89	12.00	14.90	11.50
October 2012	14.25	12.16	14.10	12.20
November 2012	13.45	11.61	15.00	11.50
December 2012	14.20	12.45	15.00	12.10
January 2013	13.50	12.00	14.00	11.40
February 2013	12.95	10.66	12.85	10.45
March 2013	12.50	10.01	13.00	10.05

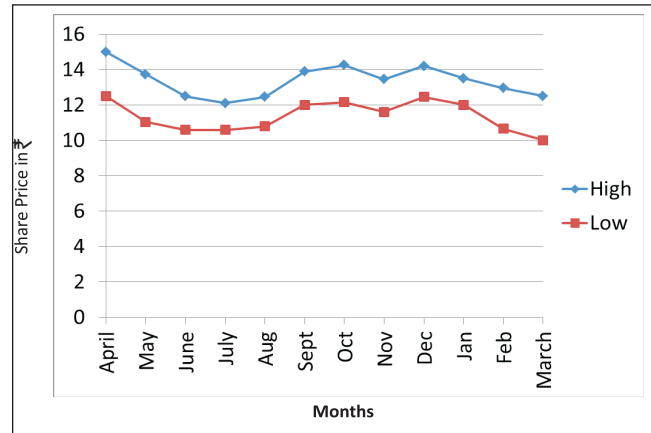
## Registrar & Transfer Agents

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

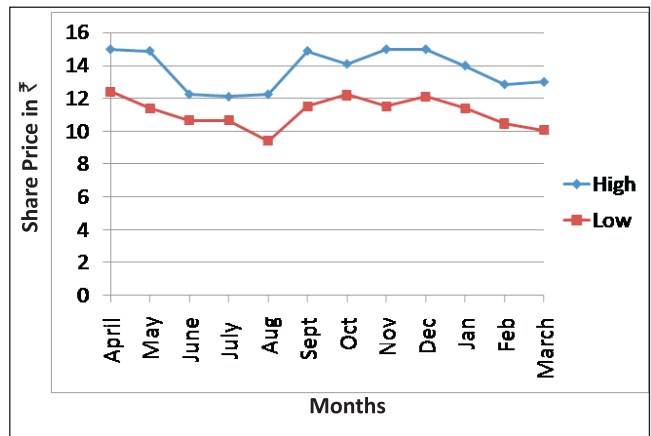
## Share Transfer System

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

## Emmbi Share Price High/Low on BSE from April 2012 to March 2013



## Emmbi Share Price High/Low on NSE from April 2012 to March 2013



## Shareholding Pattern

Pattern of shareholding as on 31<sup>st</sup> March, 2013

Category	No. of Shares Held	% of Share Holding
A. Promoter's Holding	91,11,500	51.5057
1. Promoters	00	00
- Indian Promoters	00	00
- Foreign Promoters		
2. Person Acting In Concern		
Sub - Total	91,11,500	51.5057

Category	No. of Shares Held	% of Share Holding
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	99,930	0.5649
Sub – Total	99,930	0.5649
4. Others		
- Corporate Bodies	11,23,001	6.3481
- Indian Public	71,00,157	40.1361
- NRIs / OCBs / FIIS	1,29,212	0.7304
- Any other	1,26,450	0.7148
Sub – Total	84,78,820	47.9294
Grand – Total	1,76,90,250	100.00

#### Distribution of shareholding as on 31<sup>st</sup> March, 2013

Sr. No.	Shares Range		Shares	% To Capital	No. Of Holders	% To No. of Holders
	From	To				
1	1	500	1072632	6.51	5503	74.63
2	501	1000	748389	4.53	880	11.93
3	1001	2000	692131	4.20	438	5.94
4	2001	3000	454877	2.75	179	2.43
5	3001	4000	313674	1.90	87	1.18
6	4001	5000	281890	1.71	60	0.81
7	5001	10000	789466	4.79	107	1.45
8	10001	50000	1682908	10.21	92	1.25
9	50001	9999999999	11654283	63.40	28	0.38
TOTAL			17690250	100.00	7374	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	3141	3123373	17.656
NSDL	4232	14566867	82.344
<b>TOTAL</b>	<b>7374</b>	<b>17690250</b>	<b>100.00</b>

#### Major Plants Location

##### Unit 1

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

##### Unit 2

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

##### Unit 3

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

#### Registered Office

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

#### 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:** INE 753K01015

#### 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 2012-2013.



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### **Sending of Documents in Electronic Form**

#### **Green Initiative in Corporate Governance**

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

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

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

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

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

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

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

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

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

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

Date : 29<sup>th</sup> May, 2013  
Place: Mumbai

**Kaushal Patvi  
Company Secretary**



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## **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 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

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

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

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

**Sanjay Dholakia  
Proprietor**

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

## **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 31<sup>st</sup> March, 2013, 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: 29<sup>th</sup> May, 2013

Rinku Appalwar  
Chief Financial Officer

## Independent Auditors' Report

To the Members of  
EMMBI POLYARNS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of EMMBI POLYARNS LIMITED, ("the Company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies ( Auditors' Report ) Order, 2003, ("the Order") as amended, issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.
2. As required by section 227(3) of the Act , we report that :
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
  - ii) In our opinion, proper Books of Accounts as required by law, have been kept by the Company so far as appears from our examination of those books.
  - iii) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account.
  - iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act.
  - v) On the basis of written representations received from the Directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Place : Mumbai  
Date: 29.05.2013

**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 needs to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (vi) The company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the records maintained by the Company pursuant to the Cost Accounting Rules, 2011 applicable to the Company under section 209 (1) (d) of the Companies Act, 1956 for maintenance of cost records from current year and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
- (ix) (a) According to the records, information and explanation provided to us, the company is regular in depositing with appropriate authorities undisputed amount of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and as per our verification of records of the company, the disputed amounts of Income Tax which are not deposited with appropriate authorities as at March 2013, are as follows:
- Amount is due under Income Tax Act, 1961 as Income Tax amounting Rs 90,22,240/-for the period 01.04.2009 to 31.03. 2010. The appeal is pending with the Commissioner of Income-Tax- Appeal.
- (x) The Company has neither accumulated losses as at March 31, 2013 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.

## 19th Annual Report 2012 - 2013

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

Chartered Accountants

FRN : 127308W

**K. J. SHAH**

Proprietor

Membership No. 030784

Place : Mumbai

Date: 29.05.2013



## BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ In Millions)

PARTICULARS	NOTES	As At 31st March, 2013		As At 31st March, 2012	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	176.90		164.90	
Reserves and Surplus	2	366.85		331.27	
Money received against share warrants	3	-	543.76	8.10	504.27
<b>Non-Current Liabilities</b>					
Long-term borrowings	4	84.45		46.02	
Deferred tax liabilities (Net)	5	37.05		30.90	
Long-term provisions	6	35.78	157.28	19.11	96.03
<b>Current Liabilities</b>					
Short-term borrowings	7	474.17		381.81	
Trade payables	8	30.48		11.12	
Other current liabilities	8	62.18		52.38	
Short-term provisions	9	4.30	571.13	16.06	461.38
<b>TOTAL</b>			<b>1,272.16</b>		<b>1,061.68</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed assets					
Tangible assets	10	474.88		394.87	
Capital work-in-progress	10	-		36.12	
Non-current investments	11	2.99		2.99	
Long term loans and advances	12	33.29		91.94	
Other non-current assets	13	0.18	511.34	0.23	526.16
<b>Current Assets</b>					
Inventories	14	405.54		293.70	
Trade receivables	15	255.54		204.30	
Cash and cash equivalents	16	3.68		7.62	
Short-term loans and advances	17	96.06	760.82	29.91	535.52
<b>TOTAL</b>			<b>1,272.16</b>		<b>1,061.68</b>
Significant Accounting Policies and Notes on Financial Statements	1 to 33				

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

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

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

**Kaushal Patvi**  
Company Secretary

**Rinku Appalwar**  
Executive Director

Place : Mumbai  
Dated : 29<sup>th</sup> May, 2013

Place : Mumbai  
Dated : 29<sup>th</sup> May, 2013

# 19th Annual Report 2012 - 2013

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ In Millions)

PARTICULARS	NOTES	For The Year Ended On 31st March, 2013	For The Year Ended On 31st March, 2012
<b>INCOME</b>			
Revenue from Operations	19	1,474.72	1,049.44
Less : Excise Duty		72.81	26.87
Revenue from Operations (Net)		1,401.91	1,022.57
Other Income	20	0.32	0.96
<b>Total Revenue (I)</b>		<b>1,402.23</b>	<b>1,023.53</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	21	906.78	483.05
Purchase of Stock-in-Trade	22	192.07	259.19
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	23	(97.49)	(36.40)
Employee Benefits Expense	24	60.97	59.47
Finance Costs	25	52.99	32.37
Depreciation and Amortization Expense	26	24.88	16.91
Other Expenses	27	213.80	158.74
<b>Total Expenses(II)</b>		<b>1,354.01</b>	<b>973.33</b>
<b>Profit before exceptional and extraordinary items and tax (I - II)</b>		<b>48.22</b>	<b>50.20</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>48.22</b>	<b>50.20</b>
Extraordinary Items		-	-
<b>Profit before Tax</b>		<b>48.22</b>	<b>50.20</b>
Tax Expenses			
(1) Current Tax		9.65	9.77
(2) Deferred Tax		6.15	7.34
<b>Profit for the Year</b>		<b>32.42</b>	<b>33.09</b>
<b>Earning Per Equity Share</b>			
(1) Basic	28	1.91	2.01
(2) Diluted	28	1.91	1.95
Significant Accounting Policies and Notes on Financial Statements	1 to 33		

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

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

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

**Kaushal Patvi**  
Company Secretary

**Rinku Appalwar**  
Executive Director

Place : Mumbai  
Dated : 29<sup>th</sup> May, 2013

Place : Mumbai  
Dated : 29<sup>th</sup> May, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(₹ In Millions)

PARTICULARS	2012-13		2011-12	
	₹	₹	₹	₹
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit Before Tax		48.22		50.20
Depreciation & Amortisation	24.88		16.91	
Finance Cost	52.99		32.37	
Market Development expenses written off	0.05		0.05	
Advance expenses for Export written off	9.18		9.18	
Provision For Gratuity	0.95		0.47	
Donations	0.12		0.22	
Travelling Expenses of earlier years written off			0.69	
Provison for Excise Duty	(0.34)		(1.01)	
Interest Received on Bank FD	(0.15)		(0.12)	
Dividend Received	(0.02)		(0.01)	
Sundry Balances Written off / (Back)	0.27	87.93	(0.62)	58.14
Operating Profit Before Working Capital Changes		136.15		108.33
<b>Adjustments for Working Capital Changes :</b>				
Trade Payables and Other Current Liabilities	25.42		(0.43)	
Inventories	(111.84)		(90.28)	
Trade Receivables	(51.51)		(45.14)	
Short Term Loans & Advances(Dr.)	(54.30)	(192.24)	(11.24)	(147.08)
<b>CASH FLOW FROM OPERATIONS</b>		<b>(56.09)</b>		<b>(38.75)</b>
<b>Extraordinary Items :</b>				
Donations		(0.12)		(0.22)
		<b>(56.21)</b>		<b>(38.96)</b>
Taxes Paid		(10.60)		(8.78)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>		<b>(66.80)</b>		<b>(47.75)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets and additions in CWIP	(68.77)		(118.61)	
Movement in Loans and Advances	43.40		11.31	
Dividend Received	0.02		0.01	
Interest Received	0.15		0.12	
<b>NET CASH USED FOR INVESTING ACTIVITIES (B)</b>		<b>(25.21)</b>		<b>(107.17)</b>



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### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.) (₹ In Millions)

PARTICULARS	2012-13		2011-12	
	₹	₹	₹	₹
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :-</b>				
Proceeds from Term Loan	134.45		163.95	
Interest paid on Loan	(52.99)		(32.37)	
Share Warrant Money Received	12.30		8.10	
Dividend Paid (Including Dividend Distribution tax)	(5.68)		(3.79)	
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES '(C)</b>		<b>88.07</b>		135.89
CASH GENERATED DURING THE YEAR (A+B+C)		<b>(3.94)</b>		(19.03)
Cash & Cash Equivalent at the beginning of the Year		<b>7.62</b>		26.65
Cash & Cash Equivalent at the end of the Year		<b><u>3.68</u></b>		<u>7.62</u>

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

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

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

**Kaushal Patvi**  
Company Secretary

**Rinku Appalwar**  
Executive Director

Place : Mumbai  
Dated : 29<sup>th</sup> May, 2013

Place : Mumbai  
Dated : 29<sup>th</sup> May, 2013

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note 1	SHARE CAPITAL	(₹ In Millions)	
		As At 31st March, 2013	As At 31st March, 2012
	<b>Authorised Share Capital</b>		
	1,80,00,000 (P.Y. : 1,80,00,000) Equity shares of ₹10/- each.	180.00	180.00
		<u>180.00</u>	<u>180.00</u>
	<b>Issued, Subscribed &amp; Paid-up</b>		
	1,76,90,250 (P.Y. : 1,64,90,250) Equity shares of ₹ 10/- each fully paid up	176.90	164.90
	<b>TOTAL</b>	<u>176.90</u>	<u>164.90</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 12,00,000 Equity Shares out of Shares Issued, Subscribed and Paid up were allotted during the year ended 31st March, 2013 on conversion of share warrant monies.

1.5	The Reconciliation of the number of shares outstanding is set out below :	(₹ In Millions)	
		As At 31st March, 2013	As At 31st March, 2012
	<b>Particulars</b>	<b>No. of Shares</b>	No. of Shares
	Equity Shares at the beginning of the year	16.49	16.49
	Add : Equity Shares allotted on Conversion of Share Warrants	1.20	-
	Equity Shares at the end of the year	<u>17.69</u>	<u>16.49</u>

1.6	The Details of Shareholders Holding more than 5% Shares :	(₹ In Millions)			
		As At 31st March, 2013		As At 31st March, 2012	
	Name of Shareholder	No. of Shares (In Millions)	% Held	No. of Shares (In Millions)	% Held
	Makrand Moreshwar Appalwar	4.20	23.73	2.99	18.11
	Rinku Makrand Appalwar	1.93	10.89	1.93	11.68
	Emmbi Laboratories Pvt Ltd	1.63	9.19	1.63	9.85
	Maithili Agrotech Private Limited	1.05	5.94	1.05	6.37

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## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ In Millions)

Note 2	RESERVES AND SURPLUS	As At 31st March, 2013	As At 31st March, 2012
(a)	<b>Securities Premium Reserves</b>		
	As per last Balance Sheet	264.25	264.25
	Add : On Conversion of Share Warrant into Equity Shares	8.40	-
		<u>272.65</u>	<u>264.25</u>
(b)	<b>Profit &amp; Loss A/c</b>		
	As per last Balance Sheet	67.02	39.67
	Add : Profit for the Year	32.42	33.09
	Add : Excess Provision of Tax on Proposed Dividend - (2010-11)	-	0.01
	Add : Excess Provision of Taxes of earlier years	0.19	-
	Less : Mat Credit Utilised in earlier years	(1.31)	-
		<u>98.32</u>	<u>72.77</u>
	Less: Appropriations		
	Proposed Dividend	3.54	4.95
	Dividend Distribution Tax	0.57	0.80
		<u>94.21</u>	<u>67.02</u>
	<b>TOTAL</b>	<u><u>366.85</u></u>	<u><u>331.27</u></u>

Note 3	EQUITY SHARE WARRANTS	As At 31st March, 2013	As At 31st March, 2012
	Balance at the beginning of the year	8.10	-
	Add : Share Warrants Money advance received during the year	12.30	8.10
	Less : Converted into Shares during the year	20.40	-
	<b>TOTAL</b>	<u><u>-</u></u>	<u><u>8.10</u></u>

Note 4	LONG TERM BORROWINGS	As At 31st March, 2013		As At 31st March, 2012	
		Non Current	Current	Non Current	Current
(a)	<b>Secured</b>				
	Term Loans				
	- From Banks	79.19	31.25	44.99	28.14
	- From Corporates	-	0.10	0.10	0.36
	Other loans & advances	1.80	1.94	0.93	1.83
(b)	<b>Unsecured</b>				
	Term Loans				
	- From Banks	-	-	-	0.79
	- From Corporates	3.46	2.01	-	0.51
	Other loans & advances	-	-	-	-
	<b>TOTAL</b>	<u><u>84.45</u></u>	<u><u>35.29</u></u>	<u><u>46.02</u></u>	<u><u>31.63</u></u>

**4.1** Term Loans are secured by way of deposit of the title deed in respect of immovable properties of the Company including Land & Building situated at Plot no. 191/2/4, Massat Village, Meghwad Road, UT of Dadra & Nagar Haveli, Silvassa - 396230 & at Plot no. 99/2/1&9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, UT of Dadra & Nagar Haveli, Silvassa - 396230 and by way of hypothecation of Plant & Machinery and Furniture & Fixtures. The term loan are secured by way of first charge.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

4.2 Other Loans and Advances are secured by way of hypothecation of Cars and Transport Vehicles purchased under Hire Purchase Scheme.

4.3 There is no default in repayment of principal loan or interest thereon.

4.4 REPAYMENT SCHEDULE

	Vehicle Loan	Unsecured Loan	Term Loans
For 2013-14	1.94	2.01	31.27
For 2014-15	1.11	2.36	28.63
For 2015-16	0.69	1.10	26.10
For 2016-17	-	-	15.37
For 2017-18	-	-	9.17

### Note 5 DEFERRED TAX LIABILITIES (NET)

#### Net Deferred Tax Liability (Opening)

#### Deferred Tax Liability

Fixed Asset & Others

#### Deferred Tax Asset

Disallowances Under the Income Tax Act, 1961 & Others

#### Net Deferred Tax Liability (Closing)

	As At 31st March, 2013	(₹ In Millions) As At 31st March, 2012
	30.90	23.56
	10.56	10.60
	4.40	3.26
	<u>37.05</u>	<u>30.90</u>

### Note 6 LONG-TERM PROVISIONS

Provision for Employee Benefits (Gratuity)

Provision For Taxes

Provision for Fringe Benefit Tax

**TOTAL**

	As At 31st March, 2013	(₹ In Millions) As At 31st March, 2012
	2.94	1.99
	32.84	16.65
	-	0.47
	<u>35.78</u>	<u>19.11</u>

### Note 7 SHORT TERM BORROWINGS

#### Secured

#### Working Capital Loans from Banks

Working Capital Loans from Banks

**TOTAL**

	As At 31st March, 2013	As At 31st March, 2012
	474.17	381.81
	<u>474.17</u>	<u>381.81</u>

#### 7.1 Working Capital Loans :

- Cash Credit & Packing Credit loans from Punjab National Bank are secured by first pari passu charge on hypothecation of entire current assets, both present and future, of the Company including stocks and book debts, stock in transits and stock for job work. Second pari passu charge on immovable properties of the Company including Land & Building situated at Plot no. 191/2/4, Masat 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.
- Working Capital and Pre-Cum-Post Shipment Loan from Exim Bank is secured by first Pari-Passu charge on entire current assets both present & future; Second Pari-Passu charge on the entire movable fixed assets both present and future; second Pari-Pasu charge on the entire Land and other Immovable properties both present and future.
- Working Capital and Pre-Cum-Post Shipment Loan from Axis Bank is secured by first Pari-Passu charge on entire current assets both present & future; Second Pari-Passu charge on the entire movable fixed assets both present and future; second Pari-Pasu charge on the entire Land and other Immovable properties both present and future.

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## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(₹ In Millions)	
Note 8 OTHER CURRENT LIABILITIES	As At 31st March, 2013	As At 31st March, 2012	
Trade Payables	39.80	16.47	
Current maturities of long term debt (Refer Note : 4)	35.29	31.63	
Interest accrued but not due on borrowings	0.80	0.41	
Unpaid Dividends	0.11	0.04	
Other Current Liabilities	16.65	14.95	
<b>TOTAL</b>	<b>92.66</b>	<b>63.51</b>	
Note 9 SHORT-TERM PROVISIONS	As At 31st March, 2013	As At 31st March, 2012	
Proposed Dividend	3.54	4.95	
Tax on Dividend	0.57	0.80	
Provision for Income Tax	-	9.77	
Others (Provision for Excise Duty on Finished Goods)	0.19	0.54	
<b>TOTAL</b>	<b>4.30</b>	<b>16.06</b>	

### Note 10 : FIXED ASSETS

		(₹ In Millions)									
SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01-04-2012	Additions	Deductions/ Adjustments	As at 31-03-2013	As at 01-04-2012	For the Year	Deductions/ Adjustments	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
	<b>TANGIBLE FIXED ASSETS</b>										
1	Freehold Land	7.55	6.16	-	13.71	-	-	-	-	13.71	7.55
2	Building	103.71	42.43	-	146.15	9.95	4.08	-	14.03	132.11	93.76
3	Compound Wall	0.26	-	-	0.26	0.13	0.01	-	0.14	0.13	0.14
4	Plant and Machinery	309.76	44.78	-	354.54	42.45	17.16	-	59.60	294.94	267.31
5	Electrical Installation	8.71	1.09	-	9.80	2.10	0.45	-	2.55	7.25	6.61
6	Furniture & Fixtures	10.25	2.21	-	12.46	2.41	0.75	-	3.16	9.30	7.83
7	Crates	0.71	-	-	0.71	0.24	0.05	-	0.28	0.43	0.47
8	Office Equipment	6.67	3.28	-	9.96	3.46	0.92	-	4.39	5.57	3.21
9	Other Equipment	0.08	-	-	0.08	0.06	0.00	-	0.06	0.01	0.02
10	Vehicles	12.80	4.94	-	17.74	4.84	1.47	-	6.31	11.43	7.96
	(A)	460.51	104.89	-	565.40	65.63	24.88	-	90.52	474.88	394.87
	<b>CAPITAL WORK IN PROGRESS</b>										
11	New Factory Bldg Rakholi	-	-	-	-	-	-	-	-	-	-
12	New Plant & Mach. (Rakholi)	16.91	-	16.91	-	-	-	-	-	-	16.91
13	New Electrical Instl. (Rakholi)	-	-	-	-	-	-	-	-	-	-
14	New Factory Bldg (99/2/9) (Including Land)	19.21	-	19.21	-	-	-	-	-	-	19.21
	(B)	36.12	-	36.12	-	-	-	-	-	-	36.12
	<b>GRAND TOTAL (A+B)</b>	496.62	104.89	36.12	565.40	65.63	24.88	-	90.52	474.88	430.99
	<b>PREVIOUS YEAR</b>	378.01	255.15	136.54	496.62	48.73	16.91	-	65.63	430.99	329.29

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(₹ In Millions)	
Note 11 NON CURRENT INVESTMENTS	As At 31st March, 2013	As At 31st March, 2012	
<b>Investment in Equity Shares (Unquoted, fully Paid up) :</b>			
2,500 Equity Shares of Zoroastrian Co-Op Bank Ltd. of ₹ 40/- each	0.10	0.10	
2,500 Equity Shares of Saraswat Co-Op Bank Ltd. of ₹ 10/- each	0.03	0.03	
25% Shares of Global Bag S.R.O.	2.87	2.87	
<b>TOTAL</b>	<b>2.99</b>	<b>2.99</b>	
<b>Note 12 LONG TERM LOANS &amp; ADVANCES</b>	<b>As At 31st March, 2013</b>	As At 31st March, 2012	
<b>Unsecured, Considered good</b>			
Capital Advances	-	27.50	
Security Deposits	0.06	2.87	
Advance tax	24.36	19.25	
MAT Credit Entitlement	1.27	4.36	
Advance Fringe Benefit Tax	-	0.47	
Advance Wealth Tax	-	-	
Other loans and advances	7.59	37.50	
<b>TOTAL</b>	<b>33.29</b>	<b>91.94</b>	
<b>Note 13 OTHER NON-CURRENT ASSETS</b>	<b>As At 31st March, 2013</b>	As At 31st March, 2012	
Miscellaneous Expenditure (to the extent not written off or adjusted)	0.18	0.23	
<b>TOTAL</b>	<b>0.18</b>	<b>0.23</b>	
<b>Note 14 INVENTORIES</b>	<b>As At 31st March, 2013</b>	As At 31st March, 2012	
Raw Materials	123.57	111.63	
Stock-in-Process	236.83	148.13	
Finished Goods	34.82	24.85	
Stores & Spares	10.32	7.90	
Stock-in-Trade	-	1.19	
<b>TOTAL</b>	<b>405.54</b>	<b>293.70</b>	
<b>Note 15 TRADE RECEIVABLES</b>	<b>As At 31st March, 2013</b>	As At 31st March, 2012	
<b>Unsecured, Considered Good</b>			
Over Six months	1.42	11.63	
Others	254.13	192.67	
<b>TOTAL</b>	<b>255.54</b>	<b>204.30</b>	

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## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(₹ In Millions)	
Note	Description	As At 31st March, 2013	As At 31st March, 2012
<b>Note 16</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Balances with banks	0.05	6.45
	Cash on hand	0.60	0.22
	Others:		
	Unclaimed Dividend A/c	0.11	0.04
	Term deposits with Banks	2.91	0.91
	<b>TOTAL</b>	<b>3.68</b>	<b>7.62</b>
<b>Note 17</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	Balance with Central Excise, Service Tax and other Govt. Authorities	19.87	21.64
	Prepaid Expenses	5.16	5.63
	Capital Advances	12.90	-
	Other loans and advances	58.13	2.63
	<b>TOTAL</b>	<b>96.06</b>	<b>29.91</b>
<b>Note 18</b>	<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>		
	a) Contingent liabilities		
	Guarantees'		
	- Guarantee by Banks to Electricity Department (Silvassa)	4.45	4.45
	- Guarantee furnished to Banks in respect of Letter of Credit	-	6.55
	b) Commitments		
	Estimated amount of contracts unexecuted on capital account	1.05	1.81
	c) The Income tax assessment for the Assessment year 2010-11 is completed. The disputed demand outstanding for the said Assessment Year is 90.22 Lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made. The Company has preferred appeal to the Commissioner of Income-Tax-Appeal.		
<b>Note 19</b>	<b>REVENUE FROM OPERATIONS</b>	<b>2012-13</b>	<b>2011-12</b>
	Revenue from - Sale of products		
	Export Sales	623.85	502.80
	Domestic Sales	845.53	545.29
	Other Operating Revenue(B class goods)	5.34	1.35
		<b>1,474.72</b>	<b>1,049.44</b>
	Less : Excise Duty	72.81	26.87
	<b>TOTAL</b>	<b>1,401.91</b>	<b>1,022.57</b>
<b>19.1</b>	<b>DETAILS OF SALE OF PRODUCTS</b>	<b>2012-13</b>	<b>2011-12</b>
	<b>Manufactured Goods</b>		
	Polymer Based Multiple Products	1,275.81	788.62
	Hdpe/ PP Based 'B' Class Finished Products / Others	5.34	1.35
	<b>Traded Goods</b>	193.57	259.46
	<b>TOTAL</b>	<b>1,474.72</b>	<b>1,049.44</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(₹ In Millions)	
		2012-13	2011-12
<b>Note 20</b>	<b>OTHER INCOME</b>		
	<b>Interest</b>		
	From Current Investments	0.13	0.12
	From Others	0.01	-
	<b>Dividend</b>		
	From Long Term Investments	0.02	0.01
	<b>Other Non Operating Income</b>	0.15	0.83
	<b>TOTAL</b>	<b>0.32</b>	<b>0.96</b>
<b>Note 21</b>	<b>COST OF MATERIAL CONSUMED</b>	<b>2012-13</b>	2011-12
	Raw Materials Consumed		
	Opening Inventory	111.63	61.51
	Add : Purchases (Net)	918.72	533.18
		<b>1,030.35</b>	594.68
	Less : Closing Inventory	123.57	111.63
	<b>TOTAL</b>	<b>906.78</b>	<b>483.05</b>
<b>21.1</b>	<b>DETAILS OF INDIGENOUS AND IMPORTED RAW MATERIALS CONSUMED</b>	<b>2012-13</b>	2011-12
		₹	₹
		% of Consumption	% of Consumption
	Imported	38.64	47.32
		4.26%	14.43%
	Indigenous	868.14	280.49
		95.74%	85.57%
	<b>TOTAL</b>	<b>906.78</b>	<b>327.80</b>
		100.00%	100.00%
<b>21.2</b>	<b>PARTICULARS OF MATERIAL CONSUMED</b>	<b>2012-13</b>	2011-12
	Polymer Granules And Films Of Various Grades and Others	906.78	327.80
	<b>TOTAL</b>	<b>906.78</b>	<b>327.80</b>
<b>Note 22</b>	<b>PURCHASE OF STOCK-IN-TRADE</b>	<b>2012-13</b>	2011-12
	Trading Purchase - Mumbai		
	HDPE/PP Laminated Fabric	192.07	259.19
	<b>TOTAL</b>	<b>192.07</b>	<b>259.19</b>
<b>Note 23</b>	<b>CHANGES IN INVENTORIES OF STOCK-IN-TRADE, WORK-IN-PROGRESS AND FINISHED GOODS</b>	<b>2012-13</b>	2011-12
	<b>Inventories (At Close)</b>		
	Stock-in-Trade	-	1.19
	Stock-in-Process	236.83	148.13
	Finished goods	34.82	24.85
		<b>271.66</b>	<b>174.17</b>
	<b>Inventories (At Commencement)</b>		
	Stock-in-Trade	1.19	1.18
	Stock-in-Process	148.13	106.47
	Finished goods	24.85	30.11
		<b>174.17</b>	<b>137.76</b>
	<b>TOTAL</b>	<b>(97.49)</b>	<b>(36.40)</b>



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## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ In Millions)

**Note 24 EMPLOYEE BENEFITS EXPENSE**

	2012-13	2011-12
Salaries & Wages	55.18	54.07
Contribution to Provident Fund and Other Fund	1.33	0.93
Employees Welfare Expenses	3.19	3.65
Provision for Gratuity and Leave Encashment	1.26	0.82
<b>TOTAL</b>	<b>60.97</b>	<b>59.47</b>

**24.1 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.

A	Balance Sheet				
i)	<b>Details of Provision for Gratuity</b>	<b>Gratuity (Unfunded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2011-12</b>
	Defined Benefit Obligation	2.94	1.99	-	-
	Fair Value of Plan Assets	Nil	Nil	-	-
	Plan (Assets)/Liability	Nil	Nil	-	-
ii)	<b>Change in defined benefit obligation</b>	<b>Gratuity (Unfunded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2011-12</b>
	Defined benefit obligation at the beginning of the year	1.99	1.93	-	0.21
	Current Service cost	0.62	0.46	-	-
	Interest cost @ (C.Y. 8.50% ..L.Y. 8.50% )	0.17	0.16	-	0.02
	Actuarial (gain)/loss on obligation	0.39	(0.15)	-	0.31
	Benefits paid during the year	(0.23)	(0.41)	-	(0.54)
	<b>Defined benefit obligation, end of the period</b>	<b>2.94</b>	<b>1.99</b>	<b>-</b>	<b>-</b>
B	<b>Profit &amp; Loss Statement</b>				
i)	<b>Net Period gratuity cost</b>	<b>Gratuity (Unfunded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2011-12</b>
	Current Service cost	0.62	0.46	-	-
	Interest cost on benefit obligation	0.17	0.16	-	0.02
	Net actuarial (gain) / loss recognised in the year	0.39	(0.15)	-	0.31
	Expected return on plan assets			-	-
	<b>Net benefit expense</b>	<b>1.18</b>	<b>0.47</b>	<b>-</b>	<b>0.33</b>
C	<b>Actuarial Assumptions</b>	<b>Gratuity (Unfunded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2011-12</b>
	Mortality Table LIC	<b>1994-96</b>	<b>1994-96</b>	<b>1994-96</b>	<b>1994-96</b>
		<b>(Ultimate)</b>	<b>(Ultimate)</b>	<b>(Ultimate)</b>	<b>(Ultimate)</b>
	Discount rate (per annum)	<b>8.25%</b>	<b>8.50%</b>	<b>8.25%</b>	<b>8.50%</b>
	Rate of escalation in salary (per annum)	<b>6.50%</b>	<b>6.50%</b>	<b>6.50%</b>	<b>6.50%</b>
	Withdrawal Rate	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
	Retirement Age	<b>60 Yrs</b>	<b>60 Yrs</b>	<b>60 Yrs</b>	<b>60 Yrs</b>

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.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(₹ In Millions)	
		2012-13	2011-12
<b>Note 25</b>	<b>FINANCE COSTS</b>		
	Interest	48.42	29.63
	Other borrowing costs	4.57	2.74
	<b>TOTAL</b>	<b>52.99</b>	<b>32.37</b>
<b>Note 26</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	Depreciation	24.88	16.91
	<b>TOTAL</b>	<b>24.88</b>	<b>16.91</b>
<b>Note 27</b>	<b>OTHER EXPENSES</b>		
	<b>Manufacturing Expenses :</b>		
	Processing, Lamination and Bag Making Charges	6.81	9.49
	Power and Fuel	29.32	21.43
	Consumable Stores	29.36	28.05
	Factory Wages	40.40	14.37
	Labour Charges	10.38	10.81
	Excise duty - Provision on Finished Stock (Net)	(0.34)	(1.01)
	Repairs & Maintenance (Others)	2.28	1.51
	Other Manufacturing Expenses	2.88	3.09
	<b>Sub-Total (A)</b>	<b>121.08</b>	<b>87.74</b>
	<b>Selling and Distribution Expenses :</b>		
	Vehicle Expenses	2.66	2.03
	Freight Forwarding Expenses	36.08	25.00
	Sales Promotion Expenses	11.40	11.53
	Discount	5.75	3.12
	Commission	0.14	0.45
	Sundry Export Expenses	1.21	0.79
	Other Selling and Distribution Expenses	5.56	1.16
	<b>Sub-Total (B)</b>	<b>62.79</b>	<b>44.07</b>
	<b>Establishment Expenses</b>		
	Legal and Professional Charges	7.79	7.88
	General Expenses	0.46	1.09
	Tour & Travelling Expenses	6.93	6.12
	Payment to Auditor (See Note 27.3)	1.10	1.10
	Insurance	3.69	2.82
	Rent	3.53	3.23
	Telephone Expenses	1.34	1.15
	Postage and courier Expenses	1.46	0.89
	Printing, Stationary, Computer & Xerox Expenses	2.51	1.71
	Conveyance Expenses	0.28	0.31
	Electricity expenses - Mumbai Office	0.47	0.40
	Sundry Balances W/off	0.27	-
	Donations	0.12	0.22
	<b>Sub-Total (C)</b>	<b>29.93</b>	<b>26.93</b>
	<b>TOTAL [(A)+(B)+(C)]</b>	<b>213.80</b>	<b>158.74</b>

# 19th Annual Report 2012 - 2013

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(₹ In Millions)			
		2012-13		2011-12	
		₹	% of Consumption	₹	% of Consumption
<b>27.1</b>	<b>DETAILS OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED</b>				
	Imported	-	0.00%	-	0.00%
	Indigenous	29.36	100.00%	28.05	100.00%
	<b>TOTAL</b>	29.36	100.00%	28.05	100.00%
<b>27.2</b>	<b>VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF</b>			<b>2012-13</b>	2011-12
	Raw Material			38.64	47.32
	Capital Goods			0.54	-
<b>27.3</b>	<b>PAYMENT TO AUDITORS As Auditor</b>			<b>2012-13</b>	2011-12
	Audit Fee			0.90	0.90
	Tax Audit Fee			0.10	0.10
	Limited Review			0.10	0.10
	Service Tax			0.11	0.11
	<b>TOTAL</b>			1.21	1.21
<b>27.4</b>	<b>EXPENDITURE IN FOREIGN CURRENCY</b>			<b>2012-13</b>	2011-12
	Foreign Bank Charges			0.92	0.65
	Bank Interest			16.50	10.49
	Books Periodicals			0.01	-
	Testing Charges			0.88	0.12
	Foreign Travelling Expenses			2.38	1.90
	Membership Fees			0.16	0.14
<b>Note 28</b>	<b>EARNINGS PER SHARE (EPS)</b>			<b>2012-13</b>	2011-12
	Net Profit after tax as per Statement of Profit and Loss			32.42	33.09
	Weighted Average number of equity shares used as denominator for calculating EPS			16.96	16.49
	Weighted Average number of equity shares used as denominator for calculating DEPS			16.96	16.97
	Basic Earnings per share (₹)			1.91	2.01
	Diluted Earnings per share (₹)			1.91	1.95
	Face Value per equity share (₹)			10.00	10.00
<b>Note 29</b>	<b>EARNINGS IN FOREIGN EXCHANGE</b>			<b>2012-13</b>	2011-12
	FOB value of Exports			584.99	489.13



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### Note 30 RELATED PARTY DISCLOSURES

Name of Related Party (Designation)	Nature of Transaction	Amount of Transaction		Balance as on 31.03.2013
		2012-13	2011-12	
Makrand Appalwar (Managing Director)	Remuneration Payable for Remuneration	3.90 -	3.60 -	- 0.26 (0.22)*
Rinku Appalwar (Finance Director)	Remuneration Payable for Remuneration	3.60 -	3.30 -	- 0.11 (0.13)*
Mitravinda Appalwar (Director)	Sitting Fees	0.02	0.04	-
Ashesh Garg (C.E.O)	Remuneration	1.80	1.80	-
	Dividend paid to relatives	2.43	1.60	-

\*(Figures in Bracket represent Balances as on 31.03.2012)

### Note 31 TRADE PAYABLES TO MICRO, SMALL AND MEDIUM ENTERPRISES

Sundry Creditors include dues to small and medium scale industrial undertaking

2012-13	2011-12
-	-

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 32** 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 33** Figures of Previous year have been rearranged / regrouped as and when necessary in terms of Current year's grouping.

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

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

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

**Kaushal Patvi**  
Company Secretary

**Rinku Appalwar**  
Executive Director

Place : Mumbai  
Dated : 29<sup>th</sup> May, 2013

Place : Mumbai  
Dated : 29<sup>th</sup> May, 2013

## EMMBI POLYARNS LIMITED

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

### ATTENDANCE SILP

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

I certify that I am registered shareholder/proxy for the registered shareholder of the Company. I, hereby record my presence at the Nineteenth Annual General Meeting to be held on Monday, 30th September, 2013 at 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230, at 10.00 a.m.

<b>DP ID :</b>	<b>CLIENT ID :</b>
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 FORM

<b>DP ID :</b>	<b>CLIENT ID :</b>
----------------	--------------------

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  
Nineteenth Annual General Meeting of the company to be held on Monday, 30th September, 2013 at 99/2/1, Madhuban  
Industrial Estate, Madhuban Dam Road, Rakholi Village, U.T. of Dadra & Nagar Haveli, Silvassa 396 230, at 10.00 a.m. and at  
any adjournment(s) thereof.

SIGNATURE OF THE SHAREHOLDER OR PROXY \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Affix ₹ 1  
Revenue  
Stamp

Signed by the said

Note: The proxy form in order to be effective, should be duly signed, 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. A Proxy need not be a Member.





## 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](http://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 Village, U.T. of Dadra & Nagar Haveli, Silvassa - 396 230 India Tel.: +91 (0260) 320 0948.

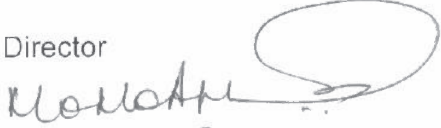


Form A


Format of covering letter of the annual audit report to be filed with the Stock Exchange

1. Name of the company ; EMMBI POLYARNS LTD.
2. Annual financial statements for the year ended 31st March, 2013.
3. Type of Audit observation Un-qualified / Matter of Emphasis Unqualified.
4. Frequency of observation Whether appeared first time..... / repetitive..... / since how long period N.A.
5. To be signed by-

- ~~CEO~~/Managing Director

  
(Mr. Mahesh Appalwar)

- CFO


  
(Mrs. Rinku Appalwar)

- Auditor of the company

  
KIRTI J SHAH  
F.C.A.



- Audit Committee Chairman

  
(Mr. Sanjay Rath)