

## Emmbi Polyarns

# Saving Water

It has been a part of the listed space for the past one year, during which it has created a base for itself which should help the company deliver value to its stakeholders going forward



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For Emmbi Polyarns it has been quite an interesting Journey over the past one year. The company has successfully completed its expansion, taking its capacity from 5000 MT to 17800 MT during this period. It has also created a nation-wide distribution network for the distribution of its water conservation product called "AquaSave"

Water is one of the most scarce resources and hence protecting the same is a very big challenge. This challenge also comes with a large sized market opportunity. Emmbi is the only woven polymer company which

the company and its products is not sufficient. A limited PR and advertisement budget due to a comparatively small size of the IPO is what acted as a deterrent. No historic back ground in the capital market also weighed heavily against the company's management. It will take time for the people to understand about the company and its management. With already 5 quarters of positive results, successful completion of the project and an approximately 40 per cent growth in the top line and 53 per cent growth in the the PBT, people will like to invest in this stock with a long term perspective.

containers and various other products. Three of its products are in the Patent Pending Category and it has a very strong customer base in 25 Countries around the world. This offers the company immense scalability in size and stability in the economics particularly in the longer run.

Financially the company is in a very healthy position as far as its balance sheet goes, with a net worth of approximately Rs 50 crore. The assets in case revalued will be in the range of around Rs 90 crore. Against this the company has a term liability of approximately Rs 4.5 crore. There is a



is active in the high growth water conservation market. Its product range and the first mover advantage is what will drive growth and create value for stakeholders. It has launched many Hybrid Concept products for water conservation and this spells a bright future for the company.

Post listing the stock has not performed up to the mark and this is a very difficult yet the most important problem to address. The management strongly feels that the awareness about

Packaging as an industry is a very competitive space. Many companies have already created a niche for themselves here. Emmbi too is confident of differentiating itself. Though new to the capital market, Emmbi is a 17 year old company in the field of woven polypropylene and Polyethylene market. After having started as a packaging company Emmbi has already moved to many other areas like water conservation, automobile protective sheets, water tanks and intermediate

large possibility that the company may tap the debt market if required in the near future.

Operating at full capacity and considering that the company has a good pricing power it can easily achieve a turnover of approximately Rs 250 crore. The EBITA is expected to be in the range of 17 per cent and the PBT in the range of 7.5 per cent. The management is committed achieve these results in next 18 to 24 months of operation.