



Empower Industries India Limited

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25th
ANNUAL REPORT
2006-2007

Board Of Directors : Mr. Devang Master
Mr. Jilani Sheikh
Mr. R. S. Iyengar

Registered Office : 25/25A, 2nd Floor,
327, Nawab Building,
Dr. D. N. Road, Fort,
Mumbai-400 001.
Email : investors@empowerindia.in

Auditors : MRM & ASSOCIATES
(Chartered Accountants)

Compliance Officer : Mr. Prashant Sharma

Bankers : Bank of Baroda
Bank of India
Oriental Bank of Commerce
UCO Bank
Axis Bank

**Registrar &
Transfer Agent :** Sharex Dynamic India Pvt. Ltd.

EMPOWER INDUSTRIES INDIA LIMITED**NOTICE**

NOTICE is hereby given to the Members of EMPOWER INDUSTRIES INDIA LIMITED that the Twenty-fifth Annual General Meeting of the Members of the Company will be held on **Tuesday, the 25th of September, 2007 at 9.30 A.M. at 506, Midas Chambers, Near Fun Republic Multiplex, Off New Link Road, Andheri (West), Mumbai 400 053** to transact with or without modifications, the following items of business:

Ordinary Business:

1. To receive, consider, approve and adopt the Profit & Loss Account for the year ended March 31, 2007 and the Balance Sheet as of that date, together with the Reports of the Directors and Auditors thereon.
2. To declare the interim dividend as Final Dividend.
3. To appoint a Director in place of Mr. Jilani-Sheikh, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint M/s. M.R.M. & Associates, Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

5. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary resolution:

"RESOLVED THAT Mr. Rajgopalan-Iyengar who was appointed as an Additional Director with effect from April 26, 2007 and who, in terms of Section 260 of the Companies Act, 1956 holds Office upto this Annual General Meeting, and in respect of whom a Notice under Section 257 of the said Act has been received from a Member of the Company, proposing his candidature to the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to

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borrow at any time and from to time, money or monies as they may deem requisite for the purpose of the business of the Company, from Banks, Financial Institutions, Body/Bodies Corporate whether incorporated in India or abroad, Non-residents and /or their Groups, Association of Persons and such other person or persons as the Board of Directors may think fit, notwithstanding that the money or monies to be borrowed together with money or monies, if any, already borrowed (apart from temporary loans obtained from the bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and its free reserves, that is to say, reserves not set apart for any specific purpose but so that the monies so borrowed shall not exceed Rs.50,00,00,000 (Rupees Fifty Crores Only) at any time over and above the aggregate of the paid-up capital and its free reserves, as aforesaid."

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to the mortgaging and or charging by the Board of Directors of the Company of all or any of the immovable and/or movable properties of the Company, present and future, wheresoever situate and the whole of the Undertaking(s) of the Company together with the power to take over the management and business of the Company in certain events in favour of any one or more of the Financial Institutions, Banks and/or others to secure the loans/foreign currency loans/GDRs/external commercial borrowings, Bonds and Debentures of all kinds for an aggregate nominal value of not exceeding Rs.50,00,00,000 (Rupees Fifty Crores Only) together with interest, additional interest, commitment charges, costs, charges, expenses and other monies, including any increase on account of revaluation/devaluation/fluctuation in the rates of foreign currencies involved, payable by the Company to the Financial Institutions, Banks and/or others in terms of their respective loan agreements/letters of sanction/Memorandum of terms and conditions in respect of the said loans.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to negotiate, finalise and settle with the Financial Institutions, Banks and/or others all Deeds, Documents and writings for creation of aforesaid mortgages/charges and for reserving their rights in their favour and to do all such acts, deeds and things as may be necessary to give effect to this resolution."

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8. To consider and, if thought fit, to pass the following resolution which will be proposed as Special Resolution:

"RESOLVED THAT subject to and in accordance with the provisions of Section 17 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Clause III A of the Memorandum of Association of the Company pertaining to the main objects to be pursued by the Company, be and is hereby altered by inserting the following new sub-clauses (3A), (3B) and (3C) after the existing sub-clause (3):

- 3A. To carry on in India and/or elsewhere in the world the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultants, collaborator, or otherwise to deal in electric power in such place or places as may be permitted by appropriate authorities and establish power plants for generation of electricity through Hydroelectric energy, Geothermal energy, fossil fuel energy, Biomass energy, Solar energy, Wind energy, Fuel Cells energy, Ocean Thermal energy, Tidal energy and wave energy and other power plants based on any source of energy as may be developed or invented in future.
- 3B. To construct, lay down, establish, promote, erect, build, install, commission, carry out and run all necessary power substations, work shops, repair shops, wires, cables, transmission lines, accumulators, street lights for the purpose of conservation, distribution and supply of electricity of participating industries, state electricity boards and other boards for industrial, commercial, domestic, public and other purposes and also to provide regular services for repairing and maintenance of all distribution and supply lines.
- 3C. To acquire concessions, facilities or licences from electricity boards, government, semi government or local authorities for generation, distribution, production, transmission or use of electric power and to take over along with all moveable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities and to do all incidental acts and things necessary for the attainment of the foregoing objects.'

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to agree to such variation or modification(s) to the aforesaid objects as may be suggested by the Registrar of Companies, Maharashtra, Mumbai."

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9. To consider and, if thought fit, to pass the following resolution which will be proposed as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 16, 31, 94, 95 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Authorised Capital of the Company be and is hereby increased from Rs.1,00,00,000/- (Rupees One Crore Only) consisting of 1,00,00,000 Equity Shares of Re.1/- each to Rs.2,00,00,000/- (Rupees Two Crores Only) divided into 2,00,00,000 Equity Shares of Re.1/- each.

RESOLVED FURTHER THAT consequent upon the in the aforesaid increase in the Authorised Capital as aforesaid, the existing Clause V of the Memorandum of Association of the Company be deleted and substituted by the following:

- V. The Authorised Share Capital of the Company is Rs.2,00,00,000 (Rupees Two Crores Only) divided into 2,00,00,000 Equity Shares of Re.1/- each, with power to the Board of Directors to increase or reduce the capital and to divide its shares in the capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights and to provide for such rate of dividend on the shares as may be determined by the Directors and to vary or modify or abrogate any such rights, privileges or conditions in such a manner as may, for the time being, be provided by the regulations of the Company and to consolidate or sub-divide the shares and issue shares of higher or lower denominations.'

RESOLVED FURTHER THAT consequent upon the increase in the Authorised Capital of the Company as aforesaid, the existing Article 3 of the Articles of Association of the Company be deleted and substituted by the following:

3. The Authorised Capital of the Company is Rs. 2,00,00,000 (Rupees Two Crores Only) divided into 2,00,00,000 Equity Shares of Re.1/- each, with power to the Board of Directors to increase or reduce the capital and to divide its shares in the capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights and to provide for such rate of dividend on the shares as may be determined by the Directors and to vary or modify or abrogate any such rights, privileges or conditions in such a manner as may, for the time being, be provided by the regulations of the Company and to consolidate or sub-divide the shares and issue shares of higher or lower denominations.'

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10. To consider and, if thought fit, to pass the following resolution which will be proposed as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81, 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any modification or re-enactment thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement(s) entered into by the Company with the Bombay Stock Exchange Limited and also subject to all applicable Guidelines, Rules and Regulations of Central government, Reserve bank of India, Securities Exchange Control Board of India (**SEBI**) and Bombay Stock Exchange (**BSE**) and also subject to their all such conditions and approvals in this behalf, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any committee constituted for the purpose) to offer issue and allot to any one or more persons being eligible foreign as well as Indian Investors, Non-resident Individuals and/or body(ies) corporate, Association of Persons, Banks, Financial Institutions and Others (hereinafter referred to as "Investors" and which term shall mean and include persons/bodies corporate/Associations of Indian as well as foreign origin and persons being Indian as well as foreign citizens), and whether such investors are existing equity shareholders of the Company or not) by way of circulation of an Offering Circular or Prospectus or by way of Private Placement or Preferential allotment of Fully Convertible Debentures/Bonds and/or other suitable Debt instruments and Loans, in one or more currencies upto an aggregate principal amount equivalent to US \$ 12,500,000 (United States Dollars Twelve Million and Five Hundred Thousand Only) (hereinafter referred to as "the Securities"), secured or unsecured, to be subscribed in Indian and/or one or more Foreign currencies, which at the option of the holders of the Securities and/or at the option of the Company, may be converted into equity shares of the Company, such Offer, issue and allotment of Securities and conversion of such securities into equity shares of the Company to be made in one or more trenches, at such prices and on such terms and conditions as may be decided at the time of offer, issue and allotment, by the Board in accordance with the Rules, Regulations, terms, conditions and guidelines prescribed by the Memorandum and Articles of Association of the Company, SEBI, BSE and the Companies Act, 1956.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of Offering and such equity shares resulting from the said conversion of Securities, need not necessarily rank pari passu with the then existing equity shares of the Company but may carry such qualified rights with

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regard to voting rights and dividend, as may be decided by the Board of Directors at the time of conversion.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue and allotment of Securities or equity shares arising out of conversion of such Securities, as described herein above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things as it may at its discretion deem necessary or desirable for such purpose and such authority to include authority to determine without any limitation or restriction, the terms, timings, the class of investors to whom the securities or shares are to be issued, the number of securities or shares to be issued in each trench, issue price, face value, premium amount on issue /conversion of securities, rate of interest, redemption period, etc, the utilization of issue proceeds and power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment, as it may in absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred herein above to any Committee of Directors or Managing Director or any director or any other Officer or Officers of the Company to give effect to the foregoing resolutions."

Registered Office:
25/25A, 2nd Floor, (Director)
Nawab Building,
Opp. Thomas Cook,
327, Dr. D N Road,
Fort, MUMBAI 400001.

By ORDER OF THE BOARD,

Sd/-
Devang Master
(Director)

Dated: August 21, 2007

Notes:

1. Any Member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member. Proxies in order to be effective must be received by the Company not less than forty eight hours before the commencement of the Meeting. Proxy Form is enclosed.
2. Explanatory Statements pursuant to Section 173 (2) of the Companies Act, 1956 setting out the material facts relating to items of Special Business, are attached hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 21, 2007 to Tuesday, September 25, 2007, both days inclusive.

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EXPLANATORY STATEMENTS

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

Item No: 5

The Board of Directors appointed Mr. Rajgopalan Iyengar as an Additional Director with effect from April 26, 2007 and pursuant to Section 260 of the Companies Act, 1956, Mr. Iyengar holds office upto this Annual general Meeting. He is eligible for appointment as a Director at this Annual General Meeting and Notice in writing under Section 257 of the said Act has been received from a Member of the Company proposing his candidature to the Office of Director. In view of his vast industrial experience, your Directors recommend this resolution for your approval. Apart from the obvious interest of Mr. Iyengar, no other Director is interested in this item of business.

Item No: 6

The Board of Directors has ambitious plans to undertake a Diversification programme into the field of power infrastructure with a capacity of 10 MW, at a total estimated cost of US \$ 12 Million (approximately Rs.48 Crores. Moreover, your Directors have plans for an expansion of the existing operations of Computer electronics, Digital Electronics, Computer Hardware, software and Telecom Services In addition, at accost of US \$0.500 Million (Approximately Rs. 2 Crores). The project cost is expected to be met out of local as well as external commercial borrowings and by private placement of fully convertible Debentures. As such borrowings would be in excess of the aggregate of the paid-up capital and the free reserves of the Company, it is necessary to obtain the consent of the Company in general meeting in compliance of Section 293 (1) (d) of the Companies Act, 1956. Hence this resolution.

None of the Directors is concerned or interested in this resolution.

Item No: 7

As mentioned above in Item 7, the Company proposes to undertake expansion of activities by acting as Retail Outlets for large scale Multi National Companies to develop the business of Computer Electronics, Digital Electronics, Computer Hardware, software and Telecom Services at an estimated cost of Indian Rupees equivalent to US \$ 500,000 (United States Dollars Five Hundred Thousand Only) besides the diversification into Power infrastructure with a capacity of 10 MW at a cost of US \$ 12 Million (Approximately Rs.48 Crores). The Company is in the process of tying up domestic as well as foreign currency loans by way of ECB, GDRs, FCDs, etc. As security for the said loans, the Company shall have to create mortgage/charge for the borrowing limit of upto Rs.50 Crores.