

# **6<sup>th</sup> Annual Report 1998 - 99**

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**EMMSONS  
INTERNATIONAL  
LIMITED**



## BOARD OF DIRECTORS

Anil Monga	Managing Director
Madan Lal Monga	Director
Rajesh Monga	Whole Time Director
Sanjeev Monga	Director
Mulraj J.Tanna	Director

## BANKERS

### BANK OF BARODA

Chandni Chowk, Delhi- 110006

### ORIENTAL BANK OF COMMERCE

Overseas Branch,M-33,Greater Kailash-II,  
New Delhi-110048

## AUDITORS

### SURESH & ASSOCIATES

2059/6,Chuna Mandi,  
Pahar Ganj, New Delhi-110055

## REGISTERED OFFICE

2637, First Floor,  
Naya Bazar, Delhi-110006

## ADMN. OFFICE

101, South Delhi House,  
12, Zamrudpur Community Centre  
Kailash Colony, New Delhi-110048

## SHARE REGISTRAR

### IN-HOUSE SHARE REGISTRY

3,Community Centre,  
Naraina Industrial Area, Phase-I,  
Near Payal Cinema,New Delhi-110028

## CONTENTS

	Page No.
1. Notice	1
2. Director's Report	4
3. Auditor's Report	6
4. Balance Sheet	8
5. Profit & Loss Account	9
6. Schedules	10
7. Notes on Accounts	15
8. Balance Sheet Abstract	18
9. Cash Flow Statement	19

**NOTICE**

NOTICE is hereby given that Sixth Annual General Meeting of the Company will be held on Wednesday, the 29th day of September, 1999 at 11.00 A.M. at Madhuban Holiday Inn, B-71, Greater Kailash-I, New Delhi-110048 to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1999 and Profit & Loss Account for the year ended on that date together with Auditors' Report and Report of Directors.
2. To declare dividend on Shares.
3. To appoint a Director in place of Shri Mulraj J.Tanna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company in place of M/s. Suresh & Associates, Delhi, who retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**SPECIAL BUSINESS**

5. To Consider and if thought fit, to pass with or without modification(s), the following Resolution as an ordinary Resolution :

"Resolved that this Annual General Meeting approves the appointment of Mr. Rajesh Monga as Wholetime director of the company made by Board in the meeting held on 28th December 1998 for a period of 5 years with effect from 1st January, 1999 in terms of the provisions of Section 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended, on the remuneration and perquisites as detailed below :-

**A. SALARY:**

Rs.30,000 (Rupees Thirty Thousand Only) per month in the grade of 30,000-5,000-50,000.

**B. COMMISSION:**

Such percentage of net profits as may be decided by the Board of Directors in each financial year.

**C. PERQUISITES :**

In addition to Salary and Commission, he will be entitled to Perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement, leave travel concession, club fees, personal accident insurance etc.in accordance with the rules of the Company, such perquisites being restricted to Rs. 1,50,000 (Rupees One Lac Fifty Thousand Only) per annum.

- i) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable, otherwise, at actuals. Provisions for use of Company car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of Perquisites for the purpose of calculating the said ceiling.
- ii) Company's contribution to Provident Fund and Superannuation Fund not exceeding twenty five percent of the remuneration shall not be included in the computation of limits for Perquisites aforesaid.
- iii) The total remuneration payable to him including Commission, value of Perquisites and Company's contribution towards Provident Fund and Superannuation Fund shall not exceed Rs. 10,00,000 (Rupees Ten Lacs Only) for any financial year.

**D. OTHER TERMS**

- i) The total remuneration including Commission, Perquisites and Company's contribution towards Provident Fund and Superannuation Fund payable to him shall not exceed five percent where there is only one Managing/ Whole time Director and ten percent where there are more than one Managing/Wholetime Director, of the profits calculated in accordance with Sections 198 and 309 of the Companies Act, 1956.
- ii) The Wholetime Director shall be entitled to reimbursement of all actual expenses, including on entertainment and travelling, incurred in the course of the Company's business.
- iii) The Wholetime Director shall also be entitled



to the benefits under other benefits, schemes, privileges and amenities such as hospitalisation etc. as are granted to the Senior Executives of the Company, in accordance with the Company's practice, rules and regulations in force from time to time.

- iv) The Company or the Wholetime Director shall be entitled at any time to terminate this appointment by giving three months written notice or by any shorter notice as may be mutually agreed to, by both the parties.
- v) In the event of loss or inadequacy of profits in any financial year, the Wholetime Director shall be paid remuneration by way of salary and perquisites as specified above.
- vi) The Wholetime Director, so long as he functions as Wholetime Director, shall not be paid any sitting fee for attending meeting of the Board of Directors or Committees thereof.

"RESOLVED FURTHER THAT the Wholetime Director will be authorised to exercise such powers of management, as may be delegated to him by the Company from time to time, subject however, to the overall superintendence, control and supervision of the Board of Directors of the Company."

"RESOLVED FURTHER THAT in the event(s) of any relaxation by the Central Government in the provisions of Schedule XIII of the Companies Act, 1956, the Board of Directors will be authorised to increase the remuneration and/or the term of appointment of the Wholetime Director, as the Board may decide from time to time subject to such provisions."

All the Directors except Shri Mulraj J. Tanna are interested in the resolution.

6. "Resolved that pursuant to section 163 and such other applicable provisions, if any, of the Companies Act, 1956, approval of the Company is hereby accorded to maintain the registers, index, returns and copies of certificates and documents under Companies Act to which the provisions of section 163 applies at the Company's "Administrative Office" at 101, South Delhi House, 12, Zamrudpur Community Centre, Kailash Colony, New Delhi - 110 048 with effect

from 1st October 1999 instead of being Kept at the Registered Office 2637, First Floor, Naya Bazar, Delhi-110 006 and the same shall remain open for inspection during business hours of the Company."

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

#### REGISTERED OFFICE

By Order of the Board  
2637, First Floor, for EMMSONS INTERNATIONAL LTD.  
Naya Bazar,  
Delhi-110 006

Date: 04.08.1999  
Place : New Delhi

Sd/-  
(ANIL MONGA)  
MANAGING DIRECTOR

#### NOTES

1. Relevant explanation statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. The Dividend declared, if any, will be paid to those Members whose name appears in the Register of Members of the Company as on 28.09.1999. The Dividend will be paid only on fully paid up shares and the members, whose allotment money remain in arrears will not be entitled for dividend.
3. The Register of Members and the Share Transfer books of the Company shall remain closed from 20.09.1999 to 28.09.1999 (Both days inclusive).
4. Members desiring any information as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
5. All Members/Proxies should bring the attendance slip sent herewith duly filled, for attending the meeting.
6. A member entitled to attend and vote is entitled to appoint a proxy, to attend and vote instead of himself, and the proxy need not be a member.
7. The instrument of appointing proxy should, however, be deposited at the Registered Office

**Emmsons International Ltd.**

of the Company not less than 48 hours before the commencement of the meeting.

8. All documents referred to in the accompanying Notice and explanatory statement are open for inspection at the Registered Office of the Company at all days, except holidays, between 11 A.M. and 1.00 P.M., upto the date of the Annual General Meeting.
9. Members are requested to bring their copy of Annual Report alongwith them to the Annual General Meeting.

ANNEXURE TO NOTICE  
EXPLANATORY STATEMENT PURSUANT TO  
SECTION 173 (2) OF THE COMPANIES ACT, 1956

**Item No. 05.**

Shri Rajesh Monga has been on the Board of the Company, as Director since inception. In the year under review the company has achieved new heights and is striving for greater success in the near future. Considering the experience of Mr. Rajesh Monga in promoting the business interests of the Company, the Board appointed him as Wholetime Director w.e.f 01.01.1999 for a period of 5 years.

All the Directors except Shri Mulraj J. Tanna are interested in the resolution.

The Directors recommend the Resolution for approval of Shareholders.

**Item No. 06.**

Since the Company's Registered Office is situated in Old Delhi, which is a very congested area, therefore to render a better and prompt service to the members, the Board of Directors has decided to shift the Statutory Record to its Administrative Office w.e.f. 01.10.1999, subject to the approval of Shareholders.

Since maintenance of the members register, index etc. at a place other than the Registered Office requires the approval of Shareholders, the Special Resolution set out at Item 06 of the notice is recommended to the shareholders for their approval.

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

The Directors recommend the Resolution for approval of Shareholders.

By Order of the Board  
for EMMSONS INTERNATIONAL LTD.

Sd/-

(ANIL MONGA)  
MANAGING DIRECTOR

Date : 04.08.99  
Place : New Delhi

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## DIRECTORS' REPORT

### TO THE SHARE HOLDERS

The Directors of your Company have pleasure in presenting their Sixth Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 1999.

#### 1. FINANCIAL RESULTS :

	(Rs. in lacs)	
	1998-99	1997-98
Gross Sales & Incomes	12606.06	6857.86
Profit : Before interest, Depreciation and Taxation	588.11	107.98
Less: Interest & Finance Charges	123.43	39.37
Depreciation	4.80	3.83
Profit Before Taxation	459.88	64.78
Less: Provision for Taxation	21.00	Nil
Profit After Taxation	438.88	64.78
Add : Balance brought forward from the previous year	211.33	146.55
Income Tax Refund	0.15	Nil
Provision for W.Tax		
Written back	0.15	Nil
DISPOSABLE PROFIT	650.51	211.33
That the Directors recommend for appropriation as under :		
Dividend	39.83	Nil
Tax on Dividend	4.38	Nil
Transfer to General Reserve	400.00	Nil
Balance carried to Balance Sheet	206.30	211.33
	650.51	211.33

#### 2. DIVIDEND :

The Board of Directors of your Company is pleased to recommend a maiden dividend of 10% on the amount of fully paid-up Equity Shares of Rs. 10/- each of the Company. The Members, whose allotment money remains in arrears will not be entitled for dividend. The Dividend, if approved, will be paid to those Members whose names appear in the Register of Members of the Company as on 28.09.1999.

#### 3. YEAR IN RETROSPECT :

The Company closed the financial year ended March 1999 on a highly satisfactory note recording all around improvement in its activities. The export turnover of the Company climbed up to Rs. 103.68 crore compared to Rs. 23.29 crore in the previous

year. The Profitability also recorded a healthy growth. During this period your company has emerged as one of the leading exporters of rice to Nigeria, South Africa and Bangladesh.

The Company has constantly been looking for expanding its product base and a small beginning was made by starting import of Almonds and Chickpeas.

#### 4. PROSPECTS FOR THE CURRENT YEAR :

The Company expects to maintain the momentum generated during last year and is set to record a healthy increase in turnover as well as profitability. The major increase is likely to come from rice export business. The gross sales during the first quarter have crossed the Rs. 40 crore mark as against Rs. 14.34 crore recorded in previous year. With addition of products like Sugar & Almonds and revival of possibilities of DAP Imports, the import business should also record positive gains.

#### 5. INSURANCE :

All assets of the Company including its plant and machinery and stocks have been adequately insured.

#### 6. FIXED DEPOSITS :

The company has not accepted any deposit from public during the year ended 31st March, 1999 under Section 58-A of the Companies Act, 1956.

#### 7. EXPORTS :

During the year under review, exports of your Company achieved a new height and reached Rs. 103.68 crore as against Rs. 23.29 crore in the previous year, recording an increase of 345% over the previous year. Your Directors are also pleased to inform you that based on the above export performance, your Company has been granted the status of a Government Recognised Trading House.

#### 8. DIRECTORS :

Shri Mulraj J. Tanna retires by rotation pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company and being eligible, offers himself for re-appointment.

#### 9. AUDITORS' REPORT :

The Auditors' observations are self-explanatory and, therefore do not call for any further comments.

#### 10. AUDITORS :

M/s. Suresh & Associates, Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and have expressed their