

7th

Annual Report

1999-2000

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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

3A, Bigjo's Tower, Netaji Subhash Place
Pitampura, Delhi-110034

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

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NOTICE

NOTICE is hereby given that Seventh Annual General Meeting of the Company will be held on Friday, the 29th day of September, 2000 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 2000 and Profit & Loss Account for the year ended on that date together with Auditor's Report and Report of Directors.
2. To appoint a Director in place of Shri Sanjeev Monga, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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

4. To Consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the company be and are hereby altered to the extent and in the manner as set out hereunder :-

- i) Notwithstanding anything contained in Articles 10 to 13, the following new Article 13A be inserted after Article 13 under the heading "Dematerialisation of Securities"

"DEMATERIALISATION OF SECURITIES"

13A(1) For the purpose of this article:-

"Beneficial Owner" "Beneficial Owner" shall have the meaning assigned thereto in Section 2 (1) (a) of the Depositories Act, 1996.

"Depositories Act" "Depositories Act" shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository" Depository" shall mean a Depository as defined in Section 2 (1) (e) of the Depositories Act, 1996.

"Member" "Member" shall mean a duly registered holder, from time to time, of the Security of the

Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"Security" Security" shall mean such security as may be specified by SEBI.

"Dematerialisation of securities" (2) Notwithstanding anything on the contrary contained in this Article, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held in depository pursuant to the Depositories Act, 1996.

"Option to hold securities in physical form or with depository" (3) Every person holding securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of security certificates if permitted by law, or to receive and hold the same in the dematerialised form with a depository.

"Beneficial owner may opt out of a depository"

(4) Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed thereunder and on fulfillment of the conditions prescribed by the company from time to time, the Company shall issue the relevant security certificates to the beneficial owner thereof.

"Securities in depository to be in fungible form"

(5) All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B and 187C of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

"Rights of depository and beneficial owners"

(6) (a) a depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(b) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of

Emmsons International Ltd.

"Transfer of Securities" (7) Transfer of securities held in a depository will be governed by the provisions of the Depositories Act, 1996. Nothing contained in Section 108 of the Companies Act, 1956 or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

"Register and Index of beneficial owners" (8) The Register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and index of members and security holders for the purpose of these Articles.

"Other matters" (9) Notwithstanding anything contained in these Articles the provisions of Depositories Act, 1996 relating to dematerialisation of securities, including any modification(s) or re-enactment thereof and Rules/Regulations made thereunder shall prevail and apply accordingly.

- ii) Resolved that after the existing Article 39, the following new Article 39A be inserted under the heading "NOMINATION".

"NOMINATION"

39A : Notwithstanding anything contained in Article 34 to 39 or in any other law for the time being in force, a holder or joint holders of shares, or debentures, may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956, and in the manner prescribed thereunder, a person to whom all the rights in the shares or debentures of the company shall vest in the event of the death of such holder(s). Any nominations so made shall be dealt with by the company in accordance with the provisions of Sections 109B of the Companies Act, 1956.

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 re-appointment of Mr. Anil Monga as *Managing Director of the company made by Board* in the meeting held on 24th August 2000 for a further period of 5 years with effect from 1st September, 2000 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. 75,000/- (Rupees Seventy five thousand only) per month in the grade of 75,000-10000-1,15,000.

B. COMMISSION:

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

C. PERQUISITES :

In addition of Salary and Commission, he will be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement, leave travel concession, club fees including membership fee of two clubs, personal accident insurance etc., in accordance with the rules of the Company, such perquisites being restricted to Rs. 5,00,000/- (Rupees Five Lacs 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 of 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. 30,00,000/- (Rupees Thirty 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 Director/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 Managing 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 Managing 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 Managing 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 Managing Director shall be paid, subject to the compliance of Schedule-XIII of the Companies Act, 1956 in this regard, remuneration by way of salary and perquisites as specified above.
- vi) The Managing Director, so long as he functions as Managing Director shall not be paid any sitting fee for attending meeting of the Board of Directors or Committees thereof.

"RESOLVED FURTHER THAT the Managing 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 Managing 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.

By order of the Board.

For EMMSONS INTERNATIONAL LTD

Sd/-
(ANIL MONGA)
MANAGING DIRECTOR

REGISTERED OFFICE

2637, First Floor,
Naya Bazar,
Delhi-110 006

Dated : 24.08.2000

Place : New Delhi

NOTES

1. Relevant explanation statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from 21.09.2000 to 27.09.2000 (Both days inclusive).
3. 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.
4. All Members/Proxies should bring the attendance slip sent herewith duly filled for attending the meeting.
5. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and proxy need not be a member.
6. The instrument of appointing proxy should, however, be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
7. All documents referred to in the accompanying Notice and explanatory statement are open for inspection at the Registered Office of the Company an all day, except holiday, between 11 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
8. 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. 04

The Securities & Exchange Board of India (SEBI) vide its letter No. SMDRP/POLITY/CIR-23/2000 dated 29.05.2000 has directed the Exchanges that trading in the scrips of certain companies would be compulsory in dematerialised form by all the investors as per effective date of schedule mentioned in the SEBI'S letter and The Ludhiana Stock Exchange Assn. Limited inform to the company vide its letter No. Listing/3121/2000 dated 06.06.2000 that trading in the scrip of our company would be compulsory in dematerialised form with effect from November 27, 2000.

Emmsons International Ltd.

With the introduction of the Depositories Act, 1996 and Depository System, some of the provisions of the Companies Act, 1956 in relation to the issue, holding, transfer and transmission of shares, debentures and other securities have been amended to facilitate the implementation of the new systems. The depository system is safe and convenient method to hold and trade in the securities of the Company. The system eliminates several problems experienced in the scrip based system such as bad deliveries, fraudulent transfer and transmission, theft in postal transit, time taken in registration of transfer, maintenance of share certificate etc. The system also offers several cost advantages such as no postage expenses, exemption from stamp duty on transfers etc.

The Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999, has provided to every holder of shares or debentures or other securities an option to nominate a person to whom his/her shares or debentures of the company shall vest in the event of his/her death.

Further it is proposed to amend the articles of Association of the Company suitably incorporating therein necessary provisions relating to the implementation of the depository system and for providing nomination facility in conformity with the Depositories Act, 1996 and the Companies Act, 1956 respectively.

The Resolution is accordingly recommended for the approval of the Members by means of Special Resolution as required under Section 31 of the Companies Act, 1956.

None of the Directors of the Company is deemed to be concerned or interested in the said resolution.

Copy of the Memorandum and Articles of Association of the Company together with the proposed alterations shall be open for inspection of the shareholders at the Company's Administration office on any working day upto and inclusive of the date of Annual General Meeting between 10.00 A.M to 1.00 P.M.

Item No.05

Shri Anil Monga was entrusted upon the responsibilities of Managing director of the company on 1st September 1995 for a period of 5 years, ending on 31st August, 2000. Your company has performed with distinction during his tenure. Considering his successful track record and his experience in the field, the Board has re-appointed

Mr. Anil Monga as Managing Director w.e.f 01.09.2000 for a further 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.

By order of the Board
For EMMSONS INTERNATIONAL LTD

Sd/-

Dated : 24.08.2000

(ANIL MONGA)

Place : New Delhi

MANAGING DIRECTOR