

10th Annual Report 2002-2003

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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
Sudesh Pal Jain	Director
Vijay Kumar Kakkar	Director
Gp. Captain Barjinder Kumar Dhir, VM (Retd.)	Director

BANKERS**ORIENTAL BANK OF COMMERCE**

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

INDIAN OVERSEAS BANK

A-19/22, Moolchand Shopping Complex
Defence Colony, New Delhi

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 TIME Spectrum Registry Limited,
A-31, 3rd Floor, Naraina Industrial Area,
Phase-I, Near PVR Cinema,
New Delhi - 110028

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NOTICE

NOTICE is hereby given that tenth Annual General Meeting of the company will be held on Monday, the 29th day of September, 2003 at 11.00 A.M. at Madhuban Holiday Inn, B-71, Greater Kailash-1, New Delhi-110 048 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2003 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 Mr. Mulraj J. Tanna, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Suresh & Associates, Chartered Accountants, as Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Gp. Captain Barjinder Kumar Dhir, Vm (Retd.) who was appointed as Additional Director under section 260 of the Companies Act, 1956 by the Board of Directors in their meeting held on 21st February, 2003 and who holds office upto the date of this Annual General Meeting and in respect of whom the company had received a notice in writing under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company liable to retirement by rotation."

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

"RESOLVED THAT Mr. Vijay Kumar Kakkar who was appointed as Additional Director under section 260 of the Companies Act, 1956 by the Board of Directors in their meeting held on 21st February, 2003 and who holds office upto the date of this Annual General Meeting and in respect of whom the company had received a notice in writing under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company liable to retirement by rotation."

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

"RESOLVED THAT Mr. Sudesh Pal Jain who was appointed as Additional Director under section 260 of the Companies Act, 1956 by the Board of Directors in

their meeting held on 21st February, 2003 and who holds office upto the date of this Annual General Meeting and in respect of whom the company had received a notice in writing under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company liable to retirement by rotation."

7. **To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.**

"RESOLVED THAT pursuant to the Provisions of Section 198, 309, 310 and Schedule XIII of the Companies Act, 1956, approval of the members of the company be and is hereby accorded for the increase in the remuneration of Mr. Anil Monga, Managing Director of the Company w.e.f 1st January, 2003. The details of the increased remuneration shall be as under:

A. SALARY :

Rs.1,05,000/- (Rupees One Lac Five Thousand Only) per month in the grade of 1,05,000 - 25,000 - 1,55,000- 40,000 - 2,35,000.

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. 10,00,000/- (Rupees Ten 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. 50,00,000/- (Rupees Fifty 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/whole time 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 traveling, 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 hospitalization 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 authorized 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 authorized 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."

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

"RESOLVED THAT pursuant to the Provisions of Section 198, 309, 310 and Schedule XIII of the Companies Act, 1956, approval of the members of the company be and

is hereby accorded for the increase in the remuneration of Mr. Rajesh Monga, Wholetime Director of the Company w.e.f 1st January, 2003. The details of the increased remuneration shall be as under:

A. SALARY :

Rs. 80,000 (Rupees Eighty Thousand Only) per month in the grade of 80,000 - 20,000 - 1,20,000 - 30,000 - 1,80,000.

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. 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 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. 25,00,000/- (Rupees Twenty Five 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 Section 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 traveling, 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 hospitalization 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, 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 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 authorized 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 authorized 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."

**By Order of the Board of Directors
For EMMSONS INTERNATIONAL LIMITED**

**Sd/-
(ANKUR JAIN)
COMPANY SECRETARY**

**Dated : 31.07.2003
Place : New Delhi**

NOTES :

1. The Register of Members and the Share Transfer Books of the company shall remain closed from Monday, the 22nd September 2003 to Monday, the 29th September, 2003 (both days inclusive) for the purpose of Annual General Meeting.
2. 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 of the company. 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.
3. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their

specimen signature registered with the company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for identification.

4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Administration office of the company on all days, except holidays, between 11.A.M. and 1.00 P.M. upto the date of the Annual General Meeting.

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

Item No. 4

Gp. Captain Barjinder Kumar Dhir, Vm (Retd.) joined the Indian Air Force in 1961 and served the country until 1983. After this, he also worked for the Oil and Natural Gas Corporation and Pawan Hans Helicopters Limited. During his overall work experience of about 40 years, he has handled the various departments viz. Engineering, Marketing and Materials. During his career, he was awarded with the Gallantry award by the Hon'ble President of India. He is also the founder member of Rotary Wing Society of India. Presently, he is engaged in providing the consultancy in the field of operational know how and in depth industry experience. It is expected that the company will also get benefit from his rich and varied experience, particularly in the field of management and marketing.

The Board of Directors at their meeting held on 21st February, 2003 appointed Gp. Captain Barjinder Kumar Dhir, Vm (Retd.) as an Additional Director. Pursuant to the provisions of section 260 of the Companies Act, 1956, his term of office expires on the date of this Annual General Meeting. The company had received a notice under section 257 of the Companies Act, 1956 from a shareholder for his appointment as Director of the company.

Your Directors recommend appointment of Gp. Captain Barjinder Kumar Dhir, Vm (Retd.) as Director of the company. Members are requested to pass the resolution no.4 as an Ordinary Resolution.

Except Gp. Captain Barjinder Kumar Dhir, Vm (Retd.), no other Director is in any way concerned or interested in this resolution.

Item No. 5

Mr. Vijay Kumar Kakkar is an Electrical Engineer with an overall experience of over 39 years in engineering industries. During his career, he had worked with Multinationals and Indian Companies. Presently, he is engaged with the Flex Engineering Limited as Chief Executive. With his rich experience in International business, it is expected that the company will be benefited.

The Board of Directors at their meeting held on 21st February, 2003 appointed Mr. Vijay Kumar Kakkar as an Additional Director. Pursuant to the provisions of section 260 of the Companies Act, 1956, his term of office expires on the date of this Annual General Meeting. The company had received a notice under section 257 of the Companies Act, 1956 from a shareholder for his appointment as Director of the company.

Your Directors recommend appointment of Mr. Vijay Kumar Kakkar as Director of the company. Members are requested to pass the resolution no.5 as an Ordinary Resolution.

Except Mr. Vijay Kumar Kakkar, no other Director is in any way concerned or interested in this resolution.

Item No. 6

Mr. Sudesh Pal Jain, an eminently experienced person having retired as member (staff), Railway Board, Govt. of India (ex-officio Secretary to the Govt. of India) after serving the Indian Railways with distinction in various capacities for about 35 years. Various companies and business entities have benefited from valuable advices provided by Mr. Jain. The company also expects to gain from Mr. Jain's experience, particularly in respect of logistic managements.

The Board of Directors at their meeting held on 21st February, 2003 appointed Mr. Sudesh Pal Jain as an Additional Director. Pursuant to the provisions of section 260 of the Companies Act, 1956, his term of office expires on the date of this Annual General Meeting. The company had received a notice under section 257 of the Companies Act, 1956 from a shareholder for his appointment as Director of the company.

Your Directors recommend appointment of Mr. Sudesh Pal Jain as Director of the company. Members are requested to pass the resolution no.6 as an Ordinary Resolution.

Except Mr. Sudesh Pal Jain, no other Director is in any way concerned or interested in this resolution.

Item No. 7

Mr. Anil Monga was reappointed as Managing Director of your company for a further period of five years w.e.f. 1st September, 2000 at a monthly salary in the grade of Rs. 75,000-10,000-1,15,000.

Mr. Anil Monga is a graduate with over 20 years of rich, wide and varied experience in the procurement and export of Agri Commodities. He has guided the company well in a right direction and company has progressed well under his leadership. Since he is devoting full time for the company and is actively engaged in each and every activity of the company. Hence, considering his involvement into the affairs of the company and pursuant to the overall increase in salary structure, it is considered desirable to enhance/revise remuneration payable to Mr. Anil Monga.

The Board of Directors of the company at their meeting held on 14th January, 2003 approved a revision in his salary grade to Rs. 1,05,000- 25,000-1,55,000- 40,000-2,35,000 per month w.e.f. 1st January, 2003 alongwith the other revision, as termed in the resolution no. 7, subject to the approval of the members at their Annual General Meeting.

The salary after this increase shall be with in the limits of section 198,309 and 310 of the Companies Act, 1956 and in the event of any loss or inadequacy of profits in any financial year, the salary payable to him shall be restricted with in the schedule XIII of the Companies Act, 1956.

The terms and conditions as explained in the resolution no.7 and in this explanatory notes may be considered as an abstract of terms and conditions as required by the provisions of section 302 of the Companies Act, 1956.

Members are requested to pass the resolution no. 7 of this notice as a Special Resolution.

Mr. Rajesh Monga, Mr. Madan Lal Monga and Mr. Sanjeev Monga may be deemed to be interested in this resolution.

Item No. 8

Mr. Rajesh Monga was appointed as a Wholetime Director of the company w.e.f. 1st January, 1999 at a monthly salary in the grade of Rs. 30,000- 5,000-50,000 which was later revised to a monthly grade of Rs. 50,000- 10,000-70,000 by passing a resolution at the 8th Annual General Meeting held on 29th September, 2001.

Mr. Rajesh Monga is a graduate and is associated with the company since its incorporation. He has to his credit vast, rich and varied experience in the field of procurement and trading of Agri Commodities. Pursuant to the overall increase in salary structure, it is considered desirable to enhance/revise remuneration payable to Mr. Rajesh Monga.

The Board of Directors of the company at their meeting held on 14th January, 2003 approved a revision in his salary grade to Rs. 80,000-20,000-1,20,000-30,000-1,80,000 per month w.e.f. 1st January, 2003 alongwith the other revision as termed in the resolution no. 8, subject to the approval of shareholders of the company.

The salary after this increase shall be with in the limits of section 198,309 and 310 of the Companies Act, 1956 and in the event of any loss or inadequacy of profits in any financial year, the salary payable to him shall be restricted with in the schedule XIII of the Companies Act, 1956.

The terms and conditions as explained in the resolution no. 8 and in this explanatory notes may be considered as an abstract of terms and conditions as required by the provisions of section 302 of the Companies Act, 1956.

Members are requested to pass the resolution no. 8 of this notice as a Special Resolution.

Mr. Anil Monga, Mr. Madan Lal Monga and Mr. Sanjeev Monga may be deemed to be interested in this resolution.



DIRECTORS' REPORT

TO THE MEMBERS

Dear Members,

The Directors of your company feel immense pleasure in presenting their Tenth Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2003.

1. FINANCIAL HIGHLIGHTS

The company achieved a sales turnover of Rs. 29,588.77 Lacs, an increase of about 40% over the preceding year's figures.

A summarized position of the profits, taxation and transfer to reserves for the year under review as compared to the earlier year is given below :

Sl. No.	Amount (Rs. In Lacs)	
	2002-03	2001-02
Gross Sales and Income	30153.55	21540.16
Profit before interest, Depreciation and taxation	850.04	893.90
Less : Interest and financial Charges	611.14	281.63
Depreciation	12.52	9.44
Profit before taxation	226.38	602.83
Less : Provision for taxation	43.00	58.00
Provision for deferred taxation	8.52	1.57
Profit after taxation	174.86	543.26
Add : Balance brought forward from the previous year	744.56	474.21
Disposable Profits	919.42	1017.47

2. DIVIDEND

With a view to conserve the resources of the company and which are needed for the expansion and diversification plans of the company, your directors have decided to plough back the profits in to the company. Hence, no dividend has been recommended for the year ended 31st March, 2003.

3. RECOGNITIONS

The Board is pleased to inform you that your company has been selected by the Federation of Indian Export organization (FIEO) for the prestigious "FIEO Award-NIRYAT SHREE" in recognition of excellent export performance during the year 2001-02. In this moment of glory, the Board congratulates all the members.

4. MANAGEMENT ANALYSIS AND DISCUSSION

a) Industry structure & Development

International Agri business is the fastest growing sector of Indian Agriculture in the post GATT era. The farmers, present and the potential exporters have to develop expertise and continuously evolve strategies to take advantage of newly emerging opportunities and face the competition.

The new five year Exim policy (i.e. 2002-2007) that has taken effect from the first of April 2003 had attempted to provide a major thrust to agricultural exports. The main sops provided to the sector

includes the lifting of quantitative restrictions on exports of almost all commodities, sanctioning of 20 agri-export zones, removal of minimum export price conditions etc.

This policy can be called as a growth oriented and a progressive export- friendly policy and it is trusted that some of these changes will have a positive impact on the Agri-export sector.

The future of the Agri export sector seems to be very bright. This is largely due to the availability of large quantum of rice and other agri products in the continent on account of prediction of more than average monsoon in the current year.

b) Outlook

We are optimistic about our prospects for the year 2003-04 and the years to come. We expect substantial increase in our international trading business. The company is planning to diversify its activities and widen its scope by adding some new product in its trade line. It is hoped that by the end of this year few more products shall be added.

The future prospects for the exporters seem to be bright as there are some positive developments in the relations of India and Pakistan. Presently, Pakistan is purchasing the Sugar and Soya from Thailand and if the trade starts between the two countries then this situation will be a boost for the Indian exporters.

With the vision of the company to reach out for the best in every area in which company have some stakes, the company's future promises to be as exciting and rewarding as its past has been.

c) Risks, Threats and Opportunities

Since the production of Agri commodities in India is highly dependent on the position of monsoon, hence, risk is integral to almost every aspect of the Agri related business. Further, increasing prices of the food grains by the Food Corporation of India had heavy impact on the company. Further, continuous rise of Indian rupee against the US dollar has been a challenge to the exporters.

The western world is coming under increasing pressure from GATT for phasing out high subsidies on agriculture produce, which will make the Indian exports more competitive in the world market. Further, onset of good monsoon in the year 2003 had increased expectation of a bumper Rabi crop, increasing the availability of exportable surplus.

d) Segmentwise Performance

The company deals in the export of rice, wheat, sugar and soybean. Total export turnover for the year under review achieved by the company was Rs. 28891.26 Lacs in comparison of Rs. 20172.43 Lacs of previous year. Further, during the year, domestic turnover achieved was Rs. 1256.25 Lacs whereas the corresponding figure for the last year was Rs. 1367.72 Lacs.

e) Internal Control system and their adequacy

Your company maintains adequate internal Control system designed to provide reasonable assurance

that assets are safeguarded. Transactions are executed in accordance with management's authorization and are properly recorded and accounting records are adequate for preparation of financial statements and financial information. The internal audit department performs internal audit periodically to ascertain their adequacy and effectiveness. Prior to the formation of the Audit Committee, the Managing Director and the head of finance used to review the performance of the Audit & Compliance department and now the Audit Committee of the Board monitors these departments.

f) Financial and Operational Performance

According to the central statistics organization, Indian economic growth had plummeted to 4.3% during the 2002-03 from 5.6% of last fiscal year. This was mainly due to dismal show by the Agriculture sector.

In this context, the performance of the company for the year under review was satisfactory inspite of the hardships faced by the company from the government agencies. For the year ended 31st March, 2003, company has achieved a turnover of Rs. 29588.77 Lacs with exports of Rs. 26427.20 Lacs and domestic sales of 3161.57 Lacs in comparison with turnover of Rs. 21187.36 Lacs in the year 2001-2002. Further, profits (before taxation) for the year ended 31st March, 2003 were Rs. 226.38 Lacs, whereas, the profits in the previous year were Rs. 602.83 Lacs.

The lower profitability was mainly due to unstable policies of Food Corporation of India (the primary supplier of food grains) and strengthening of Rupee against USD. Further, the food grains exporters have been facing delays in movement of rice/wheat from Punjab to the port cities due to priority being given to movement of PDS food grain to the deficient states on account of draught faced last year. Furthermore, on account of delay in availability of Rakes, the company had to bear the additional interest costs. However, the predictions for the rains during the current year seem to be favourable and the position is likely to improve substantially in near future.

The financial statements of the company for the year under review have been prepared in Compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. The management of the company accepts the responsibility for the integrity and objectivity of these financial statements.

g) Human Resources and No. of employees employed

The company recruits manpower according to its needs. To facilitate employees' growth within the company, all new openings including senior level positions are generally offered to the current employees. The nature of work, skill sets requirements and experience levels are highlighted to the employees. The total number of employees working with the company as on the end of the year under review was 38.

5. JOINT VENTURE/ASSOCIATE COMPANIES

a) Joint Venture in South Africa

In view of the adverse market conditions prevailing in South Africa, the company has decided to shelve the venture.

b) Internet Service Provider (ISP) Business in India

M/s Emmons Infotech Limited, a joint venture between your company and Westone Investment limited, UK has been functioning as Internet Service Provider in the Union territory of Chandigarh and Punjab region. After a difficult period, the company had been able to stabilize its operations and had emerged as one of the leading Internet Service Provider in the region. The company is expected to start generating revenue surplus during the current year.

6. INSURANCE

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

7. FIXED DEPOSITS

The company had not accepted any deposit from public during the year ended 31st March 2003, pursuant to the provisions of section 58-A of the Companies Act, 1956.

8. DIRECTORS

Mr. Mulraj J. Tanna, Director of the company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for reappointment.

During the year under review, Gp. Captain Barjinder Kumar Dhir, VM (Retd.), Mr. Sudesh Pal Jain and Mr. Vijay Kumar Kakkar were appointed as additional directors of the company w.e.f 21st February, 2003.

Your directors recommend the reappointment of Mr. Mulraj J. Tanna and appointment of Gp. Captain Barjinder Kumar Dhir, VM (Retd.), Mr. Sudesh Pal Jain and Mr. Vijay Kumar Kakkar as directors of the company.

9. AUDITOR'S 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 willingness to continue in the office, if re-appointed. You are requested to re-appoint them and authorize the Board to fix their remuneration and pay out of pocket expenses.

11. REPORT ON CORPORATE GOVERNANCE

A detailed report on the procedures adopted by the company on the Corporate Governance is forming the part of this Annual Report.

12. LISTING OF SECURITIES

The securities of the company are listed on The Delhi Stock Exchange Association Limited, DSE House, 3/1, Asaf Ali Road, New Delhi-110 002, The Ludhiana Stock Exchange Association Limited, Feroze Gandhi Market, Ludhiana, Punjab and The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. The scrip code for The Stock Exchange, Mumbai is 532038.