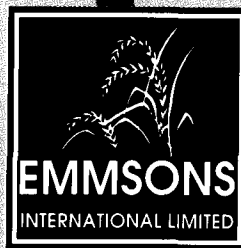


14th *1993*
Annual Report
2006-2007



EMMSONS INTERNATIONAL LIMITED

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

It is once again my proud privilege to present to you the progress of the company.

As will be seen from the details given in the enclosed Balance Sheet of 2006-07, your Company has moved forward, with continuing growth. Here, let me share with you your Company's VISION, POLICIES and the GROWTH aspects in brief, which enabled us to achieve results.

First and foremost, we keep ourselves, abreast of the latest developments in the world market, to meet the changing requirements of a highly demanding clientele of this liberated era. At the same time we dared to target a wide range of diversity, to expand our business canvas, setting higher targets of multi-product exposures.

We have also tried to consolidate the goodwill and the inherent grass root strengths, earned by the Company through years of dedicated hard work of our elders.

All this time, Human Resource Development was given its due share of importance. We inducted highly experienced professionals whose expertise is helping the Company think and plan big, and broaden base to achieve our ambitious, strategic business objectives. Simultaneously, in house training programmes and field-projects, have become part of regular activities, in order to enhance the skills and motivation of our work force.

Therefore, I take pleasure in sharing with you, a great sense of satisfaction, that our approach of developing a team of DOERS, committed to excellence, is bearing fruits. We have moved forward. A deep sense of belonging to the Company's objectives, team work and a competitive zeal have become the hallmark of this organization.

I firmly believe that our success is the **"Sum total of each employee's efforts"** and I take this opportunity to record our gratitude to them, on my own behalf and on behalf of the shareholders.

Special thanks to our bankers who have supported us from time to time even in short notices in order to achieve this performance.

Today, your Company remains committed to a single minded pursuit of value based approach for excellence, growth and customer satisfaction through continuous innovation.

I would also like to reassure you, that while chasing our dreams of emerging as a prominent corporate entity, and doing whatever it takes to achieve this goal, we remain committed, to adhere to the highest business standards, to the fullest satisfaction of our customers and shareholders.



Anil Monga, Managing Director

Sincerely

**(Anil Monga)
Managing Director**



BOARD OF DIRECTORS

| | |
|-----------------------|---------------------------------------|
| Anil Monga | Promoter Director |
| Rajesh Monga | Promoter Director |
| Madan Lal Monga | Director |
| Vijay Kumar Kakkar | Professional and Independent Director |
| Viresh Shankar Mathur | Professional and Independent Director |
| Mohammad Tariq Raza | Professional and Independent Director |

KEY MANAGEMENT PERSONNEL

| | |
|-------------------|--------------------------|
| Harnita Ahluwalia | Sr. Vice President |
| D.K.Rastogi | Vice President (Trading) |
| Mr. Shivaz Monga | Vice President (Import) |
| Hamant Paul | G.M.(Finance) |

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

PUNJAB NATIONAL BANK

DCM Building, 8th Floor, Barakhamba Road,
New Delhi-110001

AUDITORS

SURESH & ASSOCIATES

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

OFFICES

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, Narayana Industrial Area,
Phase-1, Near PVR Cinema,
New Delhi-110028



NOTICE

NOTICE is hereby given that 14th Annual General Meeting of M/s Emmsons International Limited will be held on Wednesday, the 11th July, 2007 at 11.00 A.M. at Rockland Inn, B-207, C. R. Park, (Near Nehru Place), New Delhi-110019 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and Profit & Loss Account for the year ended on that date together with Auditor's Report and Report of Directors.
2. To Declare a Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Madan Lal Monga , who retires by rotation and being eligible offers himself for re-appointment.
4. 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

5. **To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.**
 "RESOLVED THAT Mr. Viresh Shankar Mathur, who was appointed as Additional Director under section 260 of the Companies Act, 1956 by the Board of Directors in their meeting held on 20th Day of March, 2007 and who hold office up to the date of this Annual General Meeting and in respect of whom the company has 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."
6. **To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.**
 "RESOLVED THAT Mr. Mohammad Tariq Raza, who was appointed as Additional Director under section 260 of the Companies Act, 1956 by the Board of Directors in their meeting held on 23rd Day of April, 2007 and who hold office up to the date of this Annual General Meeting and in respect of whom the company has 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."

By Order of the Board of Directors
For Emmsons International Limited

Dated : 23rd May, 2007
Place : New Delhi

Sd/-
(ANIL MONGA)
Managing Director

NOTES:

1. 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.
2. Corporate members intending to send their authorised representative to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and the Share Transfer Books of the company shall remain closed from Wednesday, the 4th July, 2007 to Wednesday, the 11th July, 2007 (both days inclusive) for the purpose of Annual General Meeting.
4. The Dividend on equity shares, if declared at the meeting, will be payable to those share holder, whose name appear on the Companies Register of Members at the close of business hours on 3rd July, 2007. In

respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the depositories as at the close of business hours on 3rd July, 2007.

5. Members are requested to notify immediately the changes in their address, if any.
6. Members holding shares in identical order of names in more than one folio are requested to write to the Company / Share registrar, enclosing their share certificates, to enable the Company to consolidate their holding in one folio.
7. Members / Proxies 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.
8. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for identification.
9. An explanatory statement pursuant to section 173 of the Companies Act, 1956, relating to Special Business to be transacted at Annual General Meeting is annexed herewith.

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

Item No. 5

Mr. Viresh Shankar Mathur joined the Indian Revenue Service in 1970 and served the nation till March 2006. During the tenure of his service he had worked at various capacities. He was deputed from 1979 to 1981 as under Secretary, CBDT, Ministry of Finance and from 1985 to 1990 as Director and controller of Aluminium, Ministry of Finance, New Delhi. He was promoted to Director General (System), Income Tax Department in December 2004 to till March-2006. He is also attached with well-known companies in the capacity of advisor. He holds directorship in Principal Trustee Company Private Limited apart from your company. It is expected that the company will also get benefit from his rich and varied experience, particularly in the field of management and finance.

The Board of Directors in their meeting held on 20th Day of March, 2007, appointed Mr. Viresh Shankar Mathur as an Additional Director, pursuant to the provision of the 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. Viresh Shankar Mathur as Director of the Company. Members are requested to pass the resolution No. -5, as an ordinary resolution.

Except Mr. Viresh Shankar Mathur, no other director is in any way interested in this resolution.

Item No. 6

Mr. Mohammad Tariq Raza, an eminently experienced person in the field of Marketing. He has started his carrier in 1970 from Indian farmers Fertilizers Co-operative Limited (IFFCO). From 1984 to 1993 he joined Paradeep Phosphate Limited in the capacity of Marketing Manager. Later on he attached with well known multinational company i.e. Emirates Trading Agency and PT Coal and Oil Indonesia. Thus various companies and entities have been benefited from valuable advices provided by Mr. Mohammad Tariq Raza. The company also expects the gain from Mr. Raza's experience particularly in respect of logistic managements. He doesn't holds directorship in any company apart from your company.

The Board of Directors in their meeting held on 23rd Day of April, 2007, appointed Mr. Mohammad Tariq Raza as an Additional Director, pursuant to the provision of the 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. Mohammad Tariq Raza as Director of the Company. Members are requested to pass the resolution No. -6, as an ordinary resolution.

Except Mr. Mohammad Tariq Raza, no other director is in any way interested in this resolution.

By Order of the Board of Directors
For **Emmsons International Limited**

Dated : 23rd May, 2007
Place : New Delhi

Sd/-
(ANIL MONGA)
Managing Director

respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the depositories as at the close of business hours on 3rd July, 2007.

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Your Directors recommend appointment of Mr. Mohammad Tariq Raza as Director of the Company. Members are requested to pass the resolution No. -6, as an ordinary resolution.

Except Mr. Mohammad Tariq Raza, no other director is in any way interested in this resolution.

By Order of the Board of Directors
For **Emmsons International Limited**

Dated : 23rd May, 2007
Place : New Delhi

Sd/-
(ANIL MONGA)
Managing Director



DIRECTORS' REPORT

Dear Members,

The Directors of your company have pleasure in presenting the 14th Annual Report together with the Audited Accounts of the company for the financial year ended 31st March, 2007.

1. FINANCIAL HIGHLIGHTS

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

| Particular | Amount (Rs. in Lacs) | |
|--|----------------------|-----------------|
| | 2006-2007 | 2005-2006 |
| Gross Sales and Income | 37565.57 | 14604.99 |
| Profit/(Loss) before Interest, Depreciation and Taxation | 1453.03 | 691.37 |
| Less: Interest and Financial Charges | 702.41 | 350.94 |
| Depreciation | 26.35 | 21.14 |
| Profit/(Loss) Before Taxation | 724.27 | 319.29 |
| Less: Provision for Taxation | 107.21 | 24.00 |
| Provision for Deferred Taxation/ (tax effect of timing differences during the year) | (21.82) | (7.86) |
| Profit/(Loss) after Taxation | 638.88 | 303.15 |
| Add: Balance brought forward from the previous year | 259.74 | (43.41) |
| Disposable Profits/(Loss) | 898.62 | 259.74 |

2. DIVIDEND

Your Directors pleased to recommend dividend @ 15% on 4358920 equity shares of Rs.10 each for the financial year ended 31st March, 2007, which if approved at the ensuing Annual General Meeting, will be paid to:

- All those shareholders whose name appears in the Register of Members as on 3rd July, 2007 and;
- All those whose name appears on the date as beneficial owners as furnished by National Securities Depository Limited and Central Depository Services Limited.

3. MANAGEMENT ANALYSIS AND DISCUSSION

a) Company Snapshot

The Company had an extremely good year in Trading of all Agri-Commodities with a firm focus on Exports of Rice (All Varieties) and Sugar (All Grades). Further, a Strategic decision was taken to boost the Import Business of the company and the first step in that direction was to start Import of Coal from South Africa in addition to the current products like Sulphur and Pulses. In a short span of time, the company has been able to make a small name for itself in Coal trading and hopes to build up Volumes in times to come. Travsol, The Company's Travel Division, has received IATA accreditation and has been growing its Business aggressively and has managed to secure the Business of some of the eminent Business houses of the country. Tourism has been another Revenue generator and business is growing at a steady rate.

b) Future Direction

With the Infrastructure and the Economy of India growing at 9 %, the company has identified Coal as the commodity for the future. With a clear strategy and a firm focus, the Company believes that Coal Trading, along with setting up a wide Distribution network for potential Imports would be one of the Pillars on which the future growth of the Company can be planned and implemented. The Company would be looking at Importing Coal from Indonesia/China and also look at opening up new Ports for operations. In addition, the company would be consolidating its Export Business with special focus on cotton exports and vying to supply to newer markets and take more exposure on Shipping and Logistics by being a one-stop shop for all our Clients. Also, the company is poised to make it to the Big league in the Travel Industry and is looking at profitable growth from its two major Segments- Ticketing and Tourism. The process has already been helped immensely by receiving the coveted IATA accreditation and getting Stocks from nearly all major airlines, within India and overseas.

c) Risk Management

The company has been hedging its Imports and Exports on the main Commodity exchanges wherever possible. Company is also securing forward exchange contracts to minimize/ avoid the risk of variation in foreign currency rates. Risk Management techniques have been added at every level to ensure that company is prepared to take the competition head on without making itself vulnerable to the occasional bumps in the market.

In event of unforeseen Risks, the company would rely on the experience and dedication of its Board to tackle any issues that may affect its performance. The Management structure as well as Staffing has also been shaken up to enhance the performance and make the board more accountable in the decision-making processes.

d) Segment wise Performance

As the company's business activity falls within single primary business segment viz. trading of commodities, hence reporting of segment wise performance is not applicable.

e) Internal Control system and their adequacy

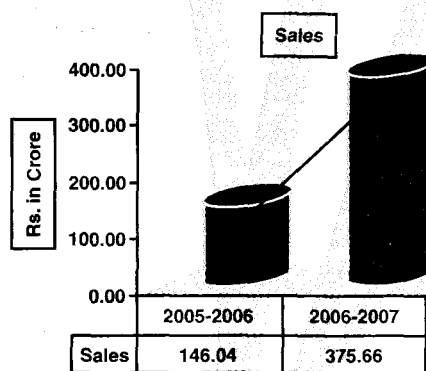
The company's internal control systems are more than adequate and are routinely tested and certified by our statutory auditors. Moreover, the company continuously upgrades these systems in line with best prevailing practices.

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. Your company has well defined procedure to execute the financial transaction. Furthermore, the Audit Committee and the Board of Directors screen each financial transaction.

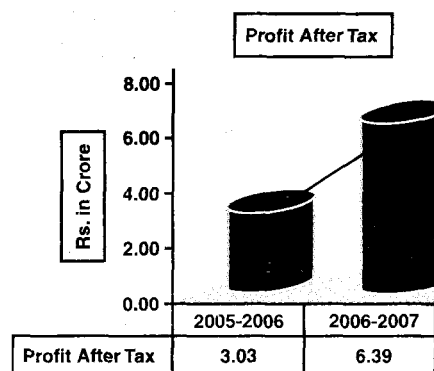
f) Financial and Operational Performance

The year ended 31st March 2007 the turnover of your company increased up to Rs. 375.66 Crore. That is Rs. 229.62 Crore higher as compared to previous financial year.

Company has also earned the profit after taxation 6.39 Crore during the year as compared to Profit of 3.03 Crore for the previous financial year.



Percentage Growth 157%



Percentage Increase 111%

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

Employees' relations continued to be cordial and harmonious during the year. The employees have shown a high degree of maturity and responsibility in responding the changing needs of business and prevailing economic/market conditions. The company has remained focus on strengthening



human capital through continuous training and development and by upgrading the skills of employees to meet the company's objectives. The total number of employees working with the company as on the end of the year under review was 59.

4. INSURANCE

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

5. FIXED DEPOSITS

The company had not accepted any deposit from public during the year ended 31st March 2007, pursuant to the provisions of section 58-A of the Companies Act, 1956.

6. DIRECTORS

Mr. Madan Lal Monga, 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, Mr. Viresh Shankar Mathur and Mr. Mohammad Tariq Raza have been appointed as Additional Director of the Company w.e.f. 20th Day of March 2007 and 23rd Day of April 2007 respectively.

Your Directors recommend the reappointment of Mr. Madan Lal Monga and appointment of Mr. Viresh Shankar Mathur and Mr. Mohammad Tariq Raza as Director of the company. The resolution in this regard is given in the notice of the 14th Annual General Meeting, which is separately sent to the members.

Further, pursuant to provisions of the clause 49 of the listing agreement, the brief resumes of the Directors, who are to be reappointed in this Annual General Meeting, are provided in the corporate governance section, which is a part of the Annual Report of the company.

7. AUDITOR'S REPORT

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

8. 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. Members are requested to re-appoint them and authorize the Board to fix their remuneration and pay out of pocket expenses.

9. REPORT ON CORPORATE GOVERNANCE

A detailed report on the procedures adopted by the company on the Corporate Governance along with the certificate of Auditors of your company regarding compliance of the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement with Stock Exchanges is enclosed and form part of this Annual Report.

10. LISTING OF SECURITIES

The Equity shares of the company are listed in The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai only. The scrip code for The Stock Exchange, Mumbai is 532038.

The company had duly paid the listing fee to the aforesaid Stock Exchange for the financial Year 2007-2008.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING

As the company is not covered in Schedule A of Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988, provisions of Section 217(1) (e) of the Companies Act, 1956 are not applicable.

12. STATEMENT OF PARTICULARS OF EMPLOYEES

Information required as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) rules, 1975 and forming part of Director's Reports for the year ended 31st March, 2006 is given in the Annexure 'A'.

13. DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, it is hereby stated that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d) the Directors had prepared the Annual Accounts on a going concern basis.

14. ACKNOWLEDGEMENT

Your Directors wish to place on record their thanks and gratitude to various Central and State Government Authorities for their co-operation and providing different approvals, Bankers of the company for the financial facilities and support extended, Overseas traders, customers, retailers and other associated with the company as its trading partners for their continued support & trust and the shareholders of the company for their confidence in the company.

Your Directors also wish to place on record their appreciation of the officers and employees at all levels for their dedicated services and contribution to the growth of the company.

By Order of the Board of Directors
For **Emmsons International Limited**

Dated : 23rd May, 2007
Place : New Delhi

Sd/-
(ANIL MONGA)
Managing Director

ANNEXURE 'A'

Information required as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) rules, 1975 and forming part of Director's Reports for the year ended 31st March 2007.

- (A) Persons employed throughout the financial year, who were in receipt of remuneration for the year, which, in the aggregate, was not less than Rs. 24.00 Lacs.

Nil

- (B) Persons employed for a part of the financial year who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs. 2.00 Lacs per month.

| Sl. No. | Name of Employee | Designation/ Nature of duties | Remuneration (in Rs.) | Qualification | Age (Yrs) | Experience | Date of Employment | Particulars of last Employment |
|---------|-----------------------|----------------------------------|--------------------------|---------------|--------------|-------------|-----------------------|--------------------------------------|
| 1. | Ms. Harnita Ahluwalia | Sr. Vice President | 1736990/- | B.A., MBA | 40 | 16 Years | 01.08.2006 | M.D., Victor Foods India Pvt. Ltd. |

- (C) Persons employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent, of the equity shares of the company.

Nil

Notes :

1. Remuneration includes Salary, House Rent Allowance, Bonus, Contribution to Provident Fund, Leave Travel Concession, Medical Assistance and other allowances paid in cash and taxable value of non cash perquisites.