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# 16th Annual Report 2008-2009



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*Creating Quality, Winning Trust*

**EMMSONS INTERNATIONAL LIMITED**  
**www.emmsons.com**

## **MANAGING DIRECTOR'S MESSAGE**

Dear Shareholders,

It gives me immense pleasure communicating with you and sharing my thoughts with you.

Emerging from the shadow of one of the worst financial crisis, the world has ever seen, I have a sense of satisfaction that we have been able to weather the storm rather efficiently. The year saw all round slump in the commodity prices, huge fluctuations in the currency movements and other related risks. The company used its reach to swim safely to the shores, yet our growth momentum was dented a bit.



Anil Monga, Managing Director

Last year, I had discussed the concept of "Sogo Shosha". The company has made further progress in this regard by adding a few products to its portfolio. At the same time, our new baby in Emmsons SA (our subsidiary in Switzerland) has helped emerge from an India centric group onto the global stage. Currently, the group sources its purchases from several parts of the world spread-over from Australia to Canada and Ukraine to Indonesia.

The beginning of the New Year has seen the world emerging from lows of recession. The commodities prices have been firming up and the trade is picking up again. We expect to maintain the momentum built over the years to move ahead.

Your faith in the management has been encouraging us to put in our best and help the company to reach newer milestones.

With best wishes,

**(Anil Monga)**  
**Managing Director**



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Anil Monga	Managing Director
Rajesh Monga	Whole Time Director
Shivaz Monga	Executive Director
Vijay Kumar Kakkar	Professional and Independent Director
Viresh Shankar Mathur	Professional and Independent Director
Mohammad Tariq Raza	Professional and Independent Director
Satish Chandra Gupta	Professional and Independent Director

### KEY MANAGEMENT PERSONNEL

B.B. Gandhi	President (Commercial)
D.K. Rastogi	Vice-President (Trading)
Hamant Paul	G.M.(Finance)
Varinder Machhral	G.M. (Trading)
Shiraz Rehman	D.G.M. (Trading)

### COMPANY SECRETARY & COMPLIANCE OFFICER

Shailesh Kumar Singh	Company Secretary (Upto 06 <sup>th</sup> July, 2009)
Suvindra Kumar	Company Secretary (w.e.f. 06 <sup>th</sup> July, 2009)

### 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-110024

#### CANARA BANK

Overseas Branch, B-39, 1st Floor, Middle Circle, Connaught Circus, New Delhi-110001

#### INDIAN BANK

13, Zamrudpur Community Centre, Greater Kailash-I, New Delhi-110048

#### STANDARD CHARTERED BANK

7A, DLF Building, DLF Cyber City, Sector 24, 25 & 25A, Gurgaon, Haryana-122022

### 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

### FOREIGN OFFICES

#### SWISS SUBSIDIARY

EMMSONS S.A.

Place du Marche 3, CP 156, 1860 Aigle, Switzerland

#### DUBAI SUBSIDIARY

EMMSONS GULF DMCC

P.O. Box 486125, Dubai-UAE

### SHARE REGISTRAR

#### LINK INTIME INDIA PVT LTD

A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028

**Emmons International Ltd.****FINANCIAL HIGHLIGHTS****(Rs. in lacs)**

<b>PARTICULARS</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>
1 Gross Turnover/Income	<b>70872.57</b>	58422.06	37565.57	14605.00
2 Earnings Before Depreciation, Interest and Tax (EBDIT)	<b>2410.87</b>	2534.60	1453.03	691.38
3 Depreciation	<b>46.18</b>	33.46	26.36	21.14
4 Profit before Tax	<b>1062.55</b>	1517.98	724.27	319.29
5 Profit After Tax	<b>638.68</b>	1008.09	638.88	303.16
6 Equity Dividend %	<b>10.00</b>	20.00	15.00	—
7 Dividend Payout	<b>51.48</b>	102.96	65.38	—
8 Equity Share Capital	<b>514.80</b>	514.80	435.89	435.89
9 Equity Share Warrants Allotment / Application Money	<b>195.00</b>	197.50	—	—
10 Reserve and Surplus	<b>4852.70</b>	4440.93	1561.64	999.25
11 Net Worth	<b>5562.50</b>	5153.24	1997.53	1435.14
12 Gross Fixed Assets	<b>882.68</b>	511.02	411.70	312.99
13 Net Fixed Assets	<b>703.34</b>	591.27	347.68	223.23
14 Total Assets	<b>30374.21</b>	15934.62	18260.17	7397.70
15 Total Liabilities	<b>24811.70</b>	10781.39	16262.64	5962.55
16 Market Capitalisation	<b>2059.21</b>	7904.78	2231.77	1237.93

**KEY INDICATORS**

<b>PARTICULARS</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>
1 Earning Per Share (Basic) - Rs.	<b>12.41</b>	23.12	14.66	6.81
2 Turnover Per Share - Rs.	<b>1376.70</b>	1134.85	861.81	335.06
3 Book Value Per Share - Rs.	<b>104.26</b>	96.26	45.83	32.92
4 Debt : Equity Ratio	<b>2.45:1</b>	1.47 :1	3.56 :1	3.43 : 1
5 EBDIT / Grosss Turnovr - %	<b>3.40</b>	4.34	3.87	4.73
6 Net Profit Margin - %	<b>0.90</b>	1.73	1.70	2.08



## NOTICE

NOTICE is hereby given that 16th Annual General Meeting of M/s Emmsons International Limited will be held on Friday, the 28th Day of August, 2009 at 11.00 A.M. at **Jaypee Vasant Continental, Basant Lok, Vasant Vihar, New Delhi -110057** to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the year ended on that date together with Report of Board of Directors and Auditor's thereon.
2. To Declare a Dividend on Equity Shares for the Financial year 2008-09.
3. To appoint a Director in place of Mr. Mohammad Tariq Raza, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Satish Chandra Gupta, who retires by rotation and being eligible offers himself for re-appointment.
5. 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

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

**"RESOLVED THAT** pursuant to the Provisions of Section 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended, approval of the member be and is hereby accorded to the re-appointment of Mr. Rajesh Monga, as Whole-Time Director of the Company for a further period of 5 Years w.e.f 1st January, 2009 on the terms and conditions and remuneration & perquisite detailed below: "

#### A. SALARY:

Rs. 2,00,000 (Rupees Two Lac Only) per month in the grade of Rs. 2,00,000-30,000-2,90,000-40,000-3,70,000.

#### 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 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.

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*Emmsons International Ltd.*

- 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. 60,00,000/- (Rupees Sixty 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/Whole-time Director, of the profits calculated in accordance with section 198 and 309 of the companies Act, 1956.
- ii) The Whole-time 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 Whole-time 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 Whole-time 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 Whole-time 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 Whole-time Director, so long as he functions as Whole-time Director, shall not be paid any sitting fee for attending meeting of the Board of Directors or Committees thereof.

**"RESOLVED FURTHER THAT** the Whole-Time 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 statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, etc. within such prescribed limits."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this resolution."

For and on behalf of the Board

Dated : 29th June, 2009  
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/HERSELF, AND SUCH 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. (Blank Proxy form is enclosed).
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 Thursday, the 20th Day of August, 2009, to Friday, the 28th Day of August, 2009 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend if approved/declared.
4. The Dividend on equity shares, if declared at the meeting, will be payable to those share holder, whose names appear on the Companies Register of Members at the close of business hours on Wednesday 19th Day of August, 2009. 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 Wednesday 19th Day of August, 2009.
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 who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for identification.
8. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956, relating to Special Business to be transacted at Annual General Meeting is annexed herewith.
9. **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.**

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

## Item No. 6

Mr. Rajesh Monga was appointed as a Whole-Time Director of the Company for a period of five years w.e.f. 1st January, 2004 by the members of the Company at 11th Annual General Meeting held on 24th September, 2004.

The said terms of appointment of Mr. Rajesh Monga expired on 31<sup>st</sup> December, 2008. 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. Due to his effort, the Company has a good reputation in domestic as well as international market.

Considering his successful result oriented track, his dedication towards the work assigned, his rich and varied experience in the field of procurement and trading of Agri -Commodities and his active involvement in the affairs of the Company, the Remuneration Committee at their meeting held on 8<sup>th</sup> January, 2009 approved the re-appointment and recommended the same to the Board of Directors. The Board of Directors of the Company at their meeting held on 16 February 2009 confirmed the re-appointment of Mr. Rajesh Monga as Whole-Time Director. Board has decided to re-appoint him as a Whole-Time Director for a further period of 5 years with effect from 1st January, 2009 subject to the approval of the members of the Company.

Pursuant to the provisions of Section 269 read with schedule XIII of the Companies Act, 1956, approval of the members is required for the appointment/ re-appointment of the Whole-Time Director of the Company. Accordingly, Your Director recommend the passing of resolution no. 6 of this notice as an Ordinary Resolution.

The detailed terms and conditions stated in the resolution no.6 and in this explanatory notes may be considered as an abstract of terms and conditions of this re-appointment.

Except Mr. Anil Monga, Managing Director and Mr. Shivaz Monga, Executive Director of the Company none of the other Directors are interested or concerned in the Resolution.

For and on behalf of the Board

Dated : 29th June, 2009  
Place : New Delhi

Sd/-  
(ANIL MONGA)  
Managing Director



**ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT AT THIS A.G.M.**

**Mr. Mohammad Tariq Raza**, an eminently experienced person in the field of Marketing. He has started his career in 1970 from Indian Farmers Fertilizers Co-operative Limited (IFFCO). From 1984 to 1993 he was associated with Paradeep Phosphate Limited in the capacity of Marketing Manager. Later on he worked with well known multinational Company i.e. Emirates Trading Agency and PT Coal and Oil Indonesia. He has been associated with our Company since 23rd April, 2007. With his rich experience in international business and logistic management, the Company has been immensely benefited. He holds Directorship in ETA Star India Projects Pvt. Ltd. apart from your company.

He was appointed as a Director of the company in the year 2007 and has served the company with distinction.

**Mr. Satish Chandra Gupta** is a former Chairman & Managing Director of Punjab National Bank and Indian Overseas Bank. He is a Commerce Graduate from Agra University, Master of Commerce from Meerut University and also a Certified Associate of Indian Institute of Bankers.

He started his career with State Bank of India in the year 1966 and moved to Syndicate Bank as a probationer officer. In 1972 he joined Oriental bank of Commerce and worked for over 27 years in different capacities from Manager to General Manager (Credit) in Corporate office at New Delhi, where he handled Credit, Credit Policy, Planning and Development, Marketing, International Banking Division, Domestic & International Treasuries, Accounts, Merchant Banking and Recovery & Law etc. He was also associated in merger of two Co-operative Banks namely Bari Doab Mercantile Bank Limited and Punjab Co-operative Bank Limited with Oriental Bank of Commerce. He also participated actively in the public issue of Oriental Bank of Commerce as General Manager.

In the year 1999 he was promoted and transferred to Indian Overseas Bank as an Executive Director thereafter in the year 2001 he got another promotion in the same bank as Chairman & Managing Director.

In May, 2005, he was given charge of the largest Public Sector bank i.e. Punjab National bank as its Chairman & Managing Director which he retained till his superannuation in May, 2007. He has been associated with our Company since 6th June, 2008. He holds Directorship in the following companies apart from your company.

Sl. No.	Name of the Company	Year of Appointment
1.	M/s ISMT Ltd.	2008
2.	M/s Aban Offshore Ltd.	2008
3.	M/s Sagacious Financial Services Ltd.	2008
4.	M/s Proactive Universal Group	2008
5.	M/s Solar Industries India Ltd.	2008
6.	M/s Jai Balaji Industries Ltd.	2008
7.	M/s Cordia LT Communication Pvt. Ltd.	2008
8.	M/s Minda Management Corporation Ltd.	2008

He was appointed as a Director of the company in the year 2008 and has been guiding the company with his rich experience, ever since.



## DIRECTORS' REPORT

Dear Members,

The Directors of your company have pleasure in presenting the 16th Annual Report and the Audited Accounts of the company for the financial year ended 31st March, 2009

### 1. FINANCIAL HIGHLIGHTS

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

Particulars	Amount (Rs. in Lacs)		Amount (US\$ in Million)	
	2008-2009	2007-2008	2008-2009	2007-2008
Gross Sales and Income	70872.57	58422.06	139.10	114.66
Profit before Interest, Depreciation and Taxation	2410.87	2534.60	4.73	4.97
Less : Interest and Financial Charges	1302.15	983.16	2.56	1.93
Depreciation	46.18	33.46	0.09	0.06
Profit before Taxation	1062.54	1517.98	2.08	2.98
Less: Provision for Taxation	407.55	473.14	0.80	0.93
Provision for Deferred Taxation/(tax effect of timing differences during the year)	16.31	36.75	0.03	0.07
Profit after Taxation	638.68	1008.09	1.25	1.98
Add : Balance brought forward from the previous year	1382.64	822.12	2.71	1.61
Less : Short Provision of Income Tax	41.74	27.11	0.08	0.05
Disposable Profits	1978.58	1803.10	3.88	3.54

### 2. DIVIDEND

Your Directors are pleased to recommend dividend @ 10% on 5148020 Equity Shares of Rs.10 each (i.e. Rs. 1 per share) for the financial year ended 31st March, 2009, which if approved at the ensuing Annual General Meeting, will be paid to:

- i. All those shareholders whose names appear in the Register of Members as on 19th August, 2009 and ;
- ii. All those whose names appear on the date as beneficial owners as furnished by National Securities Depository Limited and Central Depository Services Limited.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS

#### a) Company Snapshot

The company had a satisfactory year of performance, particularly in the backdrop of global meltdown in the commodities markets. The efforts made by the company in the last few years came handy to tackle on the most difficult periods. With passing of the most difficult phase, normalcy seems to be returning back to business now. During the year under review, the company added a few more products to its basket. Its international operations are now set to add to its strengths. The company is quite hopeful of building on the strengths.

#### b) Future Directions

The company now looks to shed its India centric tag, though exports from India would continue to be its main focus. In the backdrop of its expanded international operations, the company is now focusing on developing third country trading opportunities and a small beginning has just been made and the company now looks to take advantage of its international presence.

The company is now in the process of formalizing its interest in the international ventures i.e. coal mining in Indonesia and farming in Ukraine. The entire exercise is expected to be completed by next financial year.