

CREATING QUALITY, WINNING TRUST



EMMSONS INTERNATIONAL LIMITED

20th Annual Report 2012-2013



CHAIRMAN'S MESSAGE



Mr. Anil Monga, Chairman & Managing Director

Dear Stakeholders,

Emmsons, as all shareholders know it, is well past its teens now with the undersigned pleased to present that 20th Annual performance report of the company. India now stands as an important source of exporter of Agro and allied articles. Today, while economy wakes to the necessity of customising their designs to meet the Indian requirements, we at Emmsons have renewed our trust and commitment with our suppliers to etch out business opportunities outside the Indian market and remained on track to expand more and more footprints around overseas.

As a Commodity based company both in the Agricultural and Energy sector, the company has to take into account a variety of market factors ranging from the Macro factors such as Recession in Americas and Europe to the more local issues of Fuel Costs, Inflation and the impact of political decisions on day to day business activities. I am pleased to report that despite of challenges-both in India and abroad, we maintained a healthy level of growth, strategic goals were achieved and continuous improvements have been made on operational front.

Our aggressive growth and expansion desire enabled us to keep the business well on track and delivered expected results. Within Emmsons, we are establishing new systems and processes in order to make the Company more professionally driven and more responsive to market dynamics. This requires investment in people, the core of any successful company and am also happy to announce that not only have the skills of the existing teams are being continuously upgraded, but new faces, the best and the brightest from companies within the same Business community have been added to strengthen all aspects of business. We feel that with our strong core of experience and strength in the industry, in addition to continuously upgrading our skills, we have successfully laid the right foundation for long term growth and sustainability.

For the year under review, our revenue stands at Rs. 183731 Lacs as against the revenue of Rs. 190527 Lacs in financial year 2011-12. We have posted net profit of Rs. 1024 Lacs as against the net profit of Rs. 1217 Lacs in financial year 2011-12. As we enter in the financial year 2013-14, we do so with a committed and even stronger vision for Emmsons success. We shall continue to invest, innovate and keep focused on providing impressive results for the years.

Before I conclude, I would like to thank our Shareholders and Board members for reposing confidence and trust in Emmsons and extend hearty congratulations to you and thanks for your support and encouragement.

Thanking you,

Sd/-

(Anil Monga)
Chairman & Managing Director

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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send an email to emmsonsgogreen@linkintime.co.in giving details like Name and Folio No. to register the same at our Registrar and Transfer Agents.

FINANCIAL HIGHLIGHTS

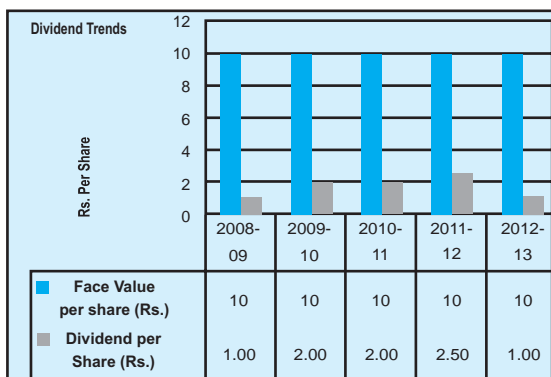
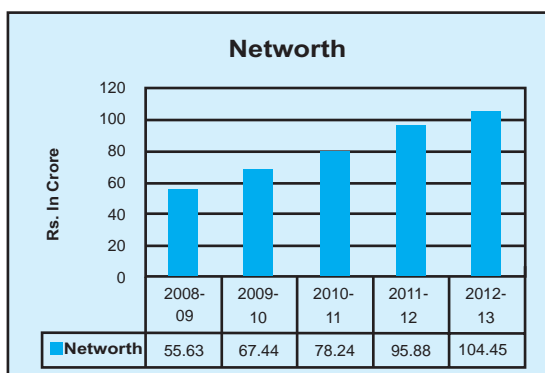
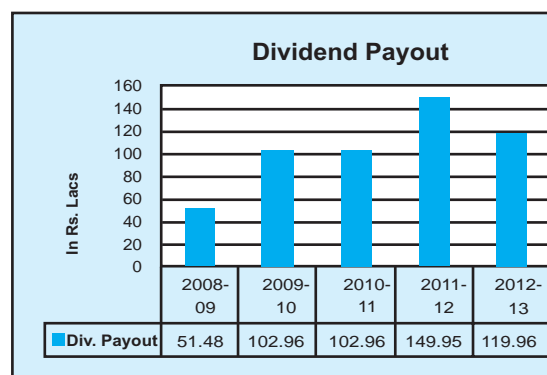
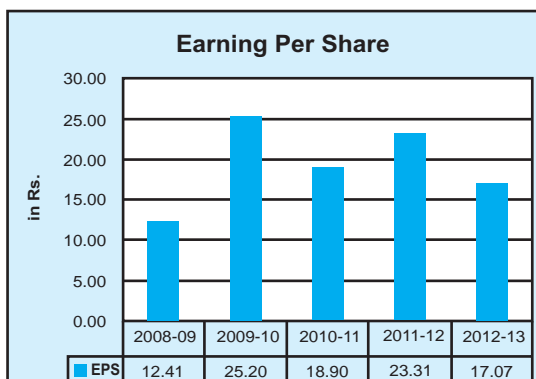
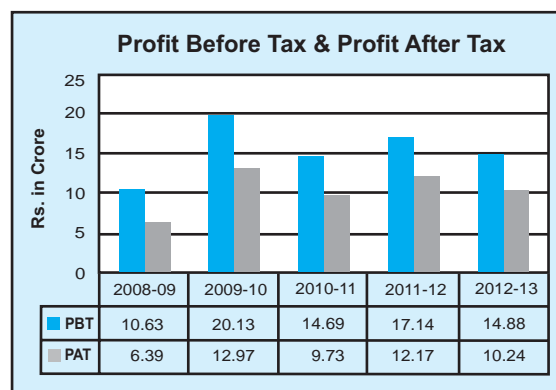
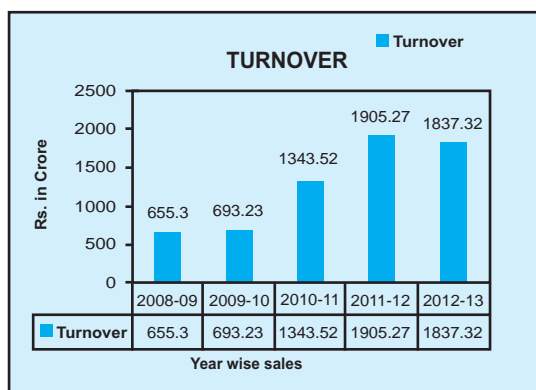
| (Rs. in lacs) | | | | | |
|---|-----------|-----------|-----------|----------|----------|
| PARTICULARS | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
| Gross Turnover/Income | 183731.88 | 190527.45 | 134351.70 | 69322.86 | 65530.05 |
| Earnings before Depreciation, Interest and Tax (EBDIT) | 7492.79 | 7028.83 | 4420.83 | 4147.22 | 2410.87 |
| Depreciation | 66.14 | 72.97 | 58.94 | 49.97 | 46.18 |
| Profit before Tax | 1488.37 | 1714.49 | 1469.20 | 2013.15 | 1062.55 |
| Profit after Tax | 1023.87 | 1217.23 | 973.21 | 1297.23 | 638.68 |
| Equity Dividend % | 10.00* | 25.00 | 20.00 | 20.00 | 10.00 |
| Dividend Payout | 119.96 | 149.95 | 102.96 | 102.96 | 51.48 |
| Equity Share Capital | 599.80 | 599.80 | 514.80 | 514.80 | 514.80 |
| Equity Share Warrants Allotment/ Application Money | 0.00 | 0.00 | 22.50 | 0.00 | 195.00 |
| Reserve & Surplus | 9845.44 | 8988.28 | 7286.86 | 6229.04 | 4852.70 |
| Net Worth | 10445.24 | 9588.09 | 7824.16 | 6743.85 | 5562.50 |
| Gross Fixed Assets | 1688.81 | 1668.73 | 1397.32 | 1085.52 | 882.68 |
| Net Fixed Assets | 1339.64 | 1346.63 | 1120.84 | 863.37 | 703.34 |
| Total Assets | 71915.60 | 77353.31 | 58303.02 | 38218.94 | 30374.21 |
| Total Liabilities | 61470.36 | 67765.23 | 50478.86 | 31475.09 | 24811.70 |
| Market Capitalisation | 6396.89 | 7095.66 | 4290.87 | 4728.46 | 2059.21 |

* On expanded equity shares capital of rupees 1199.60 Lacs.

KEY INDICATORS

| PARTICULARS | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 |
|---------------------------------|---------|---------|---------|---------|---------|
| Earnings per Share (Basic) - Rs | 17.07 | 23.31 | 18.90 | 25.20 | 12.41 |
| Turnover per Shares- Rs | 3063.21 | 3176.52 | 2607.74 | 1346.59 | 1272.92 |
| Book Value per Share- Rs | 174.14 | 159.85 | 151.55 | 131.00 | 104.26 |
| Debt: Equity Ratio | 4.38:1 | 5.53:1 | 2.44:1 | 2.47:1 | 2.45:1 |
| EBDIT/Gross Turnover- %age | 4.08 | 3.69 | 3.29 | 5.98 | 3.68 |
| Net Profit Margin | 0.56 | 0.64 | 0.72 | 1.87 | 0.97 |

MILESTONES



CORPORATE INFORMATION

THE BOARD

| | |
|------------------------------|--------------------------------|
| ANIL MONGA | : Chairman & Managing Director |
| RAJESH MONGA | : Whole Time Director |
| SHIVAZ MONGA | : Executive Director |
| SATISH CHANDRA GUPTA | : Non-Executive Director |
| VIJAY KUMAR KAKKAR | : Non-Executive Director |
| VIRESH SHANKAR MATHUR | : Non-Executive Director |

GENERAL MANAGER (FINANCE) AND CFO

HAMANT PAUL

COMPANY SECRETARY

VINAY GUJRAL

AUDITOR(S)

Suresh & Associates
3A Bigjo's Tower, Netaji Subhash Place,
Pitampura, Delhi-I 10034.

REGISTERED OFFICE

2637, First Floor, Naya Bazar,
Delhi-I 10006

ADMN. OFFICE

101, South Delhi House, 12, Zamrudpur
Community Centre, Kailash Colony,
New Delhi-I 10048

SHARE REGISTRAR AGENT

Link Intime India Private Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Area Phase-I,
Near PVR Naraina, New Delhi-I 10028

PRINCIPAL BANKERS

Oriental Bank of Commerce
Allahabad Bank
Indian Overseas Bank
Bank of Baroda

NOTICE

NOTICE is hereby given that 20th Annual General Meeting of M/s Emmsons International Limited will be held on Monday, the 30th Day of September, 2013 at 11.00 A.M. at Niryat Bhawan, Rao Tula Ram Marg, Opp. Army Hospital Research & Referral, New Delhi -110057, to transact the following businesses :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended on that date together with Report of Board of Directors and Auditor's Report thereon.
2. To approve a Dividend on Equity Shares for the financial year 2012-13.
3. To appoint a Director in place of Mr. Vijay Kumar Kakkar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shivaz Monga, 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 modification(s), the following resolution as a Special 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 from time to time and the consent of the members be and are hereby accorded to re-appoint Mr. Shivaz Monga, as Whole-Time Director, designated as Executive Director of the Company for a further period of 5 years w.e.f 12th August, 2013 on revise terms & conditions and remuneration & perquisite detailed below:

A. SALARY:

Rs. 5,00,000 (Rupees Five Lacs Only) per month in the grade of Rs. 5,00,000- Rs. 10,00,000

B. COMMISSION:

Such percentage of net profit 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. 30,00,000/- (Rupees Thirty 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 actual. 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 the limits set out in Section 198, 309 and schedule XIII of the Companies Act, 1956 as amended from time to time.

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 as amended from time to time.
- ii) The Executive 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 Executive 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 Executive 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 Executive Director shall be paid, subject to the compliance of schedule XIII of the Companies Act, 1956 as amended from time to time, in this regard, remuneration by way of salary and perquisites as specified above.
- vii) The Executive Director, so long as he functions as Executive Director, shall not be paid any sitting fee for attending meeting of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT the Executive 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, as amended from time to time the Board of Directors be and is hereby authorized 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 authorized to take such steps expedient or desirable to give effect to this resolution."

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 Saturday, the 21st Day of September, 2013, to Monday, the 30th Day of September, 2013 (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 holders, whose names appear on the Companies Register of Members at the close of business hours on Friday, the 20th Day of September, 2013. 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 Friday the 20th Day of September, 2013.
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. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for identification.
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.**

For and on behalf of the Board

Date : 09.08.2013
Place : New Delhi

Sd/-
(ANIL MONGA)
Chairman & Managing Director

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

ITEM NO.6

Mr. Shivaz Monga was appointed as Whole-Time Director, designated as Executive Director of the Company for a period of five years w.e.f. 12th August, 2008 by the members of the Company at 15th Annual General Meeting held on 11th August, 2008. He will successfully complete his tenure on 11th August, 2013 as Executive Director of the Company. In view of his dedication towards the work assigned, and initiatives towards growth of Emmsons Group outside India and his active participation towards Marketing, Administration, Human Resource of the Company, the Remuneration Committee of the Company at its meeting held on 21st March, 2013 and the Board of Director of the Company at its meeting held on 30th May, 2013 recommend the Special resolution for approval of the members for re-appointment of Mr. Shivaz Monga as Whole Time Director designated as Executive Director of the Company for a further period of 5 years w.e.f 12th August, 2013 on revise terms & condition and remuneration & perquisite.

Mr. Shivaz Monga is a bachelor in International business and human resources from Swineburne University of Melbourne, Australia and also holds master degree in professional accounting from Melbourne University, Melbourne Australia.

He does not hold any Directorship in other Indian Company apart from your Company.

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

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

The Board of Directors therefore recommends the resolution for the approval of the shareholders as a Special Resolution.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING:

Mr. Vijay Kumar Kakkar is associated with the Company as professional Director since February, 2003. He is an Electrical Engineer with an overall experience of over 44 years in Engineering Industries. During his career, he had worked with various Multinationals and Indian Companies. With his rich experience in international business the Company has been immensely benefited.

He does not hold any Directorship in other Company apart from your Company.

None of the Directors of the Company except Mr. Vijay Kumar Kakkar is in anyway interested or concerned in the resolution.

The Board of Directors therefore recommends the resolution for the approval of the shareholders as an Ordinary Resolution.

DIRECTOR'S REPORT

Dear Members,
Emmsons International Limited

Your Directors have pleasure in presenting this 20th Annual Report on the business and operations of the Company together with Audited Accounts for the financial year ended March 31, 2013.

FINANCIAL HIGHLIGHTS

The highlights of financial results of the Company for the Financial Years 2012-13 and 2011-12 are as under:

| Particulars | 2012-2013 | | 2011-2012 | |
|--|-------------------------|-----------------------------|-------------------------|-----------------------------|
| | Amount (Rs. in Lacs) | Amount (US\$ in Million) | Amount (Rs. in Lacs) | Amount (US\$ in Million) |
| Gross Sales and Income | 183731.88 | 338.36 | 190527.45 | 374.54 |
| Profit before interest, Depreciation and taxation | 7492.78 | 13.80 | 7028.83 | 13.82 |
| Less: Interest and financial Charges | 5938.28 | 10.94 | 5241.36 | 10.30 |
| Depreciation | 66.13 | 0.12 | 72.97 | 0.14 |
| Profit before taxation | 1488.37 | 2.74 | 1714.49 | 3.37 |
| Less: Provision for taxation | 480.00 | 0.88 | 530.00 | 1.04 |
| Provision for deferred taxation/ (tax effect of timing differences during year) | (15.49) | (0.02) | (32.73) | (0.06) |
| Profit after taxation | 1023.86 | 1.89 | 1217.23 | 2.39 |
| Add : Balance brought forward from the previous year | 4475.20 | 8.24 | 3598.01 | 7.07 |
| Less: Short/(Excess) Provision of Income Tax in Earlier Years | (27.29) | (0.05) | (44.03) | (0.09) |
| Disposable Profits | 5471.78 | 10.07 | 4771.21 | 9.38 |

DIVIDEND

Your Directors are pleased to recommend dividend @ 10% (i.e. Rs. 1.00/- per share) for the financial year ended 31st March, 2013, which if approved at the ensuing Annual General Meeting, will be paid to:

- All those shareholders whose names appears in the Register of Members as on close of business hour on 20th Day of September, 2013 and ;
- All those whose names appears on the date, as mentioned above, as beneficial owners, furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

FINANCIAL AND OPERATIONAL PERFORMANCE

Since your Company is engaged in trading of various commodities and its revenue is depending upon the procuring orders for exports and imports. During the year under review, the business slowed down marginally with a turnover of Rs 1837 crores as compared to Rs. 1905 crores of previous year. The Company recorded the performance despite advance market conditions.

Turnover Trends:

