



Report  junction.com

# **24th ANNUAL REPORT**

## **2005-2006**

## **EMPOWER**

---

### **NOTICE**

To Shareholders,

**NOTICE** is hereby given that the Twenty-Fourth Annual General Meeting of the Members of **EMPOWER INDUSTRIES INDIA LIMITED** will be held at the registered office of the Company situated at 25/25A, 2<sup>nd</sup> Floor, 327 Nawab Building, D.N. Road, Opp. Thomas Cook, Fort, Mumbai-400 001 on 26<sup>th</sup> September 2006 at 11 A.M. to transact the following Business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2006 and Profit and Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sheikh Jilani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** subject to the approval of the shareholder in a General Meeting and pursuant to the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Dewang Master who fulfills the conditions prescribed under Schedule XIII of the Companies

**EMPOWER**

---

Act, 1956, be and is hereby appointed as Managing Director of the Company for the period of five years with effect from 26<sup>th</sup> September 2006.”

“**RESOLVED FURTHER THAT** subject to the limits of 5% of the net profits as laid down in section 309(3) of the Companies Act, 1956, and overall limit of 11 % of the net profits as laid down in section 198(1) of the Companies Act, 1956, Mr. Dewang Master shall be paid remuneration and perquisites as decided in the agreement.”

**Place:** Mumbai

By the Order of the Board

**Date:** 26<sup>th</sup> August 2006

Chairman

Report  junction.com

**EMPOWER**

---

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item no 4. as set as above is annexed hereto. All the documents pertaining to these items are available for inspection by the members at Registered office of the Company between 10.00 A.M. and 12.00 noon on all working days upto the date of Annual General Meeting.
3. Members/ Proxies are requested to bring their Attendance Slip duly filled in along with for attending the Meeting.

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

I. Mr. Master brings with him over 15 years of experience including a 10 years of experience in Information Technology Industry. He started his career with Mafatlal Group as Assistant Accountant in 1987, and was responsible for finance functions of the group. He then moved on to Caddy Exports as a partner in 1991. Joined Amex Information Technologies Ltd as Joint Managing Director in 1993 and obtained hands on experience on all facets pertaining to software activities. He is the driving force for the success of the Company. The success of the company is mainly dedicated to his efforts.

Considering his rich experience, the Board intends to appoint him as Managing Director for a term of five years, subject to member's approval.

His terms and conditions of salary shall be subject to the provisions of Schedule XIII of Companies Act, 1956,

The Directors recommend this Resolution for your approval.

**EMPOWER****DIRECTORS' REPORT**

To  
The Members ,

Your Director have pleasure in presenting the Twenty Fourth Directors' Report together with the audited accounts for the year ended March 31,2006.

**1. FINANCIAL RESULTS**

	<b>For the period ended 31<sup>st</sup> March ,2006</b>	<b>For the year ended 31<sup>st</sup> March 2005</b>
Income	320,629,777.49	289,919,224.48
Expenditure	315,535,228.05	283,227,691.89
Profit Before Tax and Depreciation	35,094,549.44	6,691,532.59
Depreciation	(4,896,990.32)	(6,087,726.33)
Profit after depreciation & before Tax	30,197,559.12	603,806.26
Provision's for Tax	(412,721.08)	(58,410.00)
Profit After Tax	29,784,838.05	342,694.26
Brought forward profit (Loss)	647,413.77	304,719.51
Profit Available for Appropriations	30,432,251.82	647,413.77
Balance carried to Balance Sheet	30,432,251.82	647,413.77

**2. DIVIDEND**

Your Directors propose not to declare any dividend on Equity Shares for the year and utilise the available Profits to capitalize on emerging business opportunities.

**3. INDUSTRIAL OVERVIEW**

A study by National Association for Software and Services Companies (NASSCOM) states that the IT industry in India will touch revenues of around 36-38 billion Dollars in 2006-07, presenting a growth rate of 25-28 per cent.

**EMPOWER**

---

Cross-border mergers and acquisitions, stable pricing model and a gradual positive shift in the outsourcing debate are said to be the main factors contributing to the phenomenal growth.

"IT exports are expected to grow by 27-30 per cent in 2006-07, posting revenues between 29-31 billion Dollars. The domestic market too will grow at 20 per cent, based on the roll out of e-governance initiatives and automation of key sectors such as retail, healthcare, transportation, manufacturing, etc".

The strong growth notched up by the industry tied in with the overall increase in offshore outsourcing by global majors. There was an escalation in the scope and scale of the offshoring engagements and a focus on traditional services.

NASSCOM has announced the revenue statistics for the IT software and services industry for the period 2005-06, based on its own internal survey. According to the analysis, the Indian IT Software and Services sector grew by 31.4 per cent during 2005-06, notching up aggregate revenue of \$29.6 billion dollars, up from \$22.5 billion in 2004-05. Encouraged by the 2005-06 performance, the IT sector is confident of achieving the 60 billion dollar milestone in exports by 2010, projected by the NASSCOM-McKinsey study 2005.

The NASSCOM report also showed that exports grew by 33 per cent to log in revenues of 23.6 billion Dollars up from 17.7 billion Dollars in 2004-05 of the total IT exports in 2005-06. IT software and services grew by 33 per cent, touching revenues of 13.3 billion Dollars.

The Company operates in I.T Reselling, Systems Integration. The company is eyeing to diversify into many other related technology fields. The company has seen an excellent growth in comparison to its previous year figures, and will continue to grow at an expeditious pace.

**4. DEPOSITS**

The Company did not accept any deposits during the year within the meaning of Section 58(A) of the Companies Act, 1956 and Rules made thereunder.

**EMPOWER**

---

**5. PERSONNEL:**

None of the employees of the Company come under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

**6. DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sheikh Jilani, Director of the Company, would retire by rotation at the ensuing Annual General Meeting of the Company and is eligible for reappointment.

**7. AUDITORS:**

The Existing Auditors M/s. MRM & Associates, Chartered Accountants, Mumbai as the Statutory Auditors retire at the ensuing Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 224 (I-B). Members are requested to appoint Auditors & fix their remuneration.

**8. LISTING REQUIREMENTS**

Your Company's Equity Shares are listed on the Mumbai Stock Exchange.

**9. CASH FLOW STATEMENT:**

The cash flow statement for the year ended 31<sup>st</sup> March 2006 is appended.

**10. DIRECTORS' RESPONSIBILITY STATEMENT:**

Your Director would like to inform the members that the audited accounts containing the Financial Statement for the year ending on 31<sup>st</sup> March 2006 are in full conformity with the requirement of the Act and they believe that the financial statement reflect fairly the form and substance of the transactions carried out during the year and reasonably present the Company's financial condition and result of operation. The Statutory Auditors M/s MRM & Associates, Chartered Accountants, audit these Financial Statements.

**EMPOWER**

---

Your Directors' further confirm that:

- In the preparation of the annual accounts, applicable accounting standards have been followed ;
- The accounting policies are consistently applied and reasonable, prudent, judgment and estimates are made so as to give a true & fair view of the state of affairs of the Company at the end of the financial year ;
- That 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 & other irregularities ;
- That the Directors had prepared the annual accounts on a going concern basis.

**11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, & FOREIGN EXCHANGE EARNINGS & OUTGO** under section 217(1)(e) of the Companies Act 1956 (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

**a) CONSERVATION OF ENERGY**

The Company's operations involve low energy consumption. There are no major areas where any energy conservation measures can be taken. However efforts are being made to conserve & optimize the use of energy in regular operations.

**b) TECHNOLOGY ABSORPTION**

No technology has been developed, as the Company is yet to set-up its R & D facility. No Technology has been imported by way of foreign collaboration.

**c) FOREIGN EXCHANGE EARNINGS & OUTGO**

During the year the company has not incurred any expenses in foreign currency. The Foreign Exchange earned during the year is Rs. NIL.