



THIRTIETH ANNUAL REPORT

For the year ended 31 March 2012



30 years after its founding...

It's a good time to reminisce and continue moving ahead!!

Now, 30 years after its founding, Empower has grown from a tiny start-up to fortune of proficiency. But glossing over those years would make it difficult to describe just how remarkable Empower's current renaissance is. At turning thirty, we talk about moments of extreme confidence, as well as moments of sheer terror; the times of extraordinary wins, as well as painful disappointments. Despite it all, it couldn't have been any other way to achieve what we replenish today.

It's a journey indeed that not many can acclaim, but, WE are already looking towards the next 30 years with as much zest as the first.

The Journey has just begun...



BOARD OF DIRECTORS

Vasudev Balani	:	Chairman and Non-Executive Independent Director
Devang Master	:	Executive Director
Jilani Sheikh	:	Executive Director
Rajgopalan Iyengar	:	Executive Director
Mangesh Gurav	:	Executive Director
Sanjay Ghosh	:	Executive Director
Kiran Soni	:	Non-Executive Independent Director
Nikhil Pednekar	:	Non-Executive Independent Director
Suhas Ganpule	:	Non-Executive Independent Director
Prakash Naik	:	Additional Non-Executive Director

AUDITORS

M/s. Agarwal Desai & Shah
Chartered Accountants
404, Sai Chambers,
Opp. Railway Station,
Santacruz- East.
Mumbai- 400 055.

BANKERS

ING Vysya Bank.
IDBI Bank.
Bank of India.
Axis Bank.

REGISTERED OFFICE

25/25A, 2nd Floor,
Nawab Building,
327, D.N.Road,
Fort.
Mumbai- 400 001.

REGISTRAR AND SHARE TRANSFER AGENTS

Sharex Dynamic (India) Private Limited,
Unit-1, Luthra Ind. Premises,
1st Floor, 44-E, M Vasanti Marg,
Andheri- East, Mumbai- 4000 072

INSIDE

- ❏ A Letter to You
- ❏ Notice of the Annual General Meeting
- ❏ Directors' Report
- ❏ Management Discussion and Analysis Report
- ❏ Report on Corporate Governance
- ❏ Certification of the Financial Statements
- ❏ Auditors Certification on Corporate Governance
- ❏ Auditor's Report
- ❏ Balance Sheet
- ❏ Profit and Loss Account
- ❏ Cash Flow Statement
- ❏ Notes on Financial Statements
- ❏ Attendance Slip and Proxy Form

Certain statements in this Annual Report are based on management's current expectations & forecasts and may be considered as forward-looking statements. There are a number of risks, uncertainties and other factors that could cause actual results to be materially different from management's current expectations and forecasts.

A LETTER TO YOU



Rewarding our Shareholders

At the stroke of 30, what makes us most proud is not any particular accomplishment, but rather a marked shift in our perception.

'Being the best' is the motto of every individual at EMPOWER. Although it is a never ending journey, pursuit of making yourself better at what you do every day is never tiring either. The harder we work to excel, the better and more energized we feel. The journey itself is more rewarding than the ultimate outcome.

The key to our success is how efforts of all the team members are integrated towards organizational goal and vision. This is a Company where owners work and workers own. Everybody works towards making his or her Company the best in delivering value to the customer, making it a better place for fellow owner-worker, produce superior financial returns and earn respect from the society at large.

With over three decades of experience, Empower constantly adopts new technology to widen its product range.

Empower's valuable history dates back to 2002, when we entered the IT industry via an acquisition. From being a marginal player, Empower steadily consolidated its position to become a formidable force in the industry.

The realm of Information Technology (IT) is fast changing one. IT is setting the pace at which the world around us is changing. Technology is now everywhere. This has an impact on the society as well as businesses.

Challenges and opportunities facing the customers and consumers of IT have become very different to what they were a decade ago or even a year ago. The world of tomorrow is one where uncertainty and fierce global micro-competition is going to be the norm.



The ability to spot trends and effectively use IT to overcome these challenges will determine the success of global organizations. The ability to help identify challenges around the corner and work alongside customers in diverse industries as they recalibrate their strategy and reformat their business model is the strength that brings to the engagement.

Innovations have shifted from the core to the edge of the enterprise. The engagement models like Fixed bid/Onsite/Offsite/Offshore and Build Operate Transfer (BOT) have redefined the current IT outsourcing space, while the future will see newer technologies such as DEM Suite on Cloud and IPTV (Internet TV).

At Empower, we believe that applying minds to the problem brings radical solutions.

What we are today is what we dreamt of yesterday. All these years, we have grown in size, scale, spread and even complexity but with a firm belief that simplicity in structure is easy to manage.

Based on this belief we are re-organizing ourselves to create superior business impact and stay ahead in the value creation curve. We are transforming to become more agile and bold yet simpler in structure and approach.

The desire is to achieve what exists beyond our reach. We aim for maximum. We have the ardour to do our best, the hunger to be the best.

Exploring New Growth opportunities

We have been evaluating various sectors to invest some of its capital in a way that optimizes our strengths and results in long term value creation for our shareholders. With this in mind, we have announced our venture into the Investment sector, by commencing the business mentioned in the Other Objects of the Company's Memorandum.

The Financial sector in India will benefit tremendously from the strong 8%+ GDP growth rate, has exciting expansion prospects and an attractive return profile.

Further we have also made our entry into the Agri- Infrastructure Sector, by commencing operations on a small scale.

As we all are aware that Agriculture is the backbone of Indian Economy, we are confident of achieving fore- sure success in the years to come.



These developments along with the devotion to strengthen our existing businesses will equip us to build a flourishing organization that benefits all our stakeholders.

“The lessons of the ordinary are everywhere. Truly profound and original insights are to be found only in studying the exemplary.”

To summarize, I would like to re-iterate that we are at a time when the business environment is dynamic than ever before. And those who embrace change can create enormous business opportunities. In our pursuit of growing existing business and creating new business, we remain firmly committed to our guiding principle of creating shareholder value over long term.

I do hope that each of you, dear shareholders, have found this journey equally satisfying - not only as investors but as citizens proud to be associated with an enterprise like Empower. I thank you for your continued faith in us over the past years. As we embark upon a new journey, we look forward to your support in the coming years.

Warm Regards,

Devang Master

Executive Director



NOTICE

Notice is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of EMPOWER INDIA LIMITED (*formerly known as Empower Industries India Limited*) will be held at the Registered Office of the Company situated at 25/25A, 2nd Floor, Nawab Building, 327, D.N. Road, Fort, Mumbai- 400 001 on Saturday, 25th September, 2012 at 9.00 a.m. to transact the following business items:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2012 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Mangesh Gurav, who retires by rotation, and being eligible, offers himself for re-appointment.
3. Mr. Jilani Khasim Sheikh, a director due to retire by rotation at this Annual General meeting is not seeking re-election and accordingly it is;

“RESOLVED THAT the vacancy thereby caused be not filled up at this meeting or at any adjournment thereof.”

4. Mr. Vasudev Balani, a director due to retire by rotation at this Annual General meeting is not seeking re- election and accordingly it is;

“RESOLVED THAT the vacancy thereby caused be not filled up at this meeting or at any adjournment thereof.”

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

“RESOLVED THAT M/s. Agarwal Desai & Shah, Chartered Accountants, Mumbai, bearing ICAI Registration No. 124850W, the Retiring Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this



Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, to audit the Accounts of the Company for the Financial year 2012- 2013, including audit of Cash Flow Statements, on a remuneration to be mutually decided upon between the Auditors and the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorized to do all such acts deeds, matters or things as may be deemed expedient or necessary to give effect to the aforesaid resolution”.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** Mr. Prakash Naik, whose term of office as an Additional Director, pursuant to Section 260 of the Companies Act, 1956, expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Independent Non-Executive Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorized to do all such acts, deeds, matters or things as may be deemed expedient or necessary to give effect to the aforesaid resolution.”

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 13, 16, 94(1) (b) and 95 and other applicable provisions, if any, of the Companies Act, 1956, and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and also subject to such approvals, consents, permissions and sanctions, if any, as may be required from any authority, and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as “**the Board**”, which term shall also include any duly constituted and authorized Committee thereof), consent of the members be and is hereby accorded to the Board of Directors



of the Company to consolidate every 10 (Ten) existing Equity Shares of nominal face value of Re. 1/-(Rupee One Only) each fully paid up into 1 (One) Equity Share of nominal face value of Rs. 10/- (Rupees Ten Only) each fully paid-up and fix a record date for the purpose.

RESOLVED FURTHER THAT pursuant to the consolidation of the Equity Shares of the Company, the issued, subscribed and paid-up Equity Shares of face value of Re. 1/- (Rupee One) each shall stand consolidated into Equity Shares of face value of Rs. 10/- (Rupees Ten) each, fully paid-up.

RESOLVED FURTHER THAT upon consolidation of 10 (Ten) Equity Shares of Re. 1/- (Rupee One Only) each into One Equity Share of Rs. 10/- (Rupee Ten Only) each the Board shall not issue any fractional Shares/ Certificates, however, the total number of Equity Shares constituting such fractions shall be transferred to a person or persons appointed by the Board as trustee or trustees for and on behalf of such fractional Equity shareholders. The details of such fractional Equity Shareholders will be provided to the Trustee so as to enable the trustee to distribute net proceeds of sale of such fractional shares amongst the Shareholders in proportion to their entitlement over such fractional Shares after payment of all expenses of the sale and other related expenses.

RESOLVED FURTHER THAT pursuant to the provisions of Section 16 and other applicable provisions of the Companies Act, 1956, Clause (V) of the Memorandum and Articles of Association of the Company be and is hereby amended to incorporate therein the effect of consolidation of Shares from nominal value of Re. 1/- share to Rs. 10/- per share.

RESOLVED FURTHER THAT for the purpose of giving effect to the consolidation of the face value of Equity Shares resolved hereinbefore, the Board and other designated officers of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose including appointment of a trustee(s) to handle the fractional entitlement, fixing record date as per the requirements of the Listing Agreement, execution of all necessary documents with the Stock Exchanges and the Depositories, and also to settle any questions or difficulties that may arise in this regard.”



8. 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 Articles of Association of the Company and Section 13, 16, 94 and 97 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals, consents, permissions, and sanctions, if any, as may be required from any authority and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as **“the Board”**, which term shall also include any Committee (thereof), consent of the Members be and is hereby accorded to alter **Clause V** of the Memorandum of Association of the Company by substituting the following new Clause in place of the existing Clause:

“The Authorized Share Capital of the Company is Rs. 125,00,00,000/- divided into 12,50,00,000 Equity Shares of Rs. 10/- each with power to increase and reduce its capital and to divide its shares in the Capital, for the time being into several classes and to attach thereto any preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges, conditions in such manner as may be permitted by the Companies Act, 1956, or provided in the Articles of Association of the Company.”

RESOLVED FURTHER THAT for the purposes of giving effect to the aforesaid resolution, the Board and other designated officers of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, at its discretion deem necessary or desirable, viz., execution of all necessary documents with the Stock Exchanges and the Depositories, and also to settle any questions or difficulties that may arise in this regard.”

**By Order of the Board
For Empower India Limited**

sd/-

Director

Date: 30th August, 2012

Place: Mumbai



Notes:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out material facts are annexed hereto.
2. **ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A FORM FOR APPOINTMENT OF PROXY IS HEREBY ENCLOSED.**
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September, 2012 to 21th September, 2012 (Both days inclusive).
4. **The members are requested to:**
 - a. Intimate to the Company's Registrars and Share Transfer Agents, **M/s. Sharex Dynamic (India) Private Limited** (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their Registered address, Bank account number / details etc. at an early date, quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
 - b. Bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the Registered Office Address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
6. Members / beneficial Owners are requested to quote their full name as per Company's record, Folio No. / DP and Client ID Nos. as the case may be, in all their correspondences with the Company.
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. Corporate Members intending to send their Authorized Representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

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

Item No. 6:

Mr. Prakash Naik was appointed as an Additional Director by the Board of Directors w.e.f. 27th July, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to Section 260 of the Companies Act, 1956 Mr. Prakash Naik holds office up to the date of this ensuing Annual General Meeting. The Company has, in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956, received a notice in writing from the aforesaid director proposing his candidature for appointment as Director of the Company.

Your Directors recommend the passing of the resolution for your approval.

Item No.7:

The Board of your Company has proposed to reorganize the Capital Structure of your Company by consolidating the nominal face value of Equity Shares from existing Re. 1/- (Rupee One Only) each to Rs. 10/- (Rupees Ten Only) each.

The Board is of the view that the aforesaid restructuring would help the Company to give a better picture of the earnings per Share to the Equity Shareholders of the Company.

In addition, many Brokerage houses, Financial Institutions and Institutional Investors are not inclined to invest in low-priced stocks. The Board believes that the Reverse Stock Split should make the Company's Share more attractive to a broader range of Institutional and other investors, as the Board has been advised that the current market price of the Company's Share may affect its acceptability to the investing public.



Thus approval is being sought from the members to authorize the Board to fix a Record Date for triggering the said event, i.e. consolidation of the face value of the Company's Equity Share from Re. 1/- each to Rs. 10/- each. Further, in case of members having fractional shares not divisible by 10, the same shall be transferred to a trust to be formed by the Board for this purpose. The trustee(s) shall consolidate the fractional Shares transferred to it and will sell the total shares; the proceeds of which shall be paid to the respective shareholders after deducting the expenses incurred in this regard, if any.

The said resolution, if passed, will have the effect of authorizing the Board to do such acts, matters and deeds as may be expedient or necessary to give effect to the said capital restructuring.

Item No.8:

Subsequent to the consolidation of the Share Capital of the Company pursuant to Section 16 and other applicable provisions of the Companies Act, 1956, the Clause V of the Memorandum of Association of the Company needs to be altered.

The Board of Directors of the Company recommends the Ordinary resolution set out in the item No. 8 of the accompanying notice for the approval of the members.

The Directors of the Company are deemed to be interested in the said resolution to the extent of their Shareholding in the Company.

**By Order of the Board
For Empower India Limited**

sd/-

Director

Date: 30th August, 2012

Place: Mumbai



DIRECTORS' REPORT...

The Directors have a pleasure in presenting their Annual Report and Accounts for the year ended March 31, 2012.

SNAPSHOT OF FINANCIAL RESULTS

A snapshot of the financial performance of the Company for the financial year 2011-2012 is as under:

(Amount in Rupees.)

Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2011
Total Income	1,52,41,27,443	1,60,60,68,737
Total Expenditure	1,52,36,06,316	1,59,23,15,187
Profit/ (Loss) before tax	5,21,126	1,37,53,550
Less: Provision for Taxation	12,18,589	57,33,792
Profit/ (Loss) after tax	(6,97,463)	80,19,758

YEAR IN RETROSPECT

The year 2011- 12 witnessed challenges for the Company on all the major fronts. While the Company could achieve success in reducing its total expenditure by about 4.32%, it was not in a position to overcome the pressure on its margins on account of a fall in the revenues earned by it.

However as it is always said that every bad situation, when introspected with the right perspective can lead to numerous realizations for any organization, the same can be said to be true for your Company as well. We are in the process of reviewing the operations on all the fronts and are confident that this introspection will lead to better operational efficiency for the Company.

Thus longer-term, we remain confident that our business aspects would create opportunities for serving large markets, each with significant revenue opportunities thereby creating an increased shareholder value.



CHANGES IN CAPITAL STRUCTURE

As on 31st March, 2012, the Authorized and Paid-up capital of the Company, is Rs.125,00,00,000 and Rs.107,01,23,875 respectively.

There has not been any significant change in the Share Capital of the Company during the year under consideration.

DIVIDEND

After taking into consideration the financial Results of the Company for the Financial year 2011-2012, and with an intention to build up the net worth for future expansion and growth plans, your directors are of the opinion, not to recommend any dividend for the year.

UNPAID/UNCLAIMED DIVIDEND

Pursuant to Section 205A of the Companies Act, 1956, the unpaid Dividend which is due for transfer to Investor Education and Protection Fund (IEPF) are as follows:

Year	Type of Dividend	Dividend per Share	Record Date for Dividend
2007	Interim dividend	0.18	15 th February, 2007
2008	Final dividend	0.05	27 th September, 2008
2010	Interim dividend	0.03	28 th September, 2010

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/its Registrar, for obtaining payments thereof atleast 20 days before they are due for transfer to the said fund.

DEPOSITORY SYSTEM

The shares of the Company are compulsorily tradable in electronic form.

As on March 31, 2012, 51.39% of the Company's total paid-up Capital representing 54,99,61,633 shares are in dematerialized form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the Depositories.



SUBSIDIARIES

EMPOWER M.E. FZE was incorporated as a wholly owned subsidiary of EMPOWER in Ras Al Khaimah Free Trade Zone to facilitate our reach to international clients and expand the horizon for our offerings. Being situated at a strategically advantageous location giving access to markets in Gulf and North Africa, it was a step towards establishing Empower on the world map.

RAK FTZ was incorporated to focus on IT Services and Project management in UAE Market and Mr. Jilani Khaism Sheikh has been assigned to oversee its operations overseas.

RE-APPOINTMENT OF STATUTORY AUDITORS

M/s. Agarwal Desai & Shah, the present Statutory Auditors of the Company are due to retire at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

Your Company has received a confirmation to the effect that their appointment if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified for re- appointment within the meaning of Section 226 of the Companies Act, 1956.

Thus the Board recommends the re- appointment of M/s. Agarwal Desai & Shah, Chartered Accountants as the Statutory Auditors of the Company for the tenure commencing from the conclusion of the forthcoming Annual General Meeting upto the conclusion of the next Annual General Meeting.

AUDITORS' REPORT

The Auditors' Report to the Shareholders does not contain any qualification.

DISCLOSURE OF PARTICULARS

❖ Conservation of Energy and Technology Absorption:

As per the Schedule mentioned under **The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988** and in consonance to Section 217 of the Companies Act, 1956, the requirement of providing the disclosures for conservation of energy



and technology absorption as mentioned under the said Section, is not applicable to the Company.

❖ **Foreign Exchange Earnings and Outgo:**

The details of Foreign Exchange Earnings and Outgo, if any, are provided under the Audited Financial Statements.

❖ **Personnel:**

The Board of Directors wishes to express its appreciation to all the employees for their outstanding contribution to the operations of the Company during the year.

During the year under review, no employee of the Company was entitled to the remuneration exceeding the sum prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 and no other provision of the aforesaid section are applicable to the Company for the financial year under review.

OTHER DISCLOSURES

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange, a Report on Corporate Governance and a certificate obtained from the Statutory Auditors confirming compliance is provided as an Annexure forming part of this Report.

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES

By complying with the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company is complying with all the major clauses of the Corporate Governance norms.

We have reported under an Annexure to the Directors' Report- Corporate Governance, the extent of our compliance of the Corporate Governance norms as applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY

It is rightly said that, “**we make a living by what we get, but we make a life by what we give.**” The joy of giving from selfless service leads us to a higher sense of purpose and fulfillment. Business



conglomerates such as ours are in a far more privileged position to give. We are committed to building sustainable, empowered communities at the grass root level.

Empower encourages all its employees and other participants to ensure a positive impact and its commitment towards Corporate Social Responsibility.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on the Management Discussion and Analysis is attached as a part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- ❖ That in the preparation of the annual accounts, all the applicable Accounting Standards have been followed and there has been no material departure;
- ❖ That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profits of the Company for the year ended on that date;
- ❖ That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ❖ That the annual accounts have been prepared on a going concern basis; and
- ❖ That the Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company.

DIRECTORS

(A) Fresh Appointments on the Board of the Company

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Prakash Naik was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on July 27, 2012.



In terms of the provisions of the said section, Mr. Prakash Naik would hold office till the date of the forthcoming Annual General Meeting of the Company. All the requisite notices proposing his candidature for appointment as Director of the Company has been received by the Company Accordingly; necessary resolution has been included in the notice calling Annual General Meeting, for his appointment as a Director of the Company

(B) Re-appointment of Directors

Section 255 and 256 of the Companies Act, 1956 read together with the Articles of Association of the Company provide that at least two- third of our Directors shall be subject to retirement by rotation out of which One- third must retire from the office of directorship at each Annual General Meeting of the shareholders.

Furthermore all the retiring directors are permitted to be re- appointed as the directors, provided they do not incur any disqualification and are willing to be re- appointed.

In terms with the aforesaid provisions, Mr. Mangesh Gurav, Mr. Jilani Khasim Sheikh and Mr. Vasudev Balani are liable to retire by Rotation at the forthcoming Annual General Meeting and are also eligible for re- appointment.

The Board requests you to accord your consent to the re- appointment of Mr. Mangesh Gurav. However, in connection with the re- appointment of Mr. Jilani Khasim Sheikh and Mr. Vasudev Balani, the Board wishes to inform you that they have expressed their unwillingness to be re- appointed at the forthcoming Annual General Meeting.

Thus the Board requests you to relieve them from all the duties and responsibilities of directorship and would like to place on record their gratitude for the valuable services performed by the aforesaid directors during their tenure of directorship.

(C) Cessation

Mr. Rajesh Sharma, Executive Director of the Company, resigned with effect from closure of business hours on July 27, 2012. The Board wishes to place on record their sincere appreciation for the contribution of Mr. Rajesh Sharma's towards the growth of your Company.



FIXED DEPOSITS

During the period under review, your Company has not accepted or invited any deposits from the public.

DISCLOSURE OF MATERIAL CHANGES SINCE THE LAST FINANCIAL YEAR AND OTHER CORPORATE INFORMATION

Capital Evolution

Empower had in its Extra Ordinary General Meeting held on 16th November, 2010 passed a resolution for allotment of 30,00,00,000 Convertible Equity Warrants to the Allottees as mentioned in the notice to the meeting.

On receipt of 25% upfront money, the Company allotted 30,00,00,000 Convertible Equity Warrants to various allottees in their Board Meeting held on 3rd December, 2010.

The allotment of shares on conversion of the aforesaid warrants took place in three tranches on receipt of the balance consideration from the various allottees.

- ❖ 5,90,00,000 Convertible Equity Warrants were converted into Equity Shares of the Company in the Board Meeting held on 7th January, 2011;
- ❖ 13,69,81,000 Convertible Equity Warrants were converted into Equity Shares of the Company in the Board Meeting held on 2nd March, 2011;
- and,
- ❖ 9,36,74,685 Convertible Equity Warrants were converted into Equity Shares of the Company in the Board Meeting held on 22nd May, 2012.

As the tenure for exercising the Convertible Equity warrants stood elapsed on the 2nd June, 2012, the balance warrants aggregating to 103, 44,315 left to be converted were cancelled on the said date.

Consequent to the afore-said issue of shares, the paid- up share capital of the Company stood at Rs. 107,01,23,875 divided into 107,01,23,875 Equity Shares of Re. 1/- each



Entry into the Investment Sector

Empower's Board had placed before its members in the last Annual General Meeting, its vision of capitalizing the opportunities as foreseen in the currently robust Securities Market that is expected to provide several attractive investment opportunities, and proposed to commence the business of Investment as stated in the Other Object Clause of the Memorandum of Association of the Company.

Empower being operating currently in the business of Hardware sales, Software package sales, approved the commencement and carrying out the aforementioned business, in the previous Annual General meeting of the Company held on 30th September, 2011.

Again, the intention behind the deal was to unlock value for our shareholders and provide the business with the scale and size it needed to serve a larger base of Indians.

ACKNOWLEDGEMENT

Your Directors wish to acknowledge all their stakeholders and are grateful for the excellent support received from the Shareholders, Bankers, Financial Institutions, Government authorities, esteemed corporate clients, customers and other business associates.

Your Directors also recognize and appreciate the hard work and sincere efforts performed by all the employees of the Company and their contribution to the growth of the Company in a very challenging environment.

**By Order of the Board
For Empower India Limited**

sd/-

Director

Date: 30th August, 2012

Place: Mumbai

A REPORT ON...

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto. The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956. The Company's management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgements used therein. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year. Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties. When used in this discussion, words like 'will', 'shall', 'anticipate', 'believe', 'estimate', 'intend' and 'expect' and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on the forward-looking statements as they speak only as of their dates.

Information provided in this MD&A pertains to Empower India Limited (the Company), unless otherwise stated.

INDUSTRY OVERVIEW:

Poised to become a US\$ 225 billion industry by 2020, the Indian Information Technology (IT) industry has played a key role in putting India on the global map. Technology has emerged as a key sector of the Indian economy in terms of its contribution to export earnings, employment opportunities, investments and overall socioeconomic development. India's IT potential has attracted multinationals to grab a share of the pie and cash in on the IT boom.



The IT industry gained a brand identity as a knowledge economy due to its IT and ITeS sector. The IT- ITeS industry has two major components: **IT Services** and **business process outsourcing (BPO)**. The growth in the service sector in India has been led by the IT-ITeS sector, contributing substantially to increase in GDP, employment, and exports. The sector has increased its contribution to India's GDP from 1.2% in FY1998 to 7.5% in FY2012.

The industry sustained its growth trajectory despite technology challenges and tough market conditions by adopting new business models, driving organizational efficiencies and offering a host of new services around cloud, mobility, analytics, social media and collaboration in a multi-device connected world.

"European debt crisis, change of guard in China, US presidential elections and slowdown in world economy, including India, have affected the industry's growth rate as discretionary spending and investments for expansion or innovation have been put on hold," said a top industry representative.

Implementing lessons learnt from previous cycles of ups and downs, especially during the tech meltdown in 2009-10, the industry and especially its bellwethers have consolidated operations, forayed into new domains and diversified service offerings to create multiple revenue streams in traditional and emerging markets.

In addition to fuelling India's economy, this industry is also positively influencing the lives of its people through an active direct and indirect contribution to various socio-economic parameters such as employment, standard of living and diversity.

BUSINESS OVERVIEW:

The year gone by was one fraught with challenges. The economic slowdown and the Rupee depreciation of over 20% in the last financial year was a major factor for the erosion of margins. This has created a major impact on the high revenue.

Your Company has always been quick to respond to the economic challenges with effective management measures and has put in place a concrete roadmap for putting the Company on a fast trajectory of growth. The Company has taken stringent measures to control costs and increase revenues. Over the coming quarters, we expect our strategies to pay rich dividends and help return the Company to profitability.



The key to the success of the Company despite some tough economic conditions and the general propensity of clients to look at large players has been its differentiated approach and focus on some key strategic imperatives. We highlight some key initiatives that were undertaken by the management to get the Company back on the path towards growth.

The key verticals the Company focuses on and has built strong operating skills and domain expertise are IT Infrastructure Management Services, offshore advisory services, Telecommunications, Agricultural Infrastructure and logistics management.

❏ IT Infrastructure Management Services:

India may still form only a small piece of the cake in the global infrastructure management services (IMS) market but the share and momentum of growth is fast increasing. The current size of the global IM services market is around USD 370-380 billion – of which close to 40 percent is outsourced, i.e. around USD 150-180 billion. Today, Indian service providers deliver close to about USD 4 billion worth of services in the IM services space.

Indian IT Companies have realized that IMS as the next big opportunity for business. India saw a tremendous growth in the infrastructure management space both in private and public sectors. The government, both the centre and state, is launching many projects that needs IT infrastructure management at various levels. Cloud computing and virtualization created large areas of opportunities for infrastructure management in India. As the demand for infrastructure outsourcing is also coming from the medium-sized firms globally apart from the large ones, the size of business opportunities widens further for the Indian players to grab a good bite of the largely untapped market.

An optimized IT infrastructure can create business value for enterprises by leveraging existing technology assets and emerging trends while creating efficient internal processes. With a proven consulting-led approach, EMPOWER enables enterprises to leverage emerging technologies while optimizing their IT infrastructure.

Approach:

- Discover the current IT & Business Cost Structure.
- Analyze the spending of Business & IT Services.
- Create Cost Optimization Roadmap.

Benefits:

- Improved Cost Transparency.
- Long-term & Sustainable Cost Reduction.
- Improved Financial Governance.
- Committed Savings.

▣ Offshore Advisory Services:

Offshore and outsourcing initiatives have become increasingly strategic for global corporations over the past several years. There exists a wide array of business models beyond basic offshore outsourcing that organizations are adopting to enhance their competitiveness and ‘unlock’ the true value of their offshore endeavors. Most of these business models provide undeniable benefits and allow clients to take advantage of the “next generation” of offshore outsourcing advantages. Choosing the right offshore consulting partner is critical to understanding the sourcing landscape in India and elsewhere and to crafting a strategy that blends the optimal mix of models and services for your organization’s needs.

The case for offshore outsourcing has been and continues to be compelling. Advantages including enhanced economic benefits, value creation opportunities, access to high quality resources, improved productivity and quality of deliverables, have cemented that. At the same time, management and governance of offshore operations requires commitment, management bandwidth and the ability to control the nuances of complex cross-border collaboration.

EMPOWER is uniquely positioned to provide offshore advisory services to multinational organizations seeking to maximize benefits, minimize risks, while optimizing operations.

▣ Telecommunication :

From a fixed landline to a smart phone, from 2G to 3G and now 4G, the telecom industry in India is on the cusp of the second wave of growth.

The exciting part about the telecom industry is that it appeals to all three segments of customer basis, which is a large mass of consumers, the small and medium businesses and the large enterprises.



Telecom industry is fundamentally morphing itself as we transition from voice to data. We at EMPOWER believe that there are opportunities that will create more relevance, more stickiness and more value across all segments. It is not a linear equation, it is a multi-dimensional opportunity, which fundamentally says there is still a long way to go and boards very well for all three segments and hence our industry.

▣ Agricultural Infrastructure and logistics management :

The growth in agriculture and allied sectors is still a critical factor in overall performance of the Indian economy. Its share in GDP has thus rapidly declined in the recent past. This is explained by the fact that whereas overall GDP has grown by an average of 8.62 percent during 2004-05 to 2010-11, agricultural sector has increased by only 3.46 percent during the same period.

India suffers an estimated food grain and agriculture produce loss of Rs. 50,000 crore every year due to lack of post harvest infrastructure and inefficient supply chain management by the country's farmers.

Adequate and quality infrastructure is a sine qua non for sustainable development of agriculture. Strengthening rural infrastructure like, roads and bridges, irrigation, post-harvesting facilities, etc. can improve productivity/efficiency, reduce production costs and post harvest losses, which further enhance income and employment for the rural farming community.

Empower shall scout for and consider various options in the Agriculture Infrastructure, Rural Infrastructure and Logistics Management. We shall explore for opportunities to enter into any strategic partnerships with the established players in the segment.

OPPORTUNITIES AND THREATS:

We believe our competitive strength includes:

- ▶ Leadership in sophisticated solutions that enable our clients to optimize the efficiency of their business.
- ▶ Commitment to superior quality and process execution.
- ▶ Long lasting client relationship



- ▶ Ability to scale
- ▶ Innovation and leadership

▣ Our Strategy:

We seek to further strengthen our position as a leading technology service Company by successfully delivering our service offerings and increasing the scale of our operations. To achieve these goals, we seek to:

- Increase business from existing and new clients.
- Expand geographically.
- Continue to invest in infrastructure and employees.
- Continue to enhance our engagement models and offerings.
- Continue to develop deep industry knowledge.
- Pursue alliance and strategic acquisitions.

▣ Competition:

We operate in a highly competitive and rapidly changing market. Competition is expected from firms establishing and building their offshore presence with lower personnel costs. However, we recognize that price alone cannot constitute a sustainable competitive advantage. We believe that the principal competitive factors in our business include the ability to effectively deliver scalable, cost-effective services, increase the breadth of service offerings to provide one-stop solutions, attract and retain highly qualified professionals and maintain financial strength to make strategic investments in human resources and physical infrastructure through business cycles.

FUTURE OUTLOOK:

Up until the crux of the Global Financial Crisis, India's information technology (IT) sector was consistently one of the country's strongest performers. Though augmentation rates shrank, the falling rupee provided a cushion. The IT sector was the only one to see capital gains.

It remains a good counter-cyclical bet as it has a fair degree of certainty and reliability. On a broader term, IT industry advisories can be trusted because the track record of projections being met is solid.



The domestic IT services market in India is estimated to grow from \$5.7 billion in 2008 to \$12.8 billion in 2013, which represents a Compound Annual Growth Rate (CAGR) of 18.6 percent, says a study.

According to a study conducted, the vertical would be heavily dominated by infrastructure services, which are expected to reach \$7.2 billion in 2013, while applications services, with a CAGR of 19.6 percent would be the fastest growing segment. In terms of industry verticals, Banking, Financial Services and Insurance (BFSI) leads the Indian IT services market with 21.5 percent market share, followed by the public sector (including education) and telecom industry.

RISKS AND CONCERNS:

Governance, Risk Management and Compliance processes form an integral part of the Empower's planning and review mechanism. Empower's risk management framework establishes risk management processes at each business, helping in identifying, assessing and mitigating risks that could materially impact it's performance in achieving the stated objectives. The components of risk management are different for different businesses and are defined by various factors including the business model, business strategy, organizational structure, risk appetite and available dedicated resources.

A structured risk management process provides confidence to the stake holders that the Company's risks are known and well managed. The risk management framework ensures compliance with the requirements of amended Clause 49 of the Listing Agreement.

Since Empower is a diversified conglomerate, the risk events are identified, assessed, mitigated and monitored for each business separately.

The risk management approach comprises three components:

- A. Risk Identification:** External and internal risk events which could affect the profitability and/or image of the Company are identified in the context of the strategy and specific objectives of each individual business.
- B. Risk assessment and mitigation:** The identified risks are further assessed by the senior management team of the respective businesses as to their potential severity of impact and the probability of occurrence and they develop and deploy mitigation strategies.



- C. Risk monitoring and assurance:** The Board of Directors (Board) is the apex body taking all the decisions regarding risk management activities. The overall role of the Board is to review risk management process and implementation and effectiveness of risk mitigation plans.

Risks and Challenges:

- a. Business Risks:** Business risks are classified into Strategic risks, Operational Risks, Financial risks and knowledge risks. These can be further drilled down to market structure, process, systems, legal compliance, corporate governance and people culture.

Apart from the internal business risks, the Company is exposed to external risks on account of inflation and interest rates, regulatory changes, which are being effectively monitored and mitigated.

- b. Changes in Government policies including changes in tax:** While of late, Government policies are tending to be more stable than they were in the past, the Company does provide for such contingencies and consider suitable actions as deemed appropriate on a case to case basis in each segment.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has put in place adequate and effective internal control systems to ensure that all the assets and interests of the Company are safeguarded, transactions are authorized, recorded and reported properly and reliability of accounting data and its accuracy are ensured with proper checks and balances. A renewed emphasis on Internal Audit process and in-house governance policies has been the practice of the day. The Company has endeavored to align all its processes and controls with best practices and have taken necessary steps to strengthen the Internal Control Policies and Practices. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company has implemented several plans to attract and retain skilled manpower at all levels. The Company also implemented training programs for its employees to develop their both hard and



soft skills required in their profession. The role of the Human Resource team is a strategic partner and is structured to meet the needs of the organization.

FUTURE PROSPECTS:

The sector while has tremendous long term potential to grow, has a distinct characteristic of being cyclical. Therefore we see a sort of roller coaster ride. Long term players like your Company, see this as an opportunity rather than an obstacle. Invariably when head winds are strong, the weaker players fall off the roller coaster, paving way for the long term players to emerge strong.

A REPORT ON...

CORPORATE GOVERNANCE

“Ethics in business is extremely important; your reputation is all you have in life.”

- Sir Freddie Laker

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. It includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. As shareholders across the globe evince keen interest in the practices and performance of Companies, corporate governance has emerged at the centre stage of the way the corporate world functions. Corporate governance is vital to enable Companies to compete globally in a sustained manner and let them flourish and grow.

Company’s Philosophy

Corporate governance at Empower is a value- based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporation, we used this framework to maintain accountability in all our affairs, and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company.

Our Corporate governance policy is based on the following principles:

- ▶ Satisfy the spirit of the law and not just the letter of the law. Corporate Governance standards should go beyond law.
- ▶ Be transparent and maintain a high degree of disclosure levels.
- ▶ Have a simple and transparent corporate structure driven solely by business needs.
- ▶ Infuse best expertise on the Board.
- ▶ Maintain regular checks and audits for continuous improvements in a already well-defined business systems and procedures.

The Board of Directors (‘the Board’) is at the core of our Corporate Governance practice and oversees how the Management serves and protects the long- term interests of all our stakeholders.



We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

A. Board Composition

▣ Size and composition of the Board:

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate its functions of governance and management. Currently, the Board consists of 10 members, 5 of whom are Executive, 1 Non-Executive and 4 are Independent directors.

The Board believes that the current size is appropriate, based on our present circumstances. However, the Board periodically evaluates the need for change in its composition and size.

▣ Composition of the Board, and directorship held as at March 31, 2012:

Name of Director	Category	No. of other Directorships and Committee Membership/ Chairmanship		
		Other directorship	Committee Membership in other Companies	Committee Chairmanship in other Companies
Suhas Ganpule	Independent Non-Executive Director	2	1	NIL
Vasudev Balani	Independent Non-Executive Director	NIL	NIL	NIL
Kiran Soni*	Independent Non-Executive Director	1	2	NIL
Nikhil Pednekar*	Independent Non-Executive Director	1	2	NIL
Prakash Naik**	Professional Non-Executive Director	NIL	NIL	NIL
Devang Master	Executive Director	NIL	NIL	NIL
Jilani Sheikh	Executive Director	NIL	NIL	NIL

Rajesh Sharma***	Executive Director	NIL	NIL	NIL
Mangesh Gurav	Executive Director	NIL	NIL	NIL
Sanjay Ghosh	Executive Director	NIL	NIL	NIL
Rajgopalan Iyengar	Executive Director	NIL	NIL	NIL

* Mr. Kiran Soni and Mr. Nikhil Pednekar were appointed on the Board of the Company on 1st September, 2011.

** Mr. Prakash Naik has been inducted on the Board since 27th July, 2012 as a Professional Non-Executive Director.

*** Mr. Rajesh Sharma resigned from the directorship of the Company w.e.f. 27th July, 2012, due to his pre-occupation.

Notes:

- ❖ There are no inter-se relationships between our Board members.
- ❖ The Directorship positions disclosed in the table excludes directorship in Empower India Limited.
- ❖ Private Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for the above purpose.
- ❖ As required by Clause 49 of the Listing Agreement, the disclosure includes memberships / chairpersonship of Audit Committee and Share Transfer & Investor Grievance Committee in Indian public Companies (listed and unlisted).
- ❖ None of the Directors are members in more than Ten Committees and have not held Chairmanship in more than Five Committees across all Companies in which they are directors as on the date of this report and none of them have acquired any disqualification as per section 274(1)(g) of the Companies Act, 1956.

❑ Board Membership Criteria:

The remuneration committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole as well as its individual members. Board members are expected to possess the expertise, skills and experience required to manage and the requirements of the growing IT industry. Expertise in strategy, technology, finance, quality and human resources is essential. They are not expected to serve in any executive or independent position in any Company that is in direct competition with us. Board



members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with their responsibilities with us.

▣ Selection of new directors:

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process involved in selecting new directors to the remuneration committee, which consists exclusively of independent directors.

▣ Disclosure regarding appointment or re-appointment of directors:

Name	Mr. Mangesh Gurav	Mr. Prakash Naik
Date of Birth	13/02/1976	15/01/1955
Qualification	B.Com	B.Com
Expertise in specific functional area	IT	IT
List of outside *Directorships held excluding Alternate Directorship	NIL	NIL
Membership/Chairmanship of ** Committees of the Board of Directors of the Company	NIL	NIL
Number of shares held in the Company	NIL	NIL

* Excludes Directorships in Indian Private Limited Companies, Foreign Companies, Companies u/s 25 of the Companies Act, 1956.

** Includes only Audit Committee and Share Transfer & Investor Grievance Committee.

B. Board Meetings

▣ Scheduling and selection of agenda items for Board Meetings

The Board Meetings of Empower are mostly held at the Registered Office of the Company situated at 25/25A, 2nd Floor, Nawab Building, 327, D.N. Road, Fort. Mumbai- 400 001.

The Agenda to the Board Meeting or Board Note is distributed in advance to the Board of Directors of the Company. Every Board member can suggest additional items on the agenda. The

Board meets at least once in a quarter to review the quarterly results and other items on the agenda and also on the occasion of Annual General Meeting of the shareholders. Additional meetings are held when necessary.

During the financial year ended 31st March, 2012 under review, the Board of Directors met 7 times on 25th April, 2011; 3rd May, 2011; 12th May, 2011; 9th August, 2011; 1st September, 2011; 11th November, 2011 and 14th February, 2012. The gap between any two meetings during the year did not exceed four months.

❑ Attendance of Directors during the fiscal 2012

Name of the Director	No. of meetings	
	Held	Attended
Suhas Ganpule	7	7
Rajgopalan Iyengar	7	7
Devang Master	7	7
Sanjay Ghosh	7	7
Vasudev Balani	7	7
Jilani Sheikh	7	4
Rajesh Sharma***	7	7
Mangesh Gurav	7	7
Kiran Soni*	7	2
Prakash Naik**	7	NIL
Nikhil Pednekar*	7	2

* Mr. Kiran Soni and Mr. Nikhil Pednekar were appointed on the Board of the Company on 1st September, 2011.

** Mr. Prakash Naik has been inducted on the Board since 27th July, 2012 as a Professional Non-Executive Director.

*** Mr. Rajesh Sharma resigned from the directorship of the Company w.e.f. 27th July, 2012, due to his pre-occupation.

❑ Availability of information to the Board Members

The Board has unfettered and complete access to any information within the Company. At the Board Meetings, managers who can provide additional insights into the items being discussed are invited.

Regular updates provided to the Board include:

- ❖ Annual operating plans and budgets, capital budgets and updates,
- ❖ Minutes of meetings of audit, remuneration and Share Transfer & Investor Grievance Committees as well as abstracts of circular resolutions passed, if any,
- ❖ General Notice of interest received from directors,
- ❖ Dividend data,
- ❖ Materially important litigations, show cause, demand, prosecution and penalty notices,
- ❖ Any materially relevant defaults in financial obligations to and by us,
- ❖ Transactions that involve substantial payments towards goodwill, brand equity or intellectual property,
- ❖ Any significant development involving human resources management,
- ❖ Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement,
- ❖ Non-compliance with any regulatory, statutory or listing requirements, as well as shareholders services such as non-payment of dividends and delays in share transfer.

❑ **Materially significant related party transactions**

There have been no materially significant related party transactions, monetary transactions, monetary transactions or relationships between the Company and directors, the Management or relatives, except for those disclosed in financial statements for the year ended March 31, 2012.

C. Board Committee

Currently the Board comprises of three committees: Audit Committee, Remuneration Committee and Share Transfer & Investor Grievance Committee.

The Chairperson of the Board, in consultation with the Committee chairperson, determines the frequency and duration of the committee meetings.

Furthermore, all the Recommendations of the committees are submitted to the entire Board for approval.



The quorum of meetings is either two members or one-third of the members of the committee, whichever is higher.

1. Audit Committee

Clause 49 of the Listing Agreement entered into between the Company and the Bombay Stock Exchange Limited (BSE Ltd.) makes it mandatory for listed Companies to adopt an appropriate audit committee charter. The primary objective of the committee is to monitor and provide effective supervision of the Managements' financial reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management and notes the processes and the safeguards employed by them.

Presently the Audit Committee of your Company comprises of the following three directors:

Vasudev Balani

Rajgopalan Iyengar

Suhas Ganpule.

Vasudev Balani has been appointed as the Chairman of the Committee who provides his expert guidance and knowledge in the functioning of the Company.

▣ Audit Committee attendance during fiscal 2012

5 audit committee meetings were held during the year on 02nd May, 2011; 5th August, 2011; 22nd August, 2011; 4th November, 2011 and 1st February, 2012.

Name of the Director	No. of meetings	
	Held	Attended
Vasudev Balani	5	5
Rajgopalan Iyengar	5	5
Suhas Ganpule	5	5

2. Remuneration Committee

The purpose of the Remuneration committee is to discharge the Board's responsibilities related to compensation of the Company's executive directors. The committee has overall responsibility



of approving and evaluating the compensation plans, policies and programs for executive directors.

The committee, in consultation with the Chairman of the Board, shall review the performance of all the executive directors at such intervals as may be necessary, on the basis of the detailed performance parameters set for each of the executive directors at the beginning of the year. The Committee may, from time to time, also evaluate the usefulness of such performance parameters, and make necessary amendments.

Presently the Remuneration Committee of your Company comprises of the following four directors and the Committee functions under the Chairmanship of Mr. Vasudev Balani:

Vasudev Balani
Devang Master
Jilani Sheikh
Suhas Ganpule

❏ **Remuneration Committee attendance during fiscal 2012**

3 Remuneration Committee meetings were held during the year. These were held on 2nd April, 2011; 1st October, 2011 and 31st March, 2012.

Name of the Director	No. of meetings	
	Held	Attended
Vasudev Balani	3	3
Devang Master	3	3
Jilani Sheikh	3	3
Suhas Ganpule	3	3

3. **Share Transfer & Investor Grievance Committee**

A Committee called as the Share Transfer and investor Grievance has been constituted in lines with the guidelines provided under Clause 49 of the Listing Agreement to review and redress the shareholder grievances and monitor the Share Transfer Process.

Our Share Transfer & Investor Grievance Committee functions under the expert leadership of Mr. Vasudev Balani who assumes the Chairmanship of the Committee. The Composition of the Committee has been provided hereunder:



Vasudev Balani	:	Chairman
Devang Master	:	Executive Director
*Dipali Thakkar (Compliance Officer)	:	Compliance Officer
Suhas Ganpule	:	Independent and Non- Executive Director

**Dipali Thakkar resigned from the post of Compliance officer with effect from 31st March, 2012 and in her place Mr. Suhas Ganpule was appointed as a member of the Committee.*

❑ Share Transfer & Investor Grievance Committee attendance during fiscal 2012

The committee has mandate to review Five Share Transfer & Investor Grievance Committee meetings were held during the year- on 3rd May, 2011; 5th August, 2011 ; 22nd August, 2011; 4th November, 2011 and 1st February, 2012.

Name of the Director / Compliance Officer	No. of Meetings	
	Held	Attended
Vasudev Balani	5	5
Devang Master	5	5
Dipali Thakkar	5	5

4. Investor Grievance Committee report for the year ended March 31, 2012

The Committee expresses satisfaction with the Company's performance in dealing with investor grievances and its Share transfer system.

The details of complaints resolved during the financial year ended March 31, 2012 are as follows:

Opening Balance	Received	Resolved
1	NIL	1

It has also been noted that the shareholding in dematerialized mode as on March 31, 2012 was 51.39 % (18.99% as of March 31, 2011).

D. Management Review and Responsibility

▣ Board interactions with clients, employees, institutional investors and the Government

The Board handles all interactions with investors and the government. The chairman of the Board handles most of the interactions with clients and employees.

▣ Risk Management

We have an integrated approach to manage risks in various aspects of our business.

▣ Management's discussion and analysis

A detailed report on the Management's discussion and analysis is provided in the *Management's discussion and analysis* section of the Annual Report.

E. Shareholders

▣ Communication to the Shareholders

The Company intimates unaudited as well as audited financial results to the stock exchanges immediately after being approved by the Board. The quarterly, half yearly and annual results of the Company are published in one English daily newspaper (The Free Press Journal) and one Marathi newspaper (Navshakti). In addition to this, the quarterly, half-yearly as well as annual results and official news releases, the presentations, if any, made to institutional investors or to the analysts are also posted on Company's website, www.empowerindia.in

▣ Investor grievance and Share transfer

We have a Board level Share Transfer & Investor Grievance Committee to examine and redress Shareholders' and Investor Complaints'. The status on complaints and share transfer is reported to the entire Board. The Share Transfer committee of the Company will meet as often as required to approve share transfers. For matters regarding shares transferred in physical form, share certificates, dividends and change of address, shareholders should communicate with Sharex Dynamic India Pvt. Ltd, our registrar and share transfer agent. Their address is published in the *Shareholders Information* section of the Annual Report.

Share transactions in electronic form can be effected in a much simpler and faster manner. After confirmation of sale/purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to the Company to register the said transfer.

❏ Postal Ballot

During the year ended March 31, 2012, there were no resolutions passed by way of Postal Ballot, as required in compliance with the provisions of Section 192A of the Companies Act, 1956 and Companies (Passing of resolutions by Postal Ballot) Rules, 2011.

❏ General Body Meetings

The details of last three Annual General Meetings are as follows:

Financial year ended	Date and Time	Venue	Special Resolutions passed
2008-2009	29 th September, 2009	506, Midas Chambers, Off Link Road, Andheri (W), Mumbai - 400 053.	Issue of Global Depository Receipts/ Fully Convertible Debentures up to an aggregate principal amount of US \$ 2,000,000 (US dollars Two Million only).
2009-2010	30 th September, 2010	25/25A, 2 nd Floor, Nawab Building, 327, D.N. Road, Fort. Mumbai- 400 001.	No Special Resolution was passed.
2010-2011	30 th September, 2011	25/25A, 2 nd Floor, Nawab Building, 327, D.N. Road, Fort. Mumbai- 400 001.	Commencement of Investment business as specified under the Clause 75 (Other Objects) of the Memorandum of Association of the Company.

▣ Compliance with non-mandatory requirements of Clause 49 of the Listing Agreement

Clause 49 of the Listing Agreement ('the Clause') mandates us to obtain a certificate from either the auditors or practicing Company Secretaries regarding compliance of the conditions of corporate governance as stipulated in the Clause, and annex the Certificate with the *Directors' Report*, which is sent annually to all our shareholders. We have obtained a certificate to this effect and the same is given as an *Annexure to the directors' report*.

The Clause further states that the non-mandatory requirements may be implemented as per our discretion. However, the disclosures of compliance with mandatory requirements and adoption (and compliance)/ non-adoption of the non-mandatory requirements shall be made in this section of the Annual Report.

We comply with the following non-mandatory requirements:

▣ Remuneration Committee

We have constituted a Remuneration committee. A detailed note on compensation/ remuneration committee is provided under *Remuneration Committee* in this section.

▣ Training of Board Members

All new non-executive directors inducted into the Board are given an orientation. Presentations are made by various executive directors/ senior management giving the overview of our operations to familiarize the new non-executive directors and with the operations. The new non- executive directors are given orientations about our services, group structure, our constitution, Board procedures and matters reserved for the Board, our major risks and risk management strategies.

▣ Whistle Blower Policy

We have established a strong Whistle Blower mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethics policy. This mechanism also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the chairman of the audit committee in exceptional cases.

■ Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the auditors' certificate is given in the *Annexure to the directors' report* section in the Annual Report.

■ A Certification on financial statements

As required by Clause 49 of the Listing Agreement, the Certification on financial statements is provided as a separate section of the Annual Report.

■ Code of Conduct

In compliance with Clause 49 of the Listing Agreement, the Company has adopted a code of Conduct and Ethics ('the code'). This Code is applicable to the Members of the Board and employees of the Company. The code is available on our website www.empowerindia.in

All the members of the Board have affirmed compliance to the Code, as at March 31, 2012. A declaration to this effect, signed by the Chairman of the Board, is provided in the *CEO and CFO certification section* of Annual Report.



Shareholders Information

Corporate

In the year 2002, Mr. Devang Master, our Executive Director entered into a Memorandum of Understanding (MOU) with the promoters of Empower (*then known as Harijay Industries Limited*) to acquire 34,000 fully paid shares of Rs 10/- each representing 68% of the Company's voting capital. This marked the history in the life of Empower.

Mr. Devang Master along with other well experienced professionals, Mr. Rajgopalan Iyengar, Mr. Jilani Sheikh and Mr. Suhas Ganpule, took Empower to the defined heights of excellence and a highly creditable performance of Empower since 2003. Subsequently, we changed our name to Empower Industries India Limited in September, 2003.

A right issue took place in Empower in the year 2005, where the Company offered 2 equity shares for every 5 equity shares held by each shareholder in the Company at a premium of Rs 1.25 per share.

Empower being futuristic on its expansion plans in the era of technology development and its venture into the international market, announced its first time dividend (Interim) of 18% to its valuable shareholders in the year 2007, being a sign that the work and investments that Empower has put to improve efficiencies and productivity were paying off.

During fiscal 2011, Empower proposed to offer Agri- infrastructure consultancy services with an intention to increase the value of the farming and agricultural industry. Our consultancy services to include suggesting appropriate infrastructural facilities to enhance the productivity on parameters of cost-effectiveness and adaptability to the Indian conditions.

Subsequently we changed our name from Empower Industries India Limited to Empower India Limited reflecting a conglomerate business prospect at Empower thereby serving different sectors under one roof.

We are situated at:

Registered Office: 25/25A, 2nd Floor, Nawab Building, 327, D.N. Road, Fort. Mumbai- 400 001.



Bonus issue and Stock Split

Empower (then known as Harijay Industries Limited) announced its first bonus issue in the year 2002, in proportion of 9 Bonus Shares for every 1 Equity Share held, by capitalizing a sum of Rs 4.50 million out of General Reserve.

A stock Split of the Equity Shares of the Company took place in the year 2005, wherein the nominal value of per equity share was reduced to Re.1/- from Rs. 10/- per share, making it accessible to small investors.

The year 2010, brought new opportunities and success to the activities at Empower. Being a shareholder oriented Company; it declared its second but remarkable bonus issue to the shareholders. A bonus issue of 23 Equity Shares for every 2 Equity Shares was declared.

Unclaimed Dividend

Section 205 of the Companies Act, 1956, mandates that Companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and protection Fund (IEPS). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF.

Year	Type of Dividend	Dividend per Share	Record Date for Dividend
2007	Interim dividend	0.18	15 th February, 2007
2008	Final dividend	0.05	27 th September, 2008
2010	Interim dividend	0.03	28 th September, 2010

Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

Investor Services

▣ Annual General Meeting

Date and Time	25th September, 2012 9.00 a.m.
Venue	25/25A, 2 nd Floor, Nawab Building, 327, D.N. Road, Fort. Mumbai- 400 001



Book Closure dates	19 th September, 2012 to 21 st September, 2012 (both days inclusive)
Financial Year	1 st April, 2011 to 31 st March, 2012

❏ Dematerialization of Shares and liquidity

Empower's shares are tradable compulsory in electronic form and, through Sharex Dynamics India Private Limited, Registrar and Share Transfer Agents, we have established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL), the International Securities Identification Number (ISIN) allotted to our Shares under the Depository System is **ISIN507F01023**.

As at March 31, 2012, 51.39% of our shares were held in dematerialized form and the rest in physical form.

Shares held in demat and physical mode as of March 31, 2012 is as follows:

Category	Number of		% of Equity
	Shareholders	Shares	
CDSL	3300	410922039	38.40
NSDL	4016	139039594	12.99
PHYSICAL	64	520162242	48.61

To enable us to serve our investors better, we request shareholders whose shares are in physical mode to dematerialize shares and to update their bank accounts with their respective depository participants.

❏ Designated e-mail address for investor services

In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address of investor complaints is investors@empowerindia.in



❏ Distribution of Shareholding as at March 31, 2012

Range of Equity Shares held	No. of Shareholders	%	No. of Shares	%
0 to 5000	4612	63.89	7112316	0.66
5001 to 10000	854	11.83	6788240	0.63
10001 to 20000	590	8.17	8966510	0.84
20001 to 30000	270	3.74	6887459	0.64
30001 to 40000	161	2.23	5640033	0.53
40001 to 50000	136	1.88	6497940	0.61
50001 to 100000	273	3.78	20172544	1.89
100000 and above	323	4.47	1008058833	94.20
TOTAL	7219	100.00	1070123875	100.00

❏ Shares Transfer in Physical form

Shares sent for physical transfer are effected after giving a 15 day notice to the seller for confirmation of the sale. Our Share transfer committee meets as often as required.

❏ Registrar and Transfer Agents

Sharex Dynamics India Private Limited

17/B, Dena Bank Building,
2nd Floor, Horniman Circle,
Fort, Mumbai- 400001

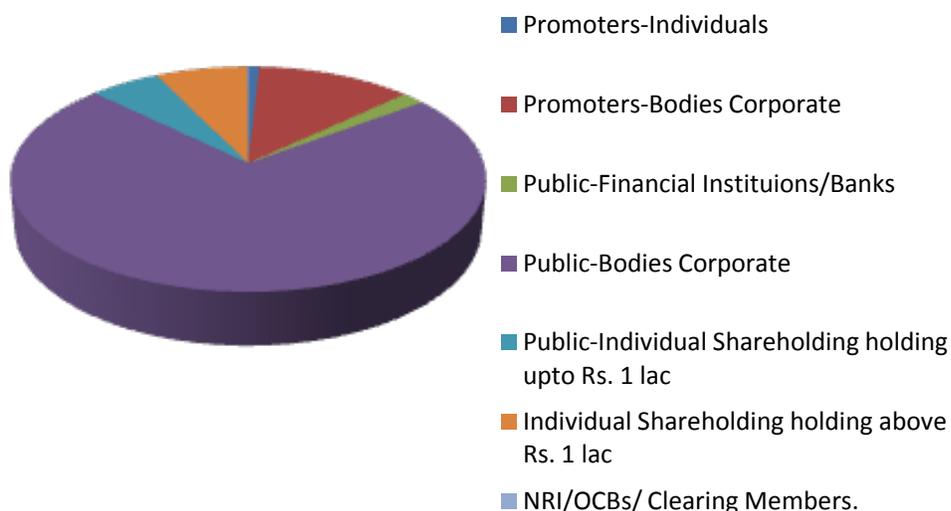
❏ Listing on Stock Exchanges

Name of Stock Exchange	Scrip ID	Code
Bombay Stock Exchange (BSE) Limited	EMPOWER	504351

▣ Shareholding pattern

Category	Shareholders (No.)	Voting Strength (%)	Number of Shares held
(A) Promoter/Promoter Group			
(1) Indian			
Individuals	1	0.85	9081787
Bodies Corporate	6	12.14	129933000
(2) Foreign	0	0	0
Sub Total (A)	7	12.99	139014787
(B) Public Shareholding			
(1) Institutions			
Financial Institutions/Banks	1	1.79	19142875
(2) Non-Institutions			
Bodies Corporate	284	72.51	775903183
Individuals			
- Upto Rs. 1 lakh	6692	5.46	58481677
- Above Rs. 1 lakh	207	7.17	76726925
(3) Any Others			
Clearing Members	8	0.03	289751
Non-Resident Indians	20	0.05	564677
Sub Total (B)	7212	87.01	931109088
Total (A) + (B)	7219	100.00	1070123875
(C) Shares held by custodians and against which DR's have been issued			
(1) Promoter Group	0	0	0
(2) Public	0	0	0
Sub Total (C)	0	0	0
Total (A)+(B)+(C)	7219	100.00	1070123875

Percentage Shareholding



▣ Stock Market data

FY 2011-2012	High	Low	Number of Shares traded
2011 April	12.27	9.31	3575273
May	10.45	8.80	3078951
June	9.80	8.15	2874586
July	10.71	8.80	3852056
Aug	11.25	6.95	2741298
Sept	6.61	2.43	1372156
Oct	2.31	0.98	2490587
Nov	0.94	0.42	3427341
Dec	0.76	0.39	20689259
2012 Jan	0.70	0.50	4104179
Feb	0.66	0.50	4223508
March	0.60	0.42	4336485

**By Order of the Board
For Empower India Limited**

Date: 30th August, 2012

Place: Mumbai

sd/-

Director

A CERTIFICATE ON FINANCIALS...

I, the undersigned, in my respective capacity as an Executive Director of Empower India Limited (*formerly known as Empower Industries India Limited*) (**"the Company"**), to the best of my knowledge and belief certify that:

- ❖ I have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2012 and based on my knowledge and belief, I state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- ❖ I accept the responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which the Board is aware and the steps have been taken or propose to take to rectify these deficiencies.
- ❖ I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i. Significant changes, if any, in the internal control over financial reporting during the year;
 - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and,
 - iii. Instances of significant fraud of which the Board become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors

Date : 30th August, 2012

Place: Mumbai

sd/-

Director



AUDITORS CERTIFICATE ON...

CORPORATE GOVERNANCE

To,

The Members,

Empower India Limited

(Formerly known as Empower Industries India Limited)

We have examined the compliance of conditions of Corporate Governance by Empower India Limited *(Formerly known as Empower Industries India Limited)* for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby report that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have examined that no investor grievances are pending for a period exceeding one month, as at 31st March, 2012 against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal Desai & Shah

Chartered Accountants

Firm Reg No: 124850W

sd/-

C.A. Mrugen H Shah

Partner

M.No. 114770

Place: Mumbai

Date : 30th August, 2012.



AUDITORS REPORT

To,
The Members of,
EMPOWER INDIA LIMITED.

1. We have audited the attached Balance Sheet of EMPOWER INDIA LIMITED as at 31st March 2012 and also the statement of Profit and Loss for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statement are the responsibility of the Company`s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor`s Report) Order, 2003 (hereinafter referred to as the `Order`) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 3 above and subject to the Notes to Accounts, We report that;

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper Books of account as required by law have been kept by the Company so far as appears from our examination of such books;



- c) The Balance Sheet and statement of Profit and Loss dealt with this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in section 211(3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956; in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
- II. In the case of the statement of Profit and Loss , of the Profit of the Company for the year ended on that date; and,
- III. In the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For AGARWAL DESAI & SHAH

Firm Reg. No: 124850W

Chartered Accountants

sd/-

C.A. Mrugen H Shah

Partner

Membership Number: 114770

Place: Mumbai

Date : 30th August, 2012

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March 2012 of Empower India Limited.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

(b) Assets have been physically verified by the management during the year. According to the information and explanation given to us, there is regular programme of verification which, in our opinion is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company has not disposed off substantial part of its fixed assets during the year.
2. (a) Inventories have been physically verified during the year by the management at intervals.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company has maintained proper records of inventories and no material discrepancy noticed on physical verification.
3. (a) The Company, during the period covered by our audit, has not granted secured or unsecured loans to Companies covered in the Register maintained under Sections 301 of the Companies Act, 1956. Hence provisions of clauses (iii) (b),(c),(d) of paragraph 4 are not applicable to the Company.

(b) The Company, during the period covered by our audit, has not taken secured or unsecured loans from Companies covered in the register maintained under section 301 of the Act. Hence provisions of clauses (iii) (f),(g) of paragraph 4 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items of purchase are of special nature for which suitable alternative sources do not exist for obtaining competitive quotations, there are adequate internal control procedures commensurate with the size & nature of business of Company for the



purchase of inventory, fixed assets and sales of goods. Further on the basis of our examinations and information and according to the explanations given to us, we have neither come across nor have we been informed of any instance of measure weaknesses in the aforesaid internal control procedures.

5. Based on the audit procedure applied by us and the information and explanation provided by management, we are of the opinion that there were no transaction during the year that, need to be entered in the Register maintained under section 301 of the Companies Act 1956.
6. The Company has not accepted any deposits from the public. The provision of Sections 58A & 58AA of the Companies Act,1956 and the Companies (Acceptance of Deposits) Rules,1975 are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have been informed by management, no cost records have been prescribed under Section 209 (1)(d) of the Companies Act, 1956.
9. (a) According to the records of the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investors' Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, excise duty, cess and other material statutory dues as applicable have been regularly deposited by the Company during the year with the appropriate authorities. There was no undisputed amount outstanding at the year ended for a period more than six month except Professional Tax as at 31st March 2012.

(b) According to information and explanations given, there were no disputed amounts payable in respect of Income Tax, Wealth Tax, Custom duty, Excise duty, cess, except Sales Tax for which the Company is in appeal.
10. The Company has neither accumulated losses as at March 31, 2012 nor has it incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.



11. According to the records of the Company, Company has not borrowed from financial institution or bank or issued debentures till 31st March, 2012. Hence, in our opinion, the question of reporting defaults in repayment of dues to financial institution or bank or debentures does not arise.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/ nidhi / mutual benefit funds / societies are not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of investment in shares debenture and other securities and those timely entries have been made therein. The shares, debentures and other securities have been held by the Company in its own name.
15. The Company has not given any guarantees for loans taken by other from banks or financial institutions. There is no guarantee given by the Company to third party.
16. The Company has not given any guarantees for loans taken by other from banks or financial institutions. There is no guarantee given by the Company to third party.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on a short-term basis have been used for long-term investment by the Company.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.



21. Based upon our audit procedures performed and on the information and explanations given by the management we are of the opinion that no fraud on or by the Company has been noticed or reported during the course of our audit .

For **AGARWAL DESAI & SHAH**

Firm Reg. No:124850W

Chartered Accountants

sd/-

C.A. Mrugen H Shah

Partner

Membership Number: 114770

Place: Mumbai

Date : 30th August, 2012

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
REVENUE FROM OPERATIONS			
I. Revenue from operations	16	1,504,556,784	1,565,350,374
II. Other Income	17	19,570,659	40,718,363
Total Revenue (I) + (II)		1,524,127,443	1,606,068,737
III. Expenses:			
Cost of materials			
Purchase of Stock-in-Trade	18	1,483,565,534	1,571,598,037
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	2,248,891	(24,827,717)
Employee benefit expense	20	19,460,045	26,238,008
Financial costs	21	20,506	27,397
Depreciation and amortization expense	22	15,795,865	7,629,985
Other expenses	23	2,515,475	11,649,477
Total Expenses (III)		1,523,606,316	1,592,315,187
IV. Profit before tax		521,126	13,753,550
V. Tax expense:			
(1) Current tax	24	1,653,048	2,741,151
(2) Deferred tax	25	(434,459)	2,992,641
VI. Profit(Loss) after tax		(697,463)	8,019,758
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
VII. Profit/(Loss) for the period		(697,463)	8,019,758
VIII. Earning per equity share:			
(1) Basic		(0.00)	0.01
(2) Diluted		(0.00)	0.01

Significant Accounting Policies and Notes on Financial Statements 1 to 27 form part of this Balance Sheet

As per our report of even date attached

For **AGARWAL DESAI AND SHAH**

Chartered Accountants

Firm Reg.No : 124850W

sd/-

Mrugen H. Shah

(Partner)

Membership No.114770

Place : Mumbai

Date : 30th August, 2012

For and on Behalf of the Board of Directors

sd/-
(Director)

sd/-
(Director)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note No. 1.1: SHARE CAPITAL

Particulars	As at 31.03.2012		As at 31.03.2011
Authorised Share Capital			
1250000000 (31 March 2011) equity shares of Rs. 1/- each	1,250,000,000		1,250,000,000
	1,250,000,000		1,250,000,000

Particulars	As at 31.03.2012		As at 31.03.2011
Issued,Subscribed and fully Paid up	-		-
i. 1070123875 (31 March 2011 :1070123875) equity shares of Rs. 1/- each fully paid up.	1,070,123,875		1,070,123,875
Total Issued subscribed and paid up share capital	1,070,123,875		1,070,123,875

Note No. 1.2 : EQUITY SHARE WARRANTS

Particulars	As at 31.03.2012		As at 31.03.2011
Convertible Equity Warrants			
i.104019000 Convertible Equity Warrants of face value Rs. 7.50/- each partly paid Rs.6.94061421 (31 March 2011 : 1.875/-) per CEW.	721,955,750		195,035,625
Application Money - Convertible Equity Warrant	-		330,858,125
	721,955,750		525,893,750

DISCLOSURES

Reconciliation of the shares outstanding

i. Equity shares

Particulars	31 March 2012 Numbers	31 March 2011 Numbers
i. At the beginning of the year.	1,070,123,875	124,142,875
ii. Company has issued 6,00,00,000 Equity shares of fully paid Rs.1/-each in lieu of Convertible Equity Warrants as per terms of conversion.		60,000,000
iii. Company has issued bonus shares to the warrant holders in ratio 23:2, to whom 6,00,00,000 Equity Shares were allotted.	-	690,000,000
iv. Converted (59000000 + 51900000) CEW into Equity Shares of Face value of Rs.1/- at the premium of Rs.6.50/- per Share.	-	195,981,000
Outstanding at the end of the year	1,070,123,875	1,070,123,875

Issued and paid up capital includes 804211445 No of shares issued as bonus shares during immediate preceding five years from the date of balance sheet.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1.3 Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the Shareholders	As at 31-03-2012		As at 31-03-2011	
	Number of shares	Shareholding %	Number of shares	Shareholding %
Energy Commotrade Pvt Ltd	57550000	5.38	-	-
Rosewood Vintrade Pvt Ltd	62675000	5.86	-	-
Trend Commosales Pvt Ltd	66125000	6.18	-	-
Wellman Tradelinks Pvt Ltd	68195000	6.37	-	-

2.1 Reconciliation of Convertible Equity Warrants

Particulars	31 March 2012 Numbers	31 March 2011 Numbers
i. At the beginning of the year	104,019,000	300,000,000
104019000 Convertible Equity Warrants of face value Rs. 7.50/- each partly paid Rs.1.875/- per CEW		
Less : 300000000 Nos of Convertible Equity Warrants has been allotted to various alloties on preferential basis with each warrant convertible into one Equity Shares of Rs.7.50 which included the premium of Rs.6.50 per share be converted at the sole option of the warrant holder.		(300,000,000)
104019000 Convertible Equity Warrants of face value Rs. 7.50/- each partly paid Rs.1.875/- per CEW as at 31.03.2011	-	104,019,000
Outstanding at the end of the year	104,019,000	104,019,000

Note No 2: RESERVES AND SURPLUS

Particulars	As at 31.03.2012	As at 31.03.2011
A. General reserve		
Balance at the begning of the year	25,000	25,000
Add: amount transferred from surplus balance in the statement of profit and loss	-	-
Closing Balance	25,000	25,000
B. Share premium account		
Balance as per the last financial statements	2,143,876,500	-
Add: On conversion of 30000000 CEW each of Rs.54 Rs.52/- premium.	-	1,560,000,000
Add: On conversion of 195981000 CEW each of Rs.7.50 Rs.6.50/- premium.	-	1,273,876,500
Less: Capitalisation for issue of Bonus Shares	-	(690,000,000)
Bonus shares	-	-
Balance at the end of the year	2,143,876,500	2,143,876,500
C. Surplus in the Statement of Profit and Loss		
Balance as per the last financial statements	9,865,676	1,845,916
Add: Surplus in the statement of profit and loss	(697,463)	8,019,758
Less: Adjustment during the period	-	-
	9,168,213	9,865,675
Reserves and Surplus (A+B+C)	2,153,069,713	2,153,767,175

Note No. 3: NON CURRENT LIABILITIES- DEFFERED TAX LIABILITY (Net)

Particulars	As at 31.03.2012	As at 31.03.2011
Related to Fixed Assets	3,603,674	3,603,674
Add : Deffered Tax Exp./ (Income)	(434,459)	-
Related to Preliminary Expenses	-	-
Total	3,169,215	3,603,674

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note No. 4 : TRADE PAYABLE

Particulars	As at 31.03.2012	As at 31.03.2011
*Trades Creditors	633,142,877	692,094,873
	633,142,877	692,094,873

* The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2012 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL.

Note No. 5 : OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2012	As at 31.03.2011
Creditors for Expenses	383,218	216,931
Advance from Customer	204,205,264	-
	204,588,482	216,931

Note No. 6 : SHORT TERM PROVISIONS

Particulars	As at 31.03.2012	As at 31.03.2011
Provisions for Expenses*	1,819,414	3,641,737
Statutory Provisions	7,409,082	8,633,734
Total	9,228,496	12,275,471

(a) * The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

(b) Current liabilities do not include any amount to be credited to investor education and protection fund.

Note No. 8 : NON CURRENT INVESTMENTS

Particulars	As at 31.03.2012	As at 31.03.2011
(a) Investment property	-	-
(b) Non-current Investment (Value at cost)	-	-
(c) Trade Investment		
Investment in Shares - Quoted	476,315,200	848,565,200
Un-Quoted Equity Share (Value at Cost)	545,429,980	544,580,000
Shares Application Pending Allotment	1,322,249,059	1,789,229,059
Total	2,343,994,239	3,182,374,259

Note No. 9 : LONG TERM LOANS & ADVANCES

Particulars	As at 31.03.2012	As at 31.03.2011
Capital Advances	168,258,521	200,576,838
Total	168,258,521	200,576,838

Note No. 7 DEPRECIATION ON FIXED ASSETS**(Rs)**

Name of Asset	Depreciation Rate	Gross Block				Accumulated Depreciation				Net Block	
		As at 01.04.2011	Additions During the Year	Deletions During the Year	As at 31.03.2012	As at 01.04.2011	For the year	Deletions During the Year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Computer and Computer Peripherals	40.00%	91,122,783	216,727	-	91,339,510	51,879,206	15,760,793	-	67,639,999	23,699,511	39,243,577
Office Equipment	13.91%	225,791	-	-	225,791	22,055	28,340	-	50,395	175,396	203,736
Furniture & Fixture	18.10%	57,400	-	-	57,400	20,206	6,732	-	26,938	30,462	37,194
Total		91,405,974	216,727	-	91,622,701	51,921,467	15,795,865	-	67,717,332	23,905,369	39,484,507
(Previous Year)		63,271,638	28,134,336	-	91,405,974	44,291,482	7,629,985	-	51,921,467	39,484,507	18,980,156

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note 10 : OTHER NON CURRENT ASSETS

Particulars	As at 31.03.2012	As at 31.03.2011
Deferred Revenue Expenses (to the extent not written off)	1,010,865	2,020,865
VAT Paid under protest	5,250,000	4,750,000
Trade Advances	465,986,375	322,955,336
Prepaid Expenses	82,924	101,995
Total	472,330,164	329,828,196

Note 11 : CURRENT INVESTMENTS (VALUE AT COST)

Particulars	As at 31.03.2012	As at 31.03.2011
Current Investment (Non-trade)		
Investment in Equity Shares - Quoted	549,980,000	-
Investment in Equity Shares - Un-Quoted	489,450,000	-
Shares Application-Unquoted	105,892,108	-
Total	1,145,322,108	-

Note No. 12 : INVENTORIES

Particulars	As at 31.03.2012	As at 31.03.2011
Inventories (valued at lower of cost or net realizable value)(FIFO Method)		
Stock-in-trade	54,097,657	56,346,549
	-	-
Total	54,097,657	56,346,549

Note No. 13 : TRADE RECEIVABLES (Unsecured)

Particulars	As at 31.03.2012	As at 31.03.2011
Debts overdue for a period exceeding six month		
Considered good	-	5,686,159
Considered doubtful	-	
Others Trade Receivable		
Considered good	563,339,397	627,550,784
Considered doubtful	-	
Total	563,339,397	633,236,943

Note No. 14 : CASH & CASH EQUIVALENTS

Particulars	As at 31.03.2012	As at 31.03.2011
Cash on Hand	844,238	168,070
Bank balance with Current Accounts	14,110,271	9,710,202
Total	14,954,508	9,878,272

Note No. 15 : OTHER CURRENT ASSETS

Particulars	As at 31.03.2012	As at 31.03.2011
(Unsecured-Considered Goods)		
Advance Against Car	100,000	-
Advance Income Tax and TDS	7,703,817	4,666,850
VAT - 2010-11	-	1,551,337
Employee Advances	24,500	32,000
Accrued Interest	1,248,127	-
Total	9,076,444	6,250,187

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST M

Note No. 16 : REVENUE FROM OPERATIONS

Particulars	As at 31.03.2012	As at 31.03.2011
IT Product Sales	1,482,897,483	1,539,013,631
HR Services	21,659,301	26,336,743
Total	1,504,556,784	1,565,350,374

Note No. 17 : OTHER INCOME

Particulars	As at 31.03.2012	As at 31.03.2011
Income from Foreign Exchange Fluctuation	-	4,086,360
Interest Received	19,491,446	17,174,316
Miscellaneous Income	17,223	9,642
Profit on Sale of Unquoted Shares	-	774,375
Reimbursement of Expenses	5,611	-
Sundry Balance W/off	55,926	18,673,670
Round-Off	454	
Total	19,570,659	40,718,363

Note No. 18 : COST OF MATERIAL

Particulars	As at 31.03.2012	As at 31.03.2011
PURCHASE :		
Hardware	72,097,163	277,616,059
Software	1,409,917,034	1,293,981,977
VAT Expenses	1,551,337	-
Total	1,483,565,534	1,571,598,037

Note No. 19 : STOCK IN TRADE

Particulars	As at 31.03.2012	As at 31.03.2011
Opening Stock	56,346,549	31,518,831
Closing Stock	54,097,657	56,346,548
Total	2,248,891	(24,827,717)

Note No. 20 : EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31.03.2012	As at 31.03.2011
Staff Expenses	46,075	81,703
Salary Expenses	19,413,970	26,156,305
Total	19,460,045	26,238,008

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note No. 21 : FINANCIAL COST

Particulars	As at 31.03.2012	As at 31.03.2011
Bank Charges	20,506	27,397
Total	20,506	27,397

Note No. 22 : DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	As at 31.03.2012	As at 31.03.2011
Depreciation	15,795,865	7,629,985
Total	15,795,865	7,629,985

Note No. 23 : OTHER EXPENSES

Particulars	As at 31.03.2012	As at 31.03.2011
Auditors Remuneration	27,500	27,500
Communication Expenses	63,796	206,434
Conveyance, Vehicle & Travelling Charges	63,040	36,658
Bad Debts Written off	-	101,620
Books & Periodicals	10,397	9,978
Donation	-	12,500
Legal Professional and Other Charges	392,556	187,430
Office Expenses	66,711	80,007
Diwali Expense	-	588
Printing and Stationery	117,068	54,666
Rates and Taxes	115,429	9,430,037
Insurance Charges	21,649	-
Interest on Late Payment Charges	27,775	124,861
Stock Exchange Listing Fees & Filing Fees	398,759	-
Legal Advertising	41,888	146,352
Repairs & Maintenance Expenses	82,360	114,023
Electricity Charges	53,539	106,392
Deferred Revenue Expenses W/o	1,010,000	1,010,431
Miscellaneous Expenses	260	-
ROC Fees	22,748	-
Total	2,515,475	11,649,477

Note No. 24 : CURRENT TAXES

Particulars	As at 31.03.2012	As at 31.03.2011
Short Provision for A.Y.2007-08	149,181	-
Short Provision for A.Y.2008-09	15,357	-
Short Provision for A.Y.2009-10	884,440	-
Income Tax for the Year	604,070	2,741,151
Total	1,653,048	2,741,151

Note No. 25 : DEFERRED TAX

Particulars	As at 31.03.2012	As at 31.03.2011
Deferred Tax Provision	(434,459)	2,992,641
Total	(434,459)	2,992,641

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note No. 26 : NOTES TO ACCOUNTS

26.1: Contingent Liabilities & Comments

a) Guarantee Given by the Company's Banker as at March 31, 2012 is Rs.NIL (previous year : Rs. NIL)

26.2 : Quantitative Particulars

a) Capacities : -

License Capacity

-- Not Applicable

Install Capacity

-- Not Applicable

26.2b) Quantity Details of Purchase, Turnover and Stock (Trading).

Particulars	Current Year 2011-12		Previous Year 2010-11	
	Quantity (Units)	Amount (Rs)	Quantity (Units)	Amount (Rs)
Stock of Softwares Packages				
Opening Stock	226	56,047,042	157	14,416,199
Add : Purchase	39550	1,010,976,373	2622	965,811,197
Service Charges			0	-
Less : Sales	39555	1,009,110,409	2553	913,950,684
Closing Stock	221	53,884,679	226	56,047,042
Stock of Hardware & Peripherals				
Opening Stock	6	299,506	4019	17,102,631
Add : Purchase	189964	471,037,824	68695	313,611,880
Less : Sales	189967	473,787,074	72708	331,616,280
Closing Stock	3	212,978	6	299,506
Grand Total	224	54,097,657	232	56,346,548
Less : Closing Stock of Previous Year		56,346,548		31,518,831
Net (Increase) / Decrease in Stock		2,248,891		(24,827,717)

26.3 Related Party Transaction

a) Key Managerial Person

Devang Master - Director

Mangesh Gurav- Director

Suhas Ganpule- Director

b) Transaction with related parties for the year ended are as follows ;

Name of Related Party	Nature of Relationship	As at 31.03.2012	As at 31.03.2011
1) Current Account Devang Master Current Account	Devang Master (Director)	450,000	1,707,618.00
2) Advances Acme Reality Developers Pvt Ltd	Devang Master (Director)	6,800,000	650,000.00
3) Allotment of CEW Vakratunda Ventures Pvt Ltd	Devang Master (Director)	56,250	243693750
4) Allotment of CEW Norvin Infrastructure Pvt Ltd	Devang Master (Director)	5,450,000	112245000
5) Allotment of CEW T C Software Consultancy Pvt Ltd	Devang Master (Director)	250,000	168121875
6) Sundry Creditors for Exp First Call Advisory India Pvt Ltd	Devang Master (Director),	22,748	-

c) The balance receivable from and payable to related parties as at March 31,2012 are as follows :

1) Amount Payable

Devang Master-Current Account	347,190
Vakratunda Ventures Pvt Ltd	56,250
Norvin Infrastructure Pvt Ltd	5,450,000
T C Software Consultancy Pvt Ltd	250,000
First Call Advisory India Pvt Ltd	22,748

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

26.4 Auditors Remuneration

Particulars	As at 31.03.2012	As at 31.03.2011
Audit Fees	15,000	15,000
Tax Audit Fees	12,500	12,500
Total	27,500	27,500

26.5 Earning Per Shares

Particulars	As at 31.03.2012	As at 31.03.2011
Net Profit for the year attributable to Ordinary Shareholders	(697,463)	8,019,759
Weighted average number of Equity Shares of Re 1/- each	1,070,123,875	1,070,123,875
Basic and Diluted Earning Per Share of Re 10/- each	(0.001)	0.007

26.6 The previous year figures have been regrouped, rearranged wherever necessary.

For **AGARWAL DESAI AND SHAH**

For and on Behalf of the Board of Directors

Chartered Accountants

Firm Reg.No : 124850W

sd/-

Mrugen H. Shah

(Partner)

Membership No.114770

sd/-

sd/-

(Director)

(Director)

Place : Mumbai

Date : 30th August, 2012

Note No: 27

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1. Accounting Convention

1.1 Financial statements are prepared in accordance with generally accepted accounting principles including accounting standards in India under historical cost convention except so far as they relate to revaluation of certain land and buildings.

1.2 All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.3 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances, Actual result could vary from estimates and any such differences are dealt with in the period in which the result are known/materialize.

2. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

3. Depreciation

Depreciation on Fixed Assets has been calculated on written down value at the rate prescribed under schedule XIV of the Companies Act, 1956.

4. Investments

Long-term quoted and unquoted investments are stated at cost. The income from Investments is accounted for when received. Provision for diminution in the value of Long Term Investment is made only if such a decline is other than temporary, in the opinion of the management. Application Money for unquoted shares pending for allotment have been shown under the head Investment (Unquoted Shares)

5. Inventories

Inventories are valued at cost or estimated net realizable value whichever is lower, computed on a FIFO basis, after providing for cost of obsolescence and other anticipate losses, wherever considered necessary. Finished goods and work in Progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition as certified by the management.

6. Expenditure

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

7. Segment Reporting

The Company has only one segment of activity of dealing in IT products during the period, hence segment wise reporting as defined in Accounting Standard-17 is not applicable.

8. In the opinion of board of directors, current assets, loans and advances, have at least the value as stated in the balance sheet, if realized in the ordinary course of the business.

9. Based on the information available with the Company regarding status of suppliers as defined under "The Micro, Small and Medium Enterprises Development Act.2006."There is no amount payable to the micro, small and medium enterprises Company.

10. Revenue Recognition

10.1 Revenue from sale of products is stated net off discounts and any applicable duties and taxes on dispatch of goods in accordance with terms of sales. Service revenue is recognized on rendering services.

10.2 Other operating revenues comprise of income from ancillary activities incidental to the operation of the Company and is recognized when the right to receive the income is established as per the terms.

10.3 Interest Income is recognized on time proportion basis.

11. Research and Development

Expenses incurred on research and developments are charges to revenue in the same year. Fixed assets purchased for research and development purpose are capitalized and depreciated as per Company's policy.

12 Employee's Benefits

➤ **Short Term Employee's Benefits**

All employees' benefits payable within twelve months of rendering services are recognized in the period in which the employees render the related services.

➤ **Post Employment/Retirements Benefits**

Contribution to defined Contribution plans such as Provident Fund etc. are charged to the statement of Profit and Loss as incurred.

➤ **Gratuity**

As per AS-15 (Revised) 2005 of ICAI read with Accounting Standard Board Guidance, The Gratuity Liability is not made since none of the employees have completed 5 years of service for period under review.

13. Taxation

Provision for Income tax is made on the basis of relevant provisions of the Income Tax Act, 1961.as applicable to the financial year.

Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes.

14. Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29-‘Provisions, Contingent Liabilities and Contingent Assets’ is made.

Contingent assets or liabilities neither recognized nor disclosed in the financial statements.

15. Earnings Per Share (EPS)

The earnings considered in ascertaining the Company’s EPS are computed as per Accounting Standard 20 on “Earning per Share”, issue by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares during the period. The diluted EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

16. Cash Flow Statement

Cash Flow Statement has been prepared in accordance with the Accounting standard issued by Institute of Chartered Accounts of India on indirect method.

17. Foreign Currency Transaction

Expenses and income are recorded at the exchange rate prevailing on the date of the transaction. Assets and liabilities at the Balance Sheet date are restated at the exchange rate prevailing on the



Balance Sheet date. Exchange difference arising on settlement of the transaction and on account of restatement of assets and liabilities are dealt with in the Profit and Loss Account.

18. Miscellaneous Expenditure

Differed Revenue Expenses have been written-off over a period of five years.

19. Accounting for CENVAT Credit

CENVAT benefit is accounted for reducing the purchase cost of material/fixed assets and Services, where CENVAT credit is available.

As per Report of Even Date Attached

For AGARWAL DESAI & SHAH

Firm Reg. No.124850W

Chartered Accountants

sd/-

C.A. Mrugen H Shah

Partner

For & On Behalf of the Board of Directors

sd/-

Director

sd/-

Director

Place: Mumbai

Date : 30th August, 2012



ATTENDANCE SLIP

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and handover at the entrance of the Meeting hall.)

I hereby record my presence at the Annual General Meeting of the Company to be held on **25th day of September, 2012** at 25/25A, 2nd Floor, Nawab Building, 327, D.N. Road, Fort, Mumbai- 400 001 at 09.00 a.m.

DP ID No.:	L.F. No.:
Client ID No.:	No. of Shares held:
Name and address of the Shareholder(s)	
If Shareholder(s), Please sign here	If Proxy, Please sign here

PROXY FORM

I/We _____ of _____ in the district of _____ being a member / members of the above named Company, hereby appoint _____ of _____ or failing him / her _____ of _____ as my / our Proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on **25th Day of September, 2012** at Registered Office of the Company situated at **25th day of September, 2012** at 25/25A, 2nd Floor, Nawab Building, 327, D.N. Road, Fort, Mumbai- 400 001 at 09.00 a.m.

Signed this _____ day of _____ 2012
Signature:

1 Rupee
Revenue
Stamp

Note: This form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of the meeting.

BOOK- POST

If undelivered, please return to:

EMPOWER INDIA LIMITED

(formerly known as Empower Industries India Limited)

Registered Office: 25/25A, 2nd Floor, Nawab Building, 327, D.N. Road, Fort. Mumbai- 400 001.