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**ANNUAL REPORT 2011-12**



# EMPIRE INDUSTRIES LIMITED

## DIRECTORS:

S.C. MALHOTRA

*Chairman*

RANJIT MALHOTRA

*Vice-Chairman*

DILEEP MALHOTRA

*Jt. Managing Director*

R.A. MASKATI

K.C. KHANNA

Expired on 22.11.2011

RAJBIR SINGH

C.P. SHAH

B.C. GANDHI

SUBODH CHANDRA

Appointed w.e.f. 30.04.2012

*Directors*

## DIRECTOR FINANCE & COMPANY SECRETARY:

S.K. GULATI

## AUDITORS:

D.P. GHEVARIA & CO.

## ADVOCATES & SOLICITORS:

DSK LEGAL

## BANKERS:

INDIAN BANK

ALLAHABAD BANK

BANK OF INDIA

BANK OF BARODA

CENTRAL BANK OF INDIA

## REGISTERED OFFICE:

414, Senapati Bapat Marg,

Lower Parel,

Mumbai - 400 013

Tel. : +91 22 6655 5453

Fax : +91 22 2493 9143

E-mail : [email@empiresecretarial.com](mailto:email@empiresecretarial.com)

Website : [www.empiremumbai.com](http://www.empiremumbai.com)

## PLANT:

### *Vitrum Glass*

L.B. Shastri Marg,

Vikhroli, Mumbai - 400 083

## REGISTRARS & TRANSFER AGENTS

### *M/s. Bigshare Services Pvt. Ltd.,*

E-2 Ansa Industrial Estate,

Sakivihar Road,

Saki Naka, Andheri (E)

Mumbai - 400 072.

Tel. : +91 22 2847 0652 / 4043 0200

Fax : +91 22 2847 5207

E-mail : [info@bigshareonline.com](mailto:info@bigshareonline.com)

Website : [www.bigshareonline.com](http://www.bigshareonline.com)



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## NOTICE

The ONE HUNDRED AND ELEVENTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Tuesday, August 28, 2012 at 3:00 P.M. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai – 400 018 to transact the following business:

### AGENDA

1. To adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2012, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2012.
3. To appoint a Director in place of Mr. Chandrakant Poonamchand Shah, who retires by rotation, and being eligible, seeks re-appointment.
4. To appoint a Director in place of Mr. Bipinchandra Chimanlal Gandhi, who retires by rotation, and being eligible, seeks re-appointment.
5. To appoint Auditors and fix their remuneration, and to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Messrs D. P. Ghevaria & Co., Chartered Accountants (Firm Registration No.103176W), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting up to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors plus applicable Taxes plus reimbursement of travelling and actual out-of-pocket expenses."

### Special Business

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

"RESOLVED that Mr. Subodh Chandra, who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 30, 2012 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the

office of Director of the Company, be and is hereby appointed a Director of the Company."

By Order of the Board  
For **EMPIRE INDUSTRIES LIMITED**

**S. K. GULATI**  
Director Finance &  
Company Secretary

### Registered Office:

414, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013.  
Place : Mumbai  
Date : June 22, 2012.

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item No.6 as set out above is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. In terms of Article 152 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Chandrakant Poonamchand Shah and Mr. Bipinchandra Chimanlal Gandhi, Directors, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments.
5. Brief resume of all Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the BSE Limited, are provided in the Report on Corporate Governance forming part of the Annual Report.

6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
8. The Company has already notified closure of Register of Members and Transfer Books thereof from Saturday, the 18th August, 2012 to Tuesday, the 28th August, 2012 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. The Dividend on Equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid between August 29, 2012 and September 4, 2012 to those members whose names shall appear in the Register of Members of the Company on August 17, 2012 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members, holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
11. Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants:
  - (i) Name of the Sole/First joint holder and the Folio Number.
  - (ii) Particulars of Bank Account, viz.
    - (a) Name of Bank
    - (b) Name of Branch
    - (c) Complete address of the Bank with PIN Code Number.
- (d) Account Type, whether Savings Account (SA) or Current Account (CA)
- (e) Bank Account Number.
- (f) MICR Number.
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/ Registrars and Transfer Agents, M/s. Bigshare Services Private Limited.
13. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through their Depository Participants.
14. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., for consolidation into a single folio.
15. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 2003-04 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

No dividend has been declared for the years ended 31.03.1991 to 31.03.2003.

The Company has declared dividend in subsequent years as shown below:

Sr. No.	Year	Description	Date of Declaration	Last Date for claiming unpaid Dividend
1.	2003-04	Dividend @ 10%	21.09.2004	Transferred to IEPF
2.	2004-05	Dividend @ 20%	26.08.2005	25.08.2012
3	2005-06	Dividend @ 40%	25.08.2006	24.08.2013
4.	2006-07	Dividend @ 60%	28.08.2007	27.08.2014
5	2007-08	Dividend @ 80%	27.08.2008	26.08.2015
6	2008-09	Dividend @ 100%	27.08.2009	26.08.2016
7	2009-10	Dividend @ 200%	27.08.2010	26.08.2017
8	2010-11	Dividend @ 220%	26.08.2011	25.08.2018

Those who have not encashed their dividend warrants with respect to above dividends are requested to claim the amount from the Company.

16. The Securities and Exchange Board of India (SEBI) has made it mandatory the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Bighare Services Private Limited.
17. The Ministry of Corporate affairs has taken a "Green Initiative in the Corporate governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent through e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Bigshare Services Private Limited.

#### **ANNEXURE TO NOTICE:**

As required by Section 173 of the Companies Act, 1956 the following Explanatory statement set out all material facts relating to the business mentioned under Item No. 6 of the accompanying Notice dated June 22, 2012.

#### **ITEM NO.6**

Mr. Subodh Chandra was appointed as Additional Director of the Company w.e.f. 30th April, 2012 by the

Board of Directors under Section 260 of the Companies Act, 1956 read with Article 136 and he would hold office upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Subodh Chandra as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting.

Mr. Subodh Chandra is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956.

Brief resume of Mr. Subodh Chandra, nature of his expertise in specific functional areas and names of Companies in which he holds directorships, memberships /chairmanships of Board Committees and their shareholding in the Company are provided in the Annexure to Directors' report.

Your Directors recommend the appointment of Mr. Subodh Chandra as Director of the Company.

None of the Directors is anyway concerned or interested in the resolution except Mr. Subodh Chandra to the extent of his appointment.

By Order of the Board  
For **EMPIRE INDUSTRIES LIMITED**

**S. K. GULATI**  
*Director Finance &  
Company Secretary*

#### **Registered Office:**

414, Senapati Bapat Marg,  
Lower Parel,  
Mumbai – 400 013.  
Place : Mumbai  
Date : June 22, 2012.

## DIRECTORS' REPORT

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2012.

### FINANCIAL RESULTS:

Particulars	Year ended 31.03.2012 ₹ in Lakhs	Year ended 31.03.2011 ₹ in Lakhs
<b>Income:</b>		
Revenue from Operations	<b>24,273.88</b>	21,608.04
Other Income	<b>461.95</b>	502.05
<b>Total Revenue</b>	<b>24,735.83</b>	<b>22,110.09</b>
<b>Expenditure</b>		
Cost of Materials Consumed	<b>3,707.18</b>	3,101.00
Purchase of Stock-in-Trade	<b>2,542.58</b>	2,654.39
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	<b>(548.13)</b>	185.51
Employee Benefits Expense	<b>5,725.85</b>	5,274.08
Finance Costs	<b>644.73</b>	514.68
Depreciation and Amortization Expense	<b>729.30</b>	617.71
Other Expenses	<b>6,977.31</b>	5,746.59
<b>Total Expenses</b>	<b>19,778.82</b>	<b>18,093.96</b>
Profit Before Tax	<b>4,957.01</b>	4,016.13
<b>Tax Expense</b>		
(1) Current Tax	<b>1,300.00</b>	1,227.83
(2) Deferred Tax	<b>(42.68)</b>	(65.00)
Profit for the year	<b>3,699.69</b>	2,853.30
<b>Appropriated as under:</b>		
Dividend proposed	<b>1,440.00</b>	1,320.00
Tax on Proposed Dividend	<b>233.60</b>	214.13
General Reserve	<b>2,026.09</b>	1,319.17
<b>Total amount appropriated</b>	<b>3,699.69</b>	<b>2,853.30</b>
Earning per Equity Share of the face value of ₹ 10		
Each Basic and Diluted (in ₹)	<b>61.66</b>	47.55

### DIVIDEND:

The Directors are pleased to recommend, for your consideration, payment of Dividend @240% (₹ 24 per Equity Share of the face value of ₹ 10 Tax Free) for the financial year 2011-12, (Previous Year 220%). The total

amount of the Dividend outgo will be ₹ 1440.00 Lakhs as against ₹ 1320.00 Lakhs for the previous financial year. The tax on distributed profits, payable by the Company would amount to ₹ 233.60 Lakhs as against ₹ 214.13 Lakhs for the previous financial year.

### OPERATIONS:

#### *Vitrum Glass:*

The Division manufactures Amber Glass Bottles of international quality for the Pharmaceutical Industry. Over 14 Lakh bottles are manufactured every day on 4 fully automatic production lines. During the year under review demand for pharmaceutical bottles was good and the Division achieved 21% higher turnover at ₹ 10955.16 Lakhs. Exports have also increased from ₹ 989.21 Lakhs to ₹ 1892.64 Lakhs i.e. 91% increase in export. The Division has installed 2nd New eight Section Triple Gob new machine on line No.4 in July 2011 and the results are good. The Division is expected to do well in the current year.

### EMPIRE MACHINE TOOLS – MFTM

#### *(Metal Forming, Testing & Metrology):*

This Division is engaged in agency business covering sales and service support of hi-tech machines in Metal Forming, Metrology, Assembly and Testing Lines, Welding, Melting, Heat Treatment and Rapid Prototyping. Involvement in turnkey execution of big orders has become increasingly important and necessary. During the year under review, there has been some recovery from the previous year in terms of inflow of orders. Shipments were below expectations with a lower backlog carried forward from previous year. However carry forward for next year is healthier. With the renewal of investment trend in Railways and Defense sectors, we expect better results this year both in terms of incoming orders and shipments. Discussions have also started on major investments in Power Generation sector. The division is expected to improve its performance in the current year.

### EMPIRE MACHINE TOOLS - MCAT

#### *(Metal Cutting & Allied Technologies):*

Order in-flow in MCAT Division has been affected adversely mainly due to recessionary trends, heavy competition and global economic meltdown. Competition has been severe due to manufacturers from Europe and Japan offering huge concessions for their survival. Cheaper machine tools from China and Romania are

also posing a big threat. However, the Division has done well in terms of shipments. The Division is focusing mainly on Power Generation, Defence, Railways and Aerospace where there are ample opportunities. Diversification in other fields of trading on engineering goods is envisaged. The Division expects to do better in terms of order booking in the current year.

#### ***Empire Industrial Equipment:***

Refinery and petrochemicals Sector Orders continue to dominate the Division's activity. Steel Plant sector orders have now shown positive sign of improving. Ports & Shipyard sector gave the Division their normal quota of business. Looking at the year ahead the investment climate continues to be good in their traditional markets mentioned above. The Division expects Steel Plant orders to further go up. The Division has made good progress in the Power Plant sector, with some good tie-ups made with Equipment and Engineering, Procuring and Commissioning (EPC) Companies. Water Management (Industrial and Municipal Sectors) holds promise and the division has developed partnerships with some good Companies abroad. This Sector should yield good gains during the year ahead. Things should change in the year ahead. Overall, the Division expects to see significant improvement in Order Booking in the Oil & Gas, Steel Plant, Power and Water segments during the year ahead.

#### ***Empire Vending (GRABBIT)***

Grabbit Vending Services are a respected name in Corporate Offices for supply of Snacks and Beverages. The division operates with Branches in five cities i.e. Mumbai, Delhi, Bangalore, Hyderabad and Pune. The division is expected to improve its performance in the future by installing more machines in Factories, BPO's, Corporates, Multiplexes, Airports and by introducing its own range of Snacks.

#### ***Empire Foods***

The division has done very well in terms of developing our business during the year under review. The revenues increased more than 100% for the second consecutive year. Apart from having Branches at New Delhi and Chennai, the Division added more Branches at Kolkata, Chandigarh and Pune. Empire Foods is now a well known National Level player in supplying Hotels, Restaurants and Caterers with frozen food products. In the current financial year, the division is planning its own private bonded warehouses to store its products. The Division is planning further expansion with addition of one more Branch at Bangalore this year. We expect to continue with high growth trend in the current year too.

#### ***EMPIRE SEZ***

The Company has not made any progress in establishing SEZ. We are still in the process of finding and appointing a Co-Developer for effective use of this land.

#### ***CAPITAL EXPENDITURE:***

The major Capital Expenditure is on account of Buildings & Flats (₹ 3052.71 Lakhs), Plant & Machinery (₹ 1232.98 Lakhs) and Vehicles (₹ 241.38 Lakhs).

#### ***DIRECTORS' RESPONSIBILITY STATEMENT:***

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and 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 profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care 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; and
- iv) the Directors have prepared the Annual Accounts of the Company on a going concern basis.

#### ***CORPORATE GOVERNANCE:***

A report on Corporate Governance is given in the Annexure forming part of this report.

#### ***FIXED DEPOSITS:***

As on March 31, 2012, 104 depositors had not claimed their matured deposits amounting to ₹ 14,92,500. Since then 10 depositors have claimed/renewed their deposits amounting to ₹ 88,000. As of date, all deposit claims have been met, except unclaimed deposits amounting to ₹ 14,04,500. The Company has complied with the provisions of Section 58A of the Companies Act, 1956.

## **PARTICULARS OF EMPLOYEES:**

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are given in the Annexure forming part of this report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, relating to the foregoing matters is given in the Annexure forming part of this report.

## **DIRECTORS:**

Mr. K. C. Khanna passed away on November 22, 2011. The Board has placed on record its high sense of appreciation for the valuable services rendered by Mr. K. C. Khanna during the period of his association with the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company, Mr. Subodh Chandra has been appointed as Additional Director on the Board with effect from April 30, 2012. As per the provisions of Section 260 of the Companies Act, 1956, this Director holds office only up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notice under Section 257 of the Act in respect of the above person, proposing his appointment as Director of the Company, along with the requisite deposit. Resolution seeking approval of the shareholders for his appointment has been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details of the candidate.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the

Company, Mr. Chandrakant Poonamchand Shah and Mr. Bipinchandra Chimanlal Gandhi, retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

## **TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF**

Pursuant to the provisions of Section 205C of the Companies Act, 1956 the Unclaimed Dividend, Fixed Deposits and interest thereon which remained unpaid/unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

## **ACKNOWLEDGEMENT:**

Your Directors would like to express their gratitude for the abundant assistance and co-operation received by the Company from its workers, staff, officers, Consortium Banks, members and other Government Bodies during the year under review.

## **AUDITORS:**

Messrs D. P. Ghevaria & Co., Chartered Accountants, retire at this Annual General Meeting and being eligible, offer themselves, for re-appointment.

## **COST AUDITORS**

The Central Government has approved the appointment of M/s. Vinay Mulay & Company, Cost Accountants, to conduct the audit of the Cost Accounts of the Company in respect of its Vitrum Glass Division situated at L.B.S. Marg, Vikhroli, Mumbai 400 083 for the financial year 2011-12.

On Behalf of the Board of Directors

Place : Mumbai

Date : June 22, 2012

**S. C. MALHOTRA**

*Chairman*

## ANNEXURE TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange, the report containing the details of Corporate Governance systems and processes in the Company is as under:

### 1. Company's philosophy on Corporate Governance:

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders aspirations. Accordingly, Empire is committed to maintaining accountability, transparency, empowerment, motivation, respect for law and fair business practices with Government, Customers, Suppliers, Employees and other stakeholders. This has resulted in Company achieving sustained growth.

### 2. Board of Directors:

As at 31<sup>st</sup> March, 2012 the composition and the category of the Directors is as under:

Category	Name of Directors
Promoter / Executive Directors	Mr. Satish Chandra Malhotra, <i>Chairman</i>  Mr. Ranjit Malhotra, <i>Vice Chairman</i>  Mr. Dileep Malhotra, <i>Joint Managing Director</i>
Independent Directors	Mr. Rasheed A Maskati Mr. Rajbir Singh Mr. Chandrakant Poonamchand Shah Mr. Bipinchandra Chimanlal Gandhi Mr. Subodh Chandra *

\* Appointed w.e.f. 30.04.2012

- Disclosure regarding brief profile of Directors seeking re-appointment as required under Clause 49 IV(G) of the Listing agreement entered into with Bombay Stock Exchange Limited is given below:

- a) **Mr. Chandrakant Poonamchand Shah** is a Director of the Company since September 1, 2008. He is also a member of the Audit Committee and the Remuneration Committee and Chairman of Shareholders'/Investors' Grievance Committee of the Company.

He was a Joint Managing Director in Ramnord Research Laboratories Private Limited from 1972 to 1975 and continues to be a Director as on date. He has wide experience in Cotton Yarn Business.

He is a Director of Ramnord Research Laboratories Private Limited and Empress Tin Factory Private Limited.

Mr. Shah holds 50 shares of the Company in his name as on March 31, 2012.

- b) **Mr. Bipinchandra Chimanlal Gandhi** is a Director of the Company since June 25, 2009.

Mr. Bipin Gandhi is a Science Graduate. He has undergone extensive training in bleaching, dyeing & printing machines as well as in dyestuff chemicals pertaining to textile industry. During his employment with Associated Textile Engineers he has undergone two years Implant Training in Germany. After his return from abroad he has worked with Baltex Engineering Private Limited as Sales Manager for Textile Machineries. In the Year 1968 he started a Company by name Commonwealth Textiles which was well recognized in textile industry. In the year 1977 he established another Company by name Comtex Engg. (Bom) Private Limited. He represents many well-known textile machinery manufacturers from Italy, Germany and Switzerland in his capacity as partner of Commonwealth Textiles.

He is a Director of Viba Fibre Private Limited.

Mr. Gandhi holds 15 shares of the Company in his name as on March 31, 2012.

- c) **Mr. Subodh Chandra** is a Director of the Company since April 30, 2012.

Mr. Subodh Chandra and his family controls L.H. Sugar Factories Limited, one of the biggest sugar mills in Uttar Pradesh along with huge power cogeneration. He has been Chairman of this Company. He has vast experience in Sugar Industry and Agricultural Industry.

Mr. Subodh Chandra does not hold any shares of the Company as on March 31, 2012.

- Number of Board Meetings held and the dates on which held:

Five (5) Board Meetings were held on the following dates during the financial year.

(1) 28.04.2011	(4) 25.10.2011
(2) 28.06.2011	(5) 24.01.2012
(3) 28.07.2011	

The maximum time gap between any two meetings was not more than three calendar months. None of the Directors of the Company was a member of more than ten Committees nor was the Chairman of more than five Committees considering all companies in which he was a Director.

- Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies:

Name of the Director	Attendance Particulars		No. of Directorship and Committee Membership / Chairmanship		
	Board Meetings	Last AGM	Other Director-ship	Committee Member-ship	Committee Chairman-ship
S.C. Malhotra	5	Present	–	–	–
Ranjit Malhotra	5	Present	–	–	–
Dileep Malhotra	5	Present	–	–	–
R.A. Maskati	4	Present	–	–	2
K C Khanna*	4	Present	–	2	–
Rajbir Singh	5	Present	–	2	–
Chandrakant P. Shah	5	Present	–	2	1
Bipinchandra Chimanlal Gandhi	5	Present	–	–	–

\* Expired on 22.11.2011

Directorships held by Directors as mentioned above, do not include Directorships of Private Limited Companies.

### 3. Audit Committee:

The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 of the Listing Agreement. The Committee acts as a link between the management, the statutory and internal Auditors and the Board of Directors and oversees the financial reporting process. The Audit Committee comprises of three Independent/Non-Executive

Directors as per details mentioned hereunder:

Sr. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Rasheed A Maskati	4
2.	Mr. Kanti Chand Khanna *	4
3.	Mr. Chandrakant Poonamchand Shah	5
4.	Mr. Rajbir Singh #	-

\* Expired on 22.11.2011      # Appointed w.e.f. 30.04.2012

Mr. S. K. Gulati, the Director Finance & Company Secretary acts as the Secretary of the Committee.

### 4. Remuneration Committee:

The Company has formed a Remuneration Committee comprising of 3 independent Non-Executive Directors, viz., Mr. Rasheed A. Maskati, Chairperson; Mr. Rajbir Singh and Mr. C. P. Shah. The Remuneration Committee reviews the remuneration package of Executive Directors and Senior Executives of the Company.

- Details of remuneration to Directors for the year.

The aggregate value of salary and perquisites paid for the financial year 2011-12 to the Executive Directors is as follows:

Mr. S. C. Malhotra	₹ 51.46 Lakh
Mr. Ranjit Malhotra	₹ 50.97 Lakh
Mr. Dileep Malhotra	₹ 51.54 Lakh
<b>Total</b>	<b>₹ 153.97 Lakh</b>

The above amounts include Company's contribution to Provident Fund and perquisites.

- The Company paid sitting fees to all Non-Executive Directors for attending Meetings of the Board as shown below:

S.No	Name of Directors	Sitting Fees (₹)
1.	Mr. R. A. Maskati	80,000
2.	Mr. K. C. Khanna	80,000
3.	Mr. Rajbir Singh	1,00,000
4.	Mr. C. P. Shah	1,00,000
5.	Mr. B. C. Gandhi	1,00,000

No commission has been paid to any Non-Executive Director for the year ended March 31, 2012.

- Shares held by Non-Executive Directors

S.No.	Name of Directors	Shares held
1.	Mr. R. A. Maskati	200
2.	Mr. Rajbir Singh	15
3.	Mr. C. P. Shah	50
4.	Mr. B. C. Gandhi	15
5.	Mr. Subodh Chandra	-

#### 5. Shareholders' / Investors' Grievance Committee:

- The Committee comprises of Mr. C. P. Shah (Chairman), Mr. S. K. Gulati, Director Finance & Company Secretary and Mr. R. G. Vartikar, General Manager Funding & Legal. The role of the Committee is to look into the grievances of the Shareholders/Investors and to resolve the same.
- The Board has designated Mr. S. K. Gulati, Director – Finance & Company Secretary as the Compliance Officer.

#### • Investor Grievance Redressal

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Type of complaints	Number of Complaints
Non receipt of Demat Credit	5
Non Receipt of Demat Rejection Documents	3
Non receipt of Share Certificate after Transfer	7
Non receipt of Dividend Warrant	12
Non receipt of exchange Share Certificates	1

There were no outstanding complaints as on March 31, 2012.

#### 6. Annual General Meetings:

- Location and time for last 3 Annual General Meetings were as follows:

Year	Location	Date	Time
2008-2009	Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai 400018.	27.08.2009	4.00 p.m.
2009-2010	Same as above	27.08.2010	4.00 p.m.
2010-2011	Same as above	26.08.2011	4.00 p.m.

- No special resolution was put through Postal Ballot during the last year.

#### 7. Disclosures:

- The Company had no transaction of materially significant nature with its promoter Directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.
- The Company has complied with all requirements of the Listing Agreement with Stock Exchange as well as the Regulations and guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.

#### 8. Means of communication

- The Company's quarterly results in the format prescribed by the Stock Exchange are approved and taken on record by the Board within the time frame, and sent immediately to The Stock Exchange, Mumbai on which the Company's shares are listed. These results are also published in 'Free Press Journal' in English and 'Navshakti' in vernacular. The Company's website [www.empiremumbai.com](http://www.empiremumbai.com) contains a separate section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website.

#### • Management Discussion and Analysis

##### Overall Review

The Company is engaged in the manufacture of Amber Glass Bottles for the Pharmaceutical Industry. It represents a number of foreign manufacturers of Precision Machine Tools, Measuring Instruments, Testing Machines, designing and marketing of Industrial Equipments. The performance of all these Divisions is reviewed in the Directors' Report.

##### Industry Structure & Development

The Vitrum Glass Division is manufacturing Amber Glass Bottles for the Pharmaceutical Industry by using its production capacity fully. The division carries out R&D activities regularly in various manufacturing operations

with the objective of improving quality, reducing energy consumption and improving the overall efficiency/productivity.

### Opportunities & Risks

The Company has developed Industrial Properties at its Lower Parel and Vikhroli premises for the use of office purposes and entered into Leave & License Agreements with various Multinational Companies and Banks. The demand from the Pharmaceutical Industry for Glass Containers manufactured by Vitrum Glass Unit is sufficient and hence the Company does not foresee any risks for the product in near future. The revenue of the Divisions involved in agency businesses for marketing the products manufactured by foreign principals are dependent on the Government Policies declared from time to time.

### Human Resources

During the year under review, cordial relationship was maintained between the management and the employees. The Directors place on record their appreciation for the support and contribution of all employees of the Company.

### Internal Controls & Systems

The Company has adequate internal control procedures commensurate with its size and nature of business. The management reviews these control procedures from time to time to ensure efficient use and protection of assets and resources of the Company.

### Statutory Compliance

On obtaining confirmations from the Divisions of the Company, a declaration regarding compliance with the provisions of the various statutes is made by the Managing Director at Board Meetings. The Company Secretary, as Compliance Officer, ensures compliance with SEBI regulations and provisions of the Listing Agreements.

### Cautionary Statement

Statements in the Management Discussion and Analysis describing Company's objectives, projections, expectations may be "forward

looking statements" within the meaning of relevant securities laws, rules and regulations. The actual results may differ materially from the projections, expectations. Important factors which could be reasons for such differences may be Government policy amendments in taxation laws and other economic developments within and/or outside India.

### 9. General Shareholder information:

#### • Company Registration Details:

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17120MH1900PLC000176.

#### • AGM Date : Tuesday, the 28th August, & Time 2012, at 3.00 p.m.

#### • Venue : Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

#### • Financial Calendar (Tentative):

Results for the quarter ending June 30, 2012	End July 2012.
Results for the quarter ending September 30, 2012	End October 2012.
Results for the quarter ending December 31, 2012	End January 2013.
Results for the quarter and year ending March 31, 2013 (Audited)	End May 2013.
Annual General Meeting	July 2013.

#### • Book Closure : Saturday the 18th August, Date 2012 to Tuesday the 28th August, 2012 (both days inclusive).

#### • Dividend : The Board of Directors have recommended 240% Dividend for the financial year 2011-12.

#### • Listing of Equity Shares on : BSE Limited

#### • Stock Code : 509525

- Market Price Data**

The High and Low prices of the Company's share (of the face value of ₹ 10/- each) traded on Bombay Stock Exchange Limited:

Month & Year	BSE		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2011	788.00	620.00	19811.14	18976.19
May, 2011	744.85	665.00	19253.87	17786.13
June, 2011	1010.00	716.10	18873.39	17314.38
July, 2011	989.00	791.25	19131.70	18131.86
August, 2011	918.80	676.00	18440.07	15765.53
September, 2011	825.00	680.00	17211.80	15801.01
October, 2011	759.90	672.00	17908.13	15745.43
November, 2011	789.00	650.05	17702.26	15478.69
December, 2011	698.00	560.05	17003.71	15135.86
January, 2012	739.80	561.00	17258.97	15358.02
February, 2012	760.00	649.00	18523.78	17061.55
March, 2012	725.00	667.00	18040.69	16920.61

- Demat ISIN Number in NSDL & CDSL for Equity Shares : INE515H01014**

- Registrar and Share Transfer Agents**

M/s. Bigshare Services Pvt. Ltd.,  
E-2 Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (E) Mumbai 400072.  
Tel: +91 22 28470652 / 40430200  
Fax: +91 2228475207  
Email: info@bigshareonline.com

Our Registrar & Transfer Agent, M/s. Bigshare Services Private Limited launched Gen-Next Investor Module iBoss the most advanced tool to interact with shareholders. Please login into iBoss ([www.bigshareonline.com](http://www.bigshareonline.com)) and help them to serve you better.

- Share Transfer System:**

Transfers in respect of shares in physical form and other related issues are approved by the Chairman authorized by the Board and approvals are obtained at intervals not exceeding 15 days.

- Shareholding pattern as on 31.03.2012**

	% to the total paid-up capital
Promoters	57.38
Financial Institutions & Banks	17.62
Corporate Bodies	14.21
Others	10.79
<b>Total</b>	<b>100.00</b>

- Distribution of Shareholding as on 31.03.2012**

Shareholding of Nominal value of	Share-holders Numbers	% of Total	Share Amount ₹	% to Equity
Up to 5000	4922	95.48	35,64,910	5.94
5001 - 10000	119	2.31	8,63,920	1.44
10001 - 20000	56	1.09	7,98,290	1.33
20001 - 30000	18	0.35	4,32,940	0.72
30001 - 40000	6	0.12	2,09,730	0.35
40001 - 50000	9	0.17	4,11,990	0.69
50001 - 100000	8	0.15	5,82,090	0.97
100001 and above	17	0.33	5,31,36,110	88.56
<b>Total</b>	<b>5155</b>	<b>100.00</b>	<b>5,99,99,980</b>	<b>100.00</b>

- Plant Location :** Vitrum Glass  
L.B.S. Marg, Vikhroli,  
Mumbai – 400 083.

- Bank details for dividend payment**

Shareholders desirous of receiving their dividend directly in their bank account through National Electronic Clearing System (NECS) are requested to inform their NECS mandate to the Registrars and Transfer Agent of the Company, Bigshare Services Pvt. Ltd. Beneficiaries holding the scrip of the Company in the dematerialized form may intimate the change in their bank details to their Depository Participant (DP) furnishing their details with the correct 9 digit MICR code of their bank.

- Address for correspondence** : EMPIRE INDUSTRIES LIMITED  
Secretary Department  
Empire Complex  
414, Senapati Bapat Marg,  
Lower Parel, Mumbai – 400 013.  
Tel. : 66555453 Fax : 24939143  
Email:  
[investor\\_relations@empiremumbai.com](mailto:investor_relations@empiremumbai.com)  
Website: [www.empiremumbai.com](http://www.empiremumbai.com)

## ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956:

### VITRUM GLASS:

#### A) CONSERVATION OF ENERGY

##### (a) Energy conservation measures taken :

All lehrs, chimney dampers and front side exhaust opened with the result that cooling blowers and cooling fans are operating only half of the time without disturbing the positive pressure inside the lehr.

##### (b) Additional investments and proposals being implemented.

To save power consumption of vacuum pump, pipe line has been modified to run all production lines in one pump.

##### (c) Impact of measures (a) and (b) above.

The above measures have helped in saving the energy and improvement in productivity.

##### (d) Total energy consumption and energy consumption per unit of production

## FORM – A

	Current Year	Previous Year
<b>I. Power &amp; Fuel consumption:</b>		
<b>1) Electricity:</b>		
Purchased Units	<b>1,04,78,929</b>	1,03,45,468
Total Cost (₹ in Lakh)	<b>606.73</b>	577.39
Rate/Unit (₹)	<b>5.79</b>	5.58
<b>2) Natural Gas</b>		
Quantity Purchased (SCM)	<b>77,49,587</b>	73,54,650
Total Cost (₹ in Lakh)	<b>1972.27</b>	1197.15
Rate/Standard Cubic Meter (₹)	<b>25.45</b>	16.28
<b>II. Consumption per Ton of Production:</b>		
Electricity (Units)	<b>236</b>	254
Natural Gas (SCM)	<b>174</b>	180

**(B) TECHNOLOGY ABSORPTION****FORM – B****Research & Development (R&D)**

1. Specific areas in which R&D carried out by the Company:
  - a. The consumption of the costly raw material like Soda Ash.
  - b. Introduction of calumite in the batch to improve the melting behavior of the batch during the period of furnace high glass pull.
  - c. Calibration of batch house scales for precise weighing of raw material.
2. Benefits derived as a result of the above R&D:
  - a. Batch cost has been reduced because of less consumption of Soda Ash in the batch quantity.
  - b. Introduction of culumite has improved melting behavior and also helped to pull more glass.
  - c. All production line speeds have been increased.
3. Further plan for action:  
To improve productivity, increase speeds and weight reduction of bottles.  
Technology absorption, adaption and innovation  
  1. Efforts in brief:  
A continuous interaction and exchange of information in the industry is being maintained with a view to absorbing, adapting and innovating new methods that may be possible.
  2. Benefits derived:  
The main benefits derived are in respect of quality improvement, cost reduction and import substitution.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total Foreign Exchange used and earned:

Foreign Exchange used                    ₹ 2640.92 Lakh

Foreign Exchange earned                    ₹ 5651.05 Lakh

On Behalf of the Board of Directors

Place : Mumbai

Date : June 22, 2012

**S. C. MALHOTRA**  
*Chairman*



**STATEMENT OF INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND  
FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

Sr. No.	Name of the Employee	Designation/ Nature of Duties	Remune- ration Received (₹)	Qualification	Date of Joining	Total Exp. Years	Last Employment & Period
1	Mr. Bhattacharjee P.K.	Director ** Corporate	97,49,676	B.Tech (Hons.) (Mech. Engg.)	07.08.1969	50	Consultant, Ikon Pvt. Ltd. Mumbai (3 Years).
2	Mr. Chanda S. K. *	G.M. - Glass	8,34,097	B.Sc.	01.04.2006	39	Chief Glass Technologist Kioo Ltd. Tanzania (5 Years)
3	Mr. Dutta S. N. *	G.M. - Technical	25,40,564	B. Sc. Engg.	26.02.1985	41	Asst. Manager - Production Vazir Glass, Mumbai (11 Months)
4	Mr. Gulati S. K.	Director** Finance & Company Secretary	97,52,026	B.Com.(Hons.) A.C.S., F.C.A.	02.05.1975	50	Administrative Manager, Machine Division, Crompton Greaves Ltd., Mumbai (9 Years)
5	Mr. Narasimhan N. S. L.	Director ** Empire Industrial Equipment	104,97,621	B.E., M.M.S. (Marketing); M.F.M.	10.01.2000	38	Chief Executive Healy & Gresham (I) Ltd. Delhi (10 Years & 7 Months)
6	Mr. Parmar S. S.	Director ** Vitrum Glass	61,16,292	Diploma in Mechanical Engg.	18.03.2009	33	General Manager Pankaj Glass Works Firozabad U.P. (1 Year)
7	Mr. Pradhan C. K.	Director ** Commercial	74,54,305	B.Com.	01.06.1995	33	Manager - Warehousing Aijun Transport Co. Pvt. Ltd. Mumbai (10 Years)
8	Mr. Rao P. N.	Director ** Empire Machine Tools (MCAT)	102,96,673	B.E.(Mech)	01.01.1980	36	Asst. Sales Engineer Volta Ltd., Lucknow (2 Years)
9	Mr. Sampath Kumar	Executive Vice President	76,88,491	B.A., P.G. BBM	01.03.2000	34	General Manager Healy & Gresham (I) Ltd. Delhi (10 Years)
10	Mr. Sen K. K.	Director ** Empire Machine Tools (MFTM)	100,89,242	B. Tech (Hons.)	21.06.1971	41	First Employment
11	Mr. Yogesh Grover	Director ** Empire Foods	69,64,494	B.Sc.(Hons), A.C.A.	02.05.2008	19	M.D. CEO Uganda Marine Products Ltd. Kampala (8 Years)

\* Indicates that the employee was in the employment for part of the year.

\*\* The designation Director denotes functional Director and not a Director of the Board of Directors of the Company.

The names of only those employees who were in the Company's employment for a part of the financial year and whose monthly remuneration was not less than ₹ 5,00,000/- per month have been included and their names are marked \*.

None of the other employees mentioned above is related to the Directors of the Company.

**Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Clause 49 of the Listing Agreement:**

We, Mr. S C Malhotra, Chairman and Mr. S K Gulati, Director Finance & Company Secretary, in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of the Company hereby certify that –

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2012 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain 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 existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee –
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **EMPIRE INDUSTRIES LIMITED**

Place : Mumbai,  
Date : June 22, 2012

**S. C. MALHOTRA**  
Chairman

**S. K. GULATI**  
Director Finance & Company Secretary

**Declaration by the Managing Director under Clause 49 of the Listing Agreement  
regarding compliance with Code of Conduct**

In accordance with Clause 49 ID of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended on March 31, 2012.

For **EMPIRE INDUSTRIES LIMITED**

Place : Mumbai,  
Date : June 22, 2012

**S. C. MALHOTRA**  
Chairman



## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Empire Industries Limited

We have examined the compliance of the conditions of Corporate governance by Empire Industries Limited for the year ended 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange/s in India.

The compliance of conditions of Corporate governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2012 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and as per the certificate of the Registrar & Transfer Agents of 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 **D.P. GHEVARIA & CO.**  
*Chartered Accountants*  
Firm Regn. No.103176W

Place : Mumbai,  
Date : June 22, 2012

**D.P. GHEVARIA**  
*Proprietor*  
Membership No. 032431

## AUDITORS' REPORT

To,

THE SHAREHOLDERS  
EMPIRE INDUSTRIES LIMITED

We have audited the attached Balance Sheet of Empire Industries Limited ("the Company"), as at 31<sup>st</sup> March, 2012 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- i. 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;
- ii. 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 those books;

- iii. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- v. on the basis of written representations received from the Directors, as at 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31<sup>st</sup> March, 2012, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act and
- vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Act in the prescribed manner and also give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of the Balance Sheet, of the state of affairs of the Company as on 31<sup>st</sup> March, 2012;
  - b. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date and
  - c. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **D.P. GHEVARIA & CO.**  
Chartered Accountants  
Firm Regn. No. 103176W

Place : Mumbai  
Date : June 22, 2012

**D.P. GHEVARIA**  
Proprietor  
Membership No. 032431

## ANNEXURE TO THE AUDITORS' REPORT

Annexure to the Auditor's Report – 31<sup>st</sup> March, 2012.

Referred to in our report of even date

The comments given below are based on the data compiled by the company in order to comply with the requirements of the order. On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- (b) The fixed assets have been physically verified by the management during the year under a programme for phased verification of assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off any substantial part of Fixed Assets and therefore does not affect the going concern assumption.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties have been physically verified by the Management during the year. Having regard to the size of the Company and the nature of its business, in our opinion, the frequency of verification is reasonable.
- (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) On the basis of our examination of the inventory records, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods.
- (v) (a) Based on the audit procedures applied by us and according to information and explanation provided by the management, we are of the opinion that the transactions need to be entered into the register maintained u/s. 301 of the Act, have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Act, and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In Our Opinion, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public which have matured and are remaining unpaid as at 31<sup>st</sup> March, 2012.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act, and are of the opinion that

companies, firms and other parties covered in the register maintained under Section 301 of the Act:

Accordingly, the provisions of clause (iii)(b) regarding terms and conditions of such loans, clause (iii)(c) regarding payment of principal amount and interest and clause (iii)(d) regarding steps for recovery of overdue amount of Para 4 of the Order are not applicable to the company for the year.

prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

- (ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Wealth-tax, Custom Duty, Excise-Duty, Cess and other material statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were outstanding, as on 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.
- (b) Details in respect of amounts not deposited on account of disputes pending at various forums are given below:

Statute	Nature dues	Amount (₹ in lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Duty on Classifica- tion / Valuation and other disputes	10.73	1984-85 to 2002-03	Central Excise Tribunal
Income Tax Act, 1961	Income tax matters under dispute	54.10	AY 2009-10	Commissioner of Income Tax (Appeals)

- (x) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) According to the information and explanations given to us the Company has not granted any

loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

- (xiii) The provisions of special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/ Society are not applicable to the Company.
- (xiv) The Nature of Company's business/activities during the year does not include dealing in shares, securities, debentures or other investments.
- (xv) According to the information and explanations given to us and records made available to us, the Company has not given any guarantees for the loans taken by others from Banks or financial institutions.
- (xvi) The Company did not have any term loan outstanding during the year.
- (xvii) According to 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 short-term basis have been used for long term investment by the Company.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) During the period covered by our audit report, the Company has not issued any debentures requiring report under this clause.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) As per the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **D.P. GHEVARIA & CO.**  
*Chartered Accountants*  
Firm Regn. No. 103176W

**D.P. GHEVARIA**  
Place : Mumbai  
Date : June 22, 2012  
*Proprietor*  
Membership No. 032431

## Balance Sheet as at 31<sup>st</sup> March, 2012

	Note	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011 (₹ in lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	<b>600.00</b>	600.00
Reserves and Surplus	2	<b>7,587.09</b>	5,561.00
		<b>8,187.09</b>	6,161.00
<b>Non-current Liabilities</b>			
Long Term Borrowings	3	<b>1,153.54</b>	961.93
Deferred Tax Liabilities (Net)	4	<b>319.32</b>	362.00
Other Long Term Liabilities	5	<b>3,241.00</b>	6,031.32
Long Term Provisions	6	<b>1,166.74</b>	849.22
		<b>5,880.60</b>	8,204.47
<b>Current Liabilities</b>			
Short Term Borrowings	7	<b>4,677.63</b>	2,980.75
Trade Payables	8	<b>1,463.07</b>	1,316.98
Other Current Liabilities	9	<b>4,627.89</b>	1,739.19
Short Term Provisions	10	<b>7,875.97</b>	5,976.67
		<b>18,644.56</b>	12,013.59
<b>TOTAL</b>		<b>32,712.25</b>	<b>26,379.06</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed assets			
Tangible Assets	11	<b>13,705.45</b>	9,859.25
Intangible Assets	11	<b>0.30</b>	0.34
Capital Work-in-Progress	11	<b>—</b>	14.17
Non-Current Investments	12	<b>0.28</b>	0.28
Long Term Loans and Advances	13	<b>2,206.38</b>	2,099.64
Other Non-Current Assets	14	<b>137.72</b>	97.19
		<b>16,050.13</b>	12,070.87
<b>Current Assets</b>			
Inventories	15	<b>1,634.20</b>	977.93
Trade Receivables	16	<b>5,182.44</b>	4,078.36
Cash and Cash Equivalents	17	<b>4,698.37</b>	5,415.97
Short Term Loans and Advances	18	<b>4,439.64</b>	3,152.48
Other Current Assets	19	<b>707.47</b>	683.45
		<b>16,662.12</b>	14,308.19
<b>TOTAL</b>		<b>32,712.25</b>	<b>26,379.06</b>
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements</b>	1 to 38		

As per our Report attached

For D. P. GHEVARIA & CO.

Chartered Accountants

Firm Regn. No.103176W

D. P. GHEVARIA

Proprietor

Membership No.032431

Mumbai, June 22, 2012

S. C. MALHOTRA  
RANJIT MALHOTRA  
DILEEP MALHOTRA

R. A. MASKATI  
RAJIBIR SINGH  
C. P. SHAH  
B. C. GANDHI  
SUBODH CHANDRA

S. K. GULATI

Chairman  
Vice Chairman  
Joint Managing Director

Directors

Director Finance &  
Company Secretary

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2012**

	Note	Year ended 31 <sup>st</sup> March, 2012	(₹ in lakhs) Year ended 31 <sup>st</sup> March, 2011
<b>INCOME</b>			
Revenue from Operations	20	<b>24,273.88</b>	21,608.04
Other Income	21	<b>461.95</b>	502.05
Total Revenue		<b>24,735.83</b>	22,110.09
<b>EXPENDITURE:</b>			
Cost of Materials Consumed	22	<b>3,707.18</b>	3,101.00
Purchases of Stock-in-Trade		<b>2,542.58</b>	2,654.39
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	23	<b>(548.13)</b>	185.51
Employee Benefits Expense	24	<b>5,725.85</b>	5,274.08
Finance Costs	25	<b>644.73</b>	514.68
Depreciation and Amortization Expense	11	<b>729.30</b>	617.71
Other Expenses	26	<b>6,977.31</b>	5,746.59
<b>Total Expenses</b>		<b>19,778.82</b>	18,093.96
Profit Before Tax		<b>4,957.01</b>	4,016.13
<b>Tax Expense</b>			
(1) Current Tax		<b>1,300.00</b>	1,227.83
(2) Deferred Tax		<b>(42.68)</b>	(65.00)
<b>Profit for the year</b>		<b>3,699.69</b>	2,853.30
Earning per equity share of face value of ₹ 10 each Basic and Diluted (in ₹)		<b>61.66</b>	47.55

**Significant Accounting Policies**  
**Notes on Financial Statements**

1 to 38

As per our Report attached

**S. C. MALHOTRA**  
**RANJIT MALHOTRA**  
**DILEEP MALHOTRA**

*Chairman*  
*Vice Chairman*  
*Joint Managing Director*

For D. P. GHEVARIA & CO.  
*Chartered Accountants*  
 Firm Regn. No.103176W

**R. A. MASKATI**  
**RAJIBIR SINGH**  
**C. P. SHAH**  
**B. C. GANDHI**  
**SUBODH CHANDRA**

*Directors*

**D. P. GHEVARIA**  
*Proprietor*  
 Membership No.032431

**S. K. GULATI***Director Finance &  
 Company Secretary*

Mumbai, June 22, 2012

Mumbai, June 22, 2012

## Significant Accounting Policies

### 1. Basis of preparation of Financial Statements :

The Accounts have been prepared on historical cost convention. The Company follows the accrual basis of accounting. The Financial Statements are prepared in accordance with the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in terms of section 211 (3C) of the Companies Act, 1956.

### 2. Use of Estimates :

The preparation of Financial Statements in conformity with generally accepted accounting principles ( GAAP ) in India requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of Financial Statements.

### 3. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price or construction cost including any attributable cost of bringing the asset to its working condition for its intended use.

### 4. Capital Work in Progress :

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as Capital work in Progress and capitalised along with the asset on completion of the expansion project or otherwise on commencement of commercial use of the asset.

### 5. Depreciation and Amortization:

- (i) Premium on leasehold land is amortised over the balance period of lease
- (ii) Depreciation on Assets is provided at the rates specified by Schedule XIV of the Companies Act, 1956 in the following manner :
  - (a) On Buildings and Flats, Plants & Machinery and Furnaces it is provided on Straight Line Method.
  - (b) On other assets it is provided on Written Down Value Method
  - (c) On Assets added/sold during the year it is provided on pro-rata basis.
  - (d) Additional depreciation is provided, if required, to cover any impairment in the value of Fixed Assets

### 6. Valuation of Stock :

Stock of raw materials, packing materials, stores & spares are valued at weighted average cost.

Cost comprises of purchase cost including all taxes and duties.

Traded goods and finished goods are valued at lower of cost or market value/contracted price.

### 7. Investments:

Investments are stated at cost.

### 8. Operating Lease:

Operating lease payments for premises taken on lease by the Company are recognised as expense in profit and loss account on accrual basis.

**9. Borrowing Costs :**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying fixed asset are capitalized as part of the cost of that asset. Other borrowing costs are recognised as expense in the Statement of Profit and Loss on accrual basis.

**10. Provisions and Contingencies :**

A provision is recognised when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management best estimates of the expenditure required to settle the obligation as at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate for each such obligation.

A contingent liability is disclosed when there is a possible or present obligation that may, but probably will not, require an outflow of resources unless the possibility of such outflow is remote.

**11. Revenue Recognition:**

- a) Sales and services are recognised on despatch of goods to customers and is net of sales returns and taxes. Scrap sale is accounted upon sale.
- b) Foreign commission is recognised on shipment of goods by foreign principals. Local commission is accounted on accrual basis.
- c) Rent, Interest and other income are accounted on accrual basis.
- d) Dividend income is accounted as and when right to receive dividend is established.

**12. Staff Retirement Benefits :****Defined benefit plan :**

The Company accounts for the defined benefit plans such as gratuity and leave encashment on accrual basis. Gratuity and leave encashment liability has been determined by an actuarial valuation report based on AS - 15 (revised) obtained as at 31<sup>st</sup> March, 2012.

**13. Taxes on Income:**

Current tax provision is determined on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act.

The Deferred tax for all timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

**14. Foreign Currency Transactions :**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

(₹ in lakhs)

		As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>1. SHARE CAPITAL</b>			
Authorised			
1,50,00,000	Equity Shares of ₹ 10 each (Previous Year 1,50,00,000 Equity Shares of ₹ 10 each)	1,500.00	1,500.00
50,000	Cumulative Redeemable Preference Shares of ₹ 100 each (Previous Year 50,000 Cumulative Redeemable Preference Shares of ₹ 100 each)	50.00	50.00
		<hr/>	<hr/>
		1,550.00	1,550.00
<b>Issued and Subscribed</b>			
59,99,998	Equity Shares of ₹ 10 each (Previous Year 59,99,998 Equity Shares of ₹ 10 each)	600.00	600.00
Out of the Issued and Subscribed Capital:			
1.1	9,27,000 Fully paid-up Equity Shares allotted by way of Bonus Shares by capitalisation of Reserves.		
1.2	1,65,000 Equity Shares allotted without payment being received in cash pursuant to the Scheme of Amalgamation of Garlick & Company Private Limited with the Company.		
1.3	3,99,999 Fully paid-up Equity Shares allotted to Debenture Holders pursuant to conversion option exercised by them.		
		<hr/>	<hr/>
		600.00	600.00
1.4	The details of Shareholders holding more than 5% shares:		

Name of the Shareholder	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	No. of Shares	% held	No. of Shares	% held
Mr. Dileep Malhotra	11,40,494	19.01	11,40,494	19.01
Life Insurance Corporation of India	9,51,976	15.87	9,68,247	16.14
Mr. Ranjit Malhotra	9,43,876	15.73	9,43,876	15.73
Arjun Transport Company Private Limited	7,07,442	11.79	7,07,442	11.79
Mr. Satish Chandra Malhotra	5,23,252	8.72	5,23,252	8.72
Empire International Private Limited	3,27,012	5.45	3,27,012	5.45
Mrs. Usha Devi Malhotra	3,08,117	5.13	3,08,117	5.13

Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

(₹ in lakhs)

## 1.5 The reconciliation of the number of shares outstanding:

	As at 31 <sup>st</sup> March, 2012 No.of Shares	As at 31 <sup>st</sup> March, 2011 No.of Shares
Equity Shares at the beginning of the year	59,99,998	59,99,998
Add : Shares issued during the year	Nil	Nil
Equity Shares at the end of the year	59,99,998	59,99,998

## 1.6 Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>2. RESERVE AND SURPLUS</b>		
<b>Capital Reserve:</b>		
Balance as per last account	65.97	65.97
<b>Share Premium Account:</b>		
Balance as per last account	13.33	13.33
<b>General Reserve:</b>		
Balance as per last account	5,481.70	4,162.53
Add: Transferred from Profit and Loss Account	2,026.09	1,319.17
	<u>7,507.79</u>	5,481.70
<b>Profit and Loss Account</b>		
Profit for the year	3,699.69	2,853.30
Less: Appropriations		
Proposed Dividend on Equity Shares	1,440.00	1,320.00
Tax on Dividend	233.60	214.13
Transferred to General Reserve	2,026.09	1,319.17
	<u>7,587.09</u>	<u>5,561.00</u>

## 3. LONG-TERM BORROWINGS

## Unsecured

Fixed Deposits	1,153.54	961.93
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## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

(₹ in lakhs)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>4. DEFERRED TAX LIABILITIES (Net)</b>		
<b>Deferred Tax Liabilities</b>		
Related to Fixed Assets	1,313.17	1,129.70
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act 1961.	993.85	767.70
	<u>319.32</u>	<u>362.00</u>
<b>5. OTHER LONG-TERM LIABILITIES</b>		
Security Deposits	3,127.74	5,982.20
Advance from Customers	16.13	10.00
Others	97.13	39.12
	<u>3,241.00</u>	<u>6,031.32</u>
<b>6. LONG-TERM PROVISIONS</b>		
Employee Benefits	<u>1,166.74</u>	<u>849.22</u>
<b>7. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Cash Credit	104.34	6.21
<b>Unsecured</b>		
Fixed Deposits	981.79	698.54
Inter-corporate Deposits	<u>3,591.50</u>	<u>2,276.00</u>
	<u>4,677.63</u>	<u>2,980.75</u>
The borrowings from banks on Cash Credit account are secured by hypothecation of Stocks and Book Debts and Second charge on the property of Glass Bottle Division and personal guarantees given by Chairman and Vice-Chairman.		
<b>8. TRADE PAYABLES</b>		
Trade Payables	996.23	894.76
Due to Related Parties	56.20	56.86
Others	<u>410.64</u>	<u>365.36</u>
	<u>1,463.07</u>	<u>1,316.98</u>

There are no Micro Small & Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2012. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

(₹ in lakhs)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>9. OTHER CURRENT LIABILITIES</b>		
Other Payable - Employees	384.18	340.62
Trade Deposits & Advances	3,935.88	1,044.23
Sales Tax & withholding taxes payable	140.23	220.09
Interest Accrued but not due	115.38	82.08
Unpaid matured deposits	14.93	24.78
Unpaid/unclaimed Dividends	37.29	27.39
	<b>4,627.89</b>	<b>1,739.19</b>

Investor Education and Protection Fund is credited by the amount of unclaimed Dividend / unclaimed matured fixed deposits after seven years from the due date.

## 10. SHORT-TERM PROVISIONS

Proposed Dividend	1,440.00	1,320.00
Tax on Dividend	233.60	214.13
Income Tax & Wealth Tax	4,346.25	3,046.25
Employee Benefits	<b>1,856.12</b>	<b>1,396.29</b>
	<b>7,875.97</b>	<b>5,976.67</b>

## 11. FIXED ASSETS

(₹ in lakhs)

Description	GROSS BLOCK - COST/BOOK VALUE				DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1 <sup>st</sup> April, 2011	Addi- tions/ adjust- ments during the year	Dedu- ctions/ adjust- ments during the year	Total	As at 1 <sup>st</sup> April, 2011	Provided during the year	Dedu- ctions/ adjust- ments during the year	Total	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2012	
		the year	the year	As at March, 2012			the year	As at 31 <sup>st</sup> March, 2012			
<b>TANGIBLE ASSETS</b>											
Freehold Land	18.97	–	–	18.97	–	–	–	–	18.97	18.97	
Leasehold Land	4.65	–	–	4.65	2.21	0.05	–	2.26	2.39	2.44	
Buildings & Flats	7,459.67	3,052.71	–	10,512.38	948.54	164.10	–	1,112.64	9,399.74	6,511.13	
Plant & Machinery	3,857.49	1,232.98	236.24	4,854.23	1,920.96	222.62	159.91	1,983.67	2,870.56	1,936.53	
Furnaces	1,220.61	–	–	1,220.61	901.41	61.96	–	963.37	257.24	319.20	
Vehicles	763.99	241.38	108.91	896.46	385.62	135.86	83.26	438.22	458.24	378.37	
Furniture & Fixtures	732.47	80.79	0.92	812.34	476.88	52.34	0.60	528.62	283.72	255.59	
Office Equipments :	1,315.75	71.03	16.24	1,370.54	878.73	92.33	15.11	955.95	414.59	437.02	
Moulds & Castings	2.80	–	–	2.80	2.80	–	–	2.80	–	–	
<b>Total Tangible Assets</b>	<b>15,376.40</b>	<b>4,678.89</b>	<b>362.31</b>	<b>19,692.98</b>	<b>5,517.15</b>	<b>729.26</b>	<b>258.88</b>	<b>5,987.53</b>	<b>13,705.45</b>	<b>9,859.25</b>	
<b>INTANGIBLE ASSETS</b>											
Software	1.31	–	–	1.31	0.97	0.04	–	1.01	0.30	0.34	
Total Intangible Assets	1.31	–	–	1.31	0.97	0.04	–	1.01	0.30	0.34	
<b>Total Fixed Assets</b>	<b>15,377.71</b>	<b>4,678.89</b>	<b>362.31</b>	<b>19,694.29</b>	<b>5,518.12</b>	<b>729.30</b>	<b>258.88</b>	<b>5,988.54</b>	<b>13,705.75</b>	<b>9,859.59</b>	
Previous Year	15,130.33	402.18	151.30	15,381.21	5,020.25	617.71	116.34	5,521.62	9,859.59	–	
Capital Work-in-Progress	–	–	–	–	–	–	–	–	–	14.17	

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2012

### 12. NON-CURRENT INVESTMENTS

(Long Term Investments)

Particulars	Number	Face Value per unit (₹)	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011 (₹ in lakhs)
Non-Trade Investments - Unquoted				
Fully paid Equity Shares in The Saraswat Co-operative Bank Ltd.	2,500 (2,500)	10	0.25	0.25
Fully paid Shares in Co-operative Housing Societies:*				
Arabian Sea-View Co-operative Housing Society Ltd.	5 (5)	50	—	—
Chitrakoot Co-operative Housing Society Ltd.	10 (10)	50	0.01	0.01
Tahnee Heights Co-operative Housing Society Ltd.	5 (-)	50	—	—
West Nandanvan Co-operative Housing Society Ltd.	10 (10)	50	0.01	0.01
Vipul Co-operative Housing Society Ltd.	20 (20)	50	0.01	0.01
Tara Apartments Co-operative Housing Society Ltd.	5 (5)	50	—	—
			<u>0.28</u>	<u>0.28</u>

Figures in brackets are for the previous year.

\* These Shares in the above mentioned Co-operative Societies have been purchased to enable the Company to acquire flats in these Societies.

### 13. LONG-TERM LOANS AND ADVANCES

Employee Loans & Advances	<u>38.85</u>	45.85
Other Loans and Advances	<u>2,167.53</u>	2,053.79
	<u>2,206.38</u>	2,099.64

### 14. OTHER NON-CURRENT ASSETS

Security Deposits	<u>45.39</u>	37.89
Other Long-term Receivables	<u>92.33</u>	59.30
	<u>137.72</u>	97.19

### 15. INVENTORIES

Raw Materials	<u>159.07</u>	146.12
Stores, Spare parts & Packing Materials	<u>412.02</u>	318.04
Liquid Fuel & Petrol	<u>45.76</u>	44.55
Stock-in-trade	<u>304.68</u>	176.56
Finished Goods	<u>712.67</u>	292.66
	<u>1,634.20</u>	977.93

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2012

(₹ in lakhs)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>16. TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Over Six Months - Good	<b>1,119.06</b>	946.41
Other Debts - Good	<b>4,063.38</b>	3,131.95
	<b>5,182.44</b>	4,078.36
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash in hand	<b>27.74</b>	28.67
Cheques in hand	<b>1.46</b>	0.36
Balances with banks*	<b>583.49</b>	733.00
Fixed Deposits with banks#	<b>4,085.68</b>	4,653.94
	<b>4,698.37</b>	5,415.97
* Balances with Banks include Unclaimed Dividend of ₹ 37.29 lakhs (Previous year ₹ 27.39 lakhs)		
# Fixed Deposits with Banks include Deposits against Bank Guarantees issued by banks of ₹ 44.98 lakhs (Previous year ₹ 34.72 lakhs) with maturity of more than 12 months.		
<b>18. SHORT-TERM LOANS AND ADVANCES</b>		
Loans and advances to Employees	<b>20.25</b>	21.57
Other Loans	<b>—</b>	2.58
Deposit against Insurance Premium	<b>31.30</b>	23.42
Deposit/Balances with Central Excise/Sales tax authorities	<b>14.35</b>	7.44
Advance Payment of Income tax (including TDS)	<b>4,352.41</b>	3,079.83
Advance Payment of Wealth tax	<b>21.33</b>	17.64
	<b>4,439.64</b>	3,152.48
<b>19. OTHER CURRENT ASSETS</b>		
Advance to suppliers	<b>53.27</b>	245.46
Interest accrued but not due on Fixed Deposits	<b>111.57</b>	38.94
Other Current Assets	<b>542.63</b>	399.05
	<b>707.47</b>	683.45
<b>20. REVENUE FROM OPERATIONS</b>		
Sales of Products	<b>13,565.75</b>	11,697.85
Sales of Services	<b>323.56</b>	651.13
Other Operating Revenues	<b>11,091.50</b>	9,918.12
	<b>24,980.81</b>	22,267.10
Less: Excise Duty	<b>706.93</b>	659.06
Net Sales	<b>24,273.88</b>	21,608.04

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2012

(₹ in lakhs)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>20.1 Particulars of Sale of Products :</b>		
<b>Manufactured Goods</b>		
Glass Bottles	<b>10,955.16</b>	9,031.30
<b>Traded Goods</b>		
Food Products	1,990.77	1,031.52
Machine Tools and Industrial Equipments	<b>619.82</b>	1,635.03
	<b>2,610.59</b>	2,666.55
	<b>13,565.75</b>	11,697.85
<b>20.2 Particulars of other Operating Revenues :</b>		
Commission Income	4,823.31	5,247.32
Property Rent	5,736.75	4,286.67
Advertising, Branding and Operating Income	398.14	298.54
Others	133.30	85.59
	<b>11,091.50</b>	9,918.12
<b>21. OTHER INCOME</b>		
Credit balances Written back	—	0.05
Insurance Claims	4.89	0.93
Interest Income	189.17	177.32
Dividend Income from Non-Current Investments	0.05	0.05
Profit on Sale of assets	4.68	5.99
Foreign Exchange Rate Difference	199.27	271.71
Miscellaneous Income	63.89	46.00
	<b>461.95</b>	502.05
<b>22. COST OF MATERIAL CONSUMED</b>		
Raw Materials Consumed	2,834.93	2,398.55
Stores & Spares, Packing Materials,		
Refractories & Moulds and Castings Consumed	872.25	702.45
	<b>3,707.18</b>	3,101.00

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2012

	Year ended 31 <sup>st</sup> March, 2012		Year ended 31 <sup>st</sup> March, 2011	
<b>22.1 Particulars of Material Consumed</b>	₹ in lakhs	%	₹ in lakhs	%
<b>Raw Materials</b>				
Imported	<b>496.24</b>	<b>17.50</b>	391.96	16.34
Indigenous	<b>2,338.70</b>	<b>82.50</b>	2,006.59	83.66
	<b>2,834.94</b>	<b>100.00</b>	<b>2,398.55</b>	<b>100.00</b>
Chemicals			₹ in lakhs	₹ in lakhs
			<b>1,107.82</b>	908.19
Silica Sand			<b>169.04</b>	152.22
Cullets			<b>1,558.08</b>	1,338.14
			<b>2,834.94</b>	<b>2,398.55</b>
<b>22.2 Stores, Spares, Packing Materials etc.</b>	₹ in lakhs	%	₹ in lakhs	%
Imported	<b>43.32</b>	<b>11.67</b>	25.36	8.08
Indigenous	<b>327.96</b>	<b>88.33</b>	288.66	91.92
	<b>371.28</b>	<b>100.00</b>	<b>314.02</b>	<b>100.00</b>
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE</b>	₹ in lakhs		₹ in lakhs	
Stock at close - Finished Goods	<b>712.67</b>		292.66	
Stock at commencement - Finished Goods	<b>292.66</b>		<b>399.63</b>	
		(420.01)		106.97
Stock at close - Traded Goods	<b>304.68</b>		176.56	
Stock at commencement - Traded Goods	<b>176.56</b>		<b>255.10</b>	
		(128.12)		78.54
		(548.13)		185.51
			(₹ in lakhs)	
	Year ended 31 <sup>st</sup> March, 2012		Year ended 31 <sup>st</sup> March, 2011	
<b>24. EMPLOYEE BENEFITS EXPENSES</b>				
Salaries, Wages, Bonus, Gratuity & Allowances	<b>4,843.62</b>		4,491.17	
Contribution to Provident & Superannuation Fund	<b>467.05</b>		404.11	
Staff Welfare Expenses	<b>415.18</b>		378.80	
	<b>5,725.85</b>		<b>5,274.08</b>	
<b>25. FINANCE COST</b>				
Interest Expense on Term Loans		—	0.34	
Interest Expense on Overdrafts & other Borrowings	<b>555.01</b>		447.93	
Other Borrowing Cost	<b>89.72</b>		66.41	
	<b>644.73</b>		<b>514.68</b>	

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2012

	Year ended 31 <sup>st</sup> March, 2012	(₹ in lakhs)	Year ended 31 <sup>st</sup> March, 2011
<b>26. OTHER EXPENSES</b>			
Repairs to Machinery	21.53	25.20	
Repairs to Buildings	170.33	273.19	
Other Repairs	203.66	218.66	
Power & Fuel	2,587.76	1,781.64	
Rent	106.82	85.06	
Rates & Taxes	369.79	398.19	
Insurance	32.96	33.05	
Discount, Commission and Brokerage	152.92	284.07	
Conducting Charges	214.48	162.16	
Electricity charges	170.37	153.54	
Vehicle Expenses	311.64	268.82	
Carriage Outward and Steamer Freight	893.86	555.37	
Professional and Legal charges	247.70	228.09	
Travelling Expenses	520.70	532.39	
Telephone and other Communication Expenses	120.85	121.55	
Miscellaneous Expenses	851.94	625.61	
	<u>6,977.31</u>	<u>5,746.59</u>	
		(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011	
<b>27. Contingent liabilities not provided for :</b>			
a) Guarantees given by the Banks	806.54	868.27	
b) Letters of Credits	98.71	31.61	
c) Claims against the Company not acknowledged as debts	29.81	29.81	
d) Estimated amount of contracts remaining to be executed on Capital Account.	179.55	848.67	
e) Excise demand disputed by the Company.	10.73	10.73	
f) Custom Duty demand disputed by the Company.	13.50	–	
g) The Income Tax assessment of the Company has been completed upto Assessment Year 2009-10. The disputed demand outstanding for the said Assessment Year is ₹ 54.10 lakhs (Previous Year – Nil). Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.			

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2012

	2011-12 ₹ in lakhs	2010-11 ₹ in lakhs
<b>28 Payment to Auditors as :</b>		
a) Statutory Audit Fees	4.50	2.75
b) Tax Audit Fees	1.00	0.75
c) Certification and Consultation Fees	1.23	0.48
d) Others	0.55	0.43
e) Reimbursement of expenses	0.39	0.37
f) Cost Audit Fees	0.50	—
	8.17	4.78
<b>29.</b> The value of stocks include all taxes and duties. Modvat is credited to Profit & Loss Account on consumption basis Cenvat related to year-end stock is carried forward in Balance Sheet under the head 'Other Liabilities'.		
<b>30.</b> Excise duty liability on Finished Goods stock has not been provided and also not included in the valuation of Finished Goods stock. However, it has no impact on Profit & Loss Account.		
<b>31.</b> The previous year's figures have been regrouped / reclassified to conform to this year's classification which is as per Revised Schedule VI. The adoption does not impact recognition and measurement principles followed for preparation of financial statements as at 31 <sup>st</sup> March, 2011.		
<b>32. Earning per Share</b>		
Net Profit (₹ in lakhs)	3,699.69	2,853.30
Weighted average number of Equity Shares outstanding	59,99,998	59,99,998
Earning per share - Basic and Diluted (₹)	61.66	47.55
Face value of share (₹)	10.00	10.00
<b>33. Value of Imports on C.I.F. basis in respect of :</b>		
Raw Materials	381.43	256.71
Components and Spare parts	71.91	19.47
Capital Goods	801.73	—
Traded Goods	1,119.77	803.08
	As at 31 <sup>st</sup> March, 2012 ₹ in lakhs	As at 31 <sup>st</sup> March, 2011 ₹ in lakhs
<b>34. Expenditure in Foreign Currency in respect of :</b>		
Technical and Professional services	137.01	31.48
Travelling	102.70	94.45
Commission	26.37	16.86

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2012

	As at 31 <sup>st</sup> March, 2012 ₹ in lakhs	As at 31 <sup>st</sup> March, 2011 ₹ in lakhs				
<b>35. Earnings in foreign exchange in respect of</b>						
(i) Export of goods on F.O.B. basis	1,892.64	989.21				
(ii) Commission	3,667.40	4,711.00				
(iii) Others	91.01	56.06				
<b>36. Remittances in foreign exchange on account of dividend</b>	2011-12	2010-11				
(i) Number of non-resident shareholders	24	22				
(ii) Number of shares held by them	10,899	11,358				
(iii) Dividends remitted	Nil	Nil				
(iv) Year to which dividend relates	2010-11	2009-10				
[Dividend amounting to ₹ 2.40 lakhs (Previous year ₹ 2.27 lakhs) has been paid to their Bankers/Agents in India]						
<b>37. Segment wise information for the year ended 31<sup>st</sup> March, 2012 :</b>						
Segments have been identified in line with the "Accounting standard on segment reporting" (AS-17), taking into account, the nature of products and services, the organization and internal reporting structure as well as differential risk of these segments.						
(i) Information about Primary Business Segments						
	2011-2012 (₹ in lakhs)	2010-11 (₹ in lakhs)				
<b>REVENUE</b>	External	Inter-Segment	Total	External	Inter-Segment	Total
Manufacturing	10,419.26	—	10,419.26	8,447.04	—	8,447.04
Trading & Indenting	8,366.23	—	8,366.23	9,160.64	—	9,160.64
Others	5,761.12	—	5,761.12	4,325.04	—	4,325.04
<b>Total Revenue</b>	<b>24,546.61</b>	—	<b>24,546.61</b>	21,932.72	—	21,932.72
<b>RESULT</b>						
Segment Result						
Manufacturing	1,300.83	—	1,300.83	406.77	—	406.77
Trading & Indenting	601.91	—	601.91	1,854.16	—	1,854.16
Others	3,939.21	—	3,939.21	2,432.30	—	2,432.30
<b>Total Result</b>	<b>5,841.95</b>	—	<b>5,841.95</b>	4,693.23	—	4,693.23
Un-allocated Expenditure						
Net of un-allocated Income			429.43			339.79
Finance Cost			644.73			514.68
Interest Income			189.17			177.32
Dividend Income			0.05			0.05
Profit before Taxation			4,957.01			4,016.13
Provision for Taxation			1,257.32			1,162.83
<b>Net Profit</b>			<b>3,699.69</b>			<b>2,853.30</b>

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2012

(₹ in lakhs)

## Other Information

Manufacturing  
Trading & Indenting  
Others

		Segment Assets		Segment Liabilities	
		2011-12	2010-11	2011-12	2010-11
Manufacturing		5,857.05	4,558.68	1,724.08	1,366.09
Trading & Indenting		6,031.76	4,606.17	2,135.72	2,010.37
Others		20,823.44	14,164.21	20,665.36	9,493.13
		32,712.25	23,329.06	24,525.16	12,869.59

Manufacturing  
Trading & Indenting  
Others

		Capital Expenditure	Depreciation
		2011-12	2010-11
Manufacturing		1,226.95	30.84
Trading & Indenting		321.53	182.84
Others		3,130.41	202.68
		4,678.89	416.36
			729.30
			617.71

## Non-Cash expenses other than depreciation

## (ii) Information about Secondary Business Segments

Revenue by Geographical Market	2011-12 ₹ in lakhs	2010-11 ₹ in lakhs
India	17,279.77	15,142.73
Outside India	7,266.84	6,789.99
	24,546.61	21,932.72
Segment Assets		
India	32,712.25	23,329.06
Outside India	—	—
	32,712.25	23,329.06
Capital Expenditure		
India	4,678.89	416.36
Outside India	—	—
	4,678.89	416.36
	As at 31 <sup>st</sup> March, 2012 ₹ in lakhs	As at 31 <sup>st</sup> March, 2011 ₹ in lakhs

## (iii) Notes :

(a) The management has identified following main business segments:  
Manufacturing - comprising of manufacturing glass bottles, Trading and Indenting.

(b) Segment Revenue in each of the above domestic business segments primarily includes Sales & service, commission income in respective segments.

Segment Revenue comprises of :

Sales, Commission Property Rent and other  
Operating Income  
Other income excluding income from investments

24,273.88	21,608.04
272.73	324.68
24,546.61	21,932.72

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2012

	As at 31 <sup>st</sup> March, 2012 ₹ in lakhs	As at 31 <sup>st</sup> March, 2011 ₹ in lakhs
(c) The Segment revenue in the geographical segments considered for the disclosure are as follows :		
Domestic - comprising of sales to customers located within India and earnings in India.		
International - comprising of sales to customers located outside India and commission income from foreign principals.		
(d) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.		

### 38. Related Party disclosures

Related party	Relationship	Description of Transaction	Income During the year	Expenses During the year	Outstanding as on 31.03.2012
			₹ in lakhs	₹ in lakhs	₹ in lakhs
Empire International Pvt. Ltd.	Some of the Directors of the Company are also Directors in the said Pvt. Ltd. Company	Conducting charges	—	112.77	56.20
		Rent	0.50 (0.50)	—	—
S. C. Malhotra - Chairman	Key Managerial Personnel	Directors' Remuneration	—	153.97	—
Ranjit Malhotra - Vice-Chairman			—	(153.67)	—
Dileep Malhotra - Jt. Mgr. Director					
Karan Malhotra	Relative of Key Managerial Personnel	Salary	—	19.44	—
			—	(5.88)	—
Kabir Malhotra	Relative of Key Managerial Personnel	Salary	—	19.44	—
			—	(5.88)	—

**Note:** Figures in the brackets are for the previous year.

Related party relationship is as identified by the Company and relied upon by the Auditors.

Notes referred to above form an integral part of the Balance Sheet and Statement of Profit and Loss.

For D. P. GHEVARIA & CO.  
Chartered Accountants  
Firm Regn. No.103176W

D. P. GHEVARIA  
Proprietor  
Membership No.032431

Mumbai, June 22, 2012

S. C. MALHOTRA  
RANJIT MALHOTRA  
DILEEP MALHOTRA

R. A. MASKATI  
RAJIBIR SINGH  
C. P. SHAH  
B. C. GANDHI  
SUBODH CHANDRA

S. K. GULATI

Mumbai, June 22, 2012

Chairman  
Vice Chairman  
Joint Managing Director

Directors

Director Finance &  
Company Secretary

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2012**

(Pursuant to amendment to clause 32 of the listing agreement)

	2011-2012 ₹ Lakhs	2010-2011 ₹ Lakhs
<b>A. Cash Flow from Operating Activities :</b>		
a) Net Profit before Tax & Extra Ordinary items	4,957.01	4,016.13
Adjustments for :		
Depreciation	729.30	617.71
Finance cost	644.73	514.68
Interest & Dividend earned	(189.22)	(177.32)
Profit/Loss on sale of Fixed Assets (Net)	(1.56)	(2.88)
Provision for Gratuity/Leave encashment on acuarial basis	771.34	454.23
b) Operating Profit before working capital changes	6,911.60	5,422.55
Adjustments for :		
Trade & other Receivables	(1,152.62)	(997.92)
Inventories	(656.27)	197.70
Increase/(Decrease) in Trade Payables	237.09	2,080.98
c) Cash generated from operations	5,339.80	6,703.31
Interest paid	(611.44)	(499.73)
Direct Taxes paid (net of refunds)	(1,323.01)	(447.10)
Net Cash flow from Operating Activities	<u>3,405.35</u>	<u>5,756.48</u>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(4,718.21)	(561.36)
Proceeds from Sale of Fixed Assets	104.99	38.72
Increase/Decrease in Loans & Advance	-	-
Interest received	116.44	183.79
Dividend received	0.05	0.05
Net Cash from Investing Activities	<u>(4,496.73)</u>	<u>(338.80)</u>
<b>C. Cash Flow from Financing Activities :</b>		
Dividend Paid (Including tax on Dividend)	(1,534.13)	(1,399.30)
Proceeds from borrowings	1,888.50	433.03
Repayment of borrowings	-	(30.62)
Net Cash flow from Financing Activities	<u>354.37</u>	<u>(996.89)</u>



## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2012

(Pursuant to amendment to clause 32 of the listing agreement)

	2011-2012 ₹ Lakhs	2010-2011 ₹ Lakhs
<b>D. Net increase/(decrease) in cash and cash equivalent</b>	<b>(737.01)</b>	<b>4,420.79</b>
Cash and cash equivalents at beginning of the year	5,353.11	932.32
Cash and cash equivalents at the end of the year	<b>4,616.10</b>	5,353.11

S. C. MALHOTRA  
RANJIT MALHOTRA  
DILEEP MALHOTRA

*Chairman  
Vice Chairman  
Joint Managing Director*

R. A. MASKATI  
RAJBIR SINGH  
C. P. SHAH  
B. C. GANDHI  
SUBODH CHANDRA

*Directors*

S. K. GULATI

*Director Finance &  
Company Secretary*

Mumbai. June 22, 2012

## Auditor's Certificate

We have verified the above Cash Flow Statement of Empire Industries Limited, derived from audited financial statements for the year ended 31<sup>st</sup> March 2012 and for the year ended 31<sup>st</sup> March, 2011 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreement with Stock Exchange.

**For D. P. GHEVARIA & CO.**  
*Chartered Accountants*  
Firm Regn. No.103176W

**D. P. GHEVARIA**  
*Proprietor*  
Membership No.032431

Mumbai, 22<sup>nd</sup> June, 2012.



