



Empire Industries Limited

SEC:SHR:2016-2017(0700)

July 8, 2016

BSE Limited  
Phiroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai - 400 023.

Company Scrip Code: 509525

Dear Sirs,

**Re: Intimation of Annual General Meeting**

The 115<sup>th</sup> Annual General Meeting of the Company will be held on Saturday, the 30<sup>th</sup> July, 2016 at 11.30 A.M. at the Hall of Culture, Nehru Centre, Worli, Mumbai 400018.

Thanking you,

**Yours faithfully,**  
**For EMPIRE INDUSTRIES LIMITED**

A handwritten signature in blue ink, appearing to read 'R. G. Vartikar'.

**R. G. VARTIKAR**  
General Manager-Funding & Legal

CIN: L17120MH1900PLC000176

**Regd. Office:** Empire Complex, 414, Senapati Bapat Marg,  
Lower Parel, Mumbai 400 013, India.

Tel.: 66555453 • Fax : 24939143

E-mail: [email@empiresecretarial.com](mailto:email@empiresecretarial.com) • Web : [www.empiremumbai.com](http://www.empiremumbai.com)

**Divisions**

Empire Machine Tools MFTM • Empire Machine Tools MCAT • Vitrum Glass  
Empire Industrial Equipment • Empire Vending (GRABBIT) • Empire Foods  
The Empire Business Centre • Empire Industrial Centrum



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**ANNUAL REPORT 2015-16**





**EMPIRE INDUSTRIES LIMITED**  
**CIN: L17120MH1900PLC000176**

**BOARD OF DIRECTORS**

S. C. MALHOTRA *Chairman*  
RANJIT MALHOTRA *Vice-Chairman*  
DILEEP MALHOTRA *Jt. Managing Director*  
UMA RANJIT MALHOTRA *Woman Director*

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

} *Independent Directors*

**REGISTERED OFFICE**

414 Senapati Bapat Marg  
Lower Parel  
Mumbai 400013.  
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)

**AUDIT COMMITTEE:**

RASHEED A MASKATI *Chairman*  
C. P. SHAH  
RAJBIR SINGH

**PLANT**

Vitrum Glass  
L. B. Shastri Marg  
Vikhroli, Mumbai 400083

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

RASHEED A MASKATI *Chairman*  
C. P. SHAH  
RAJBIR SINGH

**NOMINATION & REMUNERATION COMMITTEE**

RASHEED A MASKATI *Chairman*  
RAJBIR SINGH  
C. P. SHAH

**BANKERS**

Indian Bank  
Allahabad Bank  
Bank of India  
Bank of Baroda  
Central Bank of India

**CSR COMMITTEE**

UMA RANJIT MALHOTRA *Chairperson*  
DILEEP MALHOTRA  
RAJBIR SINGH

**REGISTRARS & 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](mailto:info@bigshareonline.com)  
Website : [www.bigshareonline.com](http://www.bigshareonline.com)

**RISK MANAGEMENT COMMITTEE**

DILEEP MALHOTRA *Chairman*  
RAJBIR SINGH  
C. P. SHAH

**DIRECTOR FINANCE & COMPANY SECRETARY**

S. K. GULATI

**AUDITORS**

D.P. GHEVARIA & CO.

**ADVOCATES & SOLICITORS**

DSK Legal



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## NOTICE

The ONE HUNDRED AND FIFTEENTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Saturday, July 30, 2016 at 11:30 A.M. at the Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai – 400 018 to transact the following business:

### AGENDA

#### Ordinary Business:

1. To adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2016, and the Profit & Loss Account for the year ended on that date.
2. To declare a Final Dividend for the year ended March 31, 2016.
3. To appoint a Director in place of Mr. Dileep Malhotra, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration by passing the following resolution with or without modification(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with rules under Companies (Audit and Auditors) Rules, 2014, the Company's Statutory Auditors, M/s. D. P. Ghevaria & Co., Chartered Accountants (Firm Registration No.103176W), who hold office upto the date of this Annual General Meeting but eligible, offer themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company."

"RESOLVED FURTHER THAT the Board of Directors or Audit Committee thereof, be and is hereby authorized to decide and finalise the terms and conditions of appointment, including the remuneration of the Statutory Auditors."

#### Special Business:

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

"RESOLVED THAT Mr. Rajbir Singh, having Director Identification Number 00826402, who retires by rotation as a Director of the Company and who fulfils the conditions specified in the Act and the rules made thereunder, and who was appointed as Independent Director by the Board of Directors for a period of five years from the conclusion of this 115<sup>th</sup> Annual General Meeting to the conclusion of 120<sup>th</sup> Annual General Meeting as per provisions of Section 149 of the Companies Act, 2013 be and is hereby approved."

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of The Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration payable during the financial year 2015-16 to M/s. Vinay Mulay & Co, Cost Accountants (Registration No. M/8791), appointed by the Board of Directors of the Company

to conduct the audit of the cost records of the Company for the financial year 2015-2016 amounting to Rs.1,00,000/- (Rupees One Lakh only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

7. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regards to consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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 : May 26, 2016.

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting i.e. by 11.30 a.m. on Thursday, July 28, 2016.

2. The information in respect of the business under item Nos. 5 to 7 set out above forms part of the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

3. Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to other applicable laws and regulations, that the resolution appended in Item No.7 above for adoption of new Articles of Association of the Company is proposed to be passed by the Members through postal ballot / electronic voting (e-voting). The explanatory statement pertaining to the aforesaid resolution setting out the material fact concerning item and the reason thereof is annexed hereto with the Postal Ballot Form for your consideration. The Board of Directors of the Company has appointed Mrs. Deepa Gupta, Company Secretary in Practice, (Membership No. 20860 & Certificate of Practice No. 8168) as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner. Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self addressed Business Reply Envelope. Postage of such envelope will be borne and paid by the Company. Postal Ballot Form, if sent by courier or by registered post / speed post at the expense of the Member will also be accepted. The Postal Ballot Form may also be deposited personally at the address given on the self addressed Business Reply Envelope. The duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on Friday, July 29, 2016 (5.00 PM IST) to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the Member. Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section '**The instructions for shareholders voting electronically**'. References to postal ballot in this Postal Ballot Notice include votes received electronically (e-voting). The Scrutinizer will submit his/her report to the Chairman of the Company after the completion of the scrutiny of the postal ballots, e-voting and physical Ballot voting at the Annual General Meeting. The result of the Postal Ballot shall be announced on Tuesday, August 2, 2016 at the Registered Office of the Company. The result would be declared and displayed at the Registered Office of the Company, intimated to Stock Exchange where the Company's securities are listed and displayed along with the Scrutinizer's report on the Company's website [www.empiremumbai.com](http://www.empiremumbai.com).

4. 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.

5. Brief resume of all Directors, 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 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 23<sup>rd</sup> July, 2016 to Saturday, the 30th July, 2016 (both days inclusive) for determining the names of members eligible for final dividend on Equity Shares, if declared at the Meeting.

9. If the dividend as recommended by the Board is approved at the AGM, payment of such dividend will be made on or before Friday, August 5, 2016:

- to all the Members in respect of shares held in physical form whose names appear on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Saturday, July 23, 2016; and
- to all Beneficial Owners in respect of shares held in electronic form whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on Friday, July 22, 2016.

10. Any person who becomes a Member of the Company after dispatch of Annual Report and holding shares as on the cut-off date i.e. Saturday, July 23, 2016, shall also follow the same procedure as is mentioned in point 22 of this Notice.

11. A person who is not a Member as on the cut-off date i.e. Saturday, July 23, 2016 should treat this Notice for information purpose only.

12. Members holding shares in physical form are requested to furnish bank details, e-mail address, change of address etc. to M/s. Bigshare Services Private Limited, E-2 Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai 400072, who are the Company's Registrar and Share Transfer Agents so as to reach them latest by Saturday, 23<sup>rd</sup> July, 2016, in order to take note of the same. The bank details may be furnished in the following format:

IFSC Code (11 digit)  
MICR (9 digit)  
Bank A/c. Type  
Bank A/c. No.  
Name of the Bank  
Bank Branch address

13. 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.

14. 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.

15. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through their Depository Participants.

16. 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.

17. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 read with Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend for the financial year 2007-2008 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:

S. 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	Transferred to IEPF
3.	2005-06	Dividend @ 40%	25.08.2006	Transferred to IEPF
4.	2006-07	Dividend @ 60%	28.08.2007	Transferred to IEPF
5.	2007-08	Dividend @ 80%	27.08.2008	Transferred to IEPF
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
9.	2011-12	Dividend @ 240%	28.08.2012	27.08.2019
10.	2012-13	Dividend @ 240%	26.07.2013	25.07.2020
11.	2013-14	Dividend @ 240%	24.07.2014	23.07.2021
12.	2014-15	Dividend @ 240%	24.07.2015	23.07.2022
13.	2015-16	Interim Dividend @ 200%	08.03.2016	07.03.2023

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

18. 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. Bigshare Services Private Limited.

19. The Annual Report of the Company, circulated to the Members of the Company, will also be available on the Company's website at [www.empireumbai.com](http://www.empireumbai.com).

20. Electronic copy of the Notice of the AGM, Annual Report for financial year 2015-2016 is being sent to all the Members whose e-mail IDs are registered with the Company/ Depository Participants for communication purposes, unless any Member has requested for a hard copy of the same.

21. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / Beneficial Owner as on the cut-off date i.e. Saturday, July 23, 2016.

22. In compliance with the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 and standard 2 of the Secretarial Standards on General Meetings, the Members are informed that the Company is pleased to offer 'Remote e-voting' (e-voting from a place other than venue of the AGM) facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services Limited (CDSL) to facilitate remote e-voting. Remote e-voting is optional and Members shall have the option to vote either through remote e-voting or in person at the AGM. For the aforesaid purpose, the Company has appointed Mrs. Deepa Gupta, Practicing Company Secretary as the Scrutinizer for scrutinizing the remote e-voting process as well as voting at the Meeting in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

**The instructions for shareholders voting electronically are as under:**

- The voting period begins on 27th July, 2016 at 9.00 a.m. and ends on 29th July, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 23, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on Shareholders.
- Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

In case of any grievances relating to voting by electronic means, the members / beneficial owners may contact at the following address:

**Ms. Rutika**  
 M/s. Bigshare Services Pvt. Ltd.,  
 E-2 Ansa Industrial Estate, Sakivihar Road,  
 Saki Naka, Andheri (E), Mumbai 400072.  
 Tel: +91 40430200 • e-mail: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

## ANNEXURE TO NOTICE

As required by Section 102 of the Companies Act, 2013 the following Explanatory statement set out all material facts relating to the business mentioned under Item Nos. 5 to 7 of the accompanying Notice dated May 26, 2016.

### ITEM NO.5

In terms of Article 152 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Rajbir Singh (DIN 00826402), a Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for appointment as an Independent Director under Companies Act, 2013. As per the Companies Act, 2013 the Independent Director shall not retire by rotation. The Board of Directors of the Company recommend the appointment of Mr. Rajbir Singh as Independent

Director of the Company. None of the Directors is anyway concerned or interested in the resolution except Mr. Rajbir Singh to the extent of his appointment.

#### ITEM NO.6

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual/ firm of cost accountant(s) in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of the Audit Committee at its meeting held on May 26, 2016 the Board has considered and approved appointment of M/s. Vinay Mulay & Co., Cost Accountants (Registration No. M/8791), for the conduct of the Cost Audit of the Company's Construction including development activities at a remuneration of Rs. 1,00,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2016.

The resolution of Item No.6 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 6.

#### ITEM NO.7

The Articles of Association of the Company as currently in force were adopted at the Extra-Ordinary General Meeting of the Company held on 19<sup>th</sup> May, 1967 and further amendments were carried out from time to time, over the past several years.

The references to specific sections of the Companies Act, 1956 in the existing Articles may no longer be in conformity with the Companies Act, 2013. Considering that substantive sections of the Companies Act, 2013 which deal with the general functioning of the companies stand notified, it is proposed to amend / replace the existing Articles of Association with new Articles aligned with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a company, limited by shares. While some

of the Articles of existing Articles of Association of the Company require alteration or deletions, certain provisions of existing Articles of Association have been simplified by providing reference to relevant Sections to the Companies Act, 2013 and the Rules framed thereunder, to avoid repetition in its entirety. The proposed draft of new Articles of Association is available on the Company's website at [www.empiremumbai.com](http://www.empiremumbai.com) for perusal by the shareholders.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No.7 of the Notice. The Board recommends the Special Resolution set out at item No.7 of the Notice for approval by the Members.

All documents referred to in the accompanying Notice and Statement pursuant Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during working hours on all working days from date of dispatch of the notice, up to the date of last date of voting i.e. Friday, 29 July, 2016.

#### ***Disclosure in terms of Section 102 of the Companies Act, 2013***

- i. None of the Promoters, Directors, Manager, Key Managerial Personnel of the Company, and/or their relatives, are deemed to be concerned or interested in the proposed Resolutions except to the extent of their shareholding in the Company.
- ii. All the relevant documents in respect of accompanying notice for Resolution Nos. 5 to 7 are open for inspection at the Registered Office of the Company during business normal hours on any working day, excluding Sunday. You are requested to communicate your assent or dissent for the aforesaid resolution, in accordance with the instructions set out herein.

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

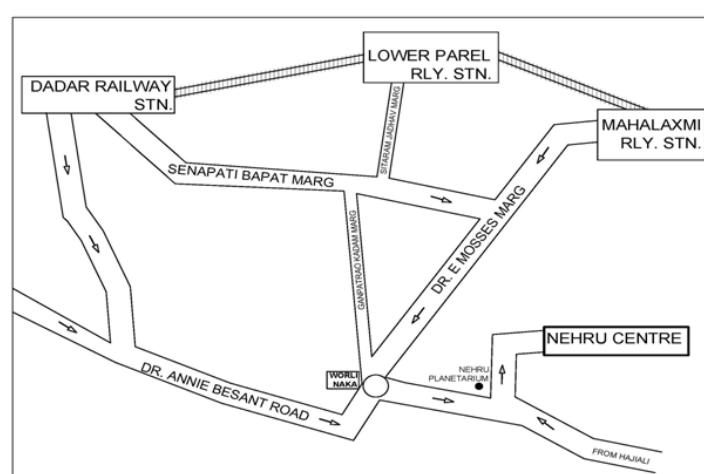
**S. K. GULATI**  
Director Finance &  
Company Secretary

#### Registered Office:

414, Senapati Bapat Marg,  
Lower Parel,  
Mumbai - 400 013.

Place : Mumbai  
Date : May 26, 2016.

#### ROUTE MAP OF AGM VENUE



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2016.

### 1. FINANCIAL RESULTS:

Particulars	Year ended 31.03.2016 ₹ in Lakhs	Year ended 31.03.2015 ₹ in Lakhs
<b>Income:</b>		
Revenue from Operations	<b>38512.98</b>	35419.91
Other Income	<b>496.06</b>	503.91
<b>Total Revenue</b>	<b>39009.04</b>	35923.82
<b>Expenditure</b>		
Cost of Materials Consumed	<b>4944.08</b>	4530.21
Purchase of Stock-in-Trade	<b>10770.30</b>	9749.99
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	<b>245.93</b>	(767.92)
Employee Benefit Expenses	<b>6688.33</b>	6393.43
Finance Costs	<b>966.90</b>	930.71
Depreciation and Amortization Expenses	<b>968.79</b>	1242.98
Other Expenses	<b>9757.85</b>	9244.01
<b>Total Expenses</b>	<b>34342.18</b>	31323.41
Profit Before Tax	<b>4666.86</b>	4600.41
<b>Tax Expenses</b>		
1. Current Tax	<b>1430.00</b>	1340.00
2. Deferred Tax	<b>171.98</b>	(153.11)
<b>Profit for the year</b>	<b>3064.88</b>	3413.52
<b>Appropriated as under:</b>		
Interim Dividend	<b>1200.00</b>	—
Final Proposed Dividend	<b>240.00</b>	1440.00
Tax on Dividend	<b>293.15</b>	293.15
General Reserve	<b>1331.73</b>	1680.37
<b>Total amount appropriated</b>	<b>3064.88</b>	3413.52
Earning per Equity Share of the face value of ₹ 10 each Basic and Diluted (in ₹)	<b>51.08</b>	56.89

### 2. DIVIDEND:

Your Directors are pleased to recommend a Final Dividend of ₹ 4/- per equity share of face value of ₹ 10/- each for the year ended 31st March, 2016. The Interim Dividend of ₹ 20/- per equity share was paid on 23<sup>rd</sup> March, 2016.

The Final Dividend, subject to the approval of Members at the Annual General Meeting on 30<sup>th</sup> July, 2016, will be paid on or after 30<sup>th</sup> July, 2016 to the Members whose names appear in the Register of Members, as on the date of book closure, i.e. from Saturday, 23<sup>rd</sup> July, 2016 to Saturday, 30<sup>th</sup> July, 2016 (both days inclusive). The total dividend for the financial year, including the proposed Final Dividend, will amount to ₹ 24/- per equity share and will absorb ₹ 1440 Lakhs. (Previous Year ₹ 1440 Lakhs). The tax on distributed profits, payable by the Company would amount to ₹ 293.15 Lakhs as against ₹ 293.15 Lakhs for the previous financial year.

### 3. OPERATIONS:

The Division-wise details are given below:

#### i. VITRUM GLASS

During the year under review, the Division achieved a turnover of ₹ 136.06 Crore which includes export of ₹ 18.61 Crore as against ₹ 22.74 Crore previous year. Due to over capacity in the glass industry, the division could not raise prices from its customers, despite a rise in costs. However, cost reduction efforts helped and the division could maintain its targeted profit. Over-capacity in the industry is slowly getting absorbed. The division is expected to improve its performance in the current year.

#### ii. EMPIRE MACHINE TOOLS – MFTM

*(Metal Forming, Testing & Metrology)*

This Division is in the business of Engineering, Consultancy, and procurement of imported machines in the fields of Metal forming, welding, Proto-typing etc. Market conditions have been sluggish in these areas. Profitability has been affected by the imposition of Service Tax on the income of this Division. Markets show signs of lifting now, and we can expect a stronger performance in 2016.

#### iii. EMPIRE MACHINE TOOLS - MCAT

*(Metal Cutting & Allied Technologies)*

Order in-flow for this division has been slow. Projects in Power generation, Railways etc. have not taken-off as anticipated. Service Tax has been imposed on the income of this division, affecting profitability adversely. The Indian Economy appears to be lifting now, and 2016 should prove to be a better year.

#### iv. EMPIRE INDUSTRIAL EQUIPMENT

Order booking in this Division has been good, especially helped through orders from a large Nigerian Refinery. Orders from Indian Customers' have been slow, however. The year 2016 should prove better. There is greater potential in the area of Solar Grid and Roof-top projects, in Led Projects, in Smart City Re-construction Projects etc. Service Tax has been imposed on the income of this division, adversely affecting profitability. The year 2016 should show improved profitability.

#### v. EMPIRE VENDING (GRABBIT)

GRABBIT is the only national player in this industry with multiple branch offices at Mumbai, Delhi, Bangalore, Pune and Hyderabad. GRABBIT provides premium food & beverage vending services to corporate offices, hotels, banks etc. through automated vending machines. GRABBIT promises easy access to hygienic packaged food and beverages on a 24x7 basis. We install state of the art Imported Vending Machines which are unique in the industry. A range of snacks under the brand name "SNAKPAK" were introduced and are being sold through our vending machines. The division expects to do well during the current year.

#### vi. EMPIRE FOODS

The Division Imports Frozen and Chilled Food products from around the Globe and procures Indigenous frozen food products to sell in HORECA (Hotels, Restaurants & Caterers) sector, which includes Leading Chain of Five Star / Four Star Hotels,

Leading Restaurants, Air Caterers, Distributors and others in Food Industry. The Division has done well during the year under review and maintained its market leadership position in the country. With Eleven Branch offices, it has strong distribution throughout the country and has Plans to Export its products to neighboring countries like Nepal and Bhutan. During the Year under review, Division received "STAR OF THE INDUSTRY AWARD" from CMO Council of Asia and Asian Confederation of Businesses. The Division Plans to strengthen its position by further adding a number of Indigenous products this year. The division expects to expand its business in the current year.

#### **vii. EMPIRE REAL ESTATE**

The construction of Empire Plaza-II at Vikhroli is completed and Occupation Certificate is obtained for approximately 2 Lakhs Sq. Ft. Out of that, 80% of the area is booked by reputed clients and revenue will start from 1<sup>st</sup> August, 2016. Empire Plaza-I at Vikhroli and Empire Complex at Parel are 80% occupied by reputed clients under Leave and License arrangements.

#### ***Empire Industrial Centrum***

The Empire Industrial Centrum is being developed on a 35 - Acre property in Ambernath. The Project started in the year 2014 after obtaining all the necessary Government Approvals. Currently 7 buildings (3 Industrial and 4 Residential) are being constructed and the pace of construction is as per schedule. Till date we have booked 305 units with a total value of ₹ 103/- Crores. The project comprises of 80% Industrial units, 15% Residential units and 5% Commercial units. The project should prove profitable for the company.

#### ***The Empire Business Centre (TEBC)***

TEBC provides flexible and customizable work space solutions with fully furnished offices, complete business support services, meeting and conference room facilities that enables our clients to run their businesses without incurring massive start up costs and over-head expenses. Based on a core concept of providing the 'best-in-class' service, we provide a custom mix of products and services that deliver significant and measurable returns to our clients. Our services are scaled to meet the needs of each client, whether big or small, local or international. The various Products and Services that TEBC offers are Conference and Meeting Room, Video Conference, Business Lounge, Hot Desking, Executive Membership, Day Office. The current occupancy of TEBC is at 100%. The division is expected to do well in the current year.

#### **4. CAPITAL EXPENDITURE**

The major Capital Expenditure is on account of Building (₹ 39.17 Lakhs), Plant & Machinery (₹ 264.40 Lakhs), Vehicles (₹ 140.54 Lakhs), Furniture & Fixtures (₹ 58.64 Lakhs) Office Equipments (₹ 149.78 Lakhs), and Software (₹ 86.82 Lakhs)

#### **5. EXTRACT OF THE ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed to this report.

#### **6. NUMBER OF MEETINGS OF THE BOARD**

During the year Five Board Meetings and Four Audit Committee Meetings were convened and held. The details of these are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **7. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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, 2016 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; "Internal Financial Controls" means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including the adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information;
- (f) the directors had devised proper systems to ensure compliances with the provisions of the applicable laws and that such systems were adequate and operating effectively.

#### **8. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

#### **9. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 relating to the remuneration for the Directors, key managerial personnel, and other employees. As required by the rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the prescribed details are annexed to this report.

#### **10. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK**

There is no qualification, reservation or adverse remark or disclaimer made –

- (i) by the auditor in his report; and
- (ii) by the Company Secretary in practice in her secretarial audit report.

## **11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT**

There are no loans given, guarantees issued or investments made to which provisions of Section 186 are applicable to the Company.

## **12. CORPORATE GOVERNANCE**

As per Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the Stock Exchange, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

## **13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons who may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. The report of the Board in respect of the particulars of contracts or arrangements with related parties referred to sub-section (1) of section 188 in Form AOC-2 is annexed to this report.

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 2014, relating to the foregoing matters is given in the Annexure forming part of this report.

## **15. REPORT ON RISK MANAGEMENT POLICY**

The Risk Management Committee with its members as Mr. Dileep Malhotra, Mr. Rajbir Singh and Mr. C. P. Shah performs its activities according to the Risk Policy finalized by the Board indicating the development and implementation of Risk Management.

## **16. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES**

The Company has developed and implemented the CSR policy to carry out activities in health and education and also formed KARO Trust which has been registered on 12.03.2015 with Charity Commissioner, Mumbai for this purpose. The policy is put up on Company's website. CSR report as per the provision of section 135 of the Companies Act, 2013 is annexed to this report.

## **17. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has carried out an annual

performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and compliance committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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

Pursuant to the provisions of Section 125 of Companies Act, 2013 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 125 of the Companies Act, 2013.

## **19. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

## **20. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

## **21. SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Deepa Gupta, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed to this report.

## **22. DIRECTORS**

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Rajbir Singh, having Director Identification Number 00826402, retire by rotation at this Annual General Meeting. As per the Provision of the Companies Act, 2013 he has been appointed as Independent Director for a term of five years from the date of ensuing Annual General Meeting subject to the approval of the members. In accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company, Mr. Dileep Malhotra, having Director Identification Number 00027168, retire by rotation at this Annual General Meeting and being eligible offer himself for re-appointment. Mr. Rasheed A Maskati, having Director Identification Number 00057850, will be retiring at the ensuing Annual General Meeting. The Board has placed on record its high sense of appreciation for the valuable services rendered by Mr. Rasheed A. Maskati during the period of his association with the Company.

**23. SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES**

There are no companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year.

**24. DETAILS RELATING TO FIXED DEPOSITS**

The details relating to deposits covered under Chapter V of the Act –

- (a) Accepted during the year: ₹ 13471.88 Lakhs.
- (b) Remained unpaid or unclaimed as at the end of the year: ₹ 22.35 Lakhs.
- (c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved -
  - (i) At the beginning of the year: Nil
  - (ii) Maximum during the year: Nil
  - (iii) At the end of the year: Nil

Details of deposits which are not in compliance with the requirements of Chapter V of the Act, 2013: Deposits from Directors: ₹ 16.96 Lakhs.

**25. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**26. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL CONTROLS**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report

of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**27. 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.

**28. AUDITORS**

The Company's Auditors, Messrs D. P. Ghevaria & Company, Chartered Accountants, Mumbai who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment for one more year as per the Companies Act, 2013. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

**29. COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Construction activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Messrs Vinay Mulay & Co. to audit the cost accounts of the Company for the financial year 2015-2016 on a remuneration of ₹ 1,00,000/- As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Messrs Vinay Mulay & Co., Cost Auditors is included at Item No. 6 of the Notice convening the Annual General Meeting.

On Behalf of the Board of Directors

Place : Mumbai

Date : May 26, 2016

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

## ANNEXURE TO DIRECTORS' REPORT

As per Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the Stock Exchange:

### A. RELATED PARTY DISCLOSURE:

The report of the Board in respect of the particulars of contracts or arrangements with related parties referred to sub-section (1) of section 188 in Form AOC-2 is annexed to this report.

### B. MANAGEMENT DISCUSSION AND ANALYSIS

#### 1 (a) 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.

#### (b) Opportunities & Threats

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. In the business of Frozen & Chilled Foods, the Company is a Market Leader in India in most of the products have strong distribution network and valuable support from suppliers and clients. The Company is getting good response / support in the areas of providing office space on Leave & License basis, developing the property at Ambernath and providing flexible and customizable work space solutions.

#### (c) Segment-wise or product-wise performance

The Company is engaged in the following activities:

- (1) Manufacture of Amber Glass Bottles for the Pharmaceutical Industry.
- (2) Representing a number of foreign manufacturers of Precision Machine Tools, Measuring Instruments, Testing Machines, designing and marketing of Industrial Equipments.
- (3) Imports Frozen & Chilled Foods from around the Globe and distribute it to leading chains of Five / Four Star Hotels and leading Restaurants.
- (4) Provides office space on Leave & License basis to multinational companies and banks.
- (5) Developing land admeasuring to 35 Acres at Ambernath with the consent of MIDC.

(6) Provides flexible and customizable work space solutions to clients to run their business without increasing massive start-up costs and over-head expenses.

(7) The performance of all these Divisions is reviewed in the Directors' Report.

#### (d) Outlook

Overall outlook for the Company's various activities is satisfactory. The Division-wise outlook and details are given in the Directors' Report.

#### (e) Risks and concerns

The Company is investing its funds only for the purposes of normal business activities and there are no financial risks except normal business risks. The Company is regularly taking adequate insurance policies for covering the risks to Company's properties.

#### (f) Internal control systems and their adequacy

Mr. R. C. Shah, Vice President is the Internal Auditor who is carrying out the internal audit functions of the Company. He regularly carries out the internal audit of all the Divisions of the Company and submits the report to the management from time to time and immediate corrective actions are taken on the recommendations in such reports.

#### (g) Discussion on financial performance with respect to operational performance

The General Manager-Accounts daily circulates drawing power statements to the management. The said statement discloses daily transactions of cash flow / outflow, Loans / Advances Division-wise, receivables positions etc. and required actions are taken immediately to bring the financial position in order so that no inconvenience is caused to any Division in carrying out its business activities smoothly.

#### (h) Material developments in Human Resources / Industrial Relations front, including number or people employed.

During the year under review, cordial relationships were 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. The number of people employed are shown in the Annexure to the Directors' Report.

#### 2. Disclosure of Accounting Treatment:

In preparation of financial statements, same treatment as prescribed in Accounting Standard has been followed.

### C. CORPORATE GOVERNANCE REPORT:

#### 1. Company's philosophy on code of Governance

In our view, Corporate Governance comprises of principles, processes and systems to be followed by the management

to ensure accountability, transparency and fairness in all its transactions in the widest sense and to maximize value for shareholders. A good governance process, thus, should provide integrity, transparency and compliance with laws in letter and spirit in all dealings with Government, Customers, Suppliers, Employees and other stakeholders.

## 2. Board of Directors

(a) As at 31<sup>st</sup> March, 2016 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> Mrs. Uma Ranjit Malhotra
Independent Directors	Mr. Rasheed A Maskati * Mr. Rajbir Singh Mr. Chandrakant Poonamchand Shah Mr. Bipinchandra Chimanlal Gandhi Mr. Subodh Chandra

\* Retiring at the ensuing Annual General Meeting.

Disclosure regarding brief profile of Directors as required under the Listing agreement entered into with BSE Limited is given below:

1) **Mr. S C Malhotra** is the Chairman of the Company since 3<sup>rd</sup> December, 1963. Before taking over Empire he was with Kohinoor Mills Division of Killick Industries Limited for six years as Chief Executive. He has substantially contributed to the growth of Empire. He has 65 years of experience and handles several corporate responsibilities. He is a Director of Empire International Private Limited and Arjun Transport Company Private Limited.

He is the Promoter of the Company and holds 95,582 shares of the Company in his name as on March 31, 2016.

2) **Mr. Ranjit Malhotra** is an MBA from the University of Texas. He is the son of Mr. S. C. Malhotra, Chairman of the Company. Mr. Ranjit Malhotra joined Empire in April 10, 1981. He is on the Board of the Company as Whole-time Director designated as Vice-Chairman since October 1, 1998. He is Instrumental in developing the property of the Company at Lower Parel and Vikhroli and giving the same on Leave & License basis to Multinational Companies and Banks. He is a Director of Empire International Private Limited, Randil Trading Co. Pvt. Ltd., Arjun Transport Co. Pvt. Ltd., Empire Technical Services Pvt. Ltd. and Chosen Finance Private Limited.

He is the Promoter of the Company and holds 9,68,403 shares of the Company in his name as on March 31, 2016.

3) **Mr. Dileep Malhotra** is an MBA from Le High University, USA. He is the son of Mr. S C Malhotra, Chairman of the Company. Mr. Dileep Malhotra joined

Empire in November 28, 1991. He is on the Board of the Company as Whole-time Director designated as Joint Managing Director since October 1, 1999. He has substantially contributed for the development of the Agency business of the Company. He is a Director of Empire International Private Limited, Randil Trading Co. Pvt. Ltd., Arjun Transport Co. Pvt. Ltd., Empire Technical Services Pvt. Ltd. and Chosen Finance Private Limited. He is also the Chairperson of the Risk Management Committee of the Company.

He is the Promoter of the Company and holds 14,75,975 shares of the Company in his name as on March 31, 2016.

4) **Mrs. Uma Ranjit Malhotra** is a Director of the Company since May, 29, 2014.

Mrs. Uma Malhotra graduated from St. Xavier's College, Mumbai. She is the daughter of Mr. Keshub Mahindra, Chairman Emeritus of the Mahindra Group of Companies. She is married to Mr. Ranjit Malhotra, Vice Chairman and Managing Director of Empire Industries since April 10, 1981. She owns and runs a School for underprivileged children. She is a Director of Arjun Transport Company Private Limited.

She is also the Chairperson of the CSR Committee of the Company.

Mrs. Uma Ranjit Malhotra holds 1,25,222 shares of the Company in her name as on March 31, 2016.

5) **Mr. R. A. Maskati** has been one of the senior most Director of the Company since July 4, 1972. He is a prominent figure in Business and has been connected with business for over 50 years.

He is a Director of Rane Private Limited, Kosmochem Private Limited, Maskati Investment Private Limited and D C Omrigar and Company Private Limited.

He is also the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company.

Mr. Maskati holds 200 shares of the Company in his name as on March 31, 2016.

6) **Mr. Rajbir Singh** is a Director of the Company since June 28, 2007. He has wide contacts with the key personnel in financial institutions and banks. He has vast experience in arranging funds for financing projects. He is a successful financial consultant having more than 27 years experience and well known in the field. He is a Director of Kelly Henderson Private Limited, Sardar Bahadur Bakshi Dalip Singh & Son Private Limited. He is a partner in Anandini Solutions LLP.

He is also a Member of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee of the Company.

Mr. Singh holds 15 shares of the Company in his name as on March 31, 2016.

7) **Mr. Chandrakant Poonamchand Shah** is a Director of the Company since September 1, 2008. He is also a member of the Audit Committee, Nomination

and Remuneration Committee and Stakeholders Relationship 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, Empress Tin Factory Private Limited, Randil Trading Company Private Limited and Empire Technical Services Private Limited.

Mr. Shah holds 50 shares of the Company in his name as on March 31, 2016.

8) **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.

Mr. Gandhi holds 15 shares of the Company in his name as on March 31, 2016.

9) **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 holds 15 shares of the Company in his name as on March 31, 2016.

b. Attendance of each Director at the Board Meetings, last Annual General Meeting:

Name of the Director	Attendance Particulars	
	Board Meetings	Last AGM
S.C. Malhotra	5	Present
Ranjit Malhotra	5	Present
Dileep Malhotra	5	Present
R.A. Maskati	5	Present
Rajbir Singh	5	Present
Chandrakant P Shah	5	Present
Bipinchandra Chimanlal Gandhi	5	Present
Subodh Chandra	4	Present
Uma Ranjit Malhotra	4	Absent

c. Number of other Boards or Board Committees in which he/she is a member or Chairperson:

Name of the Director	Other Director-ship	Committee Member-ship	Committee Chairman-ship
S.C. Malhotra	2	—	—
Ranjit Malhotra	5	—	—
Dileep Malhotra	5	—	1
R.A. Maskati	4	—	3
Rajbir Singh	2	4	—
Chandrakant P Shah	4	3	—
Bipinchandra Chimanlal Gandhi	—	—	—
Subodh Chandra	—	—	—
Uma Ranjit Malhotra	1	—	1

d. 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) 25.05.2015 (2) 24.07.2015 (3) 30.10.2015  
(4) 28.01.2016 (5) 08.03.2016

### 3. Audit Committee

(a) Brief description of terms of reference:

A. The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, *inter alia*, include,—

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;

- (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

- B. The audit committee shall mandatorily review the following information:
  - (1) management discussion and analysis of financial condition and results of operations;
  - (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (4) internal audit reports relating to internal control weaknesses; and
  - (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - (6) statement of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- b. The Audit Committee comprises of three Independent/Non-Executive Directors as per details mentioned hereunder:

Sr. No.	Name of the Member
1.	Mr. Rasheed A. Maskati .. Chairperson
2.	Mr. Chandrakant Poonamchand Shah
3.	Mr. Rajbir Singh

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

- c. During the year 4 meetings were held and the attendance is given below:

Sr. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Rasheed A. Maskati	4
2.	Mr. Chandrakant Poonamchand Shah	4
3.	Mr. Rajbir Singh	4

#### 4. Nomination and Remuneration Committee

- (a) The role of Nomination and Remuneration Committee is –
  - (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
  - (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- b. The Nomination and Remuneration Committee comprising of three independent Non-Executive Directors, viz., Mr. Rasheed A. Maskati, Chairperson; Mr. Rajbir Singh and Mr. C. P. Shah. The Nomination and Remuneration Committee reviews the remuneration package of Executive Directors and Senior Executives of the Company.
- c. Attendance during the year: All members attended the Meetings held on 25.05.2015.

## 5. Remuneration of Directors:

### Remuneration policy:

Remuneration to Whole-time Directors and Company's employees is decided after considering the following factors:

- (i) Restrictions specified in various Acts like Companies Act, Income Tax. Etc.
- (ii) Market trend for remuneration paid for similar positions.
- (iii) Performance of the person in the Company.
- (iv) Profits of the company.

### Details of remuneration to Directors for the year.

The aggregate value of salary and perquisites paid for the financial year 2015-2016 to the Executive Directors is as follows:

Mr. S. C. Malhotra	₹ 65.03 Lakh
Mr. Ranjit Malhotra	₹ 82.51 Lakh
Mr. Dileep Malhotra	₹ 65.44 Lakh
<b>Total</b>	<b>₹ 212.98 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	2,50,000
2.	Mr. Rajbir Singh	2,50,000
3.	Mr. C. P. Shah	2,50,000
4.	Mr. B. C. Gandhi	2,50,000
5.	Mr. Subodh Chandra	2,00,000
6.	Mrs. Uma Ranjit Malhotra	2,00,000

No commission has been paid to any Non-Executive Director for the year ended March 31, 2016.

### 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	15
6.	Mrs. Uma Ranjit Malhotra	125222

## 6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of three Independent/Non-Executive Directors as per details mentioned hereunder:

Sr. No.	Name of the Member
1.	Mr. Rasheed A. Maskati
2.	Mr. Chandrakant Poonamchand Shah
3.	Mr. Rajbir Singh

- (i) Name of non-executive director heading the Committee: Mr. Rasheed A. Maskati
- (ii) Name and Designation of compliance officer: Mr. S. K. Gulati, Director-Finance & Company Secretary.
- (iii) Number of shareholders' complaints received so far: 10 (Ten)
- (iv) Number of complaints resolved to the satisfaction of shareholders: 10 (Ten)
- (v) Number of pending complaints: Nil

## 7. General Body Meetings

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

Year	Location	Date	Time
2012-2013	Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai 400018.	26.07.2013	3.00 p.m.
2013-2014	Same as above	24.07.2014	3.00 p.m.
2014-2015	Same as above	24.07.2015	3.00 p.m.

- b) Whether any special resolutions passed in the previous AGM: No.
- c) Whether any special resolution passed last year through postal ballot: No.

- d) Person who conducted the postal ballot exercise: Not applicable.
- e) Whether any special resolution is proposed to be conducted through postal ballot: Yes
- f) Procedure for postal ballot: As mentioned in Ballot Form.

## 8. Means of communication

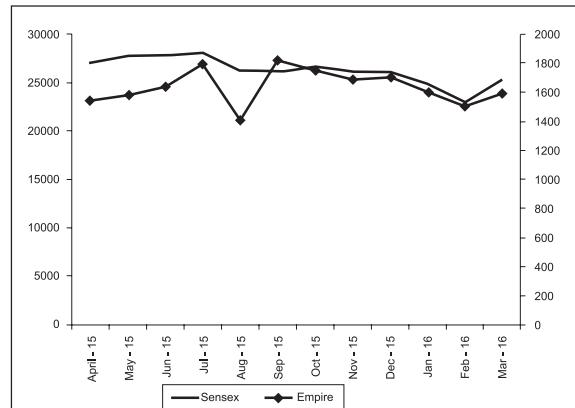
- (a) Quarterly results: Advertisement in 'Free Press Journal' and 'Navshakti' within 48 hours of Board Meeting.
- (b) Newspapers wherein results normally published: Free Press Journal & Navshakti.
- (c) Any website, where displayed : [www.empiremumbai.com](http://www.empiremumbai.com)
- (d) Whether it also displays official news releases: yes
- (e) The presentations made to institutional investors or to the analysts: Only on request.

## 9. General Shareholder information

- (a) AGM Date, Time and Venue : Saturday, the 30th July, 2016 at 11.30 a.m.  
Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.
- (b) Financial year : 2015-2016
- (c) Date of Book closure : Saturday the 23<sup>rd</sup> July, 2016 to Saturday the 30<sup>th</sup> July, 2016 (both days inclusive).
- (d) Dividend : 5<sup>th</sup> August, 2016  
Payment Date
- (e) Listing on Stock Exchanges : BSE Limited, P J Tower, Dalal Street, Mumbai 400 023.
- (f) Stock Code : 509525
- (g) Market Price Data : High, Low during each month in last financial year

Month & Year	BSE		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2015	1900.00	1525.00	29094.61	26897.54
May, 2015	1877.00	1450.00	28071.16	26423.99
June, 2015	1652.00	1484.00	27968.75	26307.07
July, 2015	2070.00	1655.00	28578.33	27416.39
August, 2015	1955.00	1370.00	28417.59	25298.42
September, 2015	1820.00	1365.00	26471.82	24833.54
October, 2015	2110.00	1725.00	27618.14	26168.71
November, 2015	1820.00	1611.00	26824.30	25451.42
December, 2015	1735.00	1600.00	26256.42	24867.73
January, 2016	1865.00	1491.00	26197.27	23839.76
February, 2016	1650.00	1360.00	25002.32	22494.61
March, 2016	1720.00	1485.00	25479.62	23133.18

- (h) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.



### (i) Registrar and 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](mailto: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.

### (j) 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.

### (k) Distribution of shareholding as on March 31, 2016:

Shareholding of Nominal value of	Share-holders Numbers	% of Total	Share Amount Rs.	% to Equity
Up to 5000	4793	95.4591	3179900	5.2998
5001 - 10000	115	2.2904	820960	1.3683
10001 – 20000	54	1.0755	759410	1.2657
20001 – 30000	15	0.2987	369220	0.6154
30001 – 40000	13	0.2589	428930	0.7149
40001 – 50000	5	0.0996	235620	0.3927
50001 – 100000	7	0.1394	520340	0.8672
100001 and above	19	0.3784	53685600	89.4760
<b>Total</b>	<b>5021</b>	<b>100.0000</b>	<b>59999980</b>	<b>100.0000</b>

(l) Dematerialization of shares and liquidity

Dematerialisation of shares:

Mode of Holding	%age
NSDL	21.07
CDSL	76.29
Physical	2.64
<b>Total</b>	<b>100.00</b>

Liquidity: The Company's Equity shares are traded on BSE Limited.

(m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : Not applicable.

(n) Plant Locations : Vitrum Glass, L.B.S. Marg, Vikhroli, Mumbai – 400 083.

(o) Address for correspondence : EMPIRE INDUSTRIES LIMITED Secretarial Department Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Telephone : 66555453 Fax : 24939143 Email: investor\_relations @empiremumbai.com Website: www.empiremumbai.com

**10. Other Disclosures:**

(a) There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large;

(b) There are no non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

- (c) Vigil mechanism, whistle blower policy are placed on the Company's website, and affirm that no personnel has been denied access to the audit committee;
- (d) The Company has complied with all mandatory requirements.
- (e) The Company has no subsidiaries.
- (f) Requirement of policy on dealing with related party transactions on weblink shall be complied with.
- (g) Disclosure of commodity price risks and commodity hedging activities: Not applicable to our Company.

**Compliances**

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 are 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.

On Behalf of the Board of Directors

Place : Mumbai

Date : May 26, 2016

**S. C. MALHOTRA**

*Chairman*

## ANNEXURE – A

## ANNEXURE TO DIRECTORS' REPORT

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i) CIN:-	:	L17120MH1900PLC000176
ii) Registration Date	:	17TH OCTOBER, 1900
iii) Name of the Company	:	EMPIRE INDUSTRIES LIMITED
iv) Category / Sub-Category of the Company	:	COMMERCIAL & INDUSTRIAL (C&I)
v) Address of the Registered office and contact details	:	EMPIRE COMPLEX, 414 SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI 400 013
vi) Whether listed company	:	YES. LISTED ON BSE LIMITED.
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	BIGSHARE SERVICES PRIVATE LIMITED, E-2/3 ANSA INDUSTRIAL ESTATE, SAKI VIHAR ROAD, SAKI NAKA ANDHERI EAST, MUMBAI 400 072. Tel : +91 22 28470652 / 40430200 Fax : +91 2228475207 Email : info@bigshareonline.com Website : www.bigshareonline.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Glass Bottles	23103	35.50
2	Real Estate Activities	68100	18.06
3	Business Support Service, Consultancy and Commission	46103	25.44
4	Wholesale of meat & fish	46303	24.42

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	... NIL ..				

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Sh	%
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	3217344	–	3217344	53.6224	3186421	–	3186421	53.1070	-30923	-0.5154
b) Central Govt.	–	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	1066190	–	1066190	17.7698	1111990	–	1111990	18.5332	45800	0.7633
e) Banks / FI	–	–	–	–	–	–	–	–	–	–
f) Shares held by Mr. S. C. Malhotra, Trustee on behalf of Company's Employees Trusts since 28.02.1989	54815	–	54815	0.9136	54815	–	54815	0.9136	–	–
<b>Sub-total (A) (1):-</b>	<b>4338349</b>	<b>–</b>	<b>4338349</b>	<b>72.3058</b>	<b>4353226</b>	<b>–</b>	<b>4353226</b>	<b>72.5538</b>	<b>14877</b>	<b>0.2480</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Sh	%
(2) Foreign	—	—	—	—	—	—	—	—	—	—
a) NRIs – Individuals	—	—	—	—	—	—	—	—	—	—
b) Other – Individuals	—	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—	—
e) Any Other....	—	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2):-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4338349</b>	<b>—</b>	<b>4338349</b>	<b>72.3058</b>	<b>4353226</b>	<b>—</b>	<b>4353226</b>	<b>72.5538</b>	<b>14877</b>	<b>0.2480</b>
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	—	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	504	504	0.0084	—	504	504	0.0084	—	0.0000
c) Central Govt	—	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—	—
f) Insurance Companies	892703	—	892703	14.8868	884650	—	884650	14.7442	-8053	-0.1342
g) FIIs	—	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1):-</b>	<b>892703</b>	<b>504</b>	<b>893207</b>	<b>14.8868</b>	<b>884650</b>	<b>504</b>	<b>885154</b>	<b>14.7526</b>	<b>-8053</b>	<b>-0.1342</b>
<b>2. Non-Institutions</b>										
a) Bodies Corp.										
i) Indian	98066	1454	99520	1.6587	94632	1454	96086	1.6014	-3434	-0.0572
ii) Overseas	—	—	—	—	—	—	—	—	—	—
b) Individuals	9134	300	9434	0.1572	9537	300	9837	0.1640	403	0.0067
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	420163	163416	583579	9.7263	444257	155940	600197	10.0033	16618	0.2770
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	59773	—	59773	0.9962	55335	—	55335	0.9223	-4438	-0.0740
c) Others (Clearing Member)	16136	—	16136	0.2689	163	—	163	0.0027	-15973	-0.2662
<b>Sub-total (B)(2):-</b>	<b>603272</b>	<b>165170</b>	<b>768442</b>	<b>12.8074</b>	<b>603924</b>	<b>157694</b>	<b>761618</b>	<b>12.6936</b>	<b>-6824</b>	<b>-0.1137</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1495975</b>	<b>165674</b>	<b>1661649</b>	<b>27.6942</b>	<b>1488574</b>	<b>158198</b>	<b>1646772</b>	<b>27.4462</b>	<b>-14877</b>	<b>-0.2480</b>
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>5834324</b>	<b>165674</b>	<b>5999998</b>	<b>100.0000</b>	<b>5841800</b>	<b>158198</b>	<b>5999998</b>	<b>100.0000</b>	<b>—</b>	<b>—</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	DILEEP MALHOTRA	1469490	24.49	—	1475975	24.60	—	0.1081
2	RANJIT MALHOTRA	965386	16.09	—	968403	16.14	—	0.0503
3	SATISHCHANDRA MALHOTRA	199382	3.32	—	95582	1.59	—	-1.7300
4	EMPIRE INTERNATIONAL P LTD.	327012	5.45	—	327012	5.45	—	—
5	USHA DEVI MALHOTRA	198117	3.30	—	198117	3.30	—	—
6	UMA MALHOTRA	125222	2.09	—	125222	2.09	—	—
7	KABIR MALHOTRA	132499	2.21	—	195874	3.26	—	1.0563
8	ANJALI MALHOTRA	127248	2.12	—	127248	2.12	—	—
9	S.C. MALHOTRA AS TRUSTEE	12410	0.21	—	12410	0.21	—	—
10	S.C. MALHOTRA AS TRUSTEE	11998	0.20	—	11998	0.20	—	—
11	S.C. MALHOTRA AS TRUSTEE	10285	0.17	—	10285	0.17	—	—
12	S.C. MALHOTRA AS TRUSTEE	10123	0.17	—	10123	0.17	—	—
13	S.C. MALHOTRA AS TRUSTEE	9999	0.17	—	9999	0.17	—	—
14	ARJUN TRANSPORT CO. PVT. LTD.	739178	12.32	—	784978	13.08	—	0.7633
	<b>TOTAL</b>	<b>4338349</b>	<b>72.31</b>	<b>—</b>	<b>4353226</b>	<b>72.55</b>	<b>—</b>	<b>0.2480</b>

## (iii) Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No.	Name	No. of shares at the beginning (01-04-15)	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	% of total shares of the company
1	MR. DILEEP MALHOTRA	1469490	24.4915					
				2/4/2015	6485	Purchase	1475975	24.5996
	At the end of the year (31.03.2016)						1475975	24.5996
2	MR. RANJIT MALHOTRA	965386	16.0898					
				2/4/2015	3017	Purchase	968403	16.1401
	At the end of the year (31.03.2016)						968403	16.1401
3	MR. SATISH CHANDRA MALHOTRA	199382	3.3230					
				16/10/2015	-45800	Sale	153582	2.5597
				18/11/2015	-58000	Sale	95582	1.5930
	At the end of the year (31.03.2016)						95582	1.5930
4	ARJUN TRNASPORT CO. PVT. LTD.	739178	12.3196					
				16/10/2015	45800	Purchase	784978	13.0830
	At the end of the year (31.03.2016)						784978	13.0830
5	EMPIRE INTERNATIONAL PVT. LTD.	327012	5.4502			No change	327012	5.4502
6	USHA DEVI MALHOTRA	198117	3.3020			No change	198117	3.3020
7	UMA MALHOTRA	125222	2.0870			No change	125222	2.0870
8	KABIR MALHOTRA	132499	2.2083					
				1/4/2015	5375	Purchase	137874	2.2979
				18/11/2015	58000	Purchase	195874	3.2646
	At the end of the year (31.03.2016)						195874	3.2646
9	ANJALI MALHOTRA	127248	2.1208			No change	127248	2.1208
10	S.C. MALHOTRA AS TRUSTEE	12410	0.2068			No change	12410	0.2068
11	S.C. MALHOTRA AS TRUSTEE	11998	0.2000			No change	11998	0.2000
12	S.C. MALHOTRA AS TRUSTEE	10285	0.1714			No change	10285	0.1714
13	S.C. MALHOTRA AS TRUSTEE	10123	0.1687			No change	10123	0.1687
14	S.C. MALHOTRA AS TRUSTEE	9999	0.1667			No change	9999	0.1667

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	No. of shares at the beginning (01-04-15)	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	% of total shares of the company
1	LIFE INSURANCE CORPORATION OF INDIA	797794	13.2966					
				10/4/2015	-8053	Sale	789741	13.1624
	At the end of the year (31.03.2016)						789741	13.1624
2	ORIENTAL INSURANCE CO. LTD.	94909	1.5818			No Change	94909	1.5818
3	VISHNU TRADING CO. PVT. LTD.	70160	1.1693					
				10/4/2015	1064	Purchase	71224	1.1871
				29/5/2015	379	Purchase	71603	1.1934
				5/6/2015	676	Purchase	72279	1.2047
				12/6/2015	37	Purchase	72316	1.2053
				19/6/2015	39	Purchase	72355	1.2059
				26/6/2015	50	Purchase	72405	1.2068
				3/7/2015	13	Purchase	72418	1.2070
				30/9/2015	284	Purchase	72702	1.2117
				9/10/2015	354	Purchase	73056	1.2176
				16/10/2015	-4502	Sale	68554	1.1426
				23/10/2015	741	Purchase	69295	1.1549
				30/10/2015	234	Purchase	69529	1.1588
				6/11/2015	209	Purchase	69738	1.1623
				13/11/2015	487	Purchase	70225	1.1704
				20/11/2015	555	Purchase	70780	1.1797
				27/11/2015	162	Purchase	70942	1.1824
				4/12/2015	333	Purchase	71275	1.1879
				11/12/2015	190	Purchase	71465	1.1911
				18/12/2015	150	Purchase	71615	1.1936
				24/12/2015	75	Purchase	71690	1.1948
				31/12/2015	326	Purchase	72016	1.2003
				8/1/2016	6	Purchase	72022	1.2004
				15/1/2016	10	Purchase	72032	1.2005
				22/1/2016	2	Purchase	72034	1.2006
				29/1/2016	40	Purchase	72074	1.2012
				19/2/2016	185	Purchase	72259	1.2043
				26/2/2016	152	Purchase	72411	1.2069
				4/3/2016	15	Purchase	72426	1.2071
				31/3/2016	169	Purchase	72595	1.2099
	At the end of the year (31.03.2016)						72595	1.2099
4	SUDHIR N	19501	0.3250					
				15/5/2015	770	Purchase	20271	0.3379
				29/5/2015	9	Purchase	20280	0.3380
				28/8/2015	80	Purchase	20360	0.3393
				4/9/2015	65	Purchase	20425	0.3404
				11/9/2015	320	Purchase	20745	0.3458
				18/9/2015	31	Purchase	20776	0.3463
				25/9/2015	459	Purchase	21235	0.3539
				30/9/2015	513	Purchase	21748	0.3625
				1/10/2015	1467	Purchase	23215	0.3869

Sl. No.	Name	No. of shares at the beginning (01-04-15)	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	% of total shares of the company
				9/10/2015	250	Purchase	23465	0.3911
				16/10/2015	741	Purchase	24206	0.4034
				11/12/2015	152	Purchase	24358	0.4060
				24/12/2015	25	Purchase	24383	0.4064
				4/3/2016	25	Purchase	24408	0.4068
				11/3/2016	2780	Purchase	27188	0.4531
				31/3/2016	41	Purchase	27229	0.4538
	At the end of the year (31.03.2016)						27229	0.4538
5	MAHENDRA GIRDHARILAL	25154	0.4192			No change	25154	0.4192
6	SUDHIR GOLECHA HUF	15118	0.2520					
				4/10/2015	587	Purchase	15705	0.2618
	At the end of the year (31.03.2016)						15705	0.2618
7	BHAVNA GOVINDBHAI DESAI	9000	0.1500			No Change	9000	0.1500
8	GIRDHARI PARASRAM ROHIRA	7500	0.1250			No Change	7500	0.1250
9	HARDIK P VITHALANI	0	0.0000					
				4/9/2015	6500	Purchase	6500	0.1083
	At the end of the year (31.03.2016)						6500	0.1083
10	SUMITA ASHOK JAIN	6201	0.1034					
				23/10/2015	250	Purchase	6451	0.1075
	At the end of the year (31.03.2016)						6451	0.1075

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	No. of shares at the beginning (01-04-15)	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	% of total shares of the company
1	MR. SATISH CHANDRA MALHOTRA	199382	3.3230					
				16/10/2015	-45800	Sale	153582	2.5597
				18/11/2015	-58000	Sale	95582	1.5930
	At the end of the year (31.03.2016)						95582	1.5930
2	MR. RANJIT MALHOTRA	965386	16.0898					
				2/4/2015	3017	Purchase	968403	16.1401
	At the end of the year (31.03.2016)						968403	16.1401
3	MR. DILEEP MALHOTRA	1469490	24.4915					
				2/4/2015	6485	Purchase	1475975	24.5996
	At the end of the year (31.03.2016)						1475975	24.5996
4	RASHEED A MASKATI	200	0.0033			No change	200	0.0033
5	RAJBIR SINGH	15	0.0003			No change	15	0.0003
6	CHANDRAKANT POONAMCHAND SHAH	50	0.0008			No change	50	0.0008
7	BIPINCHANDRA CHIMANLAL GANDHI	15	0.0003			No change	15	0.0003
8	SUBODH CHANDRA	15	0.0003			No change	15	0.0003
9	UMA MALHOTRA	125222	2.0870			No change	125222	2.0870
10	SURINDER KUMAR GULATI	2	0.0000			No change	2	0.0000

#### V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				(₹ In lakh)
i) Principal Amount	2824.38	2073.17	4531.80	9429.35
ii) Interest due but not paid				0
iii) Interest accrued but not due			221.98	221.98
<b>Total (i+ii+iii)</b>	<b>2824.38</b>	<b>2073.17</b>	<b>4753.78</b>	<b>9651.33</b>
Change in Indebtedness during the financial year				0
Addition	4428.81	2518.90	13471.88	20419.59
Reduction	1309.81	2898.00	11671.03	15878.84
Net Change	3119.00	-379.10	1800.85	4540.75
Indebtedness at the end of the financial year				0
i) Principal Amount	5943.38	1694.07	6308.20	13945.65
ii) Interest due but not paid				0
iii) Interest accrued but not due			246.43	246.43
<b>Total (i+ii+iii)</b>	<b>5943.38</b>	<b>1694.07</b>	<b>6554.63</b>	<b>14192.08</b>

#### VI. A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		S.C.MALHOTRA	RANJIT MALHOTRA	DILEEP MALHOTRA	
1	Gross salary:	₹	₹	₹	₹
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5400000	5400000	5400000	16200000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1102919	2851608	1143679	5098206
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit				
	- others, specify...				
5	Others, please specify.	0	0	0	0
	Total (A)	6502919	8251608	6543679	21298206
	Ceiling as per the Act.				46691879

#### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Director						Total Amount
		R A Maskati	Rajbir Singh	C. P. Shah	B. C. Gandhi	Subodh Chandra	Uma Malhotra	
	3. Independent Directors	₹	₹	₹	₹	₹	₹	₹
	• Fee for attending Board committee meetings	250000	250000	250000	250000	200000	0	1200000
	• Commission	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0
	Total (1)	250000	250000	250000	250000	200000	0	1200000
	4. Other Non-Executive Directors:							
	• Fee for attending Board committee meetings	0	0	0	0	0	200000	200000
	• Commission	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	200000	200000
	<b>Total (B)=(1+2)</b>	<b>250000</b>	<b>250000</b>	<b>250000</b>	<b>250000</b>	<b>200000</b>	<b>200000</b>	<b>1400000</b>
	Total Managerial Remuneration							1400000
	Overall Ceiling as per the Act							3012379

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD :

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CEO	CFO & Company Secretary	
1	Gross salary	₹ 0	₹ 0	₹ 18560241
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	18560241
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify.	0	0	0
	<b>Total</b>	<b>0</b>	<b>18560241</b>	<b>18560241</b>

## VII. Penalties / Punishment / Compounding of Offences :

Type	Section of the Companies Act	Brief Description	Details of Penalties / Punishment / Compounding Fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (Give details)
<b>A. COMPANY</b>					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			
<b>B. DIRECTORS</b>					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			

## ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Section 134(8)(3) of the Companies Act, 2013:

**VITRUM GLASS:**

**(A) Conservation Of Energy -**

- (i) The steps taken or impact on conservation of energy:
  - a) Billing demand maintained within Contract demand of 1300 KVA, maintained leading power factor of 0.99 and above throughout the year resulting in consistent power factor bonus / load factor incentive.
  - b) Heat loss prevention and cooling wares achieved on line 1 by rearranging the cooling system energy / fuel conservation achieved.
  - c) Rearranging lines of HP and LP Air pipe line and Air receiver with combination of compressors effective energy used for generating compressed air reduced 2.5% and by 1.5% of total energy consumption per day.
  - d) The electrodes power of feeder conditioning monitored and achieved. Energy saving of 7% (average) of electrode power.
  - e) By providing dosing pumps for cutting system consistency in cutting system and reduction in consumption of cutting additive achieved.
  - f) Reduction in QC hold by improving forming controls and quality consistency the reduction in energy consumption achieved by minimizing reworks / repacking.
- (ii) The steps taken by the Company for utilising alternate sources of energy: NIL
- (iii) The capital investment on energy conservation equipments: NIL

**(B) Technology absorption -**

- (i) The efforts made towards technology absorption:
 

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.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:
 

The main benefits derived are:- Quality improvement, cost reduction and import substitution.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –
  - (a) The details of technology imported:
 

The Global Energy Technologies fuel saving equipment Kvx has been installed on furnace for melting end burners to save the natural gas consumption.
  - (b) The year of import: 2014-2015
  - (c) Whether the technology been fully absorbed: Yes.
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not applicable.
- (iv) The expenditure incurred on Research and Development: Nil.

**(C) Foreign Exchange Earnings And Outgo**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Foreign Exchange used	₹ 6365.84 Lakhs
Foreign Exchange earned	₹ 5662.24 Lakhs

On Behalf of the Board of Directors

Place : Mumbai  
Date : May 26, 2016

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

## ANNEXURE – C

## ANNEXURE TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2015-16 –  
(Pursuant of Section 135 of Company Act, 2013)

Empire Industries Limited (EIL) is a 115-year-old Public Limited Company – a multi – faceted conglomerate with interests in diverse business and associated with several international partners in some of the operating division. Thus EIL is a well-diversified group of enterprises, whose manufacturing and marketing operations cover the area of Machine Tools, Industrial Equipment, Vending, Foods, Real Estate and Glass containers for Pharmaceuticals.

CSR is the commitment of business to contribute to sustainable economic development, working for the local community and society at large to improve their quality of life in ways that are good for business and good for development. Fruits of development have not reached all sections of society. This has been accepted by Government and it encourages corporates to contribute their mite to development. CSR enables EIL to contribute to nation building.

EIL established its own trust, **KARO Trust**, a nonprofit organization registered under charity registration Act 1950 in Mumbai to carry out CSR activities of company. CSR activities were carried out by Company, KARO Trust and other likeminded NGOs too.

**Our CSR Committee –**

1. Mrs. Uma Malhotra – Director Empire Industries Ltd.
2. Mr. Dileep Malhotra – Director Empire Industries Ltd.
3. Mr. Rajbir Singh – Independant Director Empire Industries Ltd.

**Vision**

We envision a society filled with happy, healthy and virtuous individuals.

**Mission**

Our mission is to improve the health of the poor and under privileged, save lives and uplift the moral fibre of the nation through education, especially value based education.

**Broad Areas of Focus**

EIL has chosen two areas in which to focus its CSR activities. These are;

- **Health** (including preventive health care) - The Health activities would by-and-large target the poor and the under privileged.
- **Education** with special focus on Value Education / Character Education.

In both these areas, working for and with children would be an important priority. Our CSR Program will also include reaching out to poor and deserving individuals faced with life threatening illnesses. These individuals will not include company employees or a family member of any employee of the company.

**Financial Details**

1	A brief outline of the Company's CSR Policy including overview of projects and programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs and the compositions of CSR committee	Empire Industries Ltd (EIL) CSR is the commitment of Business to contribute to sustainable economic development, working for the local community and society at large to improve their quality of life in ways that are good for business and good for development. Our CSR enable EIL to contribute to nation building. EIL has chosen two areas in which to focus its CSR activities. These are health and education with special focus on value education and character education. <a href="http://www.empiremumbai.com/pdf/csr_policy.pdf">http://www.empiremumbai.com/pdf/csr_policy.pdf</a>
2	Average net profit of the Company for the last financial year	₹ 46,81,76,932
3	Prescribed CSR Expenditure (2% of the amount mentioned in item 2 above)	₹ 93,63,539
4	Details of CSR Spent during the Financial Year:	
	A. Total Amount to be spent for the financial year	₹ 93,50,603
	B. Amount unspent, if any	₹ 12,936
	C. Manner in which the amount spent during the financial year:	

**Details of Amount spent on CSR activities during the financial year 2015-16**

1	2	3	4	5	6	7	8
Sr. No	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the state and District where projects or programs was undertaken	Amount Outlay (budget) project or program wise ₹	Amount spent on the projects or programs 1) Direct expenditure on projects or Programs 2) Overheads ₹	Cumulative expenditure up to the reporting period ₹	Amount Spent : Direct or through implementing Agency
1	Support to the hospitals to provide quality health care services / treatment to the patients suffering from life threatening diseases. Upgrade hospitals to provide quality health care services in more effective and patient friendly manner.	Health care	Mumbai / Maharashtra Chennai / Tamilnadu	77,35,053	77,35,053	77,35,053	Direct
2	Organized Free Eye Checkup camp and treatment for the students of D. N. Nagar MPS School, Andheri.	Health	Mumbai / Maharashtra	24,300	24,300	24,300	Implementing Agency - KARO Trust
3	Organized Free Dental Checkup camp and treatment for the student of Shindewadi MPS school, Dadar.	Health	Mumbai / Maharashtra	3,02,727	3,02,727	3,02,727	Implementing Agency - KARO Trust
4	Organized Recreation program for group of Senior citizens on the occasion of Diwali.	Elderly care	Mumbai / Maharashtra	30,653	30,653	30,653	Implementing Agency - KARO Trust
5	Fun Day with KARO - An entertainment and informative program for pediatric patients admitted in LTMG - Sion Hospital and family members.	Elderly care	Mumbai / Maharashtra	55,701	55,701	55,701	Implementing Agency - KARO Trust
6	Malnutrition Eradication and Rehabilitation Activity - Nutrition program at Shindewadi MPS School Dadar.	Malnutrition / Health Care	Mumbai / Maharashtra	35,050	35,050	35,050	Implementing Agency - Akanksha Foundation
7	Funds for health care activities / Programs / under privileged patients	Health	Mumbai / Maharashtra	11,67,119	11,67,119	11,67,119	Implementing Agency - KARO Trust
<b>Total</b>				<b>93,50,603</b>	<b>93,50,603</b>	<b>93,50,603</b>	

- \* **KARO Trust**, a nonprofit organization registered under charity registration Act 1950 in Mumbai to carry out CSR activities of the company.
- \* **The Akanksha** Foundation is a non-profit organization with the vision to one day equip all students with the education, skills and character they need to lead empowered lives

**Our CSR responsibilities**

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Date : 26<sup>th</sup> May 2016  
Place : Mumbai

**S C Malhotra**  
Chairman

**Ms. Uma Malhotra**  
Chairperson CSR Committee

## ANNEXURE-D

## Disclosure pursuant to Section 134 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	RATIO
Mr. S C Malhotra	17.19
Mr. Ranjit Malhotra	21.75
Mr. Dileep Malhotra	17.22

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of Employee	Designation	% Increase
Mr. S C Malhotra	Director on Board	1
Mr. Ranjit Malhotra	Director on Board	10
Mr. Dileep Malhotra	Director on Board	1
Mr. S K Gulati	Director-Finance & Company Secretary	13
Mr. Yogesh Grover	Director- Empire Foods	34
Mr. S S Parmar	Director-Vitrum Glass	32
Mr. Anoop K Bhargava	Director- Empire Industrial Centrum	16
Mr. C K Pradhan	Director-Commercial	9
Mr. Sandeep Jain	Director-Vending	10
Mr. Sandeep Singh	Director-Empire Business Centre	58
Mr. K.K.Sen	Director-EMT MFTM	0
Mr. N S L Narasimhan	Director-Empire Industrial Equipment	10
Mr. P.N.Rao	Director-EMT MCAT	1

(iii) The percentage increase in the median remuneration of employees in the financial year is 2%.

(iv) The number of permanent employees on the rolls of Company is 675.

(v) The revenue from operations has increased from ₹ 35,420 Lakhs to ₹ 38,513 Lakhs i.e. by 9% and the Employees benefits expenses increased from ₹ 6393 Lakhs to ₹ 6688 Lakhs i.e. by 5%. The revenue from operations has increased mainly due to normal price rise of the products and increase in License Fees as agreed in the Leave and License Agreements.

(vi) The remuneration paid to the Key Managerial personnel during the year ended 31.03.2016 is ₹ 1500 Lakhs as against Company's revenue from operations is increased from ₹ 35,420 Lakhs to ₹ 38,513 Lakhs.

(vii) a. The variations in the market capitalisation on 31.03.2016 as against 31.03.15 is 6.22%.

b. Price earning ratio as on 31.03.2016 is ₹ 51.08 as against ₹ 56.89 as on 31.03.2015.

c. Percentage increase in the market quotations as compared to public offer as 31.03.2016 is 158.98%.

(viii) The average percentile increase in the salaries of employees other than Managerial Personnel in the last financial year is 1%. The percentile increase in the managerial remuneration is 14%.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

Name of Employee	Division	Remuneration ₹ in Lakhs	Revenue from Operations ₹ Lakhs		% Increase
			2015-2016	2014-2015	
Mr. S C Malhotra	Corporate	399	38513	35420	9
Mr. Ranjit Malhotra					
Mr. Dileep Malhotra					
Mr. S K Gulati					
Mr. Yogesh Grover	Empire Foods	254	9410	7081	33
Mr. S S Parmar	Vitrum Glass	139	12977	12846	1
Mr. C K Pradhan	Commerical	157	6403	6396	0.10
Mr. Sandeep Jain	Vending	51	1204	1257	-4
Mr. Sandeep Singh	Empire Business Centre	32	609	400	52
Mr. K.K.Sen	EMT - MFTM	121	1717	1213	41
Mr. N S L Narasimhan	Empire Industrial Equipment	131	4826	5085	-5
Mr. P.N.Rao	EMT - MCAT	125	1381	1121	-23

(x) The variable component of the remuneration availed by the directors is only perquisites paid according to the terms of the appointment.

(xi) The Ratio of highest remuneration paid to an employee who is not a Director to highest remuneration paid to Director is 3.08.

We hereby affirm that the remuneration paid to the Directors and Employees is as per remuneration policy of the Company.

On behalf of the Board of Directors

Place : Mumbai

Date : 26<sup>th</sup> May, 2016

**S C Malhotra**  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:											
(a) Name(s) of the related party and nature of relationship	<p>(b) Nature of contracts/arrangements/ transactions</p> <p>(c) Duration of the contracts / arrangements / transactions</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any</p> <p>(e) Justification for entering into such contracts or arrangements or transactions</p> <p>(f) Date(s) of approval by the Board</p> <p>(g) Amount paid as advances, if any:</p> <p>(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188.</p>										
2. Details of material contracts or arrangement or transactions at arm's length basis:											
	<table border="1"> <tr> <td>(a) Name(s) of related party</td> <td>Relationship</td> </tr> <tr> <td>Empire International Pvt.Ltd. Randil Trading Co. Pvt. Ltd. Arjun Transport Co. Pvt. Ltd. Empire Technical Services Pvt. Ltd.</td> <td>Some of the Directors of the Company are also Directors in the said Pvt. Ltd. Companies.</td> </tr> <tr> <td>Mr. S. C. Malhotra – Chairman Mr. Ranjit Malhotra-Vice Chairman Mr. Dileep Malhotra-Jt. Mg. Director Mr. S K Gulati-Director Finance &amp; Company Secretary.</td> <td>Key Managerial Personnel</td> </tr> <tr> <td>Mr. Kabir Malhotra</td> <td>Relative of Key Managerial Personnel</td> </tr> </table>	(a) Name(s) of related party	Relationship	Empire International Pvt.Ltd. Randil Trading Co. Pvt. Ltd. Arjun Transport Co. Pvt. Ltd. Empire Technical Services Pvt. Ltd.	Some of the Directors of the Company are also Directors in the said Pvt. Ltd. Companies.	Mr. S. C. Malhotra – Chairman Mr. Ranjit Malhotra-Vice Chairman Mr. Dileep Malhotra-Jt. Mg. Director Mr. S K Gulati-Director Finance & Company Secretary.	Key Managerial Personnel	Mr. Kabir Malhotra	Relative of Key Managerial Personnel		
(a) Name(s) of related party	Relationship										
Empire International Pvt.Ltd. Randil Trading Co. Pvt. Ltd. Arjun Transport Co. Pvt. Ltd. Empire Technical Services Pvt. Ltd.	Some of the Directors of the Company are also Directors in the said Pvt. Ltd. Companies.										
Mr. S. C. Malhotra – Chairman Mr. Ranjit Malhotra-Vice Chairman Mr. Dileep Malhotra-Jt. Mg. Director Mr. S K Gulati-Director Finance & Company Secretary.	Key Managerial Personnel										
Mr. Kabir Malhotra	Relative of Key Managerial Personnel										
	<table border="1"> <tr> <td>(b) Nature of contracts/arrangements /transactions</td> <td>The Companies have provided finance per terms and conditions mutually agreed and individuals have provided their services at contracted consideration.</td> </tr> <tr> <td>(c) Duration of the contracts / arrangements / transactions</td> <td>From 01.04.2015 to 31.03.2016</td> </tr> <tr> <td>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</td> <td>Per mutual agreement.</td> </tr> <tr> <td>(e) Date(s) of approval by the Board, if any:</td> <td>N.A.</td> </tr> <tr> <td>(f) Amount paid as advances, if any:</td> <td>Nil</td> </tr> </table>	(b) Nature of contracts/arrangements /transactions	The Companies have provided finance per terms and conditions mutually agreed and individuals have provided their services at contracted consideration.	(c) Duration of the contracts / arrangements / transactions	From 01.04.2015 to 31.03.2016	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Per mutual agreement.	(e) Date(s) of approval by the Board, if any:	N.A.	(f) Amount paid as advances, if any:	Nil
(b) Nature of contracts/arrangements /transactions	The Companies have provided finance per terms and conditions mutually agreed and individuals have provided their services at contracted consideration.										
(c) Duration of the contracts / arrangements / transactions	From 01.04.2015 to 31.03.2016										
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Per mutual agreement.										
(e) Date(s) of approval by the Board, if any:	N.A.										
(f) Amount paid as advances, if any:	Nil										

On Behalf of the Board of Directors

Place: Mumbai  
Date: May 26, 2016

**S. C. MALHOTRA**  
Chairman

**Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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, 2016 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) 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 -
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) 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: May 26, 2016

**S. C. MALHOTRA**

*Chairman*

**Declaration by the Managing Director pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct**

In accordance with to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016.

For **EMPIRE INDUSTRIES LIMITED**

Place: Mumbai

Date: May 26, 2016

**S. C. MALHOTRA**

*Chairman*



## Form No. MR-3

### SECRETARIAL AUDIT REPORT

#### **FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Empire Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Empire Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided to me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Empire Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Empire Industries Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable during the audit period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable during the audit period);
- (6) Factories Act, 1948
- (7) Environment Protection Act, 1986 and other environmental laws
- (8) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- (9) Indian Contract Act, 1872
- (10) MIDC Revised Development Control Regulations, 2009
- (11) Food Safety and Standards Act, 2006 and Food Safety Standards Regulations (FSSR), 2011

**I have also examined compliance with the applicable clauses of the following:**

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (b) The Listing Agreement entered into by the Company with BSE Limited (BSE);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were generally carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Committee Meetings are carried through and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations.

Place : Mumbai  
Date : 26/05/2016

**DEEPA GUPTA**  
ACS NO.: 20860  
CP No.: 8168

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**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of Empire Industries Limited

We have examined the compliance of conditions of Corporate Governance by Empire Industries Limited, for the year ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015")

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to 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 opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We 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

**(D. P. GHEVARIA)**

Place: Mumbai  
Date: May 26, 2016

Proprietor  
Membership No. 032431

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**EMPIRE INDUSTRIES LIMITED**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **EMPIRE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the stand alone financial statements.

### Opinion

In our opinion and to the best of our information and according to

the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **D. P. GHEVARIA & CO.**

*Chartered Accountants*

Firm Regn. No. : 103176W

**(D. P. GHEVARIA)**

Place : Mumbai

*Proprietor*

Dated : May 26, 2016

Membership No. 032431

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the standalone financial statements of the Company for the year ended March 31, 2016 :

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies reported on such verification were not material and have been properly dealt with in the books of account. In respect of inventories lying with third parties, written confirmations have been obtained.
- (b) In our opinion, the procedures of physical verification of inventory 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 of inventory as compared to book records were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable to the Company for the current year.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has accepted deposits from the public. The directives issued by The Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed thereunder, where applicable, have been complied with.
6. According to the information and explanations given to us, the maintenance of cost records has been prescribed by the Central Government under section 148 (1) of the Act, for the Construction activity of the Company. We have broadly

reviewed the books of account maintained by the Company in respect of its construction activity and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

7. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at 31st March, 2016 for a period of more than six months from the date on which they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of books of account and record, the details of aforesaid statutory dues as at March 31, 2016 which have not been deposited with the appropriate authorities on account of any dispute, are given below :

	Name of the Statute	Particulars	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
1	The Central Excise Act, 1944.	Excise Dues	18,59,208	Jun 2006 to Feb 2008	CESTAT
2	The Finance Act, 1994.	Service Tax	2,10,573	F.Y. 2011-2012	Commissioner of Central Excise
3	I. Tax Act, 1962.	I. Tax Demand	54,10,120	A.Y. 2009-2010	I. T.A.T. Mumbai
	----- do -----	I. Tax Demand	36,22,700	A.Y. 2009-2010	CIT (Appeal)
	----- do -----	I. Tax Demand	86,38,560	A.Y. 2011-2012	CIT (Appeal)
	----- do -----	I. Tax Demand	1,10,05,710	A.Y. 2012-2013	CIT (Appeal)
	----- do -----	I. Tax Demand	1,18,90,420	A.Y. 2013-2014	CIT (Appeal)
4	MVAT Act, 2002.	VAT / CST dues	1,75,68,333	F.Y. 2008-2009	Jt. Commissioner of Sales Tax (A)
	----- do -----	----- do -----	83,50,719	F.Y. 2009-2010	----- do -----
	----- do -----	----- do -----	9,11,303	F.Y. 2010-2011	----- do -----
	----- do -----	----- do -----	1,59,29,670	F.Y. 2011-2012	----- do -----

8. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. The Company does not have dues to financial institutions, Government or debenture holders.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable. According to the information and explanations given to us and based on the documents and records examined by us, on an overall basis, the moneys raised by way of Term Loans have been applied for the purpose for which the loans were raised.
10. Based upon the audit procedures performed and the information and explanations given to us by the management, we report that no material fraud on or by the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

(**D. P. GHEVARIA**)  
Place : Mumbai  
Dated : May 26, 2016  
*Proprietor*  
Membership No. 032431

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

**Referred in paragraph 10(f) of the Independent Auditors' Report of even date to the members of EMPIRE INDUSTRIES LIMITED on the standalone financial statements for the year ended March 31, 2016.**

**Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Act**

1. We have audited the Internal financial controls over financial reporting of EMPIRE INDUSTRIES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to company's policies the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of Internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :
  - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting.**

7. Because of the Inherent Limitations of Internal Financial Controls Over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections or any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the institute of Chartered Accountants of India.

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

(D. P. GHEVARIA)

Place : Mumbai  
Dated : May 26, 2016

Proprietor  
Membership No. 032431



## Balance Sheet as at 31<sup>st</sup> March, 2016

(₹ In lakhs)

	Note	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	1	600.00	600.00
Reserves and Surplus	2	14,382.24	13,050.53
		14,982.24	13,650.53
<b>Non-current Liabilities</b>			
Long Term Borrowings	3	6,602.87	4,297.83
Deferred Tax Liabilities (Net)	4	538.13	366.15
Other Long Term Liabilities	5	7,007.80	6,989.90
Long Term Provisions	6	1,502.01	1,285.94
		15,650.81	12,939.82
<b>Current Liabilities</b>			
Short Term Borrowings	7	7,320.44	5,114.10
Trade Payables	8	5,481.28	4,164.94
Other Current Liabilities	9	4,654.76	2,274.67
Short Term Provisions	10	2,501.61	3,721.45
		19,958.09	15,275.16
<b>TOTAL</b>		<b>50,591.14</b>	<b>41,865.51</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed assets			
Tangible Assets	11	21,603.18	13,439.65
Intangible Assets	11	113.39	96.62
Capital Work-in-Progress	11	0.17	8,440.47
Non-Current Investments	12	0.03	0.03
Long Term Loans and Advances	13	297.25	223.06
Other Non-Current Assets	14	536.63	705.85
		22,550.65	22,905.68
<b>Current Assets</b>			
Inventories	15	10,454.08	8,048.03
Trade Receivables	16	7,855.46	5,899.06
Cash and Cash Equivalents	17	7,746.67	3,339.72
Short Term Loans and Advances	18	658.82	780.51
Other Current Assets	19	1,325.46	892.51
		28,040.49	18,959.83
<b>TOTAL</b>		<b>50,591.14</b>	<b>41,865.51</b>

### Significant Accounting Policies

#### Notes on Financial Statements

1 to 39

As per our Report attached

S. C. MALHOTRA (DIN: 00026704)

Chairman

RANJIT MALHOTRA (DIN: 00026933)

Vice Chairman

DILEEP MALHOTRA (DIN: 00027168)

Joint Managing Director

For D. P. GHEVARIA & CO.

UMA R. MALHOTRA (DIN: 06848613)

Chartered Accountants

R. A. MASKATI (DIN: 00057850)

Firm Regn. No.103176W

B. C. GANDHI (DIN: 00780094)

D. P. GHEVARIA

C. P. SHAH (DIN: 00450394)

Proprietor

Membership No.032431

Directors

S. K. GULATI

Director Finance &  
Company Secretary

Mumbai, May 26, 2016

Mumbai, May 26, 2016

Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016

	Note	Year ended 31 <sup>st</sup> March, 2016	(₹ In lakhs) Year ended 31 <sup>st</sup> March, 2015
<b>INCOME</b>			
Revenue from Operations	20	38,512.99	35,419.91
Other Income	21	496.06	503.91
Total Revenue		<u>39,009.05</u>	<u>35,923.82</u>
<b>EXPENDITURE:</b>			
Cost of Materials Consumed	22	4,944.08	4,530.21
Purchases of Stock-in-Trade		<u>10,770.30</u>	<u>9,749.99</u>
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	23	245.93	(767.92)
Employee Benefits Expense	24	6,688.33	6,393.43
Finance Costs	25	966.90	930.71
Depreciation and Amortization Expense	11	968.79	1,242.98
Other Expenses	26	9,757.88	9,244.01
<b>Total Expenses</b>		<u>34,342.21</u>	<u>31,323.41</u>
Profit Before Tax		<u>4,666.84</u>	<u>4,600.41</u>
<b>Tax Expense</b>			
(1) Current Tax		<u>1,430.00</u>	<u>1,340.00</u>
(2) Deferred Tax		<u>171.98</u>	<u>(153.11)</u>
<b>Profit for the year</b>		<u>3,064.86</u>	<u>3,413.52</u>
Earning per equity share of face value of ₹ 10 each Basic and Diluted (in ₹)		<u>51.08</u>	<u>56.89</u>
<b>Significant Accounting Policies</b>		<b>1 to 39</b>	
<b>Notes on Financial Statements</b>			

As per our Report attached

S. C. MALHOTRA (DIN: 00026704)

Chairman

RANJIT MALHOTRA (DIN: 00026933)

Vice Chairman

DILEEP MALHOTRA (DIN: 00027168)

Joint Managing Director

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

UMA R. MALHOTRA (DIN: 06848613)

Directors

R. A. MASKATI (DIN: 00057850)

Directors

B. C. GANDHI (DIN: 00780094)

Directors

C. P. SHAH (DIN: 00450394)

D. P. GHEVARIA  
Proprietor  
Membership No.032431

S. K. GULATI

Director Finance &  
Company Secretary

Mumbai, May 26, 2016

Mumbai, May 26, 2016

## 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 31st March, 2013.

**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, 2016

(₹ in lakhs)

		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>1. SHARE CAPITAL</b>			
	<b>Authorised</b>		
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/>
		<b>1,550.00</b>	<b>1,550.00</b>
<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/>
		<b>600.00</b>	<b>600.00</b>

### 1.4 Details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No.of Shares	% held	No.of Shares	% held
Dileep Malhotra	1,475,975	24.60	1,469,490	24.49
Ranjit Malhotra	968,403	16.14	965,386	16.09
Life Insurance Corporation of India	789,741	13.16	797,794	13.30
Arjun Transport Company Private Limited	784,978	13.08	739,178	12.32
Empire International Private Limited	327,012	5.45	327,012	5.45

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

	As at 31 <sup>st</sup> March, 2016 No.of Shares	As at 31 <sup>st</sup> March, 2015 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	<b>59,99,998</b>	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.

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

### 2. RESERVE AND SURPLUS

	(₹ in lakhs)	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<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	12,956.73	11,276.36	
Add: Transferred from Profit and Loss Account	<u>1,331.71</u>	<u>1,680.37</u>	
	<b>14,288.44</b>	<b>12,956.73</b>	
<b>Retained Earnings Reserve</b>			
Balance as per last account	14.50	14.50	
<b>Profit and Loss Account</b>			
Profit for the year	3,064.86	3,413.52	
Less: Appropriations			
Interim Dividend on Equity Shares	1,200.00	1,440.00	
Final Proposed Dividend on Equity Shares	240.00	293.15	
Tax on Dividend	293.15	293.15	
Transferred to General Reserve	<u>1,331.71</u>	<u>1,680.37</u>	
	<b>—</b>	<b>—</b>	
	<b>14,382.24</b>	<b>13,050.53</b>	
	(₹ in lakhs)		
		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015

### 3. LONG-TERM BORROWINGS

<b>Secured</b>			
Term Loan from a Bank	3,868.75	2040.89	
Hire Purchase Loan from a Bank	49.05	—	
<b>Unsecured</b>			
Fixed Deposits	<u>2,685.07</u>	<u>2,256.94</u>	
	<b>6,602.87</b>	<b>4,297.83</b>	

### 4. DEFERRED TAX LIABILITIES (Net)

<b>Deferred Tax Liabilities</b>			
Related to Fixed Assets	1,812.23	1,490.51	
<b>Deferred Tax Assets</b>			
Disallowances under the Income Tax Act 1961.	<u>1,274.10</u>	<u>1,124.36</u>	
	<b>538.13</b>	<b>366.15</b>	

### 5. OTHER LONG-TERM LIABILITIES

Security Deposits	4,193.89	6,092.15
Advance from Customers	2,556.32	820.03
Others	<u>257.59</u>	<u>77.72</u>
	<b>7,007.80</b>	<b>6,989.90</b>

### 6. LONG-TERM PROVISIONS

Employee Benefits	1,502.01	1,285.94
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## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	(₹ in lakhs)
<b>7. SHORT-TERM BORROWINGS</b>			
<b>Secured</b>			
Term Loan from Bank	1,148.93	382.68	
Cash Credit	588.83	400.81	
Packing Credit Facility	287.83	—	
<b>Unsecured</b>			
Fixed Deposits	1,904.78	1,906.44	
Fixed Deposits from Directors	1,696.00	351.00	
Inter-corporate Deposits from related parties	1,458.07	1,532.17	
Inter-corporate Deposits from others	236.00	541.00	
	<b>7,320.44</b>	<b>5,114.10</b>	
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.			
The term loan from IndusInd Bank is secured by assignment of lease rentals receivable from some of the licencees of the Company's properties situated at Vikhroli and Lower Parel, Mumbai together with first charge on properties leased to TCS at Empire Plaza, Vikhroli.			
Hire Purchase Loan from a bank is secured by hypothecation of specific vehicles purchased under the scheme.			
<b>8. TRADE PAYABLES</b>			
Trade Payables	4,869.15	3,695.99	
Others	612.13	468.95	
	<b>5,481.28</b>	<b>4,164.94</b>	
There are no Micro Small & Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016. 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.			
<b>9. OTHER CURRENT LIABILITIES</b>			
Other Payable - Employees	453.85	348.52	
Trade Deposits & Advances	3,481.63	1,469.37	
Sales Tax & withholding taxes payable	379.10	152.78	
Interest Accrued but not due	246.43	221.98	
Unpaid matured deposits	22.35	17.43	
Unpaid/unclaimed Dividends	71.40	64.59	
	<b>4,654.76</b>	<b>2,274.67</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.			
<b>10. SHORT-TERM PROVISIONS</b>			
Proposed Final Dividend	240.00	1,440.00	
Tax on Dividend	48.86	293.15	
Employee Benefits	2,212.75	1,988.30	
	<b>2,501.61</b>	<b>3,721.45</b>	

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

## 11. FIXED ASSETS

(₹ in lakhs)

Description	GROSS BLOCK - COST/BOOK VALUE				DEPRECIATION/AMORTISATION				NET BLOCK			
	As at 1 <sup>st</sup> April, 2015	Additions/adjustments during the year	Deductions/adjustments during the year	Impairment/(Reversal) during the year	Total As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015	Provided during the year	Deductions/adjustments during the year	Transfer to Asset Retained Reserve	Total As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>TANGIBLE ASSETS</b>												
Freehold Land	18.97	-	-	-	18.97	-	-	-	-	-	18.97	18.97
Buildings	10,994.55	8,479.64	-	-	19,474.19	1,607.70	292.24	-	-	1899.94	17,574.25	9,386.85
Plant & Machinery	5,229.26	264.40	-	-	5,493.66	2,545.93	156.99	-	-	2702.92	2,790.74	2,683.33
Furnaces	1,220.61	-	-	-	1,220.61	1,095.89	3.80	-	-	1099.69	120.92	124.72
Vehicles	999.43	140.54	75.66	-	1,064.31	611.98	148.11	76.90	-	683.19	381.12	387.45
Furniture & Fixtures	1,461.08	58.64	0.24	-	1,519.48	906.41	163.08	2.10	-	1067.39	452.09	554.67
Office Equipments	1,617.70	149.78	17.46	0.07	1,749.95	1,334.04	169.92	19.10	-	1484.86	265.09	283.66
Moulds & Castings	2.80	-	-	-	2.80	2.80	-	-	-	2.80	-	-
Total Tangible Assets	21,544.40	9,093.00	93.36	0.07	30,543.97	8,104.75	934.14	98.10	-	8,940.79	21,603.18	13,439.65
<b>INTANGIBLE ASSETS</b>												
Software	198.59	86.65	-	-	285.24	101.97	69.88	-	-	171.85	113.39	96.62
Total Intangible Assets	198.59	86.65	-	-	285.24	101.97	69.88	-	-	171.85	113.39	96.62
Total Fixed Assets	21,742.99	9,179.65	93.36	0.07	30,829.21	8,206.72	1,004.02	98.10	-	9,112.64	21,716.57	13,536.27
Less: Transferred to Building WIP	-	-	-	-	-	-	35.23	-	-	-	-	-
	21,742.99	9,179.65	93.36	0.07	30,829.21	8,206.72	968.79	98.10	-	9,112.64	21,716.57	13,536.27
Capital Work-in-Progress	8440.47	0.17	8440.47	-	0.17	-	-	-	-	-	0.17	8,440.47

Description	GROSS BLOCK - COST/BOOK VALUE				DEPRECIATION/AMORTISATION				NET BLOCK			
	As at 1 <sup>st</sup> April, 2014	Additions/adjustments during the year	Deductions/adjustments during the year	Impairment/(Reversal) during the year	Total As at 31 <sup>st</sup> March, 2015	As at 1 <sup>st</sup> April, 2014	Provided during the year	Deductions/adjustments during the year	Transfer to Asset Retained Reserve	Total As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>TANGIBLE ASSETS</b>												
Freehold Land	18.97	-	-	-	18.97	-	-	-	-	-	18.97	18.97
Leasehold Land	4.65	-	4.65	-	2.35	-	2.35	-	-	-	-	2.30
Buildings	10,531.07	463.48	-	-	10,994.55	1,441.66	170.09	-	4.05	1607.70	9,386.85	9,089.41
Plant & Machinery	4,946.07	306.67	23.48	-	5,229.26	2,412.14	160.99	15.59	11.61	2545.93	2,683.33	2,533.93
Furnaces	1,220.61	-	-	-	1,220.61	1,085.17	11.55	-	0.83	1095.89	124.72	135.44
Vehicles	1,029.41	164.25	194.23	-	999.43	551.43	201.61	141.01	0.05	611.98	387.45	477.98
Furniture & Fixtures	1,326.79	138.15	3.86	-	1,461.08	675.67	233.30	1.48	1.08	906.41	554.67	651.12
Office Equipments :	1,563.19	162.60	108.09	-	1,617.70	1,035.04	406.79	103.76	4.03	1334.04	283.66	528.15
Moulds & Castings	2.80	-	-	-	2.80	2.80	-	-	-	2.80	-	-
Total Tangible Assets	20,643.56	1,235.15	334.31	-	21,544.40	7,206.26	1,184.33	264.19	21.65	8,104.75	13,439.65	13,437.30
<b>INTANGIBLE ASSETS</b>												
Software	45.76	152.83	-	-	198.59	40.43	61.85	-	0.31	101.97	96.62	5.33
Total Intangible Assets	45.76	152.83	-	-	198.59	40.43	61.85	-	0.31	101.97	96.62	5.33
Total Fixed Assets	20,689.32	1,387.98	334.31	-	21,742.99	7,246.69	1,242.98	264.19	21.96	8,206.72	13,536.27	13,442.63
Less: Transferred to Building WIP							3.20					
	20,689.32	1,387.98	334.31	-	21,742.99	7,246.69	1,242.98	264.19	21.96	8,206.72	13,536.27	13,442.63
Previous Year	19,947.81	958.00	216.49	-	20,689.32	6,577.09	815.95	146.35	-	7,246.69	13,442.63	-
Capital Work-in-Progress	7015.41	1425.06	-	-	8,440.47	-	-	-	-	8,440.47	7,015.41	-

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

### 12. NON-CURRENT INVESTMENTS (Long Term Investments)

Particulars	Number	Face Value per unit (₹)	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
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 (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	—	—
			<b>0.03</b>	<b>0.03</b>

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

	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Employee Loans & Advances	<b>17.57</b>	5.35
Other Loans and Advances	<b>279.68</b>	217.71
	<b>297.25</b>	223.06

### 14. OTHER NON-CURRENT ASSETS

Security Deposits	<b>51.32</b>	68.54
Other Long-term Receivables	<b>19.92</b>	22.87
Trade Receivables	<b>465.39</b>	614.44
	<b>536.63</b>	705.85

### 15. INVENTORIES

Raw Materials	<b>174.28</b>	255.24
Stores, Spare parts & Packing Materials	<b>547.90</b>	544.88
Liquid Fuel & Petrol	<b>43.06</b>	50.19
Stock-in-trade	<b>1,742.27</b>	1,908.07
Finished Goods	<b>977.78</b>	847.91
Building Work-In-Progress (for sale)	<b>6,968.79</b>	4,231.74
Licence in Hand	—	210.00
	<b>10,454.08</b>	8,048.03

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>16. TRADE RECEIVABLES</b>		
Unsecured (Considered good)		
Over Six Months	1,096.16	473.02
Other Debts	<u>6,759.30</u>	5,426.04
	<b>7,855.46</b>	<u>5,899.06</u>
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash in hand	31.86	38.20
Cheques in hand	21.62	0.71
Balances with banks*	2,179.61	1,211.85
Fixed Deposits with banks#	<u>5,513.58</u>	2,088.96
	<b>7,746.67</b>	<u>3,339.72</u>
* Balances with Banks include Unclaimed Dividend of ₹ 71.40 lakhs (Previous year ₹ 64.59 lakhs)		
# Fixed Deposits with Banks include Deposits against Bank Guarantees issued by banks of ₹ 66.36 lakhs (Previous year ₹ 85.21 lakhs) with maturity of more than 12 months.		
<b>18. SHORT-TERM LOANS AND ADVANCES</b>		
Loans and advances to Employees	23.84	25.83
Deposit against Insurance Premium	59.59	53.24
Deposit/Balances with Central Excise/Sales tax authorities	25.35	23.02
Advance Payment of Income tax(including TDS) and Wealth tax (Net of Provisions)	<u>550.04</u>	678.42
	<b>658.82</b>	<u>780.51</u>
<b>19. OTHER CURRENT ASSETS</b>		
Advance to suppliers	256.22	116.91
Interest accrued but not due on Fixed Deposits	52.70	37.76
Other Current Assets	<u>1,016.54</u>	737.84
	<b>1,325.46</b>	<u>892.51</u>
<b>20. REVENUE FROM OPERATIONS</b>		
Sales of Products	25,054.41	24,684.29
Sales of Services	2,582.94	501.36
	<u>27,637.35</u>	25,185.65
Less: Excise Duty	1,136.56	1,085.95
Sales of Products and Services (Net)	<u>26,500.79</u>	24,099.70
Other Operating Revenues	12,012.20	11,320.21
	<b>38,512.99</b>	<u>35,419.91</u>
<b>20.1 Particulars of Sale of Products :</b>		
<b>Manufactured Goods</b>		
Glass Bottles	13,606.42	13,658.99
<b>Traded Goods</b>		
Food Products	9,843.08	7,619.80
Machine Tools and Industrial Equipments	<u>1,604.91</u>	3,405.50
	<b>11,447.99</b>	<u>11,025.30</u>
	<b>25,054.41</b>	<u>24,684.29</u>



## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>20.2 Particulars of other Operating Revenues :</b>		
Business Support Service,Consultancy and Commission	3,741.47	3,533.21
Property Rent	6,403.31	6,395.45
Advertising, Branding and Operating Income	767.54	717.89
Business Centre Services	609.45	400.20
Others	490.43	273.46
	<u>12,012.20</u>	<u>11,320.21</u>
<b>21. OTHER INCOME</b>		
Credit balances Written back	2.84	4.21
Insurance Claims	4.67	3.19
Interest Income	311.59	151.52
Profit on Sale of assets	13.21	17.16
Foreign Exchange Rate Difference	138.70	—
Miscellaneous Income	25.05	327.83
	<u>496.06</u>	<u>503.91</u>
<b>22. COST OF MATERIAL CONSUMED</b>		
Raw Materials Consumed	3,910.26	3,439.03
Stores & Spares, Packing Materials, Refractories & Moulds and Castings Consumed	1,033.82	1,091.18
	<u>4,944.08</u>	<u>4,530.21</u>
	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>22.1 Particulars of Material Consumed</b>		
Raw Materials	%	%
Imported	591.22	15.12
Indigenous	3,319.04	84.88
	<u>3,910.26</u>	<u>100.00</u>
Chemicals	1,423.13	1,238.60
Silica Sand	175.93	162.31
Cullets	2,311.20	2,038.12
	<u>3,910.26</u>	<u>3,439.03</u>
<b>22.2 Components and Spare parts</b>		
Imported	86.38	8.36
Indigenous	947.44	91.64
	<u>1,033.82</u>	<u>100.00</u>

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE</b>		
Stock at close - Finished Goods	977.78	847.91
Stock at commencement - Finished Goods	<u>847.91</u>	<u>888.41</u>
	(129.87)	40.50
Stock at close - Traded Goods	1,742.27	1,908.07
Stock at commencement - Traded Goods	<u>1,908.07</u>	<u>1,309.65</u>
	165.80	(598.42)
Stock at close - Licences		
Stock at commencement - Licences	<u>210.00</u>	210.00
	210.00	-
	<u>245.93</u>	<u>(210.00)</u>
	<u>245.93</u>	<u>(767.92)</u>
<b>24. EMPLOYEE BENEFITS EXPENSES</b>	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
Salaries, Wages, Bonus, Gratuity & Allowances	5,616.20	5,375.98
Contribution to Provident & Superannuation Fund	524.47	491.91
Staff Welfare Expenses	<u>547.66</u>	<u>525.54</u>
	<u>6,688.33</u>	<u>6,393.43</u>
<b>25. FINANCE COST</b>		
Interest Expense on Overdrafts & other Borrowings	782.46	800.85
Other Borrowing Cost	<u>184.44</u>	<u>129.86</u>
	<u>966.90</u>	<u>930.71</u>
<b>26. OTHER EXPENSES</b>		
Repairs to Machinery	92.12	70.55
Repairs to Buildings	132.07	209.44
Other Repairs	316.03	285.68
Power & Fuel	2,848.27	3,404.19
Rent	129.73	130.36
Rates & Taxes	520.30	425.14
Insurance	69.09	66.70
Discount, Commission and Brokerage	366.96	185.52
Electricity charges	295.11	259.76
Vehicle Expenses	351.04	352.16
Carriage Outward and Steamer Freight	1,181.84	1,153.34
Professional and Legal charges	722.80	624.09
Travelling Expenses	455.27	450.05
Telephone and other Communication Expenses	148.52	139.71
Expenditure on Corporate Social Responsibility(CSR) activities	93.51	1.68
Miscellaneous Expenses	<u>2,035.22</u>	<u>1,485.64</u>
	<u>9,757.88</u>	<u>9,244.01</u>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>27 CONTINGENT LIABILITIES NOT PROVIDED FOR :</b>		
a) Guarantees given by the Banks	1,472.14	1,584.31
b) Letters of Credits/Buyers Credit	3,404.96	2,565.51
c) Claims against the Company not acknowledged as debts	17.41	19.55
d) Estimated amount of contracts remaining to be executed on Capital Account (Net of advances)	41.50	60.57
e) Excise demand disputed by the Company.	—	18.59
f) Service tax demand disputed by the Company.	26.75	2.11
g) Income Tax matters in respect of which appeals are pending	405.68	306.99
h) Sales tax demand disputed by the Company.	427.60	427.60

During the year, the Investigation Branch of the Sales Tax Department had carried out survey action in the Company's premises. The company was asked to pay ₹ 86.81 lakhs for the period from April, 2012 to November, 2015. The Company made an account part payment of ₹ 44.97 lakhs against the said amount and has decided to contest the full amount at appropriate forum.

### CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Gross amount spent by the company during the year is ₹ 93.51 lakhs (Previous year ₹ 1.68 lakhs)

### 28. PAYMENT TO AUDITORS AS :

a) Statutory Audit Fees	7.00	5.50
b) Tax Audit Fees	2.00	1.50
c) Certification and Consultation Fees	2.05	1.94
d) Others	0.49	0.91
e) Reimbursement of expenses	0.58	0.42
f) Cost Audit Fees	1.00	0.75
	<b>13.12</b>	<b>11.02</b>

**29. The value of stocks include all taxes and duties. Cenvat is credited to statement of Profit & Loss on consumption basis. Cenvat related to year-end stock is carried forward in Balance Sheet under the head 'Other Liabilities'.**

**30. 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 Statement of Profit & Loss.**

**31. The previous year's figures have been regrouped / reclassified wherever necessary.**

	2015-16	2014-15
<b>32. Earning per Share</b>		
Net Profit (₹ In lakhs)	3,064.85	3,413.52
Weighted average number of Equity Shares outstanding	59,99,998	59,99,998
Earning per share - Basic and Diluted. ( ₹ )	51.08	56.89
Face value of share ( ₹ )	10.00	10.00

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

	(₹ in lakhs)		
	2015-16	2014-15	
<b>33. Value of Imports on C.I.F. basis in respect of</b>			
Raw Materials	373.79	337.94	
Components and Spare parts	60.04	36.15	
Capital Goods	77.88	195.15	
Traded Goods	<b>5,656.81</b>	3,041.20	
 <b>34. Expenditure in Foreign Currency in respect of :</b>	 <b>As at 31<sup>st</sup> March, 2016</b>	 <b>As at 31<sup>st</sup> March, 2015</b>	
Technical and Professional services	105.41	84.97	
Travelling	70.01	79.52	
Commission	17.31	20.61	
Others	4.59	15.81	
 <b>35. Earnings in foreign exchange in respect of</b>	 <b>2015-16</b>	 <b>2014-15</b>	
(i) Export of goods on F.O.B. Basis(on accrual basis)	1,861.18	2,273.75	
(ii) Commission	3,712.59	3,592.78	
(iii) Others	88.47	1,241.02	
 <b>36. Remittances in foreign exchange on account of dividend</b>	 <b>2015-16</b>	 <b>2014-15</b>	
(i) Number of non-resident shareholders	33	27	
(ii) Number of shares held by them	9845	9785	
(iii) Dividends remitted	Nil	Nil	
(iv) Year to which dividend relates	<b>2014-15 &amp; 2015-16</b>	2013-14	
[Dividend / Interim Dividend to non-resident shareholders amounting to ₹ 4.19 lakhs (Previous year ₹ 2.36 lakhs) has been paid to their Bankers/Agents in India]			
 <b>37. Disclosures as required by Accounting Standard (AS15) Employee Benefits</b>			
Defined Benefit Plans as per Actuarial Valuation are as under:			
	<b>Gratuity</b>	<b>Leave Encashment</b>	
	2015-2016 (Unfunded)	2014-2015 (Unfunded)	2015-2016 (Unfunded)
	2014-2015 (Unfunded)		
<b>A. Change in obligation during the year</b>			
Liability at the beginning of the year	2046.85	1964.68	1220.75
Interest Cost	156.32	168.60	94.85
Current Service Cost	150.62	243.79	167.78
Benefits Paid	(70.08)	(260.14)	-
Actuarial (Gain)/ Loss on obligation	13.37	(70.08)	(72.33)
Liability at the end of the year	<b>2297.08</b>	2046.85	1411.05

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

	Gratuity		Leave Encashment	
	2015-2016 (Unfunded)	2014-2015 (Unfunded)	2015-2016 (Unfunded)	2014-2015 (Unfunded)
<b>B. Change in fair value of plan assets</b>				
Fair Value of Plan Assets at the begin of the year	—	—	—	—
Expected Return on Plan Assets	—	—	—	—
Contributions	70.08	260.14	—	148.79
Benefits Paid	(70.08)	(260.14)	—	(148.79)
Actuarial (Gain)/ Loss on plan assets	—	—	—	—
Fair Value of Plan Assets at the end of the year	—	—	—	—
<b>C. Fair value of plan assets</b>				
Fair Value of Plan Assets at the beginning of the year	—	—	—	—
Actual Return on Plan Assets	—	—	—	—
Contributions	70.08	260.14	—	148.79
Benefits Paid	(70.08)	(260.14)	—	(148.79)
Fair Value of Plan Assets at the end of the year	—	—	—	—
<b>D. Liability recognised in the Balance Sheet</b>				
Liability at the end of the year	2297.08	2046.85	1411.05	1220.75
Funded status	—	—	—	—
Liability recognised in th balance sheet	2297.08	2046.85	1411.05	1220.75
<b>E. Liability recognised in the Statement of Profit and Loss</b>				
Current Service Cost	150.62	243.79	167.78	212.84
Interest Cost	156.32	168.60	94.85	88.00
Net Actuarial (Gain)/Loss	13.37	(70.08)	(72.33)	36.71
Expenses recognised in the Statement of Profit and Loss	320.31	342.31	190.30	337.55
<b>F. Movements in Liability recognised in the Balance Sheet</b>				
Opening Net Liability	2046.85	1964.68	1220.75	1031.99
Expenses as above	320.31	342.31	190.30	337.55
Contribution Paid	(70.08)	(260.14)	—	(148.79)
Closing Net Liability	2297.08	2046.85	1411.05	1220.75
<b>G. Actuarial assumptions</b>				
Discount Rate	8%	8%	8%	8%
Salary escalation	7%	7%	7%	7%
Mortality rate	IALM(2006-08) Ultimate table	IALM(2006-08) Ultimate table	IALM(2006-08) Ultimate table	IALM(2006-08) Ultimate table

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

38. Segment wise information for the year ended 31<sup>st</sup> March, 2016 :

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

REVENUE	2015-2016 (₹ in Lakhs)			2014-2015 (₹ in Lakhs)		
	External	Inter-Segment	Total	External	Inter-Segment	Total
Manufacturing	12,961.29	–	12,961.29	12,853.85	–	12,853.85
Trading, Business Support Service, Consultancy and commission	19,178.65	–	19,178.65	16,199.50	–	16,199.50
Others	6,418.82	–	6,418.82	6,718.95	–	6,718.95
<b>Total Revenue</b>	<b>38,558.76</b>	<b>–</b>	<b>38,558.76</b>	<b>35,772.30</b>	<b>–</b>	<b>35,772.30</b>
<b>RESULT</b>						
Segment Result						
Manufacturing	894.26	–	894.26	1,051.84	–	1,051.84
Trading, Business Support Service, Consultancy and commission	45.56	–	45.56	551.92	–	551.92
Others	4,949.32	–	4,949.32	4,342.84	–	4,342.84
<b>Total Result</b>	<b>5,889.14</b>	<b>–</b>	<b>5,889.14</b>	<b>5,946.60</b>	<b>–</b>	<b>5,946.60</b>
<b>Un-allocated Expenditure</b>						
Net of un-allocated Income			<b>567.00</b>			567.00
Finance Cost			<b>966.90</b>			930.71
Interest Income			<b>311.59</b>			151.52
Dividend Income			–			–
Profit before Taxation			<b>4,666.83</b>			(1,346.19)
Provision for Taxation			<b>1,601.98</b>			1,186.89
<b>Net Profit</b>			<b>3,064.85</b>			<b>(2,533.08)</b>
Other Information						
	Segment Assets		Segment Liabilities			
	2015-16	2014-15	2015-16	2014-15		
Manufacturing	<b>6,671.84</b>	6,488.51	<b>1,729.53</b>	1,607.17		
Trading, Business Support Service, Consultancy and commission	<b>10,183.61</b>	9,119.91	<b>6,903.21</b>	5,303.84		
Others	<b>33,735.69</b>	26,257.11	<b>26,976.15</b>	21,303.97		
	<b>50,591.14</b>	41,865.53	<b>35,608.89</b>	28,214.98		
	Capital Expenditure		Depreciation			
	2015-16	2014-15	2015-16	2014-15		
Manufacturing	<b>32.50</b>	261.01	<b>162.05</b>	196.12		
Trading, Business Support Service, Consultancy and commission	<b>389.70</b>	281.60	<b>214.33</b>	353.75		
Others	<b>8,757.45</b>	2,270.43	<b>592.41</b>	693.11		
	<b>9,179.65</b>	2,813.04	<b>968.79</b>	1,242.98		

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

	2015-16 ₹ in Lakhs	2014-15 ₹ in Lakhs
Non-Cash expenses other than depreciation		
(ii) Information about Secondary Business Segments		
Revenue by Geographical Market		
India	32,430.55	29,393.43
Outside India	6,128.21	6,378.87
	<u>38,558.76</u>	<u>35,772.30</u>
Segment Assets		
India	50,591.14	41,865.53
Outside India	—	—
	<u>50,591.14</u>	<u>41,865.53</u>
Capital Expenditure		
India	9,179.65	2,813.04
Outside India	—	—
	<u>9,179.65</u>	<u>2,813.04</u>

As at 31 <sup>st</sup> March, 2016 ₹ In lakhs	As at 31 <sup>st</sup> March, 2015 ₹ In lakhs
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(iii) Notes :		
(a) The management has identified following main business segments:		
Manufacturing - comprising of manufacturing glass bottles, Trading, Business Support Service, Consultancy and Commission.		
(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	38,512.98	35,419.91
Other income excluding income from investments	45.78	352.39
	<u>38,558.76</u>	<u>35,772.30</u>
(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 Business support services, consultancy and commission.		
(d) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.		

### 39. Related Party disclosures

#### A. Related party

	Relationship
Empire International Pvt. Ltd.	
Randil Trading Co. Pvt. Ltd.	
Arjun Transport Co. Pvt. Ltd.	
Empire Technical Services Pvt. Ltd.	

Some of the Directors of the Company are also Directors in the said Pvt. Ltd. Companies

Mr. S. C. Malhotra – Chairman	}	Key Managerial Personnel
Mr. Ranjit Malhotra – Vice-Chairman		
Mr. Dileep Malhotra – Jt. Mg. Director		
Mr. S. K. Gulati – Director Finance & Company Secretary		

Mr. Kabir Malhotra	}	Relatives of Key Managerial Personnel
Mrs. Uma Malhotra		

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

## B. Disclosure of related party transactions

Nature of transactions	Year ended 31.03.2016	Year ended 31.03.2015
<b>Income</b>		
<b>Rent received</b>		
Empire International Pvt. Ltd.	0.49	0.49
Randil Trading Co. Pvt. Ltd.	0.48	0.48
Arjun Transport Co. Pvt. Ltd.	1.20	1.20
Empire Technical Services Pvt. Ltd.	11.02	11.02
<b>Interest on Inter-corporate Deposits</b>		
Empire International Pvt. Ltd.	57.97	110.11
Randil Trading Co. Pvt. Ltd.	12.60	26.45
Arjun Transport Co. Pvt. Ltd.	63.13	45.02
Empire Technical Services Pvt. Ltd	5.39	–
<b>Interest on Fixed Deposits</b>		
Mr. S. C. Malhotra	53.49	10.18
Mr. Ranjit Malhotra	10.34	34.79
Mr. Dileep Malhotra	21.33	108.35
Mrs. Uma Malhotra	2.65	–
<b>Remuneration to Key Managerial Personnel</b>		
Mr. S. C. Malhotra	65.03	64.57
Mr. Ranjit Malhotra	82.62	75.20
Mr. Dileep Malhotra	65.44	65.11
Mr. S. K. Gulati	185.60	164.30
<b>Salary to relatives of Key Managerial Personnel</b>		
Mr. Karan Malhotra	–	12.44
Mr. Kabir Malhotra	30.00	30.00
Mrs. Uma Malhotra	–	5.98
<b>Outstanding balances</b>		
Sundry Creditors		
Empire International Pvt. Ltd.	–	–
<b>Fixed Deposits</b>		
Mr. S. C. Malhotra	1,010.00	103.00
Mr. Ranjit Malhotra	235.00	23.00
Mr. Dileep Malhotra	390.00	225.00
Mrs. Uma Malhotra	61.00	–
<b>Inter-corporate Deposits</b>		
Empire International Pvt. Ltd.	314.00	660.00
Randil Trading Co. Pvt. Ltd.	147.00	142.00
Arjun Transport Co. Pvt. Ltd.	457.67	730.17
Empire Technical Services Pvt. Ltd	539.40	–

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.

As per our Report attached

S. C. MALHOTRA (DIN: 00026704)

Chairman

RANJIT MALHOTRA (DIN: 00026933)

Vice Chairman

DILEEP MALHOTRA (DIN: 00027168)

Joint Managing Director

For D. P. GHEVARIA &amp; CO.

Chartered Accountants

Firm Regn. No.103176W

UMA R. MALHOTRA (DIN: 06848613)

R. A. MASKATI (DIN: 00057850)

B. C. GANDHI (DIN: 00780094)

C. P. SHAH (DIN: 00450394)

Directors

D. P. GHEVARIA

Proprietor

Membership No.032431

S. K. GULATI

Director Finance &  
Company Secretary

Mumbai, May 26, 2016

Mumbai, May 26, 2016

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
<b>A. Cash Flow from Operating Activities :</b>		
a) Net Profit before Tax & Extra Ordinary items	4,666.66	4,600.41
Adjustments for :		
Depreciation	968.79	1,242.98
Finance cost	966.90	930.71
Interest & Dividend earned	(311.59)	(151.52)
Profit/Loss on sale of Fixed Assets (Net)	(12.40)	(0.60)
Provision for Gratuity/Leave encashment on actuarial basis	440.53	270.93
b) Operating Profit before working capital changes	6,718.89	6,892.91
Adjustments for :		
Trade & other Receivables	(2,281.37)	(212.81)
Inventories	(2,406.05)	(2,893.47)
Increase/(Decrease) in Trade Payables	3,626.06	2,676.58
c) Cash generated from operations	5,657.53	6,463.21
Finance cost paid	(942.45)	(1,000.78)
Direct Taxes paid (net of refunds)	(1,278.99)	(1,506.99)
Net Cash flow from Operating Activities	3,436.09	3,955.44
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(668.19)	(1,983.93)
Proceeds from Sale of Fixed Assets	24.69	68.41
Proceeds from Sale of Investments	—	—
Interest received	299.79	173.44
Dividend received	—	—
Net Cash from Investing Activities	(343.71)	(1,742.08)
<b>C. Cash Flow from Financing Activities :</b>		
Dividend Paid (Including tax on Dividend)	(3,177.44)	(1,684.73)
Proceeds from borrowings	4,125.12	1,225.87
Repayment of borrowings	378.93	(1,831.43)
Net Cash flow from Financing Activities	1,326.61	(2,290.29)
<b>D. Net increase/(decrease) in cash and cash equivalent</b>	<b>4,418.99</b>	<b>(76.93)</b>
Cash and cash equivalents at beginning of the year	3,189.92	3,266.85
Cash and cash equivalents at the end of the year	7,608.91	3,189.92

S. C. MALHOTRA (DIN: 00026704)  
RANJIT MALHOTRA (DIN: 00026933)  
DILEEP MALHOTRA (DIN: 00027168)

Chairman  
Vice Chairman  
Joint Managing Director

UMA R. MALHOTRA (DIN: 06848613)  
R. A. MASKATI (DIN: 00057850)  
B. C. GANDHI (DIN: 00780094)  
C. P. SHAH (DIN: 00450394)

Directors

S. K. GULATI

Director Finance &  
Company Secretary

Mumbai, May 26, 2016

