



Empire Industries Limited

SEC:SHR:2017-2018(0727)

July 31, 2017

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

Company Scrip Code: 509525

Dear Sir,

Re: Annual Report for the financial year ended 31.03.2017

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Annual Report for the financial year ended March 31, 2017 duly approved in the Annual General Meeting of the Company held on July 27, 2017.

Thanking you,

Yours faithfully,
For EMPIRE INDUSTRIES LIMITED



S. C. NANDA
Director-Finance & Company Secretary

Encl:

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 • Web : 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



EMPIRE INDUSTRIES LIMITED
CIN: L17120MH1900PLC000176

BOARD OF DIRECTORS

S. C. MALHOTRA	<i>Chairman</i>
RANJIT MALHOTRA	<i>Vice-Chairman & Managing Director</i>
DILEEP MALHOTRA	<i>Jt. Managing Director</i>
UMA RANJIT MALHOTRA	<i>Woman Director</i>
RAJBIR SINGH	} <i>Independent Directors</i>
C. P. SHAH	
B. C. GANDHI	
SUBODH CHANDRA	

AUDIT COMMITTEE:

RAJBIR SINGH	<i>Chairman</i>
C. P. SHAH	
SUBODH CHANDRA	

STAKEHOLDERS' RELATIONSHIP COMMITTEE

RAJBIR SINGH	<i>Chairman</i>
C. P. SHAH	
SUBODH CHANDRA	

NOMINATION & REMUNERATION COMMITTEE

RAJBIR SINGH	<i>Chairman</i>
C. P. SHAH	
SUBODH CHANDRA	

CSR COMMITTEE

UMA RANJIT MALHOTRA	<i>Chairperson</i>
DILEEP MALHOTRA	
RAJBIR SINGH	

RISK MANAGEMENT COMMITTEE

DILEEP MALHOTRA	<i>Chairman</i>
RAJBIR SINGH	
C. P. SHAH	

DIRECTOR FINANCE & COMPANY SECRETARY

SUHAS CHANDRA NANDA

AUDITORS

D. P. GHEVARIA & CO.

ADVOCATES & SOLICITORS

DSK Legal

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
Website: www.empiremumbai.com

PLANT

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

BANKERS

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

REGISTRARS & TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.,
E-2, Ansa Industrial Estate,
Sakivihar Road,
Saki Naka, Andheri (E)
Mumbai 400 072.
Tel : +91 22 28470652 / 40430200
Fax : +91 2228475207
Email : info@bigshareonline.com
Website : www.bigshareonline.com

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NOTICE

The ONE HUNDRED AND SIXTEENTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Thursday, July 27, 2017 at 3.00 P.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, 2017, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2017.
3. To appoint a Director in place of Mr. Ranjit 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 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. A. T. Jain & Co., Chartered Accountants (Firm Registration No.103886W) be and is hereby appointed as the Statutory Auditor of the Company in place of M/s. D. P. Ghevaria & Co., Chartered Accountants, Mumbai (Registration No.: 103176W), the retiring Statutory Auditor, to hold office from the conclusion of the 116th Annual General Meeting until the conclusion of the 121st Annual General Meeting of the Company, subject to ratification by the Members at every Annual General Meeting till the 120th Annual General Meeting, at such remuneration plus service tax / any other tax as applicable and reimbursement of out-of-pocket expenses in connection with the audit as the Board of Directors or Audit Committee thereof may decide and fix in this behalf."

Special Business:

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

"RESOLVED THAT pursuant to the provisions of Sections 188(1), 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification or re-enactment thereof for the time being in force, the consent of the Company be and is hereby accorded for the revision of the remuneration payable to Mr. Kabir Malhotra, who has been promoted as General Manager-Business Development of the Company (who holds an office or place of profit under the Companies Act), who is a relative of Mr. Satish Chandra Malhotra, Chairman, Mr. Ranjit Malhotra, Vice-Chairman & Managing Director, Mrs. Uma Malhotra, Director, and Mr. Dileep Malhotra, Joint Managing Director, be and is hereby increased as per the recommendation of the Remuneration and Nomination Committee with effect from August 1, 2017, with upgradation as General Manager – Business Development, with following terms and conditions:

Salary: Consolidated Salary of ₹ 4,50,000/- (Rupees Four Lakh Fifty Thousand only) per month.

RESOLVED FURTHER THAT the Board of Directors of the Company be and they are hereby authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution."

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 2016-17 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 2016-2017 amounting to ₹ 1,00,000/- (Rupees One Lakh only) as also the payment of service tax or any other 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."

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

SUHAS CHANDRA NANDA
Director Finance &
Company Secretary

Registered Office:

414, Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013.
Place : Mumbai
Date : May 23, 2017.

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 3.00 p.m. on Tuesday, July 25, 2017.

2. The information in respect of the business under item Nos. 5 & 6 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.5 above for adoption of increase in remuneration of Mr. Kabir Malhotra, a relative of Promoter Directors, 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 Wednesday, July 26, 2017 (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 Saturday, July 29, 2017 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.

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 Thursday, the 20th July, 2017 to Thursday, the 27th July, 2017 (both days inclusive) for determining the names of members eligible for 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 Wednesday, August 2, 2017:
 - i. 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 Thursday, July 20, 2017; and
 - ii. 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 Thursday, July 20, 2017.
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. Thursday, July 20, 2017, 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. Thursday, July 20, 2017 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 Wednesday 20th July, 2017, 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 2008-2009 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	Transferred to IEPF
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
14.	2015-16	Final Dividend @ 40%	30.07.2016	29.07.2023

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.empiremumbai.com.
20. Electronic copy of the Notice of the AGM, Annual Report for financial year 2016-2017 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. Thursday, July 20, 2017.
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 24th July, 2017 at 9.00 a.m. and ends on 26th July, 2017 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 20, 2017, 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.
- 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 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:

For Members holding shares in Demat Form and Physical Form

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"> 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. 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.
Dividend Bank Details OR 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"> 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 (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) 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.

(xix) 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 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.
- 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 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.

(xx) 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, under help section or write an email to 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:

Mr. Rajesh

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

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 & 6 of the accompanying Notice dated May 23, 2017.

ITEM NO.5

Keeping in view of increase in responsibilities, the Nomination & Remuneration Committee and Board of Directors has proposed to increase the remuneration payable to Mr. Kabir Malhotra as set out in the resolution from 1st August, 2017. The remuneration proposed to be paid to Mr. Kabir Malhotra is commensurate with his experience and is in line with industry standards prevalent in India.

Mr. Kabir Malhotra, aged 30 years, is a graduate, and has been working with the Company for almost 10 years and had the rich experience in the business of the Company.

Since he is son of Mrs. & Mr. Ranjit Malhotra, grandson of Mr. S C Malhotra, Chairman of the Company, and also related to Mr. Dileep Malhotra, Joint Managing Director of the Company and this appointment is covered under Section 188(1) of the Companies Act, 2013, therefore, approval of the shareholders by way of special resolution at their General Meeting is required. The Board recommends this special resolution. The monetary value of this transaction is embodied in the resolution and be construed accordingly.

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party	Mr. Kabir Malhotra
Name/s of the Director or Key Managerial Personnel who is related.	Mr. S. C. Malhotra Mr. Ranjit Malhotra Mrs. Uma Malhotra Mr. Dileep Malhotra
Remuneration	As provided in the resolution
Payment schedule	Not applicable
Nature, material terms and particulars of the arrangement	Mr. Kabir Malhotra has been appointed as General Manager-Business Development of the Company on remuneration and terms and conditions as embodied in the resolution given in Item No.5.
Duration of contract	Mr. Kabir Malhotra has been appointed under a contract of employment pursuant to which he may function according to directions as may be given by the Company from time to time. Contract will continue as long as he remains an employee as per the contract of employment.

Except Mr. S C Malhotra, Mr. Ranjit Malhotra, Mrs. Uma Malhotra and Mr. Dileep Malhotra being his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

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 23, 2017 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 ₹ 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, 2017.

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.

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. Wednesday, 26 July, 2017.

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

- 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.
- All the relevant documents in respect of accompanying notice for Resolution Nos. 5 & 6 are open for inspection at the Registered Office of the Company during normal business 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.

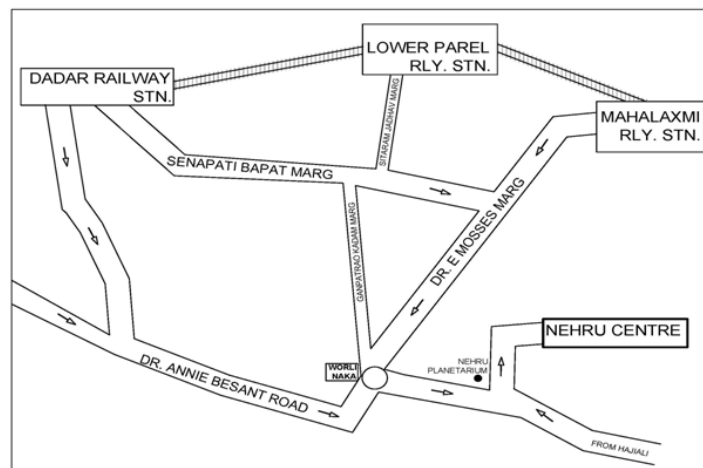
By Order of the Board
For **EMPIRE INDUSTRIES LIMITED**

SUHAS CHANDRA NANDA
Director Finance &
Company Secretary

Registered Office:

414, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
Place : Mumbai
Date : May 23, 2017.

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, 2017.

1. FINANCIAL RESULTS:

Particulars	Year ended 31.03.2017 ₹ in Lakh	Year ended 31.03.2016 ₹ in Lakh
Income:		
Revenue from Operations	40158.66	38512.99
Other Income	567.89	496.06
Total Revenue	40726.55	39009.05
Expenditure		
Cost of Materials Consumed	4948.37	4944.08
Purchase of Stock-in-Trade	10446.73	10770.30
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	397.42	245.93
Employee Benefit Expenses	7431.20	6688.33
Finance Costs	906.29	966.90
Depreciation and Amortization Expenses	896.09	968.79
Other Expenses	10808.03	9757.88
Total Expenses	35834.13	34342.21
Profit Before Tax	4892.42	4666.84
Tax Expenses		
(1) Current Tax	1432.00	1430.00
(2) Deferred Tax	196.43	171.98
Profit for the year	3263.99	3064.86
Appropriated as under:		
Proposed Dividend	1500.00	1440.00
Tax on Dividend	305.36	293.15
General Reserve	1458.63	1331.71
Total amount appropriated	3263.99	3064.86
Earning per Equity Share of the face value of ₹ 10 each Basic and Diluted (in ₹)	54.40	51.08

2. DIVIDEND:

Your Directors are pleased to recommend a Dividend of ₹ 25/- per equity share of face value of ₹ 10/- each for the year ended 31st March, 2017 subject to the approval of Members at the Annual General Meeting on 27th July, 2017, will be paid on or after 27th July, 2017 to the Members whose names appear in the Register of Members, as on the date of book closure, i.e. from Thursday, 20th July, 2017 to Thursday, 27th July, 2017 (both days inclusive). The total dividend for the financial year will absorb ₹ 1500 Lakh. (Previous Year ₹ 1440 Lakh). The tax on distributed profits, payable by the Company would amount to ₹ 305.36 Lakh has against ₹ 293.15 Lakh for the previous financial year.

3. OPERATIONS:

The Division-wise details are given below:

i. VITRUM GLASS

Vitrum Glass is an acknowledged leader in the manufacture and marketing of high quality amber glass bottles for the pharmaceutical industry - both in India and abroad. The division's fully automated plant produces more than one million glass bottles a day with bottle sizes ranging from 5ml to 500ml. The plant is located at Vikhroli, Mumbai. It boasts of a clientele of the best multinational pharmaceutical companies in India such as Glaxo Smith Kline Pharmaceuticals, Pfizer Ltd, Merck Ltd, Wardex Pharmaceuticals, Cipla Ltd among others.

During the previous year, the division achieved a total turnover of ₹ 139.59 crores. Out of the total turnover, exports also increased to ₹ 24.06 crores from ₹ 18.61 crores. There was an overall increase in profitability and this trend is expected to continue in the current year.

ii. EMPIRE MACHINE TOOLS – MFTM

(Metal Forming, Testing & Metrology)

The MFTM division is engaged in the business of Engineering Consultancy covering sales, service and turnkey project support of imported machines procured from globally reputed companies. The division relies on big investment plans in the private and public sectors. The division is prepared with the right products for the demands particularly in the aerospace and nuclear power sectors. These sectors will continue to give us the maximum opportunities for multifold growth in the coming years. In the Automotive sector, the market has not picked up. The overall order intake in the year was reasonably good in terms of volumes and margins in a sluggish market. In our endeavour to diversify revenue sources we have established contacts with suppliers from many non-traditional markets outside western Europe like USA, Canada, Korea, Russia, Ukraine, China that have not sold or have not been successful in India before. We want to play a greater role in managing contract execution progress with Customers and Principals in the future and ensure better performance. In order to increase revenue we are now also planning to step up sales of Spare parts for the large installation base of machines that we already have in the market. The division expects to improve its performance during the current year.

iii. EMPIRE MACHINE TOOLS - MCAT (Metal Cutting & Allied Technologies)

The MCAT division represents many state of the art machine tool companies in metal cutting in the world such as Waldrich Coburg (Germany), WFL (Austria), Goratu (Spain) among others.

It serves many sectors such as Defence, Automobile, Aerospace, Heavy Engineering, Railways, Energy and Power, Steel, Tool Rooms and Fabricators.

During the year under review, the order in flow has been low due to delay in finalization of projects by customers. The division's focus this year will be on Aerospace, Railways and Automobile sectors. It expects orders (in flow) to grow by 20%, and thus foresees an improvement in performance.

iv. EMPIRE INDUSTRIAL EQUIPMENT

The EIE division is in the business of sourcing equipment from abroad and also providing turnkey solutions to sectors such as Steel, Oil and Gas, Power and Infrastructure. These include

local supply chain management, customs clearance, inland transportation, site management including civil foundation, electrical cabling and Erection & Commissioning.

Within a span of over 16 years of its existence, the division has developed very strong and robust relationships with several state of the art technology leaders and equipment manufacturers abroad. Some of its clients are SAIL, IOC, HPCL, BPCL, NTPC.

The division exceeded its order booking targets, and contributed well to the profit of the company. Orders mainly came from the Oil and Gas, Fire Safety, Steel and Metallurgy sectors. With continued good prospects from these sectors along with latest initiatives by the Government on Smart City and infrastructure development, the division expects to continue its good performance.

v. EMPIRE VENDING (GRABBIT+)

Grabbit+ is today respected nationwide as the pioneer and leader of Vending in India and has vending machines installed across all major metro cities of India. Currently, this division has its machines in more than 380 locations, serving approximately half million happy users.

Grabbit+ provides a variety of vending machines to suit different requirements of its customers such as snacks, beverages, perishable food products, stationery etc. Its machines work 24/7 and are fully automated. It maintains very high standards of client care services through its 24X7 helpline, What's App and email- thus ensuring each machine is in perfect working condition. As a part of its client servicing initiative, it has created a Quick Response Team (QRT) with the objective to attend any complaints within 4 working hours.

Grabbit+ is associated with almost all the top FMCG brands like ITC, Parle, CavinKare, Schmittlen, Tranquini, RedBull etc. for the placement and branding of their products through its vending machines. In the year under review, it has added many reputed clients like P&G, TIAA, Bajaj, Forbes Marshall etc. by installing vending machines in their facilities.

This year, Grabbit+ plans to expand its operations to new cities such as Ahmedabad and Kolkata, and is expected to grow well.

vi. EMPIRE FOODS

The Empire Foods division imports various types of frozen food from across the globe, and sells to leading hotels, restaurants and caterers in the country. This division has performed well during the year under review, and has maintained its market leadership position. With 11 Branch Offices, it distributes throughout India and has further extended its reach to Tier 2 and Tier 3 cities.

It has also added more products and is now focusing on adding indigenously developed food products. This year, the division is also working towards the export of Indian frozen food to further boost its revenue. It is growing rapidly and is already a major contributor to the company's profitability.

vii. EMPIRE REAL ESTATE

This division manages Empire Industries Ltd's owned properties comprising 10 lakh sq.ft. of Commercial and IT space. It boasts of an excellent clientele such as TCS, ICICI, CNBC TV 18 and others.

It has done very well this year with good occupancies. Its IT park at Vikhroli comprises of 2 buildings-Plaza 1 and Plaza 2. Plaza 1 is currently 86% occupied and Plaza 2 is currently 93% occupied. The huge Empire Complex property at Lower Parel is 100% occupied.

Empire Industrial Centrum

This division is developing an integrated flatted industrial township at Ambernath on its 35 acre plot of land. The project commenced in the year 2014-2015 and has got all necessary approvals.

Currently, 7 buildings are under construction. These include 3 industrial and 4 residential buildings.

A total of approximately ₹ 120 crores has been sold till date equivalent to 360 units.

The total project is worth ₹ 1200 crores with a good profit potential.

The Empire Business Centre (TEBC)

The TEBC division builds and manages flexible and customised fully furnished offices and provides complete business support services and meeting and conference room facilities that enable its clients to run their businesses without incurring massive start-up costs and over-head expenses. Based on the core concept of providing the 'best-in-class' service, it provides a customised mix of products and services that deliver significant and measurable returns to its clients. Its services are world class and designed to meet the needs of each client, whether big or small, local or international. The various Products and Services that this division offers are Conference and Meeting Rooms, Video Conferencing, Business Lounges, Hot Desking, Executive Memberships, Day Offices and others. The current occupancy of TEBC is at 100%, the best in the industry. It plans to put up more business centres in the coming year.

4. CAPITAL EXPENDITURE

The major Capital Expenditure is on account of Building (₹ 288.93 Lakh), Plant & Machinery (₹ 202.36 Lakh), Vehicles (₹ 173.31 Lakh), Furniture & Fixtures (₹ 8.83 Lakh) Office Equipments (₹ 92.57 Lakh), and Software (₹ 10.60 Lakh).

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 Four 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:

- in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2017 and of the profit and loss of the company for that period;
- 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, 2013, and the Articles of Association of the Company, Mr. Ranjit Malhotra, having Director Identification Number 00026933, retire by rotation at this Annual General Meeting and being eligible offer himself for re-appointment.

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: ₹ 2179.79 Lakh.
- (b) Remained unpaid or unclaimed as at the end of the year: ₹ 38.19 Lakh.
- (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: ₹ 430.00 Lakh.

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 conducts its business with integrity and high standards of ethical behavior and in compliance with the laws and regulations that govern its business. The Company has

a well-established framework of internal controls in operation, supported by standard operating procedures, policies and guidelines, including suitable monitoring procedures and self-assessment exercises. In addition to external audit, the financial and operating controls of the Company at various locations are reviewed by the Audit Committee of the Board. The Audit Committee reviews the adequacy and effectiveness of the implementation of audit recommendations including those relating to strengthening Company's management policies and systems.

As required by the Companies Act 2013, the Company has implemented an Internal Financial Control (IFC) Framework. Section 134(5)(e) requires the Directors to make an assertion in the Directors Responsibility Statement that the Company has laid down internal financial controls, which are in existence, adequate and operate effectively. Under Section 177(4)(vii), the Audit Committee evaluates the internal financial controls and makes a representation to the Board. The purpose of the IFC is to ensure that policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business are implemented, including policies for and the safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

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 Board has appointed M/s. A. T. Jain & Co., Chartered Accountants (Firm Registration No.103886W) as the Statutory Auditor of the Company in place of M/s. D. P. Ghevaria & Co., Chartered Accountants, Mumbai (Registration No.: 103176W), the retiring Statutory Auditor, to hold office from the conclusion of the 116th Annual General Meeting until the conclusion of the 121st Annual General Meeting of the Company. M/s. A T Jain & Co., have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for appointment 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 M/s. Vinay Mulay & Co. to audit the cost accounts of the Company for the financial year 2016-2017 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 M/s. 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 23, 2017

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 under 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 of international quality and standard 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. The Division has developed 15 new products and produced those products successfully.

(b) Opportunities & Threats

The Company has developed Industrial Properties at its Lower Parel and Vikhroli premises and has offered the same to various Multinational Companies and Banks for office use on Leave and License basis. The demand from the Pharmaceutical Industry for Glass Containers manufactured by Vitrum Glass Division 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. Oil and Gas Sector continues to be major contributor with good contributions from fire and safety sector as well as from steel and metallurgical sector. In the business of Frozen & Chilled Foods, the Company imports various frozen foods from around the globe and sells to HORACA (Hotels, Restaurants and Caterers). The division is now focusing on trading indigenously developed food products. The Company is getting good response / support in the areas of providing office space on Leave & License basis, developing the property at Ambarnath 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 Equipment.
- (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 residential, commercial and industrial galas on the land admeasuring to 35 Acres at Ambarnath 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.

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 which are managed by the prudent business and risk management practices. 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 and review of internal control mechanisms prevailing in all the Divisions of the Company and submits the report to the management from time to time. Immediate corrective actions are taken on the recommendations of such reports. Division's operational performances are reviewed periodically by the senior management and necessary policy decisions are taken from time to time.

(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 division-wise daily transactions of cash inflows / outflows, Loans / Advances, 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 from all employees of the Company. The total numbers of people employed in the Company are shown in the Annexure to the Directors' Report.

2. Disclosure of Accounting Treatment:

Financial statements are prepared in accordance with the applicable Accounting Standards specified in terms of Sections 129 and 133 of the Companies Act, 2013 along with generally accepted accounting principles in India under the historical cost conversion on accrual basis. All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule-III of the Companies Act, 2013.

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. All Directors and Employees are bound by Code of Conduct and the associated standards of conduct that sets out the fundamental standards to be followed in all actions carried out on behalf of the Company.

2. Board of Directors

- a. As at 31st March, 2017 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 & Managing Director</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

* Retired at the Annual General Meeting held on 30th July, 2016.

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 3rd 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, 2017.

- 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, 2017.

- 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, 2017.

- 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, 2017.

- 5) **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 year experience and well known in the field. He is a Director of Kelly Handerson 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, 2017.

- 6) **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 2050 shares of the Company in his name as on March 31, 2017.

- 7) **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 Common wealth 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 Common wealth Textiles.

Mr. Gandhi holds 15 shares of the Company in his name as on March 31, 2017.

- 8) **Mr. SubodhChandra** 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, 2017.

- 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	4	Present
Ranjit Malhotra	4	Present
Dileep Malhotra	3	Present
R.A. Maskati*	2	Present
Rajbir Singh	3	Present
Chandrakant P Shah	4	Present
Bipinchandra Chimanlal Gandhi	4	Present
Subodh Chandra	3	Present
Uma Ranjit Malhotra	3	Absent

* Retired at the AGM held on 30.07.2016.

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

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

* Retired at the Annual General Meeting held on 30th July, 2016.

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

Four (4) Board Meetings were held on the following dates during the financial year.

(1) 26.05.2016 (2) 30.07.2016 (3) 28.10.2016 (4) 24.01.2017

3. Audit Committee

- (a) The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Section 177 of the Companies Act, 2013 and Clause 18 of the Listing Obligations & Disclosures Regulations, 2015 with Stock Exchange are as follows:

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

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - 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 thereon;
 - (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. Rajbir Singh .. Chairperson
2.	Mr. Chandrakant Poonamchand Shah
3.	Mr. Subodh Chandra
4.	Mr. Rasheed A Maskati *

* Retired at the Annual General Meeting held on 30th July, 2016.

Mr. Suhas Chandra Nanda, 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. Rajbir Singh	3
2.	Mr. Chandrakant Poonamchand Shah	4
3.	Mr. Subodh Chandra	2
4.	Mr. Rasheed A. Maskati *	2

* Retired at the Annual General Meeting held on 30th July, 2016.

4. Nomination and Remuneration Committee

- (a) The terms of reference of this Committee cover the matters specified for Nomination and Remuneration Committee in the Companies Act, 2013 and Clause 19 of Listing Obligation and Disclosure Regulations, 2015 are as follows:
 - (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. Rajbir Singh, Chairperson; Mr. C. P. Shah and Mr. Subodh Chandra. 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 26.05.2016 & 28.10.2016.

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 2016-2017 to the Executive Directors is as follows:

₹ in lakh

Name	Salary	Perqui-sites	Com-mission	Total
Mr. S. C. Malhotra	54.00	19.51	11.00	84.51
Mr. Ranjit Malhotra	54.00	41.73	3.00	98.73
Mr. Dileep Malhotra	54.00	19.60	11.00	84.60
Total	162.00	80.84	25.00	267.84

The above amounts include Company's contribution to Provident Fund, perquisites and commission to Executive Directors.

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

Sr. No.	Name of Directors	Sitting Fees (₹)
1.	Mr. R. A. Maskati	1,00,000
2.	Mr. Rajbir Singh	1,50,000
3.	Mr. C. P. Shah	2,00,000
4.	Mr. B. C. Gandhi	2,00,000
5.	Mr. Subodh Chandra	1,50,000
6.	Mrs. Uma Ranjit Malhotra	1,50,000

No commission has been paid to any Non-Executive Director for the year ended March 31, 2017.

Shares held by Non-Executive Directors:

Sr. No.	Name of Directors	Shares held
1.	Mr. Rajbir Singh	15
2.	Mr. C. P. Shah	2050
3.	Mr. B. C. Gandhi	15
4.	Mr. Subodh Chandra	15
5.	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. Chandrakant Poonamchand Shah
2.	Mr. Rajbir Singh
3.	Mr. Subodh Chandra

- (i) Name of non-executive director heading the Committee: Mr. Rajbir Singh
- (ii) Name and Designation of compliance officer: Mr. S. C. Nanda, Director-Finance & Company Secretary.
- (iii) Number of shareholders' complaints received so far: 5 (Five)
- (iv) Number of complaints resolved to the satisfaction of shareholders: 5 (Five)
- (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
2013-2014	Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai 400 018.	24.07.2014	3.00 p.m.
2014-2015	Same as above	24.07.2015	3.00 p.m.
2015-2016	Same as above	30.07.2016	11.30 a.m.

- b) Whether any special resolutions passed in the previous AGM: Yes.
- c) Whether any special resolution passed last year through postal ballot: Yes.
- d) Person who conducted the postal ballot exercise: Ms. Deepa Gupta.
- 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

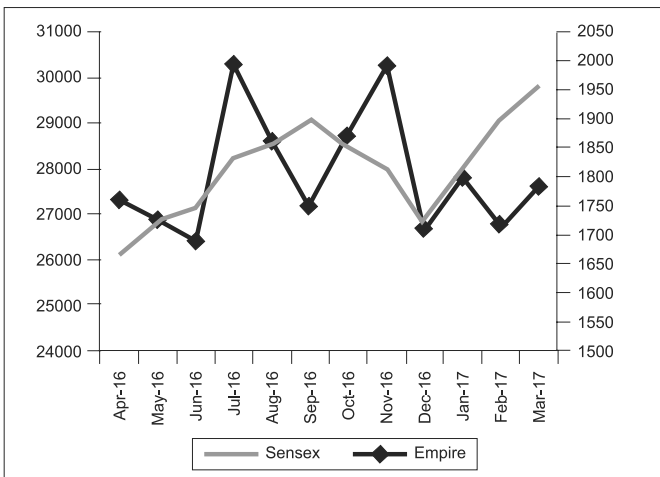
- (d) Whether it also displays official news releases; Yes
(e) The presentations made to institutional investors or to the analysts: Only on request.

9. General Shareholder information

- (a) AGM Date, Time and Venue : Thursday, the 27th July, 2017 at 3.00 p.m.
Hall of Culture, Ground Floor, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.
- (b) Financial year : 2016-2017
- (c) Date of Book closure : Thursday the 20th July, 2017 to Thursday the 27th July, 2017 (both days inclusive).
- (d) Dividend Payment Date : 2nd August, 2017.
- (e) Listing on Stock Exchanges : BSE Limited, P J Tower, Dalal Street, Mumbai 400023. Annual listing fee is paid to BSE
- (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, 2016	1761.00	1550.00	26100.54	24523.20
May, 2016	1729.00	1575.00	26837.20	25057.93
June, 2016	1689.85	1521.20	27105.41	25911.33
July, 2016	1995.00	1601.00	28240.20	27034.14
August, 2016	1864.00	1660.00	28532.25	27627.97
September, 2016	1750.00	1518.00	29077.28	27716.78
October, 2016	1870.00	1533.00	28477.65	27488.30
November, 2016	1990.00	1552.00	28029.80	25717.93
December, 2016	1709.00	1561.00	26803.76	25753.74
January, 2017	1799.00	1560.10	27980.39	26447.06
February, 2017	1714.00	1580.00	29065.31	27590.10
March, 2017	1785.00	1560.55	29824.62	28716.21

- (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 400 072.
Tel: +91 22 28470652 / 40430200 Fax: +91 2228475207
Email: info@bigshareonline.com

Our Registrar & Transfer Agent, M/s. Bigshare Services Private Limited launched Gen-Next Investor Module iBoss the most advanced tool to interact with shareholders. Please login into iBoss (www.bigshareonline.com) 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, 2017:

Shareholding of Nominal value of	Share-holders Numbers	% of Total	Share Amount ₹	% to Equity
Up to 5000	4752	95.4792	3151270	5.2520
5001 - 10000	106	2.1298	758680	1.2645
10001 - 20000	62	1.2457	861570	1.4360
20001 - 30000	15	0.3014	368440	0.6141
30001 - 40000	11	0.2210	371370	0.6190
40001 - 50000	3	0.0603	136360	0.2273
50001 - 100000	9	0.1808	678360	1.1306
100001 and above	19	0.3818	53673930	89.4565
Total	4977	100.0000	59999980	100.0000

(l) Dematerialization of shares and liquidity

Dematerialisation of shares:

Mode of Holding	%age
NSDL	20.87
CDSL	76.66
Physical	2.47
Total	100.00

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 Securities and Exchange Board or any statutory authority, on any matter related to capital markets, during the last three years;
- (c) Company has put in place Vigil mechanism, whistle blower policy and posted 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 web-link shall be complied with.
- (g) Disclosure of commodity price risks and commodity hedging activities: Not applicable to our Company.
- (h) The codes of conduct applicable to all Directors and employees of the Company have been posted on the Company's website. For the year under review, all Directors and senior management personnel of the Company have confirmed their adherence to the provisions of the said codes.

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 23, 2017

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, 2017

[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	34.76
2	Real Estate Activities	68100	20.16
3	Business Support Service, Consultancy and Commission	46103	19.41
4	Wholesale of meat & fish	46303	25.67

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. SHAREHOLDING 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 01.04.2016				No. of Shares held at the end of the year 31.03.2017				Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Sh	%
A. Promoters										
(1) Indian										
a) Individual/HUF	3186421	–	3186421	53.1070	3186421	–	3186421	53.1070	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	1111990	–	1111990	18.5332	1111990	–	1111990	18.5332	–	–
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	–	–
Sub-total (A) (1):-	4353226	–	4353226	72.5538	4353226	–	4353226	72.5538	–	–

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 Shares	%
(2) Foreign	–	–	–	–	–	–	–	–	–	–
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4353226	–	4353226	72.5538	4353226	–	4353226	72.5538	–	–
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	–	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	504	504	0.0084	–	414	414	0.0069	-90	-0.0015
c) Central Govt	–	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–	–
f) Insurance Companies	884650	–	884650	14.7442	884650	–	884650	14.7442	–	–
g) FIs	–	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	884650	504	885154	14.7526	884650	414	885064	14.7511	-90	-0.0015
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	94632	1454	96086	1.6014	105241	1404	106645	1.7774	10559	0.1760
ii) Overseas	–	–	–	–	–	–	–	–	–	–
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	444257	155940	600197	10.0033	447973	146200	594173	9.9029	-6024	-0.1004
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	55335	–	55335	0.9223	50463	–	50463	0.8411	-4872	-0.0812
c) Others										
i) Clearing Member	163	–	163	0.0027	1232	–	1232	0.0205	1069	0.0178
ii) NRIs	9537	300	9837	0.1640	8895	300	9195	0.1533	-642	-0.0107
Sub-total (B)(2):-	603924	157694	761618	12.6936	613804	147904	761708	12.6951	90	0.0015
Total Public Shareholding (B)=(B)(1)+(B)(2)	1488574	158198	1646772	27.4462	1498454	148318	1646772	27.4462	0	0.0000
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	5841800	158198	5999998	100.0000	5851680	148318	5999998	100.0000	–	–

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in shareholding 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	1475975	24.60	—	1475975	24.60	—	—
2	RANJIT MALHOTRA	968403	16.14	—	968403	16.14	—	—
3	SATISHCHANDRA MALHOTRA	95582	1.59	—	95582	1.59	—	—
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	195874	3.26	—	195874	3.26	—	—
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.	784978	13.08	—	784978	13.08	—	—
	TOTAL	4353226	72.55	—	4353226	72.55	—	—

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

SI No.	Name	No. of shares at the beginning (01-04-16)	% 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	1475975	24.5996			No change	1475975	24.5996
2	MR. RANJIT MALHOTRA	968403	16.1401			No change	968403	16.1401
3	MR. SATISH CHANDRA MALHOTRA	95582	1.5930			No change	95582	1.5930
4	ARJUN TRNASPORT CO. PVT. LTD.	784978	13.0830			No change	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	195874	3.2646			No change	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 (01-04-16)	% 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	789741	13.1624			No change	789741	13.1624
2	ORIENTAL INSURANCE CO. LTD.	94909	1.5818			No Change	94909	1.5818
3	VISHNU TRADING CO. PVT. LTD.	72595	1.2099					
				12-04-2016	4	Purchase	72599	1.2100
				18-04-2016	7	Purchase	72606	1.2101
				26-05-2016	10	Purchase	72616	1.2103
				27-05-2016	20	Purchase	72636	1.2106
				01-06-2016	40	Purchase	72676	1.2113
				02-06-2016	30	Purchase	72706	1.2118
				03-06-2016	50	Purchase	72756	1.2126
				06-06-2016	20	Purchase	72776	1.2129
				07-06-2016	2	Purchase	72778	1.2130
				10-06-2016	10	Purchase	72788	1.2131
				15-06-2016	18	Purchase	72806	1.2134
				16-06-2016	20	Purchase	72826	1.2138
				17-06-2016	8	Purchase	72834	1.2139
				20-06-2016	25	Purchase	72859	1.2143
				21-06-2016	20	Purchase	72879	1.2147
				22-06-2016	44	Purchase	72923	1.2154
				27-06-2016	50	Purchase	72973	1.2162
				28-06-2016	35	Purchase	73008	1.2168
				29-06-2016	50	Purchase	73058	1.2176
				30-06-2016	10	Purchase	73068	1.2178
				24-01-2017	50	Purchase	73118	1.2186
				25-01-2017	90	Purchase	73208	1.2201
				27-01-2017	30	Purchase	73238	1.2206
				30-01-2017	30	Purchase	73268	1.2211
				31-01-2017	30	Purchase	73298	1.2216
				01-02-2017	8	Purchase	73306	1.2218
				03-02-2017	10	Purchase	73316	1.2219
				13-02-2017	32	Purchase	73348	1.2225
	At the end of the year (31.03.2017)						73348	1.2225
4	SUDHIR N	27229	0.4538					
				15-04-2016	-2000	Sale	25229	0.4205
				30-06-2016	14	Purchase	25243	0.4207
				25-11-2016	66	Purchase	25309	0.4218
	At the end of the year (31.03.2017)						25309	0.4218
5	MAHENDRA GIRDHARILAL	25154	0.4192			No change	25154	0.4192
6	SUDHIR GOLECHA HUF	15705	0.2618			No change	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

Sl. No.	Name	No. of shares at the beginning (01-04-16)	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	% of total shares of the Company
9	SUMITA ASHOK JAIN	6451	0.1075					
				27-05-2016	275	Purchase	6726	0.1121
				08-07-2016	1000	Purchase	7726	0.1288
				29-07-2016	4	Purchase	7730	0.1288
				23-09-2016	225	Purchase	7955	0.1326
				30-09-2016	416	Purchase	8371	0.1395
				21-10-2016	49	Purchase	8420	0.1403
				24-02-2017	72	Purchase	8492	0.1415
				03-03-2017	9	Purchase	8501	0.1417
	At the end of the year (31.03.2017)						8501	0.1417
10	HARISH N	6755	0.1126					
				06-01-2017	953	Purchase	7708	0.1285
				31-03-2017	114	Purchase	7822	0.1304
	At the end of the year (31.03.2017)						7822	0.1304

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	No. of shares at the beginning (01-04-16)	% 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	95582	1.5930			No change	95582	1.5930
2	MR. RANJIT MALHOTRA	968403	16.1401			No change	968403	16.1401
3	MR. DILEEP MALHOTRA	1475975	24.5996			No change	1475975	24.5996
4	RAJBIR SINGH	15	0.0003			No change	15	0.0003
5	CHANDRAKANT POONAMCHAND SHAH	50	0.0008					
				03-03-2017	2000	Transmission	2050	0.0342
	At the end of the year (31.03.2017)						2050	0.0342
6	BIPINCHANDRA CHIMANLAL GANDHI	15	0.0003			No change	15	0.0003
6	SUBODH CHANDRA	15	0.0003			No change	15	0.0003
8	UMA MALHOTRA	125222	2.0870			No change	125222	2.0870

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	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
Total (i+ii+iii)	5943.38	1694.07	6554.63	14192.08
Change in Indebtedness during the financial year	0			
Addition	1407.38	4092.76	2222.68	7722.82
Reduction	2072.10	3404.72	3034.86	8511.68
Net Change	-664.72	688.04	-812.18	-788.86
Indebtedness at the end of the financial year	0			
i) Principal Amount	5278.66	2382.11	5453.13	13113.90
ii) Interest due but not paid	0			
iii) Interest accrued but not due			289.32	289.32
Total (i+ii+iii)	5278.66	2382.11	5742.45	13403.22

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	3051180	4472508	3059640	10583328
	(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	0	0	0	0
	– others, specify...	0	0	0	0
5	Others, please specify.	0	0	0	0
	Total (A)	8451180	9872508	8459640	26783328
	Ceiling as per the Act.				43944012

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	100000	150000	200000	200000	150000	0	800000
	• Commission	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0
	Total (1)	100000	150000	200000	200000	150000	0	800000
4.	Other Non-Executive Directors:							
	• Fee for attending Board committee meetings	0	0	0	0	0	150000	150000
	• 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	150000	150000
	Total (B)=(1+2)	100000	150000	200000	200000	150000	150000	950000
	Total Managerial Remuneration							950000
	Overall Ceiling as per the Act.							4394401

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO &Company Secretary - Mr. S K Gulati *	CFO &Company Secretary - Mr. S C Nanda @	
1	Gross salary	₹	₹	₹
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11184320	2885665	14069985
	(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	0	0	0
	– as % of profit	0	0	0
	– others, specify...	0	0	0
5	Others, please specify.	0	0	0
	Total	11184320	2885665	14069985

* Expired on 17.07.2016 @ Appointed w.e.f. 03.10.2016

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)
A. COMPANY					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			
B. DIRECTORS					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			
C. OTHER OFFICERS IN DEFAULT					
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) All power supply parameters are monitored and maintained at optimum level resulting in consistent reward for Power factor @ 0.99 and above, load factor @0.80 and above Billing Demand within the Contract demand. These factors result in getting consistent power factor bonus / load factor incentives from energy supplying agency throughout the year.
 - b) Consistent monitoring of compressed air / cooling air / vacuum resulted in sustained lower average energy consumption within the target achieved.
 - c) The Glass conditioning electrodes power of feeder monitored for optimum control contributing consistency in conditioning of glass.
 - d) Forming process control contributing reduction in hold thereby improving forming controls and quality consistency the energy conservation achieved by minimizing reworks / repacking.
- (ii) The steps taken by the Company for utilizing alternate sources of energy: Nil
- (iii) The capital investment on energy conservation equipment: Nil

(B) Technology absorption -

- (i) The efforts made towards technology absorption:
As an initiative on continuous improvement in forming process following actions are taken and implemented with success of improved quality product and enhanced performance.
 - (a) The shear cutting facility on the high speed machines done with sustained technical improvement.
 - (b) The Gob delivery accessories installed with enhanced feature to have extended life increasing the reduction in down time.
 - (c) Hot ware handling devised with adaptable pusher arms and brackets developed in-house resulting in improved ware handling – by minimizing the handling loss.
 - (d) Achieved in-house, consistent, continuous measure of weight reduction of wares without deviating the basic needs and providing same performance as required is the major step ahead by the design development, workshop and forming team.
 - (e) About 15 new products developed and produced successfully.
- (ii) The benefits derived like product improvement, cost reduction, product development and 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 has 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	₹ 6095.67 Lakh
Foreign Exchange earned	₹ 7081.98 Lakh

On Behalf of the Board of Directors

Place : Mumbai
Date : May 23, 2017

S. C. MALHOTRA
Chairman

ANNEXURE – C

ANNEXURE TO DIRECTORS' REPORT**Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2016-2017
(Pursuant to Section 135 of Companies Act, 2013)**

Empire Industries Limited (EIL) is a 116-year-old Public Limited Company – a multi-faceted conglomerate with interests in diverse business and is associated with several international partners in some of the operating divisions. 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, Business Centers and Glass containers for Pharmaceuticals.

Through CSR, the company is taking an important step towards fulfilling the social and medical needs and bridging the gaps in society at large. The CSR of EIL is a continuous commitment to behave ethically while improving the quality of life of the members of the local community and society at large.

EIL established its own Trust / Foundation, KARO Trust, a non-profit organization registered under Bombay Public Trusts Act, 1950 in Mumbai to carry out CSR activities of the Company.

Our CSR Committee

The Corporate Social Responsibility Committee ("the CSR Committee") of the Board is responsible for overseeing and execution of Company's CSR Policy and ensuring that the CSR objectives of the Company are met.

Chairperson	Ms Uma Malhotra	Director, Empire Industries Limited
Member	Mr Dileep Malhotra	Director, Empire Industries Limited
Member	Mr Rajbir Singh	Independent Director, Empire Industries Limited

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 fiber of the nation through education, especially value based education.

Broad Areas of Focus

EIL has been evolved in various social initiatives over the years. These efforts have substantially enhanced the quality of life of the people. EIL's CSR focuses on the following areas:

- Health care (preventive and curative)
- Education with special focus on Value / Character Education.
- Malnutrition
- Water Hygiene and Sanitation (WASH)

All the above mentioned areas would target the lesser privileged and lower income groups of the society, with special emphasis on children and young adults. EIL aims to address the issues of affordability and provide access to quality healthcare also aiming to increase the awareness of healthy living at schools, hospitals and at the community level.

The CSR Programs of EIL enables hospitals to expand its outreach and provide quality health care services to the poor and needy individuals faced with life threatening illnesses. The programs aim to associate and collaborate with various NGOs to strengthen its capacity to serve better and expand its outreach in health and education.

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	Our CSR enables 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 and character education. http://www.empiremumbai.com/pdf/csr_policy.pdf
2	Average net profit of the Company for the last 3 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	₹ 96,00,000
	A Total Amount to be spent for the Financial Year	₹ 96,00,000
	B Amount unspent, if any	Nil
	C Manner in which the amount spent during the Financial Year:	

Details of Amount spent on CSR activities during the Financial Year 2016 - 17

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	2	3	4	5	6	7	8
1	Project Sanjivani - Enhance hospital's capacities by providing support for patient care / nutrition / Infrastructural or equipment	Health care	Mumbai / Maharashtra Chennai / Tamilnadu	73,30,110	73,30,110	73,30,110	Implementing Agency - KARO Trust
2	Project Arogyasampann - Focusing on Malnutrition, Adolescent health, women health, WASH and primary health care	Health / slum development	Mumbai / Maharashtra	15,59,140	15,59,140	15,59,140	Implementing Agency - KARO Trust
3	Malnutrition program - equipment support to Akanksha Foundation for malnutrition program in 9 BMC schools	Malnutrition / Health Care	Mumbai / Maharashtra	24,573	24,573	24,573	Implementing Agency - KARO Trust
4	FUN WITH KARO - entertainment and informative events for patients and families admitted in the hospital or at health care NGOs	Health	Mumbai / Maharashtra	1,94,623	1,94,623	1,94,623	Implementing Agency - KARO Trust
5	Malnutrition Program - Supported 13 weight machines to Integrated Child Development Scheme, Worli office, Mumbai in Jijamatanagar, Worli	Malnutrition / Health Care	Mumbai / Maharashtra	11,554	11,554	11,554	Implementing Agency - KARO Trust
6	Administrative expenses	Administration	Mumbai / Office	4,80,000	4,80,000	4,80,000	Implementing Agency - KARO Trust
Total				96,00,000	96,00,000	96,00,000	

* KARO Trust, a non-profit organization registered under Bombay Public Trusts Act, 1950 in Mumbai to carry out CSR activities of the Company.

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.

Place : Mumbai
Date : 23/05/2017

Satish Chandra 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	21.67
Mr. Ranjit Malhotra	25.31
Mr. Dileep Malhotra	21.69

(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	30
Mr. Ranjit Malhotra	Director on Board	19
Mr. Dileep Malhotra	Director on Board	29
Mr. Yogesh Grover	Director-Empire Foods	19
Mr. S. S. Parmar	Director-Vitrum Glass	25
Mr. Anoop K Bhargava	Director-Empire Industrial Centrum	36
Mr. C. K. Pradhan	Director-Commercial	32
Mr. Sandeep Jain	Director-Vending	4
Mr. Sandeep Singh	Director-Empire Business Centre	32
Mr. K.K. Sen	Director-EMT MFTM	0
Mr. N. S. L. Narasimhan	Director-Empire Industrial Equipment	-9
Mr. P.N. Rao	Director-EMT MCAT	1

(iii) The percentage increase in the median remuneration of employees in the financial year is 3%.

(iv) The number of permanent employees on the rolls of Company is 696.

(v) The revenue from operations has increased from ₹ 38,513 Lakh to ₹ 40,158 Lakh i.e. by ₹ 1,645 Lakh and the Employees benefits expenses increased from ₹ 6,688 Lakh to ₹ 7,431 Lakh i.e. by ₹ 743 Lakh.

(vi) The remuneration paid to the Key Managerial personnel during the year ended 31.03.2017 is ₹ 1,669 Lakh as against Company's revenue from operations is increased from ₹ 38,513 Lakh to ₹ 40,158 Lakh i.e. by ₹ 1,645 Lakh.

(vii) a. The variations in the market capitalisation on 31.03.2017 as against 31.03.16 is 9.11%.

b. Price earnings ratio as on 31.03.2017 is ₹ 54.40 as against ₹ 51.08 as on 31.03.2016.

c. Percentage increase in the market quotations as compared to public offer as on 31.03.2017 is 173.46%.

(viii) The average percentile increase in the salaries of employees other than Managerial Personnel in the last financial year is 12%. The percentile increase in the managerial remuneration is 11%.

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

Name of Employee	Division	Remuneration ₹ in Lakh	Revenue from Operations ₹ Lakh		% Increase
			2016-2017	2015-2016	
Mr. S. C. Malhotra Mr. Ranjit Malhotra Mr. Dileep Malhotra Mr. S. K. Gulati Mr. S. C. Nanda Mr. R. C. Shah	Corporate	457	40,158	38,513	4
Mr. Yogesh Grover	Empire Foods	303	9,900	9,410	5
Mr. S. S. Parmar	Vitrum Glass	174	13,063	12,977	1
Mr. C. K. Pradhan	Commercial	207	7,340	6,403	15
Mr. Sandeep Jain	Vending	54	1,283	1,204	7
Mr. Sandeep Singh	Empire Business Centre	42	755	609	24
Mr. K. K. Sen	EMT - MFTM	121	951	1,717	-45
Mr. N. S. L. Narasimhan	Empire Industrial Equipment	119	5,483	4,826	14
Mr. P. N. Rao	EMT – MCAT	126	1,526	1,381	10
Mr. Anoop K Bhargava	Centrum	66	–	–	–

(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 3.26.

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 : May 23, 2017

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	There were no transactions not at arm's length basis
	(b)	Nature of contracts/arrangements/ transactions	
	(c)	Duration of the contracts / arrangements / transactions	
	(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
	(e)	Justification for entering into such contracts or arrangements or transactions	
	(f)	Date(s) of approval by the Board	
	(g)	Amount paid as advances, if any:	
	(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	
2.	Details of material contracts or arrangement or transactions at arm's length basis:		
	(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 Private Limited Companies.
		Mr. S. C. Malhotra – Chairman Mr. Ranjit Malhotra – Vice Chairman & Managing Director Mr. Dileep Malhotra – Jt. Mg. Director Mrs. Uma Ranjit Malhotra	Promoter Directors
		Mr. Kabir Malhotra	Relatives of Promoter Directors
		Ms. Anjali Malhotra	
	(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 01.04.2016 to 31.03.2017
	(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 23, 2017

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. Satish Chandra Malhotra, Chairman and Mr. Suhas Chandra Nanda, 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, 2017 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,

S. C. MALHOTRA

SUHAS CHANDRA NANDA

Date : May 23, 2017

Chairman

Director Finance & Company Secretary.

**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, 2017.

For **EMPIRE INDUSTRIES LIMITED**

Place : Mumbai,

S. C. MALHOTRA

Date : May 23, 2017

Chairman

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[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 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 31st March, 2017 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 31st March, 2017 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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, 2015;
 - (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 (Share Based Employee Benefits) Regulations, 2014 (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);

The management has identified and confirmed the following laws as specifically applicable to the Company:

- (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) and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

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 out unanimously and recorded in the minutes of the meetings.

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 : 22/05/2017

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

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the members of Empire Industries Limited

We have examined the compliance of the conditions of Corporate governance by Empire Industries Limited, for the year ended March 31, 2017 as stipulated in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulations (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

Place : Mumbai
Dated : May 23, 2017.

(D. P. GHEVARIA)
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, 2017, 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 standalone 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, 2017, 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, 2017 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, 2017.

- iv. The Company has provided requisite disclosures in the financial statements as to holdings and as well as dealings in Specified Bank Notes (SBNs) during the period from 8th November, 2016 to 30th December, 2016. In view of multiple locations of cash holdings held by the company across India, it was not practically possible for us to physically verify cash transactions in respects SBNs during the reporting period. However, the Company has provided appropriate disclosures in its financial statements as to holdings as well as dealings in SBNs during the said period.

Based on the certified Cash Balances as at

those dates furnished by the Company, the requisite information provided in its Management Representation and based on our audit procedures, we report that the disclosures are in accordance with Books of Account maintained by the Company and as produced to us by the management.

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

Chartered Accountants

Firm Regn. No. : 103176W

(D. P. GHEVARIA)

Proprietor

Place : Mumbai

Dated : May 23, 2017.

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, 2017 :

- 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 March 31, 2017 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, 2017 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 Finance Act, 1994	Service Tax	2,10,573	F.Y. 2011-2012	Commissioner of Central Excise
2	I. Tax Act, 1962	I. Tax Demand	54,10,120	A.Y. 2009-2010	I.T.A.T. Mumbai
	— 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)
3	MVAT Act, 2002	VAT / CST dues	83,50,719	F.Y. 2009-2010	Jt. Commissioner Of Sales Tax (A)
	— 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 give 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 give 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)
Proprietor

Place : Mumbai
Dated : May 23, 2017.

Membership No. 032431

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

Referred in paragraph 10(f) of the Independent Auditor's Report of even date to the members of EMPIRE INDUSTRIES LIMITED on the standalone financial statements for the year ended March 31, 2017.

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, 2017 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 defection 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 of 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, 2017, 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)

Proprietor

Place : Mumbai

Dated : May 23, 2017.

Membership No. 032431



Balance Sheet as at 31st March, 2017

(₹ in lakhs)

	Note	As at 31 st March, 2017	As at 31 st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	600.00	600.00
Reserves and Surplus	2	17,646.23	14,382.24
		18,246.23	14,982.24
Non-current Liabilities			
Long Term Borrowings	3	5,744.65	6,602.87
Deferred Tax Liabilities (Net)	4	734.56	538.13
Other Long Term Liabilities	5	11,997.14	7,007.80
Long Term Provisions	6	1,810.87	1,502.01
		20,287.22	15,650.81
Current Liabilities			
Short Term Borrowings	7	7,331.06	7,320.44
Trade Payables	8	3,195.03	5,481.28
Other Current Liabilities	9	3,054.83	4,654.76
Short Term Provisions	10	2,337.37	2,501.61
		15,918.29	19,958.09
TOTAL		54,451.74	50,591.14
ASSETS			
Non-current Assets			
Fixed assets			
Tangible Assets	11	21,460.45	21,603.18
Intangible Assets	11	52.74	113.39
Capital Work-in-Progress	11	7.84	0.17
Non-Current Investments	12	0.03	0.03
Long Term Loans and Advances	13	183.03	297.25
Other Non-Current Assets	14	529.55	536.63
		22,233.64	22,550.65
Current Assets			
Inventories	15	12,684.84	10,454.08
Trade Receivables	16	7,565.50	7,855.46
Cash and Cash Equivalents	17	9,888.09	7,746.67
Short Term Loans and Advances	18	931.20	658.82
Other Current Assets	19	1,148.47	1,325.46
		32,218.10	28,040.49
TOTAL		54,451.74	50,591.14

Significant Accounting Policies Notes on Financial Statements

1 to 39

As per our Report attached

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

D. P. GHEVARIA
Proprietor
Membership No.032431

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

UMA R. MALHOTRA (DIN: 06848613)
RAJBIR SINGH (DIN: 00826402)
B. C. GANDHI (DIN: 00780094)
C. P. SHAH (DIN: 00450394)
SUBODH CHANDRA (DIN: 02076844)

S. C. NANDA

Chairman
Vice Chairman & Managing Director
Joint Managing Director

Directors
Director Finance & Company Secretary

Mumbai, May 23, 2017

Mumbai, May 23, 2017

Statement of Profit and Loss for the year ended 31st March, 2017

(₹ in lakhs)

	Note	Year ended 31 st March, 2017	Year ended 31 st March, 2016
INCOME			
Revenue from Operations	20	40,158.66	38,512.99
Other Income	21	567.89	496.06
Total Revenue		40,726.55	39,009.05
EXPENDITURE:			
Cost of Materials Consumed	22	4,948.37	4,944.08
Purchases of Stock-in-Trade		10,446.73	10,770.30
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	23	397.42	245.93
Employee Benefits Expense	24	7,431.20	6,688.33
Finance Costs	25	906.29	966.90
Depreciation and Amortization Expense	11	896.09	968.79
Other Expenses	26	10,808.03	9,757.88
Total Expenses		35,834.13	34,342.21
Profit Before Tax		4,892.42	4,666.84
Tax Expense			
(1) Current Tax		1,432.00	1,430.00
(2) Deferred Tax		196.43	171.98
Profit for the year		3,263.99	3,064.86
Earning per equity share of face value of ₹ 10 each Basic and Diluted (in ₹)		54.40	51.08

Significant Accounting Policies
Notes on Financial Statements

1 to 39

As per our Report attached

For **D. P. GHEVARIA & CO.**
Chartered Accountants
Firm Regn. No.103176W**D. P. GHEVARIA**
Proprietor
Membership No.032431

Mumbai, May 23, 2017

S. C. MALHOTRA (DIN: 00026704)
RANJIT MALHOTRA (DIN: 00026933)
DILEEP MALHOTRA (DIN:00027168)**UMA R. MALHOTRA** (DIN: 06848613)
RAJBIR SINGH (DIN: 00826402)
B. C. GANDHI (DIN: 00780094)
C. P. SHAH (DIN: 00450394)
SUBODH CHANDRA (DIN: 02076844)*Chairman*
Vice Chairman & Managing Director
Joint Managing Director

Directors

S. C. NANDA

Mumbai, May 23, 2017

Director Finance & Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The financial statements of the Company have been prepared on accrual basis under the historical cost convention & ongoing concern basis in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ('the Act') / the Companies Act, 1956, as applicable.

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 assumptions that affect the reported balances of assets and liabilities, revenues and expenses and the disclosures relating to contingent liabilities as at the date of Financial Statements. Changes and estimates are recognised in the year they arise.

3. Fixed Assets

(a) Tangible Assets

Tangible fixed Assets are carried at cost less accumulated depreciation and impairment, if any. Cost comprises the purchase price or construction cost including any attributable cost of bringing the asset to its working condition for its intended use.

(b) Intangible Assets

Intangible fixed assets are carried at cost less accumulated amortisation and impairment, if any. Cost comprises the purchase consideration paid for software and such other items and any attributable cost of bringing internally generated asset to its working condition for its intended use.

(c) Capital Work in Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/ acquisition and pending commissioning. Projects under which tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs. 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.

4. Depreciation and Amortization

a) Tangible Assets

Depreciation has been provided under the Straight Line Method on Buildings & Flats, Plants & Machinery and Furnace and on other assets under the Written Down Value Method at the rates specified as per Schedule II of the Companies Act, 2013. Depreciation on Additions to assets or where any asset has been sold or discarded, is calculated on a Pro-rata basis from the date of such addition or upto the date of such sale or discard as the case may be,

b) Intangible Assets

Software is amortised over a period of three years from the date of its purchase or acquisition.

c) Leasehold Land

Premium on leasehold land is amortised over the balance period of lease.

d) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

5. Current / Non - Current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

An asset is classified as current when it satisfies any of the following criteria :

- i) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realized within twelve months after the balance sheet date;

- iv) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria :

- i) it is expected to be settled in the entity's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is due to be settled within twelve months after the balance sheet date;
- iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the revised Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycles as ranging from 12 months to 36 months depending upon each activity for the purpose of current and non-current classification of assets and liabilities.

6. Valuation of Stock

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

Cost comprises purchase cost, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Damaged, unserviceable and inert stocks are suitably written down.

Work-in-Progress is valued at lower of cost and net realisable value. Cost comprises cost of land, materials, services, overheads related to projects under construction and apportioned borrowing costs.

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

7. Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.

All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

8. Lease accounting

a) Where the company is lessee

Leases which effectively transfer to the company, substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower.

Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

b) Where the company is lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

9. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

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

- Revenues from sales and services are recognised on transfer of all significant risks and rewards of ownerships to the customers and are net of sales returns and taxes. Scrap sale is accounted upon sale.
- Foreign commission is recognised on shipment of goods by foreign principals. Local commission is accounted on accrual basis.
- Rent, Interest, export benefits and other income are accounted on accrual basis.
- 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 the year end.

13. Taxes on Income

Current tax provision is determined as amount of tax payable in respect of 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.

15. Earnings Per Share :

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion and potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in lakhs)

		As at 31 st March, 2017	As at 31 st March, 2016		
1. SHARE CAPITAL					
Authorised					
1,50,00,000	Equity Shares of ₹ 10 each (Previous Year 1,50,00,000 Equity Shares of ₹ 10 each)	1,500.00	1,500.00		
50,000	Cumulative Redeemable Preference Shares of ₹ 100 each (Previous Year 50,000 Cumulative Redeemable Preference Shares of ₹ 100 each)	50.00	50.00		
		1,550.00	1,550.00		
Issued and Subscribed					
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.				
		600.00	600.00		
1.4 Details of Shareholders holding more than 5% shares:					
		As at 31 st March, 2017	As at 31 st March, 2016		
Name of the Shareholder		No. of Shares	% held	No. of Shares	% held
Dileep Malhotra		14,75,975	24.60	14,75,975	24.60
Ranjit Malhotra		9,68,403	16.14	9,68,403	16.14
Life Insurance Corporation of India		7,89,741	13.16	7,89,741	13.16
Arjun Transport Company Private Limited		7,84,978	13.08	7,84,978	13.08
Empire International Private Limited		3,27,012	5.45	3,27,012	5.45
1.5 The reconciliation of the number of shares outstanding:					
		As at 31 st March, 2017 No.of Shares	As at 31 st March, 2016 No.of Shares		
Equity Shares at the beginning of the year		59,99,998	59,99,998		
Add : Shares issued during the year		Nil	Nil		
Equity Shares at the end of the year		59,99,998	59,99,998		
1.6 Terms / rights attached to equity shares					
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.					
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.					
1.7 The Board of Directors in its meeting held on 23rd May, 2017 has proposed a dividend of ₹ 25/- per Equity Share for the Financial Year ended 31 st March, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 27 th July, 2017. The total dividend for the year ended 31 st March, 2017 when appropriated, shall amount to ₹ 18,05,36,410/- (including corporate Dividend Tax of ₹ 3,05,36,460/-).					

Notes on Financial Statements for the Year ended 31st March, 2017

2. RESERVE AND SURPLUS

(₹ in lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016
Capital Reserve:		
Balance as per last account	65.97	65.97
Share Premium Account:		
Balance as per last account	13.33	13.33
General Reserve:		
Balance as per last account	14,288.44	12,956.73
Add: Transferred from Retained Earnings Reserve	14.50	—
Add: Transferred from Profit and Loss Account	3,263.99	1,331.71
	17,566.93	14,288.44
Retained Earnings Reserve		
Balance as per last account	14.50	14.50
Transferred to General Reserve	14.50	—
Profit and Loss Account	—	14.50
Profit for the year	3,263.99	3,064.86
Less: Appropriations		
Interim Dividend on Equity Shares	—	1,200.00
Final Proposed Dividend on Equity Shares	—	240.00
Tax on Dividend	—	293.15
Transferred to General Reserve	3,263.99	1,331.71
	17,646.23	14,382.24
	As at 31 st March, 2017	As at 31 st March, 2016
3. LONG-TERM BORROWINGS		
Secured		
Term Loan from a Bank	2,588.61	3,868.75
Motor Car Loan from a Bank	38.15	49.05
Unsecured		
Fixed Deposits	3,117.89	2,685.07
	5,744.65	6,602.87
4. DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilities		
Related to Fixed Assets	2,142.29	1,812.23
Deferred Tax Assets		
Disallowances under the Income Tax Act 1961.	1,407.73	1,274.10
	734.56	538.13
5. OTHER LONG-TERM LIABILITIES		
Security Deposits	7,245.96	4,193.89
Advance from Customers	4,486.79	2,556.32
Trade Payables	41.09	—
Others	223.30	257.59
	11,997.14	7,007.80
6. LONG-TERM PROVISIONS		
Employee Benefits	1,810.87	1,502.01

Notes on Financial Statements for the Year ended 31st March, 2017

	As at 31 st March, 2017	(₹ in lakhs) As at 31 st March, 2016
7. SHORT-TERM BORROWINGS		
Secured		
Term Loan from Bank	1,309.17	1,148.93
Cash Credit	989.33	588.83
Packing Credit Facility	353.40	287.83
Unsecured		
Fixed Deposits	2,047.05	1,904.78
Fixed Deposits from Directors	250.00	1,696.00
Inter-corporate Deposits from related parties	—	1,458.07
Inter-corporate Deposits from others	492.90	236.00
Buyer's Line of Credit	1,889.21	—
	7,331.06	7,320.44
<p>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.</p> <p>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.</p> <p>Motor Car Loan from a bank is secured by hypothecation of specific vehicles purchased under the scheme.</p>		
8. TRADE PAYABLES		
Trade Payables	2,492.92	4,869.15
Others	702.11	612.13
	3,195.03	5,481.28
<p>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, 2017. 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.</p>		
9. OTHER CURRENT LIABILITIES		
Other Payable - Employees	430.69	453.85
Trade Deposits & Advances	1,949.23	3,481.63
Sales Tax & withholding taxes payable	266.57	379.10
Interest Accrued but not due	289.32	246.43
Unpaid matured deposits	38.19	22.35
Unpaid/unclaimed Dividends	80.83	71.40
	3,054.83	4,654.76
<p>Investor Education and Protection Fund is credited by the amount of unclaimed dividend/ unclaimed matured fixed deposits after seven years from the due date.</p>		
10. SHORT-TERM PROVISIONS		
Proposed Final Dividend	—	240.00
Tax on Dividend	—	48.86
Employee Benefits	2,337.37	2,212.75
	2,337.37	2,501.61

Notes on Financial Statements for the Year ended 31st March, 2017

11. FIXED ASSETS

(₹ in lakhs)

Description	GROSS BLOCK - COST/BOOK VALUE					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1 st April, 2016	Additions/ adjustments during the year	Deductions/ adjustments during the year	Impairment/ (Reversal) during the year	Total As at 31 st March, 2017	As at 1 st April, 2016	Provided during the year	Deductions/ adjustments during the year	Transfer to Asset Retained Reserve	Total As at 31 st March, 2017	As at 31 st March, 2017	As at 31 st March, 2016
TANGIBLE ASSETS												
Freehold Land	18.97	-	-	-	18.97	-	-	-	-	-	18.97	18.97
Buildings	19,474.19	281.09	-	-	19,755.28	1,899.94	303.77	-	-	2,203.71	17,551.57	17,574.25
Plant & Machinery	5,493.66	202.36	0.76	-	5,695.26	2,702.92	171.39	0.19	-	2,874.12	2,821.14	2,790.74
Furnaces	1,220.61	-	-	-	1,220.61	1,099.69	0.61	-	-	1,100.30	120.31	120.92
Vehicles	1,064.31	173.31	160.31	-	1,077.31	683.19	136.87	109.85	-	710.21	367.10	381.12
Furniture & Fixtures	1,519.48	8.83	12.72	-	1,515.59	1,067.39	112.90	12.07	-	1,168.22	347.37	452.09
Office Equipments :	1,749.95	92.57	42.37	-	1,800.15	1,484.86	121.13	39.83	-	1,566.16	233.99	265.09
Moulds & Castings	2.80	-	-	-	2.80	2.80	-	-	-	2.80	-	-
Total Tangible Assets	30,543.97	758.16	216.16	-	31,085.97	8,940.79	846.67	161.94	-	9,625.52	21,460.45	21,603.18
INTANGIBLE ASSETS												
Software	285.24	10.77	-	-	296.01	171.85	71.42	-	-	243.27	52.74	113.39
Total Intangible Assets	285.24	10.77	-	-	296.01	171.85	71.42	-	-	243.27	52.74	113.39
Total Fixed Assets	30,829.21	768.93	216.16	-	31,381.98	9,112.64	918.09	161.94	-	9,868.79	21,513.19	21,716.57
Less: Transferred to WIP (EIC)	-	-	-	-	-	-	22.01	-	-	-	-	-
	30,829.21	768.93	216.16	-	31,381.98	9,112.64	896.08	161.94	-	9,868.79	21,513.19	21,716.57
Previous Year	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	0.17	7.84	0.17	-	7.84	-	-	-	-	-	7.84	0.17

12. NON-CURRENT INVESTMENTS (Long Term Investments)

Particulars	Number	Face Value per unit (₹)	As at 31 st March, 2017	As at 31 st March, 2016
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	-	-
			0.03	0.03

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 st March, 2017	As at 31 st March, 2016
Employee Loans & Advances	22.26	17.57
Other Loans and Advances	160.77	279.68
	183.03	297.25

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016
14. OTHER NON-CURRENT ASSETS		
Security Deposits	51.98	51.32
Other Long-term Receivables	13.54	19.92
Trade Receivables	464.03	465.39
	529.55	536.63
15. INVENTORIES		
Raw Materials	124.22	174.28
Stores, Spare parts & Packing Materials	585.00	547.90
Liquid Fuel & Petrol	45.37	43.06
Stock-in-trade	1,253.10	1,742.27
Finished Goods	1,069.52	977.78
Building Work-In-Progress (for sale)	9,607.63	6,968.79
	12,684.84	10,454.08
16. TRADE RECEIVABLES		
Unsecured (Considered good)		
Over Six Months	852.35	1,096.16
Other Debts	6,713.15	6,759.30
	7,565.50	7,855.46
17. CASH AND CASH EQUIVALENTS		
Cash in hand	21.24	31.86
Cheques in hand	50.00	21.62
Balances with banks*	2,017.89	2,179.61
Fixed Deposits with banks#	7,798.96	5,513.58
	9,888.09	7,746.67
<p>* Balances with Banks include Unclaimed Dividend of ₹ 80.83 lakhs (Previous year ₹ 71.40 lakhs)</p> <p># Fixed Deposits with Banks include Deposits against Bank Guarantees issued by banks of ₹ 92.74 lakhs (Previous year ₹ 66.36 lakhs) with maturity of more than 12 months.</p>		
18. SHORT-TERM LOANS AND ADVANCES		
Loans and advances to Employees	84.74	23.84
Deposit against Insurance Premium	56.78	59.59
Deposit/Balances with Central Excise/Sales tax authorities	0.19	25.35
Advance Payment of Income tax(including TDS) and Wealth tax(Net of Provisions)	789.49	550.04
	931.20	658.82
19. OTHER CURRENT ASSETS		
Advance to suppliers	319.40	256.22
Interest accrued but not due on Fixed Deposits	73.85	52.70
Other Current Assets	755.22	1,016.54
	1,148.47	1,325.46

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016
20. REVENUE FROM OPERATIONS		
Sales of Products	25,351.24	25,054.41
Sales of Services	3,694.48	2,582.94
	<u>29,045.72</u>	<u>27,637.35</u>
Less: Excise Duty	1,115.53	1,136.56
Sales of Products and Services (Net)	27,930.19	26,500.79
Other Operating Revenues	12,228.47	12,012.20
	<u>40,158.66</u>	<u>38,512.99</u>
20.1 Particulars of Sale of Products :		
Manufactured Goods		
Glass Bottles	13,959.04	13,606.42
Traded Goods		
Food Products	10,307.50	9,843.08
Machine Tools and Industrial Equipments	1,084.70	1,604.91
	<u>11,392.20</u>	<u>11,447.99</u>
	<u>25,351.24</u>	<u>25,054.41</u>
20.2 Particulars of other Operating Revenues :		
Business Support Service, Consultancy and Commission	3,203.75	3,741.47
Property Rent	7,340.24	6,403.31
Advertising, Branding and Operating Income	722.52	767.54
Business Centre Services	755.47	609.45
Others	206.49	490.43
	<u>12,228.47</u>	<u>12,012.20</u>
21. OTHER INCOME		
Credit balances Written back	2.56	2.84
Insurance Claims	1.66	4.67
Interest Income	401.30	311.59
Profit on Sale of assets	11.88	13.21
Foreign Exchange Rate Difference	112.55	138.70
Miscellaneous Income	37.94	25.05
	<u>567.89</u>	<u>496.06</u>

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in lakhs)

	Year ended 31 st March, 2017	Year ended 31 st March, 2016
22. COST OF MATERIAL CONSUMED		
Raw Materials Consumed	3,840.04	3,910.26
Stores & Spares, Packing Materials Refractories & Moulds and Castings Consumed	1,108.33	1,033.82
	<u>4,948.37</u>	<u>4,944.08</u>
22.1 Particulars of Material Consumed		
Raw Materials	%	%
Imported	411.15 10.71	591.22 15.12
Indigenous	3,428.88 89.29	3,319.04 84.88
	<u>3,840.03 100.00</u>	<u>3,910.26 100.00</u>
Chemicals	1,370.72	1,423.13
Silica Sand	209.91	175.93
Cullets	2,259.41	2,311.20
	<u>3,840.04</u>	<u>3,910.26</u>
22.2 Components and Spare parts	%	%
Imported	71.71 6.47	86.38 8.36
Indigenous	1,036.62 93.53	947.44 91.64
	<u>1,108.33 100.00</u>	<u>1,033.82 100.00</u>
23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE	Year ended 31st March, 2017	Year ended 31st March, 2016
Stock at close - Finished Goods	1,069.53	977.78
Stock at commencement - Finished Goods	<u>977.78</u>	<u>847.91</u>
	(91.75)	(129.87)
Stock at close - Traded Goods	1,253.10	1,742.27
Stock at commencement - Traded Goods	<u>1,742.27</u>	<u>1,908.07</u>
	489.17	165.80
Stock at close - Licences	—	—
Stock at commencement - Licences	<u>—</u>	<u>210.00</u>
	—	210.00
	<u>397.42</u>	<u>245.93</u>
24. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus, Gratuity & Allowances	6,260.20	5,616.20
Contribution to Provident & Superannuation Fund	568.08	524.47
Staff Welfare Expenses	602.92	547.66
	<u>7,431.20</u>	<u>6,688.33</u>

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016
25. FINANCE COST		
Interest Expense on Overdrafts & other Borrowings	725.14	782.46
Other Borrowing Cost	181.15	184.44
	<u>906.29</u>	<u>966.90</u>
26. OTHER EXPENSES		
Repairs to Machinery	112.76	92.12
Repairs to Buildings	388.04	132.07
Other Repairs	352.75	316.03
Power & Fuel	2,574.13	2,848.27
Rent	134.09	129.73
Rates & Taxes	481.47	520.30
Insurance	75.68	69.09
Discount, Commission and Brokerage	1,064.96	366.96
Conducting Charges	55.82	—
Electricity charges	250.80	295.11
Vehicle Expenses	378.64	351.04
Carriage Outward and Steamer Freight	1,294.57	1,181.84
Professional and Legal charges	546.68	722.80
Travelling Expenses	416.96	455.27
Telephone and other Communication Expenses	146.10	148.52
Expenditure on Corporate Social Responsibility(CSR) activities	96.00	93.74
Miscellaneous Expenses	2,438.58	2,034.99
	<u>10,808.03</u>	<u>9,757.88</u>
27. Contingent liabilities not provided for :		
a) Guarantees given by the Banks	2,019.57	1,472.14
b) Letters of Credits/Buyers Credit	784.31	3,404.96
c) Claims against the Company not acknowledged as debts	—	17.41
d) Estimated amount of contracts remaining to be executed on Capital Account (Net of advances)	2.60	41.50
e) Service tax demand disputed by the Company.	2.11	26.75
f) Income Tax matters in respect of which appeals are pending	369.45	405.68
g) Sales tax demand disputed by the Company.	251.92	427.60

In the Financial Year 2015-16, 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 on 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 ₹ 96 lakhs (Previous year ₹ 93.74 lakhs)

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016
28. Payment to Auditors as :		
a) Statutory Audit Fees	7.00	7.00
b) Tax Audit Fees	2.00	2.00
c) Certification and Consultation Fees	0.78	2.05
d) Others	3.67	0.49
e) Reimbursement of expenses	0.67	0.58
f) Cost Audit Fees	1.00	1.00
	15.12	13.12
29. The value of stocks includes 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.		
	2016-17	2015-16
32. Earnings per Share		
Net Profit (₹ in lakhs)	3,263.98	3,064.85
Weighted average number of Equity Shares outstanding	59,99,998	59,99,998
Earning per share - Basic and Diluted. (₹)	54.40	51.08
Face value of share (₹)	10.00	10.00
	2016-17	2015-16
33. Value of Imports on C.I.F. basis in respect of		
Raw Materials	382.64	373.79
Components and Spare parts	62.07	60.04
Capital Goods	0.37	77.88
Traded Goods	5,415.33	5,656.81
34. Expenditure in Foreign Currency in respect of :		
Technical and Professional services	117.33	105.41
Travelling	52.15	70.01
Commission	36.96	17.31
Others	28.82	4.59

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016
35. Earnings in foreign exchange in respect of		
(i) Export of goods on F.O.B. Basis(on accrual basis)	2,405.90	1,861.18
(ii) Commission	4,588.53	3,712.59
(iii) Others	87.55	88.47

36. Remittances in foreign exchange on account of dividend

(i) Number of non-resident shareholders	35	33
(ii) Number of shares held by them	8976	9845
(iii) Dividends remitted	Nil	Nil
(iv) Year to which dividend relates	2015-16	2014-15 & 2015-16

[Dividend / Interim Dividend to non-resident shareholders amounting to ₹ 2.33 lakhs (Previous year ₹ 4.19 lakhs) has been paid to their Bankers/Agents in India]

37. Disclosures as required by Accounting Standard (AS15) Employee Benefits

Defined Benefit Plans as per Actuarial Valuation are as under:

	Gratuity		Leave Encashment	
	2016-2017 (Unfunded)	2015-2016 (Unfunded)	2016-2017 (Unfunded)	2015-2016 (Unfunded)
A. Change in obligation during the year				
Liability at the beginning of the year	2297.08	2046.85	1411.05	1220.75
Interest Cost	165.07	156.32	100.61	94.85
Current Service Cost	170.40	150.62	167.78	167.78
Benefits Paid	(168.76)	(70.08)	—	—
Actuarial (Gain)/ Loss on obligation	105.98	13.37	(107.59)	(72.33)
Liability at the end of the year	2569.77	2297.08	1571.85	1411.05
B. Change in fair value of plan assets				
Fair Value of Plan Assets at the beginning of the year	—	—	—	—
Expected Return on Plan Assets	—	—	—	—
Contributions	168.76	70.08	—	—
Benefits Paid	(168.76)	(70.08)	—	—
Actuarial (Gain)/ Loss on plan assets	—	—	—	—
Fair Value of Plan Assets at the end of the year	—	—	—	—

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in lakhs)

	Gratuity		Leave Encashment	
	2016-2017 (Unfunded)	2015-2016 (Unfunded)	2016-2017 (Unfunded)	2015-2016 (Unfunded)
C. Fair value of plan assets				
Fair Value of Plan Assets at the beginning of the year	—	—	—	—
Actual Return on Plan Assets	—	—	—	—
Contributions	168.76	70.08	—	—
Benefits Paid	(168.76)	(70.08)	—	—
Fair Value of Plan Assets at the end of the year	—	—	—	—
D. Liability recognised in the Balance Sheet				
Liability at the end of the year	2569.76	2297.08	1,571.85	1411.05
Funded status	—	—	—	—
Liability recognised in the balance sheet	2569.76	2297.08	1571.85	1411.05
E. Liability recognised in the Statement of Profit and Loss				
Current Service Cost	170.40	150.62	167.78	167.78
Interest Cost	165.06	156.32	100.61	94.85
Net Actuarial (Gain)/Loss	105.98	13.37	(107.59)	(72.33)
Expenses recognised in the Statement of Profit and Loss	441.44	320.31	160.80	190.30
F. Movements in Liability recognised in the Balance Sheet				
Opening Net Liability	2297.08	2046.85	1411.05	1220.75
Expenses as above	441.44	320.31	160.80	190.30
Contribution Paid	(168.76)	(70.08)	—	—
Closing Net Liability	2569.76	2297.08	1571.85	1411.05
G. Actuarial assumptions				
Discount Rate	7%	8%	7%	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 31st March, 2017

(₹ in lakhs)

38. Segment wise information for the year ended 31st March, 2017 :

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

	2016-2017 (₹ in Lakhs)			2015-2016 (₹ in Lakhs)		
	External	Inter-Segment	Total	External	Inter-Segment	Total
REVENUE						
Manufacturing	13,053.34	–	13,053.34	12,961.29	–	12,961.29
Trading, Business Support Service, Consultancy and commission	19,788.99	–	19,788.99	19,178.65	–	19,178.65
Others	7,370.40	–	7,370.40	6,418.82	–	6,418.82
Total Revenue	40,212.73	–	40,212.73	38,558.76	–	38,558.76
RESULT						
Segment Result						
Manufacturing	1,007.74	–	1,007.74	894.26	–	894.26
Trading, Business Support Service, Consultancy and commission	270.46	–	270.46	45.56	–	45.56
Others	4,686.21	–	4,686.21	4,949.32	–	4,949.32
Total Result	5,964.41	–	5,964.41	5,889.14	–	5,889.14
Un-allocated Expenditure						
Net of un-allocated Income			567.00			567.00
Finance Cost			906.29			966.90
Interest Income			401.29			311.59
Profit before Taxation			4,892.41			4,666.83
Provision for Taxation			1,628.43			1,601.98
Net Profit			3,263.98			3,064.85
Other Information						
	Segment Assets		Segment Liabilities			
	2016-17	2015-16	2016-17	2015-16		
Manufacturing	6,563.04	6,671.84	2,144.07	1,729.53		
Trading, Business Support Service, Consultancy and commission	9,685.01	10,183.61	6,619.68	6,903.21		
Others	38,203.70	33,735.69	27,441.78	26,976.15		
	54,451.75	50,591.14	36,205.53	35,608.89		
	Capital Expenditure		Depreciation			
	2016-17	2015-16	2016-17	2015-16		
Manufacturing	5.13	32.50	137.07	162.05		
Trading, Business Support Service, Consultancy and commission	226.19	389.70	299.93	214.33		
Others	537.62	8,757.45	459.08	592.41		
	768.94	9,179.65	896.08	968.79		

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in lakhs)

	2016-17	2015-16
Non-Cash expenses other than depreciation		
(ii) Information about Secondary Business Segments		
Revenue by Geographical Market	34,096.06	32,430.55
India	6,116.67	6,128.21
Outside India	40,212.73	38,558.76
Segment Assets	54,451.75	50,591.14
India	—	—
Outside India	54,451.75	50,591.65
Capital Expenditure	768.94	9,179.65
India	—	—
Outside India	768.94	9,179.65

	As at 31 st March, 2017 (₹ in lakhs)	As at 31 st March, 2016 (₹ in lakhs)
(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 include Sales & service, commission income in respective segments. Segment Revenue comprises of: Sales, Commission Property Rent and other Operating Income	40,158.67	38,512.98
Other income excluding income from investments	54.06	45.78
	40,212.73	38,558.76
(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

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

Relationship

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 & Managing Director
Mr. Dileep Malhotra - Jt Managing Director
Mr. S. C. Nanda - Director Finance & Company Secretary

Key Managerial Personnel

Mr. Kabir Malhotra
Mrs. Uma Malhotra
Ms. Anjali Malhotra

Relatives of Key Managerial Personnel

Notes on Financial Statements for the Year ended 31st March, 2017

(₹ in lakhs)

B. Disclosure of related party transactions

Nature of transactions	Year ended 31.03.2017	Year ended 31.03.2016
Income		
Rent received		
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
Interest on Inter-corporate Deposits		
Empire International Pvt. Ltd.	13.87	57.97
Randil Trading Co. Pvt. Ltd.	7.50	12.60
Arjun Transport Co. Pvt. Ltd.	19.00	63.13
Empire Technical Services Pvt. Ltd.	23.02	5.39
Interest on Fixed Deposits		
Mr. S. C. Malhotra	18.01	53.49
Mr. Ranjit Malhotra	13.26	10.34
Mr. Dileep Malhotra	1.96	21.33
Mrs. Uma Malhotra	1.23	2.65
Remuneration to Key Managerial Personnel		
Mr. S. C. Malhotra	73.51	65.03
Mr. Ranjit Malhotra	95.73	82.62
Mr. Dileep Malhotra	73.60	65.44
Mr. S. K. Gulati*	111.84	185.60
Mr. S. C. Nanda*	28.86	—
Salary to relatives of Key Managerial Personnel		
Mr. Kabir Malhotra	30.00	30.00
Ms. Anjali Malhotra*	4.89	—
Fixed Deposits		
Mr. S. C. Malhotra	190.00	1,010.00
Mr. Ranjit Malhotra	50.00	235.00
Mr. Dileep Malhotra	10.00	390.00
Mrs. Uma Malhotra	—	61.00
Inter-corporate Deposits		
Empire International Pvt. Ltd.	—	314.00
Randil Trading Co. Pvt. Ltd.	—	147.00
Arjun Transport Co. Pvt. Ltd.	—	457.67
Empire Technical Services Pvt. Ltd.	—	539.40

Note :

1. Related party relationship is as identified by the Company and relied upon by the Auditors.
2. *Employed for part of the year.

40. Notes on Financial Statements for the Year ended 31st March, 2017.

Details of specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

Particulars	Specified Bank Notes	Other Denomination Notes	Total (Amount in INR)
Closing cash in hand as on 08.11.2016	89.99	21.11	111.10
Add: Permitted Receipts	—	235.26	235.26
Less: Permitted Payments	—	88.36	88.36
Less: Amount Deposited in Bank	89.99	157.88	247.87
Closing cash in hand as on 30.12.2016	—	10.13	10.13

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

As per our Report attached

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

D. P. GHEVARIA
Proprietor
Membership No.032431

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

UMA R. MALHOTRA (DIN: 06848613)
RAJBIR SINGH (DIN: 00826402)
B. C. GANDHI (DIN: 00780094)
C. P. SHAH (DIN: 00450394)
SUBODH CHANDRA (DIN: 02076844)

Chairman
Vice Chairman & Managing Director
Joint Managing Director

Directors

S. C. NANDA
Mumbai, May 23, 2017

Director Finance & Company Secretary

Mumbai, May 23, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
A. Cash Flow from Operating Activities :		
a) Net Profit before Tax & Extra Ordinary items	4,892.41	4,666.66
Adjustments for :		
Depreciation	896.08	968.79
Finance cost	906.29	966.90
Interest & Dividend earned	(401.29)	(311.59)
Profit/Loss on sale of Fixed Assets (Net)	(9.83)	(12.40)
Provision for Gratuity/Leave encashment on actuarial basis	433.47	440.53
b) Operating Profit before working capital changes	6,717.13	6,718.89
Adjustments for :		
Trade & other Receivables	419.70	(2,281.37)
Inventories	(2,230.77)	(2,406.05)
Increase/(Decrease) in Trade Payables	1,174.71	3,626.06
c) Cash generated from operations	6,080.77	5,657.53
Finance cost paid	(863.41)	(942.45)
Direct Taxes paid (net of refunds)	(1,630.21)	(1,278.99)
Net Cash flow from Operating Activities	3,587.15	3,436.09
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(776.76)	(668.19)
Proceeds from Sale of Fixed Assets	45.78	24.69
Interest received	385.87	299.79
Net Cash from Investing Activities	(345.11)	(343.71)
C. Cash Flow from Financing Activities :		
Dividend Paid (Including tax on Dividend)	(288.85)	(3,177.44)
Proceeds from borrowings	2,930.38	4,125.12
Repayment of borrowings	(3,777.97)	378.93
Net Cash flow from Financing Activities	(1,136.44)	1,326.61
D. Net increase/(decrease) in cash and cash equivalent	2,105.60	4,418.99
Cash and cash equivalents at beginning of the year	7,608.91	3,189.92
Cash and cash equivalents at the end of the year	9,714.51	7,608.91

As per our Report attached

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

D. P. GHEVARIA
Proprietor
Membership No.032431

Mumbai, May 23, 2017

S. C. MALHOTRA (DIN: 00026704)
RANJIT MALHOTRA (DIN: 00026933)
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S. C. NANDA

Mumbai, May 23, 2017

Chairman
Vice Chairman & Managing Director
Joint Managing Director

Directors

Director Finance & Company Secretary

Notes

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