



ANNUAL REPORT 2010-11

EMPIRE INDUSTRIES LIMITED

DIRECTORS :

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

R.A. MASKATI
K.C. KHANNA
RAJBIR SINGH
C.P. SHAH
B.C. GANDHI

} *Directors*

DIRECTOR FINANCE & COMPANY SECRETARY :

S.K. GULATI

AUDITORS :

D.P. GHEVARIA & CO.

ADVOCATES & SOLICITORS :

DSK LEGAL

BANKERS :

INDIAN BANK
ALLAHABAD BANK
BANK OF INDIA
BANK OF BARODA
CENTRAL BANK OF INDIA

REGISTERED OFFICE :

414, Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013
Tel. : +91 22 6655 5453
Fax : +91 22 2493 9143
E-mail : email@empiresecretarial.com
Website : www.empiremumbai.com

PLANT :

Vitrum Glass
L.B. Shastri Marg,
Vikhroli, Mumbai - 400 083

REGISTRARS & TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.,
E-2 Ansa Industrial Estate,
Sakivihar Road,
Saki Naka, Andheri (E)
Mumbai - 400 072.
Tel. : +91 22 2847 0652/4043 0200
Fax : +91 22 2847 5207
E-mail : info@bigshareonline.com
Website : www.bigshareonline.com



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NOTICE

The ONE HUNDRED AND TENTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Friday, August 26, 2011 at 4:00 P.M. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai - 400 018 to transact the following business:

AGENDA

1. To adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2011, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2011.
3. To appoint a Director in place of Mr. Rasheed A. Maskati, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kanti Chand Khanna, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration, and to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Messrs D P Ghevaria & Co., Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting up to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors plus applicable Taxes plus reimbursement of travelling and actual out-of-pocket expenses."

By Order Of The Board
For **EMPIRE INDUSTRIES LIMITED**

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

Registered Office:

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

Place : Mumbai

Date : June 28, 2011.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

2. 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.
3. In terms of Article 152 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Rasheed A. Maskati, Mr. Kanti Chand Khanna, Directors, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments.
4. The Company has already notified closure of Register of Members and Transfer Books thereof from Saturday, the 16th July 2011 to Saturday, the 23rd July, 2011 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares.
5. The Dividend on Equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after August 26, 2011:

To those members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company and its Registrars on or before July 15, 2011.

In respect of shares held in electronic form to those 'deemed members' whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on July 15, 2011.

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. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., under the

signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants:

- (i) Name of the Sole/First joint holder and the Folio Number.
- (ii) Particulars of Bank Account, viz.
 - (a) Name of Bank
 - (b) Name of Branch
 - (c) Complete address of the Bank with Pin Code Number.
 - (d) Account Type, whether Savings Account (SA) or Current Account (CA)
 - (e) Bank Account Number.
 - (f) MICR Number.

Members who hold shares in dematerialised form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrant as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.

To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents, M/s. Bigshare Services Private Limited.

9. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through your Depository Participants.
10. 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.

11. Consequent upon the amendment of Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 the amount of dividend for the years remaining unpaid or unclaimed for a period of seven years from the date they first become due for payment, shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

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 payment	Date of Transfer to IEPF
1.	2003-04	Dividend @ 10%	05/10/2004	04/10/2011
2.	2004-05	Dividend @ 20%	02/09/2005	01/09/2012
3.	2005-06	Dividend @ 40%	01/09/2006	31/08/2013
4.	2006-07	Dividend @ 60%	06/09/2007	05/09/2014
5.	2007-08	Dividend @ 80%	04/09/2008	03/09/2015
6.	2008-09	Dividend @ 100%	02/09/2009	01/09/2016
7.	2009-10	Dividend @ 200%	01/09/2010	31/08/2017

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

12. The Securities and Exchange Board of India (SEBI) vide Circular Ref. No. MRD/DOP/Cir-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transaction. Thereafter, vide Circular No.MRD/DoP/Cir-05/2009 dated May 20, 2009 it was clarified that for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTAs for registration of such transfer of shares. SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:
 - (a) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholder(s);

- (b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of the shares;
- (c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

13. The Ministry of Corporate affairs has taken a “Green Initiative in the Corporate governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent through e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses are requested to register their e-mail addresses,

in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Bigshare Services Private Limited.

By Order Of The Board
For **EMPIRE INDUSTRIES LIMITED**

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

Registered Office:
414, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
Place : Mumbai
Date : June 28, 2011.



DIRECTORS' REPORT

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2011.

FINANCIAL RESULTS:

Particulars	Year ended 31.03.2011 Rupees	Year ended 31.03.2010 Rupees
Income:		
Sales & Commission	172,94,54,231	149,25,11,947
Other Income	48,15,55,296	43,48,04,178
	221,10,09,527	192,73,16,125
Less: Operating Expenses	180,93,95,617	155,73,20,383
Profit Before Tax	40,16,13,910	36,99,95,742
Less: Provision for Current Taxation	12,35,00,000	11,10,00,000
Provision for Deferred Tax	-65,00,000	-14,00,000
Taxation for earlier years	-7,16,777	20,69,128
Amount available for appropriation	28,53,30,687	25,83,26,614
Appropriated as under:		
Dividend proposed	13,19,99,956	11,99,99,960
Tax on Proposed Dividend	2,14,13,693	1,99,30,490
General Reserve	13,19,17,038	11,83,96,164
Total amount appropriated	28,53,30,687	25,83,26,614
Earning per share – Basic & Diluted (Face value of ₹ 10 each)	47.55	43.05

DIVIDEND:

The Directors are pleased to recommend, for your consideration, payment of Dividend @ 220% (₹ 22 per Equity Share of the face value of ₹ 10 Tax Free) for the financial year 2010-11, (Previous Year 200%). The total amount of the Dividend outgo will be ₹ 13,19,99,956 as against ₹ 11,99,99,960 for the previous financial year. The tax on distributed profits, payable by the Company would amount to ₹ 2,14,13,693 as against ₹ 1,99,30,490 for the previous financial year.

OPERATIONS:

Vitrum Glass:

The Division manufactures Amber Glass Bottles of international quality for the Pharmaceutical Industry. Over 11.80 lac bottles are manufactured every day on four fully automatic production lines. During the year under review

demand for pharma bottles was good and the Division achieved 9.16% higher turnover at ₹ 8361.14 lac. Over 20% of the bottles produced were exported. Because of the excellent performance of new eight Section Triple Gob Machine installed in March 2009 on line No.1, the Division is planning to install 2nd eight Section Triple Gob brand new machine on line No.4 in place of old Double Gob Machine in the month of July 2011. The Division is doing well.

EMPIRE MACHINE TOOLS – MFTM

(Metal Forming, Testing & Metrology):

The Division is engaged in agency business covering sales and service support of hi-tech machines in Metal Forming, Metrology, Assembly and Testing Lines, Welding, Melting, Heat Treatment and Process consultancy in the Engineering Industry. Last year, there has been some recovery from the previous year in terms of inflow of orders. But shipments were below expectations with a lower backlog carried forward from previous year and profits were therefore affected. With the renewal of investment trend in Automobile sector, we expect better results this year both in terms of incoming orders and shipments and therefore profitability. With the market opting more for turnkey solutions with local manufacturing and local labour, the division is getting ready to turn this trend into an opportunity area. Progress has been made in sourcing of some new products and suppliers from Korea by roping in successful vendors of Hyundai who are eager to go international. The Division expects to do good business in the current year.

EMPIRE MACHINE TOOLS - MCAT

(Metal Cutting & Allied Technologies):

Order inflow in the MCAT Division has been affected due to recessionary conditions in the areas in which MCAT operates. Competition has been severe and Suppliers have tended to slash prices in order to remain in the market. However an improvement of investment is now witnessed in the Power Generation and Aerospace Sector. The division looks forward to a better year ahead.

Empire Industrial Equipment:

This year has been good for overall business of the Division. Refinery and Petrochemicals Sector Orders continue to spearhead the Division's activity. Steel Plant Sector Orders slowed down because of delay in SAIL's overall investment decisions. Ports & Shipyard Sector gave us our normal quota of business. Looking at the year ahead, the investment climate continues to be

good in our traditional markets mentioned above. We expect Steel Plant Orders to pick up. We have made good progress in the Power Plant Sector, with some tie ups made with Equipment and Engineering, Procuring & Commissioning (EPC) Companies. We should be able to break into this market during the year. Construction and Mining Sector will also see some breakthrough in Orders. Overall, we expect to grow significantly in the current year.

Empire Vending (GRABBIT)

Grabbit Services have been well accepted with our customers. The Corporates have accepted this innovative idea of providing Snacks and Cold Drinks to their employees 24X7 from Vending Services. This division is operational in five Cities i.e. Mumbai, Delhi, Bangalore, Hyderabad and Pune. The division has increased the Shelf and Sales revenue by introducing new products of snacks like Britannia Biscuits, Horlicks Biscuits, Garden Wafers, ITC-Food Products like Bingo and Sunfeast. New range of imported Chocolates from Mars, Snickers, Galaxy, Ferrero Rocher, Cadbury's has also been added to the Vending Machines. Coin Vending Machines have been accepted well as a new concept for providing coins to customers in nationalised banks. New machines have been installed in PNB & OBC in Delhi and Punjab. Grabbit vending has been appointed by RBI as recognized vending machine operators and service providers. Grabbit vending concept has also been introduced in educational institutes like Vidyalankar, NIIT, Jamia Millia and CSC. The division is expected to improve its performance in the current year.

Empire Foods

The division has done very well during the year under review. The sales grew by more than double during the year and revenues increased accordingly. The division has signed long term contracts for supply of frozen foods with major chain of Five Star/Four Star Hotels/Caterers/Air Caterers across the country. The customer list has increased and it has established itself as a major reliable supplier of frozen foods in food industry. To give better services and to reduce dependency on distributors, the division has started to expand and put up its own offices in all regions of the country. The division is now operating its own office in North (New Delhi) and in South (Chennai) and soon looking to expand further. The division is working on adding more products and is expected to do well during the current year.

EMPIRE SEZ

The Company has received formal approval from the Ministry of Commerce & Industry (MOCI) for setting up

EMPIRE SEZ exclusively for Information Technology (I.T.) and I.T. enabled Services and Hardware at Ambernath. The main features of this SEZ shall include Open Areas, Semi covered Areas, Main Circulation Areas and Built to Suit structure. It will have (a) Processing area to include units for IT/ITES Software & Hardware (b) Non-Processing area with an Information Bureau/Help Desk, Business Centre, Food Courts, Bank/Shopping Centre/Gymnasium, Entertainment Centre & several Electronics Indexes and connections to major regional and national Libraries. The MOCI gave final approval or "granted letter of approval" under SEZ for IT/ITES in Ambernath on 31/12/2009. Our SEZ has been Notified by the MOCI on 2nd July, 2010. We are now in the process of finding and appointing a Co-Developer for implementing this project at the earliest.

CAPITAL EXPENDITURE:

The major Capital Expenditure is on account of Vehicles (₹ 178 Lac), Office Equipments (₹ 123 Lac) and renovation of Building (₹ 88 lac).

DIRECTORS' RESPONSIBILITY STATEMENT:

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Board of Directors confirm as under:

- (i) that in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the Annual Accounts of the Company on a going concern basis.

CORPORATE GOVERNANCE:

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



FIXED DEPOSITS:

As on March 31, 2011, 121 depositors had not claimed their matured deposits amounting to ₹ 24,78,000. Since then 34 depositors have claimed/renewed their deposits amounting to ₹ 9,81,000. As of date, all deposit claims have been met, except unclaimed deposits amounting to ₹ 14,97,000. The Company has complied with the provisions of Section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

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

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

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

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Rasheed A. Maskati and Mr. Kanti Chand Khanna,

retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF

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

ACKNOWLEDGEMENT:

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

AUDITORS:

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

On Behalf of the Board of Directors

Place : Mumbai
Date : June 28, 2011

S. C. MALHOTRA
Chairman

ANNEXURE TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on Corporate Governance:

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

2. Board of Directors:

As at 31st March, 2011 the composition and the category of the Directors is as under:

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

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

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

He is a Director of Rane Private Limited, Kosmochem Private Limited, Maskati Investment Private Limited, D C Omrigar Private Limited and B H P Maritime Private Limited.

He is also the Chairman of the Audit Committee and the Remuneration Committee of the Company.

Mr. Maskati holds 200 shares of the Company in his name as on March 31, 2011.

(b) **Mr. K.C. Khanna** is a Director of the Company since June 28, 2007. He is a BA FCA (Eng & Wales), FCA. He has served with a leading multinational – HOECHST, as well as other top business houses viz. MAFATLAL'S, BIRLA's, Rallis (India) Ltd., Al Futtaim's (Dubai), and 20th Century Finance Corporation Limited in senior positions. He has varied industrial, financial and real estate experience including 16 years overseas in UK, Germany, USA and Dubai. He is an Advisor to international banks, multinational companies, the Times media group, finance companies, a State Government, Swedish groups, etc.

He is also a member of the Audit Committee and the Remuneration Committee of the Company.

Mr. Khanna holds 15 shares of the Company in his name as on March 31, 2011.

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

Six (6) Board Meetings were held on the following dates during the financial year.

- | | |
|----------------|----------------|
| (1) 29.04.2010 | (4) 15.10.2010 |
| (2) 30.06.2010 | (5) 29.10.2010 |
| (3) 30.07.2010 | (6) 25.01.2011 |

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

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

Name of the Director	Attendance Particulars		No. of Directorship and Committee Membership/ Chairmanship		
	Board Meet-ings	Last AGM	Other Director-ship*	Committee Member-ship	Committee Chairman-ship
S.C. Malhotra	6	Present	—	—	—
Ranjit Malhotra	6	Present	—	—	—
Dileep Malhotra	6	Present	—	—	—
R.A. Maskati	5	Present	—	—	2
K.C. Khanna	6	Present	—	2	—
Rajbir Singh	6	Present	—	—	—
Chandrakant P. Shah	6	Present	—	2	1
Bipinchandra Chimanlal Gandhi	5	Present	—	—	—

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

3. Audit Committee:

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

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

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

4. Remuneration Committee:

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

- Details of remuneration to Directors for the year.

The aggregate value of salary and perquisites paid for the financial year 2010-11 to the Executive Directors is as follows:

Mr. S.C. Malhotra	₹ 51,33,612
Mr. Ranjit Malhotra	₹ 50,79,867
Mr. Dileep Malhotra	₹ 51,53,961
Total	₹ 1,53,67,440

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

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

Sr. No.	Name of Directors	Sitting Fees (₹)
1.	Mr. R.A. Maskati	85,000
2.	Mr. K.C. Khanna	1,05,000
3.	Mr. Rajbir Singh	1,05,000
4.	Mr. C.P. Shah	1,05,000
5.	Mr. B.C. Gandhi	90,000

No commission has been paid to any Non-Executive Director for the year ended March 31, 2011.

- Shares held by Non-Executive Directors

Sr. No.	Name of Directors	Shares held
1.	Mr. R. A. Maskati	200
2.	Mr. K.C. Khanna	15
3.	Mr. Rajbir Singh	15
4.	Mr. C.P. Shah	50
5.	Mr. B.C. Gandhi	15

5. Shareholders'/Investors' Grievance Committee:

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

- Investor Grievance Redressal.

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

Type of complaints	Number of Complaints
Non receipt of Demat Credit	3
Non Receipt of Demat Rejection Documents	2
Non receipt of Share Certificate after Transfer	7
Non receipt of Dividend Warrant	5

There were no outstanding complaints as on March 31, 2011.

6. Annual General Meetings:

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

Year	Location	Date	Time
2007-2008	Hall of Culture, Ground Floor Nehru Centre, Worli, Mumbai 400018.	27.08.2008	4.00 p.m.
2008-2009	Same as above	27.08.2009	4.00 p.m.
2009-2010	Same as above	27.08.2010	4.00 p.m.

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

7. Disclosures:

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

8. Means of communication

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

• Management Discussion and Analysis Overall Review

The Company is engaged in the manufacture of Amber Glass Bottles for the Pharmaceutical Industry. It represents a number of foreign manufacturers of Precision Machine Tools, Measuring Instruments, Electronic Instruments, Instrumentation Systems and Chemicals. The performance of all these Divisions is reviewed in the Directors' Report.

Industry Structure & Development

The Vitrum Glass Division is manufacturing Amber Glass Bottles for the Pharmaceutical Industry by using its production capacity fully. This Division is not in a position to increase the capacity of the unit by installing new machines due to Government restrictions on expansion in Mumbai City. However, the Division is making efforts to increase the production by accelerating the speed of Machines.

Opportunities & Risks

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

Human Resources

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

Internal Controls & Systems

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

Statutory Compliance

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

Cautionary Statement

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

9. General Shareholder information:

• Company Registration Details:

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

- **AGM Date & Time** : Friday, the 26th August, 2011, at 4.00 p.m.
- **Venue** : Hall of Culture, Ground Floor Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

- Financial Calendar (Tentative):**

Results for the quarter ending June 30, 2011	End July 2011.
Results for the quarter ending September 30, 2011	End October 2011.
Results for the quarter ending December 31, 2011	End January 2012.
Results for the quarter ending March 31, 2012	End April 2012.
Results for the year ending March 31, 2012 (Audited)	End June 2012.
Annual General Meeting	August, 2012.

- Book Closure :** Saturday the 16th July, 2011
Date to Saturday the 23rd July, 2011 (both days inclusive).

- Dividend :** The Board of Directors have recommended 220% Dividend for the financial year 2010-11.

- Listing of Equity Shares on** : Bombay Stock Exchange Ltd.

- Stock Code** : 509525

- Market Price Data**

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

Month & Year	BSE		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2010	498.00	403.20	18047.86	17276.80
May, 2010	524.80	434.00	17536.86	15960.15
June, 2010	534.00	440.10	17919.62	16318.39
July, 2010	750.00	518.35	18237.56	17395.58
August, 2010	910.00	678.00	18475.27	17819.99
September, 2010	845.00	705.05	20267.98	18027.12
October, 2010	829.50	705.00	20854.55	19768.96
November, 2010	825.00	654.00	21108.64	18954.82
December, 2010	870.00	600.00	20552.03	19074.57
January, 2011	850.00	651.00	20664.80	18038.48
February, 2011	735.30	610.00	18690.97	17295.62
March, 2011	700.00	612.00	19575.16	17792.17

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

- Registrar and Share Transfer Agents**

M/s. Bigshare Services Pvt. Ltd.,
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E) Mumbai - 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.

- Share Transfer System:**

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

- Shareholding pattern as on 31.03.2011**

	% to the total paid-up capital
Promoters	57.38
Financial Institutions & Banks	17.95
Corporate Bodies	14.03
Others	10.64
Total	100.00

- Distribution of Shareholding as on 31.03.2011**

Shareholding of Nominal value of	Share-holders Numbers	% of Total	Share Amount Rs.	% to Equity
Up to 5000	4978	95.66	35,79,970	5.97
5001 - 10000	113	2.17	8,05,500	1.34
10001 – 20000	55	1.06	7,93,630	1.32
20001 – 30000	17	0.33	4,12,070	0.69
30001 – 40000	9	0.17	3,03,370	0.51
40001 – 50000	9	0.17	4,11,920	0.69
50001 – 100000	7	0.13	5,39,900	0.90
100001 and above	16	0.31	5,31,53,620	88.58
Total	5204	100.00	5,99,99,980	100.00

- **Plant Location** : Vitrum Glass
L.B.S. Marg, Vikhroli,
Mumbai - 400 083.
- **Address** : EMPIRE INDUSTRIES LIMITED
for correspondence Secretarial Department
Empire Complex
414, Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013.
Tel : +91 22 6655 5453
Fax : +91 22 2493 9143
Email :
shares@empiresecretarial.com
Website:
www.empiremumbai.com
- **Bank details for dividend payment**
Shareholders desirous of receiving their dividend directly in their bank account through Electronic Clearing System (ECS) are requested to inform their ECS mandate to the Registrars and Transfer Agent of the Company, Bigshare Services Pvt. Ltd. Beneficiaries holding the scrip of the Company in the dematerialized form may intimate the change in their bank details to their Depository Participant (DP) furnishing their details with the correct 9 digit MICR code of their bank.

ANNEXURE TO DIRECTORS' REPORT

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

VITRUM GLASS:

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

1. Mould Cooling Blower No. 4 motor replaced from 70 HP to 50 HP.
2. Vacuum Pumps 2 & 3 interconnected from machines 1, 2 & 3. Two machines are running with one vacuum pump.

(b) Additional investments and proposals being implemented.

- (a) Shrink wrap machine sensor changed for cost reduction.
- (b) Line 3 shrink tunnel replaced for improving quality and is under observation.
- (c) Furnace chimney damper connected with inverter for maintaining furnace pressure.
- (d) Inspection machine DC drive replaced with EC motor with VFD.
- (e) Customer complaints reduced by improving quality and introducing quality procedures.

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

- (i) The above measures have helped in saving the energy and improvement in Productivity.
- (ii) Natural Gas consumption reduced by 6 – 7 %.

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

FORM – A

	Current Year	Previous Year
I. Power & Fuel consumption:		
(1) Electricity:		
Purchased Units	1,03,45,468	1,18,58,188
Total Cost (₹ in Lac)	577.39	582.57
Rate/Unit (₹)	5.58	4.91
(2) Natural Gas		
Quantity Purchased (SCM)	73,54,650	74,82,741
Total Cost (₹ in Lac)	1197.15	1027.60
Rate/Standard Cubic Meter (₹)	16.28	13.73
II. Consumption per Ton of Production:		
Electricity (Units)	254	287
Natural Gas (SCM)	180	181

(B) TECHNOLOGY ABSORPTION

FORM - B

Research & Development (R&D)

1. Specific areas in which R&D carried out by the Company:
 - (a) Furnace burner modified for length and width increased
 - (b) Fore-hearth burner modified, nozzle size changed from 6 – 4 mm.
 - (c) Annealing Lehr heating zones put on Auto control.
 - (d) Furnace Crown temperature reduced by 10 – 15 degrees.
 - (e) Batch mixing and weighing pattern improved for better melting and maintaining furnace bottom temperature.
 - (f) All customer complaints are thoroughly discussed in Corrective and Preventive Action Group meeting and corrective actions are taken.
 - (g) Mould design work in progress to reduce the weight of the bottle.
2. Benefits derived as a result of the above R&D:
 - (a) Up-gradation of technology resulting in improvement in Productivity.
 - (b) Batch charger operation improved.
 - (c) Glass melting quality improved.
 - (d) In totality everyday Gas consumption came down by 1200 – 1500 m3 per day.
3. Further plan for action:

The Division is planning to install 2nd eight Section Triple Gob brand new machine on line No.4.

Technology absorption, adaption and innovation

1. Efforts in brief:

A continuous interaction and exchange of information in the industry is being maintained with a view to absorbing, adapting and innovating new methods that may be possible.

2. Benefits derived:

The main benefits derived are in respect of quality improvement, cost reduction and import substitution.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned:

Foreign Exchange used ₹ 1222.06 lac

Foreign Exchange earned ₹ 5754.27 lac

On Behalf of the Board of Directors

Place : Mumbai
Date : June 28, 2011

S. C. MALHOTRA
Chairman



AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange/s in India.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2011 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and as per the certificate of the Registrar & Transfer Agents of the Company.

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

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

Place : Mumbai,
Date : June 28, 2011

D.P. GHEVARIA
Proprietor
Membership No. 032431

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

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

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2011 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee -
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **EMPIRE INDUSTRIES LIMITED**

Place : Mumbai,
Date : June 28, 2011

S. C. MALHOTRA
Chairman

S. K. GULATI
Director Finance & Company Secretary

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

In accordance with Clause 49 ID of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended on March 31, 2011.

For **EMPIRE INDUSTRIES LIMITED**

Place : Mumbai,
Date : June 28, 2011

S. C. MALHOTRA
Chairman

STATEMENT OF INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

Sr. No.	Name of the Employee	Age	Designation/ Nature of Duties	Remuneration Received	Qualification	Date of Joining	Total Exp. Years	Last Employment & Period
1.	Mr. Bhattacharjee P.K.	71	Director ** Corporate	81,38,146	B.Tech. (Hons.) (Mech. Engg.)	07.08.1969	49	Consultant, Ibcn Pvt. Ltd. Mumbai (3 Years).
2.	Mr. Gulati S.K.	72	Director** Finance & Company Secretary	81,40,500	B.Com. (Hons.) A.C.S., F.C.A.	02.05.1975	49	Administrative Manager, Machine Division, Crompton Greaves Ltd., Mumbai (9 Years)
3.	Mr. Mangat-Amringsingh*	60	G.M. - Admn. & Security	23,26,984	B.A.	01.09.1978	42	Officer, Indian Navy Mumbai (10 Years)
4.	Mr. Narasimhan N.S.L.	62	Director ** Empire Industrial Equipment	87,75,870	B.E., M.M.S. (Marketing); M.F.M.	10.01.2000	37	Chief Executive Healty & Gresham (I) Ltd. Delhi (10 Years & 7 Months)
5.	Mr. Nalawade S.D.*	60	Executive - Design & Development	6,25,406	S.S.C., Mechanical Draftsman I.T.I.	09.02.1976	37	Draftsman, Indian Rubber Regenerating Co. Ltd. Thane (1 Year).
6.	Mr. Rao P.N.	59	Director ** Empire Machine Tools (MCAT)	93,55,765	B.E. (Mech)	01.01.1980	35	Asst. Sales Engineer Voltas Ltd., Lucknow (2 Years)
7.	Mr. Sengupta Sujoy*	61	G.M.-Engineering Services	27,60,116	Diploma in Mech. Engg.	14.04.1980	40	Engine Room Artificer Indian Navy, Mumbai (10 Years)
8.	Mr. Sen K.K.	62	Director ** Empire Machine Tools (MFTM).	80,95,248	B. Tech (Hons.)	21.06.1971	40	First Employment
9.	Mr. Singh Rajindar*	84	Director ** Vitrum Glass	3,71,05,950	B.Sc. (Engg.) M.I.E. (India) A.F. Inst. Pet (London) Member Comb. Inst.	16.04.1974	62	Sr. Executive Burmah Shell Mumbai (25 Years.)

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

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

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

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

AUDITORS' REPORT

To,

THE SHAREHOLDERS
EMPIRE INDUSTRIES LIMITED

We have audited the attached Balance Sheet of Empire Industries Limited, as at 31st March, 2011 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

- i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. on the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date. .

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

D.P. GHEVARIA
Proprietor

Place : Mumbai
Date : 28th June, 2011

Membership No. 032431

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

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

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year under a programme for phased verification of assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year the Company has not disposed off any substantial part of Fixed Assets.
- (ii) (a) The inventory has been physically verified by the Management during the year. Having regard to the size of the company and the nature of its business, in our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

Accordingly, the provisions of clause (iii)(b) regarding terms and conditions of such loans, clause (iii)(c) regarding payment of principal

amount and interest and clause (iii)(d) regarding steps for recovery of overdue amount of Para 4 of the Order are not applicable to the company for the year.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods.
- (v) (a) Based on the audit procedures applied by us and according to information and explanation provided by the management, we are of the opinion that the transactions need to be entered into the register maintained u/s. 301 of the Companies Act ,1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In Our Opinion, the company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public which have matured and are remaining unpaid as at 31st March, 2011.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) As informed to us, the Central Government has not prescribed maintenance of cost records u/s 209(1) (d) the Companies Act 1956 in respect of the any product.
- (ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees'

State insurance, Income-tax, Sales-tax, Wealth-tax, Custom duty, Excise-duty, Cess and other statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as on 31st March, 2011 for a period of more than six months from the date they became payable.

- (b) Details in respect of amounts not deposited on account of disputes pending at various forums are given below:

Statute	Nature dues	Amount (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Duty on Classification/Valuation and other disputes	10.73	1984-85 to 2002-03	Central Excise Tribunal

- (x) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanations given to us the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/Society are not applicable to the Company.
- (xiv) The Nature of Company's business/activities during the year does not include dealing in shares, securities, debentures or other investments, hence

the requirement of offering comments on this clause is not applicable.

- (xv) According to the information and explanations given to us and records made available to us, the company has not given any guarantees for the loans taken by others from Banks or financial institutions.
- (xvi) The term loans have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment by the company.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) During the period covered by our audit report, the company has not issued any debentures requiring report under this clause.
- (xx) The Company has not raised any money by way of public issue during the year; hence the question of disclosure and verification of end use of such monies does not arise.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

D.P. GHEVARIA
Proprietor

Place : Mumbai
Date : 28th June, 2011

Membership No. 032431



Balance Sheet as at 31st March, 2011

	Schedules	Rupees	Rupees	As at 31 st March, 2010 Rupees
CAPITAL AND LOAN FUNDS EMPLOYED:				
Shareholders' Funds:				
Share Capital	A	5,99,99,980		5,99,99,980
Reserves & Surplus	B	55,61,00,693		42,41,83,655
			61,61,00,673	48,41,83,635
Secured Loans	C		–	30,61,986
Unsecured loans	D		39,36,46,000	35,03,43,000
Deferred Tax Liability(Net)			3,62,00,000	4,27,00,000
			104,59,46,673	88,02,88,621
EMPLOYMENT OF CAPITAL AND LOAN FUNDS:				
Fixed Assets & Investments:				
Fixed assets	E	98,73,76,282		101,30,27,440
Investments	F	28,000		28,000
			98,74,04,282	101,30,55,440
Net Current Assets:				
Current Assets	G	134,55,01,421		88,51,08,517
Less: Current Liabilities & Provisions	H	128,69,59,030		101,78,75,336
			5,85,42,391	(13,27,66,819)
			104,59,46,673	88,02,88,621
SIGNIFICANT ACCOUNTING POLICIES	M			
NOTES TO THE ACCOUNTS	N			

As per our Report attached

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

D. P. GHEVARIA
Proprietor

Mumbai, June 28, 2011

S. C. MALHOTRA
RANJIT MALHOTRA
DILEEP MALHOTRA

Chairman
Vice Chairman
Joint Managing Director

R. A. MASKATI
K. C. KHANNA
RAJBIR SINGH
C. P. SHAH
B. C. GANDHI

Directors

S. K. GULATI

Director Finance
& Company Secretary

Mumbai, June 28, 2011

Profit & Loss Account for the year ended 31st March, 2011

	Schedules	Rupees	Rupees	Rupees	Year ended 31 st March, 2010 Rupees
Sales & Services		124,31,22,335			104,80,68,809
Less:Excise Duty		<u>6,59,05,684</u>			<u>4,85,65,274</u>
			117,72,16,651		99,95,03,535
Commission			55,22,37,580		49,30,08,412
Other Income	I		<u>48,15,55,296</u>		<u>43,48,04,178</u>
				221,10,09,527	192,73,16,125
Cost of Sales	J		77,17,25,494		63,54,20,000
Personnel	K		52,71,60,882		43,06,26,719
Other Expenses	L		40,39,28,083		36,33,59,744
Depreciation			6,17,71,230		6,53,88,582
Interest & Commitment Charges :					
On Fixed/Other Deposits and Fixed Loans		4,34,69,313			6,00,37,560
Others		<u>13,40,615</u>			<u>24,87,778</u>
			<u>4,48,09,928</u>		<u>6,25,25,338</u>
				180,93,95,617	155,73,20,383
Profit before Taxation				40,16,13,910	36,99,95,742
Provision for Current Taxation				12,35,00,000	11,10,00,000
Provision for Deferred Tax				<u>(65,00,000)</u>	<u>(14,00,000)</u>
Profit after Taxation				28,46,13,910	26,03,95,742
Taxation for earlier years				<u>(7,16,777)</u>	<u>20,69,128</u>
				<u>28,53,30,687</u>	<u>25,83,26,614</u>
APPROPRIATED AS UNDER :					
Proposed Dividend				13,19,99,956	11,99,99,960
Tax on Proposed Dividend				2,14,13,693	1,99,30,490
General Reserve				<u>13,19,17,038</u>	<u>11,83,96,164</u>
				<u>28,53,30,687</u>	<u>25,83,26,614</u>
Earning per share – Basic & Diluted (Face value of ₹ 10 each)				47.55	43.05
SIGNIFICANT ACCOUNTING POLICIES	M				
NOTES TO THE ACCOUNTS	N				

As per our Report attached

For **D. P. GHEVARIA & CO.**
Chartered Accountants**D. P. GHEVARIA**
Proprietor

Mumbai, June 28, 2011

S. C. MALHOTRA
RANJIT MALHOTRA
DILEEP MALHOTRAChairman
Vice Chairman
Joint Managing Director**R. A. MASKATI**
K. C. KHANNA
RAJBIR SINGH
C. P. SHAH
B. C. GANDHI

Directors

S. K. GULATIDirector Finance
& Company Secretary

Mumbai, June 28, 2011



Schedules Forming Part of the Accounts

	Rupees	Rupees	As at 31 st March, 2010 Rupees
A. SHARE CAPITAL			
AUTHORISED			
1,50,00,000 Equity Shares of ₹ 10 each	15,00,00,000		15,00,00,000
50,000 Cumulative Redeemable Preference Shares of ₹ 100 each	50,00,000		50,00,000
		15,50,00,000	15,50,00,000
ISSUED AND SUBSCRIBED			
59,99,998 fully paid-up Equity Shares of ₹ 10 each		5,99,99,980	5,99,99,980
The Subscribed Capital includes:			
(a) 9,27,000 fully paid-up Equity Shares allotted by way of Bonus Shares by capitalisation of Reserves.			
(b) 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.			
(c) 3,99,999 fully paid-up Equity Shares allotted to Debenture Holders pursuant to conversion option exercised by them.			
		5,99,99,980	5,99,99,980
B. RESERVES AND SURPLUS			
1. Capital Reserve: Balance as per last account		65,96,962	65,96,962
2. Share Premium Account: Balance as per last account		13,33,330	13,33,330
3. General Reserve: Balance as per last account	41,62,53,363		29,78,57,199
<i>Add</i> : Transferred from Profit & Loss Account	13,19,17,038		11,83,96,164
		54,81,70,401	41,62,53,363
		55,61,00,693	42,41,83,655

		As at 31 st March, 2010
		Rupees
C. SECURED LOANS		
1. From Banks on Cash Credit Account:		
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.	—	18,05,148
2. Hire Purchase Loans:	—	12,56,838
Secured by hypothecation of specific Vehicles purchased under the scheme.		
	<u>—</u>	<u>30,61,986</u>
		As at 31 st March, 2010
		Rupees
D. UNSECURED LOANS		
1. Fixed Deposits from Public & Shareholders	16,60,46,000	12,54,43,000
2. Other Deposits	22,76,00,000	22,49,00,000
	39,36,46,000	35,03,43,000

E. FIXED ASSETS

	COST				DEPRECIATION				NET BLOCK		
	As at 1 st April, 2010 Rupees	of Additions Rupees	of Deductions Rupees	As at 31 st March, 2011 Rupees	As at 1 st April, 2010 Rupees	of Additions Rupees	of Deductions Rupees	As at 31 st March, 2011 Rupees	As at 31 st March, 2011 Rupees	As at 31 st March, 2010 Rupees	
Freehold Land	18,96,628	—	—	18,96,628	—	—	—	—	18,96,628	18,96,628	
Leasehold Land	4,65,100	—	—	4,65,100	2,16,107	4,698	—	2,20,805	2,44,295	2,48,993	
Building & Flats	73,71,77,512	87,89,179	—	74,59,66,691	8,31,32,966	1,17,21,235	—	9,48,54,201	65,11,12,490	65,40,44,546	
Plant & Machinery	32,69,57,593	12,77,037	—	32,82,34,630	15,94,25,417	1,28,06,156	—	17,22,31,573	15,60,03,057	16,75,32,176	
Furniture & Office Equipments	25,20,06,768	1,23,47,285	18,86,114	26,24,67,939	13,65,13,476	2,07,63,425	17,54,860	15,55,22,041	10,69,45,898	11,54,93,292	
Vehicles	7,18,38,027	1,78,04,886	1,32,44,396	7,63,98,517	3,83,00,467	1,01,41,094	98,79,318	3,85,62,243	3,78,36,274	3,35,37,560	
Furnaces	12,20,60,969	—	—	12,20,60,969	8,38,06,282	63,34,622	—	9,01,40,904	3,19,20,065	3,82,54,687	
Technical Know-how Fees	3,50,000	—	—	3,50,000	3,50,000	—	—	3,50,000	—	—	
Moulds & Castings	2,80,132	—	—	2,80,132	2,80,132	—	—	2,80,132	—	—	
	<u>151,30,32,729</u>	<u>4,02,18,387</u>	<u>1,51,30,510</u>	<u>153,81,20,606</u>	<u>50,20,24,847</u>	<u>6,17,71,230</u>	<u>1,16,34,178</u>	<u>55,21,61,899</u>	<u>98,59,58,707</u>	<u>101,10,07,882</u>	
Building under Construction	20,19,558	—	20,19,558	—	—	—	—	—	—	20,19,558	
Machinery under Erection	—	14,17,575	—	14,17,575	—	—	—	—	14,17,575	—	
	<u>151,50,52,287</u>	<u>4,16,35,962</u>	<u>1,71,50,068</u>	<u>153,95,38,181</u>	<u>50,20,24,847</u>	<u>6,17,71,230</u>	<u>1,16,34,178</u>	<u>55,21,61,899</u>	<u>98,73,76,282</u>	<u>101,30,27,440</u>	
As at 31 st March, 2010	149,25,09,741	3,63,26,829	1,37,84,283	151,50,52,287	44,67,18,373	6,53,88,582	1,00,82,108	50,20,24,847	101,30,27,440	—	



Schedules Forming Part of the Accounts

	Numbers	Face Value of each Rupees	Cost Price Rupees	As at 31 st March, 2010 Rupees
F. INVESTMENTS				
Unquoted:				
Fully paid Equity Shares in The Saraswat Co-operative Bank Ltd.	1000	25	25,000	25,000
Fully paid Shares in Co-operative Housing Societies*:				
Arabian Sea-View Co-operative Housing Society Ltd.	5	50	250	250
Chitrakoot Co-operative Housing Society Limited	10	50	500	500
Breach Candy Apartments Co-operative Housing Society Limited	10	50	500	500
West Nandanvan Co-operative Housing Society Limited	10	50	500	500
Vipul Co-operative Housing Society Limited	20	50	1,000	1,000
Tara Apartments Co-operative Housing Society Limited	5	50	250	250
			28,000	28,000

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

	Rupees	Rupees	As at 31 st March, 2010 Rupees
G. CURRENT ASSETS, LOANS AND ADVANCES:			
1. CURRENT ASSETS:			
Inventories at lower of cost or market value/contracted price as certified by Managing Director:			
Stores and Spare parts	3,18,04,193		3,66,66,452
Liquid Fuel and Petrol	44,55,110		37,15,712
Raw Materials	1,46,12,217		1,17,09,344
Finished Goods/Traded Goods	4,69,22,265		6,54,73,021
		9,77,93,785	11,75,64,529
Sundry Debtors: (Unsecured, considered good):			
Debts outstanding for a period exceeding six months	11,37,31,378		9,61,47,636
Others	30,03,88,405		21,46,49,749
		41,41,19,783	31,07,97,385
Cash and Bank Balances:			
On Hand	24,63,177		21,47,586
With Scheduled Banks:			
On Current Account	7,30,48,994		4,27,15,255
On Fixed Deposit and deposit at call	45,32,34,000		4,83,69,150
		52,87,46,171	9,32,31,991
2. LOANS AND ADVANCES: (unsecured, considered good)			
Advances recoverable in cash or in kind or for value to be received	30,40,33,650		36,19,51,164
Balance with Central Excise and Others	8,08,032		15,63,448
		30,48,41,682	36,35,14,612
		134,55,01,421	88,51,08,517

Schedules Forming Part of the Accounts

		As at 31 st March, 2010
	Rupees	Rupees
H. CURRENT LIABILITIES AND PROVISIONS:		
1. CURRENT LIABILITIES:		
Trade and Other Creditors*	19,38,00,081	14,46,46,207
Advance against Contracts	1,26,10,248	2,06,04,011
Sundry Deposits	1,38,22,833	1,03,71,147
Security Deposits	67,53,35,320	51,23,04,988
Unclaimed Dividends	27,38,965	18,15,465
Unpaid matured Fixed Deposits**	24,78,000	23,59,500
Interest accrued but not due on Unsecured Loans	82,08,551	67,14,798
	<u>90,89,93,998</u>	<u>69,88,16,116</u>
2. PROVISIONS:		
Provision for Gratuity and Leave encashment	22,45,51,383	17,91,28,770
Proposed Dividend	13,19,99,956	11,99,99,960
Tax On Proposed Dividend	2,14,13,693	1,99,30,490
	<u>37,79,65,032</u>	<u>31,90,59,220</u>
	<u>128,69,59,030</u>	<u>101,78,75,336</u>
<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, 2011. 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> <p>** Investor Education and Protection Fund is credited by the amount of unclaimed fixed deposits after seven years from the due date.</p>		
		Year ended 31 st March, 2010
	Rupees	Rupees
I. OTHER INCOME		
Credit/debit balances/advances written back/adjusted (net)		5,127
Insurance claims		92,869
Dividend		5,000
Interest (Gross):		
(i) On Inter-Corporate and other deposits	1,17,24,377	32,21,420
(ii) From Dealers and Others	59,79,478	41,54,802
(Tax deducted at source ₹ 11,10,712; Previous year ₹ 5,72,524)		
		<u>1,77,03,855</u>
Property rent	42,86,67,217	39,16,06,228
Advertising and Operational income - Vending	2,99,42,336	3,20,46,649
Profit on sale of assets	5,10,743	4,02,116
Miscellaneous Income	46,28,149	25,15,132
	<u>48,15,55,296</u>	<u>43,48,04,178</u>

		Year ended 31 st March, 2010
	Rupees	Rupees
J. COST OF SALES		
Opening Stocks:		
Raw Materials	1,17,09,344	1,63,90,597
Finished Goods/Traded Goods	<u>6,54,73,021</u>	4,93,12,839
		<u>7,71,82,365</u>
<i>Add:</i> Purchases	<u>50,81,96,594</u>	41,05,84,768
		<u>58,53,78,959</u>
<i>Less:</i> Closing Stocks:		
Raw Materials	1,46,12,217	1,17,09,344
Finished Goods/Traded Goods	<u>4,69,22,265</u>	6,54,73,021
		<u>6,15,34,482</u>
		<u>52,38,44,477</u>
Stores and spare parts consumed	<u>6,97,17,010</u>	6,42,31,845
Power & Fuel	<u>17,81,64,007</u>	17,20,82,316
		<u>77,17,25,494</u>
K. PERSONNEL		
Salaries, Wages, Bonus and Gratuity	<u>44,91,16,637</u>	36,07,00,211
Contribution to Provident and Other Funds	<u>2,65,16,752</u>	2,38,62,705
Contribution to Superannuation Scheme	<u>98,08,284</u>	84,83,173
Contribution to ESIC Scheme	<u>23,66,726</u>	7,95,100
Welfare Expenses	<u>3,93,52,483</u>	3,67,85,530
		<u>52,71,60,882</u>
L. OTHER EXPENSES		
Repairs to Machinery	<u>25,20,013</u>	36,61,910
Repairs to Buildings	<u>2,73,19,226</u>	1,54,01,452
Other Repairs	<u>2,18,65,744</u>	2,42,92,182
Insurance	<u>33,05,084</u>	28,18,942
Rent (Net)	<u>85,06,479</u>	1,20,55,448
Rates and Taxes	<u>3,98,18,503</u>	3,98,87,812
Conducting Charges	<u>1,62,16,463</u>	1,69,46,980
Discount, Commission and Brokerage	<u>2,91,91,239</u>	1,40,12,041
Furnace Expenses	<u>5,27,577</u>	4,72,027
Donations	<u>6,000</u>	3,000
Electricity Charges	<u>1,53,54,194</u>	1,38,85,429
Vehicle Expenses	<u>2,68,81,760</u>	2,42,39,433
Directors' Fees	<u>4,90,000</u>	2,80,000
Loss on assets sold/discarded	<u>2,23,301</u>	6,16,966
Bad debts/advances written off	<u>—</u>	12,95,248
Carriage Outward and Steamer freight	<u>5,55,36,813</u>	4,54,93,304
Professional Charges	<u>2,28,09,251</u>	2,46,10,620
Travelling Expenses	<u>5,32,38,845</u>	4,83,44,993
Telephone, Trunkcalls & Telex	<u>1,21,54,467</u>	1,29,13,044
Miscellaneous Expenses	<u>6,79,63,124</u>	6,21,28,913
	<u>40,39,28,083</u>	36,33,59,744

Schedules Forming Part of the Accounts

M. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements :

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

2. Use of Estimates :

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

3. Fixed Assets:

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

4. Capital Work in Progress :

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

5. Depreciation and Amortization:

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

6. Valuation of Stock :

Stock of raw materials, packing materials, stores & spares are valued at weighted average cost. Cost comprises of purchase cost including all taxes and duties. Traded goods and finished goods are valued at lower of cost or market value/contracted price.

7. Investments:

Investments are stated at cost.

8. Operating Lease:

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

9. Borrowing Costs :

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

10. Provisions and Contingencies :

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

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

11. Revenue Recognition:

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

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

The Company accounts for the defined benefit plans such as gratuity and leave encashment on accrual basis. Gratuity and leave encashment liability has been determined by an actuarial valuation report based on AS-15 (revised) obtained as at 31st March, 2011.

13. Taxes on Income:

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

The Deferred tax for all timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

14. Foreign Currency Transactions :

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Profit and Loss Account of the year except in cases where they relate to acquisition of fixed asset, in which case they are adjusted to the carrying cost of such assets.

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 Profit and Loss Account.

N. NOTES TO THE ACCOUNTS

- (1) Secured loans from banks to the extent of ₹ Nil (Previous year ₹ 18,05,148) and Unsecured loans from banks to the extent of ₹ Nil (Previous year ₹ Nil) are guaranteed by Chairman and Vice-Chairman.
- (2) There was no impairment loss of Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.
- (3) Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 8,48,66,955 (Previous year ₹ 1,39,93,090).

Schedules Forming Part of the Accounts

N. NOTES TO THE ACCOUNTS (Contd.)

(4) Contingent liabilities not provided for :

	Rupees	As at 31 st March, 2010 Rupees
(a) Guarantees given by the Banks	8,59,59,366	5,71,78,929
(b) Claims against the Company not acknowledged as debts	29,80,507	29,80,507
(c) Excise demand disputed by the Company	10,73,299	10,73,299
(d) Sales Tax demands disputed by the Company	—	2,74,035
(e) Service Tax demands disputed by the Company	—	99,120

	Rupees	Year ended 31 st March, 2010 Rupees
(5) Managerial remuneration to the Directors (net of recovery) :		
(i) Salaries	1,26,00,000	1,26,00,000
(ii) Perquisites	12,54,252	12,82,096
(iii) Contribution to Provident Fund	15,13,188	15,13,188
	<u>1,53,67,440</u>	<u>1,53,95,284</u>

Remuneration to Directors has been paid under Section 198 of the Companies Act, 1956.

(6) (a) Remuneration to the Auditors included in Miscellaneous Expenses :		
(i) As an Auditor	2,75,000	2,75,000
(ii) In other capacity:		
Tax Audit	75,000	75,000
Certification work	47,539	39,756
Others	43,000	76,623
(iii) For reimbursement of expenses	37,216	33,280
	<u>4,77,755</u>	<u>4,99,659</u>

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

(8) Excise duty liability on Finished Goods stock has not been provided and also not included in the valuation of Finished Goods stock. However, it has no impact on Profit & Loss Account.

(9) Figures in respect of the previous year have been regrouped and rearranged wherever necessary.

(10) The Company has been recognising in the financial statements the deferred tax assets/liabilities, in accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

During the year, the Company has credited the Profit & Loss Account with the Deferred Tax Liability of ₹ 65.00 lakhs (Previous year ₹ 14.00 lakhs).

(11) Earning per Share :		
Net Profit	28,53,30,687	25,83,26,614
Weighted average number of Equity Shares outstanding	59,99,998	59,99,998
Earning per share – Basic and Diluted	47.55	43.05
Face value of share	10.00	10.00

N. NOTES TO THE ACCOUNTS (Contd.)

	Rupees	Year ended 31 st March, 2010 Rupees
(12) Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI of the Companies Act, 1956:		
(1) Value of Imports on C.I.F. basis in respect of:		
(i) Raw Materials	2,56,70,937	2,58,13,608
(ii) Components and Spare parts	19,47,382	64,87,033
(iii) Capital Goods	—	10,80,755
(iv) Traded Goods	8,03,08,424	4,96,04,714
(2) Expenditure in foreign currency in respect of: Travelling, books and periodicals and others	1,42,79,742	1,50,77,397
(3) Earnings in foreign exchange in respect of:		
(i) Export of goods on F.O.B. basis	9,89,21,332	8,88,02,958
(ii) Commission	47,10,99,912	46,10,93,277
(iii) Others	54,06,081	—
(4) Remittances in foreign exchange on account of dividend:		
(i) Number of non-resident shareholders	Nos. 22	23
(ii) Number of shares held by them	Nos. 11,358	8,731
(iii) Dividends remitted	Rs. Nil	Nil
(iv) Year to which dividend relates	2009-2010	2008-2009

[Dividend amounting to ₹ 2,27,160 (Previous year ₹ 87,310) has been paid to their Bankers/Agents in India.]

(5) Value of imported and indigenous Raw Material, Components and Spare Parts consumed:

	Raw Materials				Components and Spare Parts			
	For the year ended 31 st March, 2011		For the year ended 31 st March, 2010		For the year ended 31 st March, 2011		For the year ended 31 st March, 2010	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%
(i) Imported	3,91,96,088	16.34	4,15,42,155	17.53	25,36,482	8.08	27,90,266	10.91
(ii) Indigenous	20,06,58,853	83.66	19,54,89,492	82.47	2,88,65,659	91.92	2,27,73,921	89.09
	23,98,54,941	100.00	23,70,31,647	100.00	3,14,02,141	100.00	2,55,64,187	100.00

(6) Opening and closing of goods manufactured and Turnover :

	Opening Stock		Closing Stock		Turnover	
	Quantity	Value Rupees	Quantity	Value Rupees	Quantity	Value Rupees
	Bottles	M.T. 3,183	3,99,62,899	2,469	2,92,66,161	41,509
	(2,761)	(3,25,93,466)	(3,183)	(3,99,62,899)	(40,968)	(76,59,60,486)
Other Misc. Sales including bought out components						34,11,02,242 (23,35,43,049)

Figures in the brackets are for the previous year ended 31st March, 2010.



Schedules Forming Part of the Accounts

N. NOTES TO THE ACCOUNTS (Contd.)

(7) Raw Materials Consumption :

		Quantity	Value Rupees	For the year ended 31 st March, 2010	
				Quantity	Value Rupees
Chemicals	M.T.	10,016	9,08,18,543	9,278	9,59,91,443
Silica Sand	M.T.	9,744	1,52,22,127	8,839	1,10,18,510
Cullets	M.T.	31,185	13,38,14,271	32,670	13,00,21,694

(8) Licensed and Installed Capacity and Actual Production :

		For the year ended 31 st March, 2010		
		Licensed Capacity* Per annum	Installed Capacity* Per annum	Actual Production
Bottles	M.T.	37,548	37,548	40,795

* As certified by the Management and relied upon by the Auditors.

(13) Segment wise Information for the year ended 31st March, 2011 :

Segments have been identified in line with the "Accounting standard on segment reporting" (AS-17), taking into account, the nature of products and services, the organization and internal reporting structure as well as differential risk of these segments.

(i) Information about Primary Business Segments

REVENUE	2010-2011 (Rs. in Lakhs)			2009-2010 (Rs. in Lakhs)		
	External	Inter-Segment	Total	External	Inter-Segment	Total
Manufacturing	8,447.05		8,447.05	7,777.47		7,777.47
Trading & Indenting	9,160.91		9,160.91	7,487.94		7,487.94
Others	4,325.10		4,325.10	3,933.94		3,933.94
Total Revenue	21,933.06	—	21,933.06	19,199.35	—	19,199.35
RESULT						
Segment Result						
Manufacturing			387.30			515.19
Trading & Indenting			1832.53			1506.87
Others			2407.10			2609.81
Total Result			4626.93			4,631.87
Un-allocated Expenditure						
Net of un-allocated Income			(339.78)			(380.47)
Interest Expenses			(448.10)			(625.25)
Interest Income			177.04			73.76
Dividend Income			0.05			0.05
Profit before Taxation			4016.14			3699.96
Provision for Taxation			1162.83			1116.69
Net Profit			2853.31			2,583.27

N. NOTES TO THE ACCOUNTS (Contd.)

Other Information

	Segment Assets		Segment Liabilities	
	2010-2011	2009-2010	2010-2011	2009-2010
Manufacturing	4,558.68	4,480.35	1,366.09	1,191.41
Trading & Indenting	4,606.17	3,824.30	2,010.37	1,468.87
Others	14,164.21	10,678.99	9,493.13	7,518.47
	23,329.06	18,983.64	12,869.59	10,178.75
	Capital Expenditure		Depreciation	
	2010-2011	2009-2010	2010-2011	2009-2010
Manufacturing	30.84	47.86	213.09	215.14
Trading & Indenting	182.84	109.76	180.80	207.48
Others	202.68	205.62	223.82	231.27
	416.36	363.24	617.71	653.89

Non-Cash expenses other than depreciation

NIL

NIL

(ii) Information about Secondary Business Segments
Revenue by Geographical Market

	2010-2011 Rs. in Lakhs	2009-2010 Rs. in Lakhs
India	15,143.07	13,462.40
Outside India	6,789.99	5,736.95
	21,933.06	19,199.35
Segment Assets		
India	23,329.06	18,983.64
Outside India	—	—
	23,329.06	18,983.64
Capital Expenditure		
India	416.36	363.24
Outside India	—	—
	416.36	363.24

(iii) Notes:

- (a) The management has identified following main business segments:
Manufacturing – comprising of manufacturing glass bottles Trading and Indenting.
- (b) Segment Revenue in each of the above domestic business segments primarily includes Sales & service, commission income in respective segments.



Schedules Forming Part of the Accounts

N. NOTES TO THE ACCOUNTS (Contd.)

	2010-2011 Rs. in Lakhs	2009-2010 Rs. in Lakhs
Segment Revenue comprises of:		
– Sales and Commission income	17,294.55	14,925.12
– Other income excluding income from investments	4,638.51	4,274.23
	21,933.06	19,199.35
(c) The segment revenue in the geographical segments considered for the disclosure are as follows :		
– Domestic – comprising of sales to customers located within India and earnings in India.		
– International – comprising of sales to customers located outside India and commission income from foreign principals.		
(d) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.		

(14) Related Party disclosures

Related party	Relationship	Description of Transaction	Income During the year Rupees	Expenses During the year Rupees	Outstanding as on 31.03.2011 Rupees
Empire International Pvt. Ltd.	Some of the Directors of the Company are also Directors in the said Pvt. Ltd. Company.	Conducting charges		84,75,494 (89,21,611)	56,86,316 (36,91,509)
		Rent	50,544 (50,544)		— (—)
S.C. Malhotra - <i>Chairman</i> Ranjit Malhotra - <i>Vice-Chairman</i> Dileep Malhotra - <i>Jt. Mg. Director</i>	Key Managerial Personnel	Directors' Remuneration		1,53,67,440 (1,53,95,284)	—
Karan Malhotra		Relative	Salary	5,88,000 (5,88,000)	—
Kabir Malhotra		Relative	Salary		5,88,000 (5,88,000)

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

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

Signatures to Schedules 'A' to 'N'

S. C. MALHOTRA RANJIT MALHOTRA DILEEP MALHOTRA	<i>Chairman</i> <i>Vice Chairman</i> <i>Joint Managing Director</i>
R. A. MASKATI K. C. KHANNA RAJBIR SINGH C. P. SHAH B. C. GANDHI	<i>Directors</i>
S. K. GULATI	<i>Director Finance & Company Secretary</i>

Mumbai, June 28, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**(Pursuant to amendment to clause 32 of the listing agreement)**

	2010-2011 Rs. Lacs	2009-2010 Rs. Lacs
A. Cash Flow from Operating Activities :		
(a) Net Profit before Tax & Extra Ordinary items	4,016.14	3,699.96
Adjustments for :		
Depreciation	617.71	653.89
Interest	448.10	625.25
Interest & Dividend earned	(177.09)	(73.81)
Profit/Loss on sale of Fixed Assets (Net)	(2.88)	2.15
Provision for Gratuity/Leave encashment on actuarial basis	454.23	341.38
(b) Operating Profit before working capital changes	5,356.21	5,248.82
Adjustments for :		
Trade & other Receivables	(1,063.57)	245.27
Inventories	197.70	(149.84)
Increase/(Decrease) in Trade Payables	2,080.98	562.18
(c) Cash generated from operations	6,571.32	5,906.43
Interest paid	(433.16)	(632.56)
Direct Taxes paid (net of refunds)	(447.10)	(1,118.42)
Net Cash flow from Operating Activities	5,691.06	4,155.45
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(561.36)	(761.16)
Proceeds from Sale of Fixed Assets	38.72	34.84
Increase/Decrease in Loans & Advance	—	0.18
Interest received	183.56	35.12
Dividend received	0.05	0.05
Net Cash from Investing Activities	(339.03)	(690.97)
C. Cash Flow from Financing Activities :		
Dividend Paid (Including tax on Dividend)	(1,399.30)	(701.97)
Proceeds from borrowings	433.03	943.22
Repayment of borrowings	(30.62)	(3,100.38)
Net Cash flow from Financing Activities	(996.89)	(2,859.13)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)
(Pursuant to amendment to clause 32 of the listing agreement)

	2010-2011 Rs. Lacs	2009-2010 Rs. Lacs
D. Net increase/(decrease) in cash and cash equivalent	4,355.14	605.35
Cash and cash equivalents at beginning of the year	932.32	326.97
Cash and cash equivalents at the end of the year	5,287.46	932.32

S. C. MALHOTRA *Chairman*
RANJIT MALHOTRA *Vice Chairman*
DILEEP MALHOTRA *Joint Managing Director*

R. A. MASKATI
K. C. KHANNA
RAJBIR SINGH
C. P. SHAH
B. C. GANDHI } *Directors*

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

Mumbai, June 28, 2011

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statment of Empire Industries Limited, derived from audited financial statements for the year ended 31st March 2011 and for the year ended 31st March, 2010 and found the same to be drawn in accordance there with and also with the requirements of Clause 32 of the listing agreement with Stock Exchange.

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

D. P. GHEVARIA
Proprietor

Mumbai, 28th June, 2011.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details :**

Registration No.	L17120MH1900PLC000176	State Code	11
Balance Sheet Date	31.03.2011		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	23,32,905	Total Assets	23,32,905
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Sources of Funds

Paid-up Capital	60,000	Reserves & Surplus	5,56,100
Secured Loans	—	Unsecured Loans	3,93,646
Deferred tax	36,200		

Application of Funds

Net Fixed Assets	9,87,376	Investments	28
Net Current Assets	58,542	Miscellaneous Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Including other income)	22,11,009	Total Expenditure	18,09,395
Profit Before Tax	4,01,614	Profit After Tax	2,85,331
Earnings Per Share in Rs.	47.55	Dividend Rate %	220

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
701090.01	Glass Bottles
N.A.	Trading & Indenting



ATTENDANCE SLIP

EMPIRE INDUSTRIES LIMITED

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

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. It helps us make proper arrangements. Failure to bring this Attendance Slip will create unnecessary inconvenience to you. Joint Shareholders may obtain additional Attendance Slips on request.

NAME OF THE SHAREHOLDER / PROXY	D.P. Id*	Client Id*	Please write below your Reg. Folio Number.

I hereby record my presence at the ONE HUNDRED AND TENTH ANNUAL GENERAL MEETING of the Company held on Friday, August 26, 2011 at 4:00 p.m. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai - 400 018.

.....
Member's/Proxy's Signature

NOTES:

1. Members/Proxy holders are requested to bring their copies of the Annual Report with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.



PROXY FORM

EMPIRE INDUSTRIES LIMITED

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

D.P. Id.*		Reg. Folio No. / Shares held
Client Id.*		

I/We _____ of _____

being a Member of EMPIRE INDUSTRIES LIMITED hereby appoint

_____ of _____ or failing him

_____ of _____ as my/our

proxy to vote for me/us and on my/our behalf at the ONE HUNDRED AND TENTH ANNUAL GENERAL MEETING of the Company to be held on Friday, August 26, 2011 at 4:00 p.m. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai - 400 018.

As witness my/our hand(s) this _____ day of _____ 2011.

Signed by the said _____



NOTE : The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

* Applicable for shareholders holding Shares in dematerialised form.