



---

**ANNUAL REPORT 2012-13**



# EMPIRE INDUSTRIES LIMITED

---

## BOARD OF DIRECTORS:

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

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

} *Directors*

## 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

## DIRECTOR FINANCE & COMPANY SECRETARY:

S. K. Gulati

## PLANT:

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

## AUDITORS:

D. P. Ghevaria & Co.

## ADVOCATES & SOLICITORS:

DSK Legal

## 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



## CONTENTS

	<b>Page No.</b>
Notice .....	3
Directors' Report .....	10
Corporate Governance .....	13
Annexure to Directors' Report .....	18
Auditor's Report .....	23
Balance Sheet .....	26
Profit & Loss Account .....	27
Significant Accounting Policies.....	28
Schedules .....	30
Cash Flow Statement .....	45

## NOTICE

The ONE HUNDRED AND TWELVETH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Friday, July 26, 2013 at 3:00 P.M. at the 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, 2013, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2013.
3. To appoint a Director in place of Mr. Rajbir Singh, who retires by rotation, and being eligible, seeks re-appointment.
4. To appoint a Director in place of Mr. Dileep Malhotra, who retires by rotation, and being eligible, seeks re-appointment.
5. To appoint Auditors and fix their remuneration, and to pass, with or without modification, the following resolution as an Ordinary Resolution:

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

#### Special Business:

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

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII (as amended from time to time) to the said Act, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. S. C. Malhotra as Chairman of the Company for a period of five years with effect from 1st November 2013 on the following remuneration and terms and conditions set out in the draft agreement submitted

to this Meeting and for identification initialed by Mr. R. A. Maskati, a Director of the Company."

(A) **Salary:** ₹ 4,50,000 per month in the scale of ₹ 4,50,000/- - ₹ 6,50,000/-. The Annual increments, which will be effective 1st April each year will be decided by the Board of Directors.

(B) **Perquisites:** Chairman shall be entitled to the perquisites as classified into three categories "A", "B" and "C" as follows:

#### Category "A":

##### (i) Residential Accommodation:

Fully furnished residential accommodation, if no accommodation is provided by the Company, a suitable House Rent Allowance for a fully furnished residential accommodation or what the Board of Directors may determine will be paid to him.

(ii) The expenditure incurred by the Company on providing gas, electricity and water at the residential accommodation shall be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of Mr. S. C. Malhotra.

(iii) Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

(iv) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.

(v) Club Fees: Fees of clubs subject to maximum of two Clubs. This will not include admission and life membership fees.

(vi) Personal Accident Insurance: Premium not to exceed ₹ 4,000/- p.a.

**Explanation:** For the purpose of Category "A" Family means the spouse, the dependent children and dependent parents.

#### Category "B":

(i) Contribution to Provident Fund as per rules of the Company. This will not be included in the computation of ceiling on perquisites to the extent this either singly or put together are not taxable under the Income Tax Act.



- (ii) Gratuity payable shall not exceed half month's salary for each completed year of service. This will not be included in the computation of the ceiling on perquisites.

**Category "C":**

Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. S. C. Malhotra.

- (C) Commission: 0.34% of the net profits of the Company for each financial year or part thereof as laid down under Section 309(5) of the Companies Act, 1956.
- (D) Leave: Leave on full pay and allowance as per rules of the Company. Leave accumulated and not availed of may be encashed as per rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- (E) The Chairman will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.
- (F) The Chairman shall be entitled to the reimbursement of all expenses including traveling and entertainment expenses actually and properly incurred by him in the course of business of the Company.
- (G) In case the Chairman suffers permanent total disablement due to sickness or accident or shall die during the course of his employment hereunder, the Company shall pay full salary for the then current calendar month and for six calendar months thereafter, to him or his heirs as the case may be.
- (H) In case of premature death during the currency of this agreement, his nominee as disclosed by him in the Superannuation Scheme, will be paid 50% of the Salary for the balance period of the full term of this agreement.
- (I) Subject to the provisions of Section 201 of the Companies Act, 1956 the Company agrees to indemnify the Chairman for any costs, losses, penalty, fine expenses which he may incur or become liable to by reasons of any contract entered into or act or thing done by him in any way in the discharge of his duties as a Chairman.

"RESOLVED FURTHER THAT in the event of loss or absence or inadequacy of profits in any financial year of the Company subject to the provisions of the Companies Act, 1956 the salary and perquisites payable and allowed to Mr. S. C. Malhotra shall be as specified in Schedule XIII of the Companies Act, 1956 as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, increase, expand, enhance, enlarge or widen the scope of the remuneration and perquisites, including the monetary value thereof specified in Schedule XIII to the Companies Act, 1956, as amended from time to time."

"RESOLVED LASTLY THAT the Board of Directors be and are hereby authorized to do all such acts, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution."

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

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII (as amended from time to time) to the said Act, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Ranjit Malhotra as Vice-Chairman and Managing Director of the Company (with the designation of Vice-Chairman) for a period of five years with effect from 1st October 2013 on the following remuneration and terms and conditions set out in the draft agreement submitted to this Meeting and for identification initialed by Mr. R. A. Maskati, a Director of the Company."

(A) **Salary:** ₹ 4,50,000 per month in the scale of ₹ 4,50,000/- - ₹ 6,50,000/-. The Annual increments, which will be effective 1st April each year will be decided by the Board of Directors.

(B) **Perquisites:** Vice-Chairman shall be entitled to the perquisites as classified into three categories "A", "B" and "C" as follows:

**Category "A":****(i) Residential Accommodation:**

Fully furnished residential accommodation, if no accommodation is provided by the Company, a suitable House Rent Allowance for a fully furnished residential accommodation or what the Board of Directors may determine will be paid to him.

**(ii)** The expenditure incurred by the Company on providing gas, electricity and water at the residential accommodation shall be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of Mr. Ranjit Malhotra.

**(iii)** Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

**(iv)** Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.

**(v)** Club Fees: Fees of clubs subject to maximum of two Clubs. This will not include admission and life membership fees.

**(vi)** Personal Accident Insurance: Premium not to exceed ₹ 4,000/- p.a.

**Explanation:** For the purpose of Category "A" Family means the spouse, the dependent children and dependent parents.

**Category "B":**

**(i)** Contribution to Provident Fund as per rules of the Company. This will not be included in the computation of ceiling on perquisites to the extent this either singly or put together are not taxable under the Income Tax Act.

**(ii)** Gratuity payable shall not exceed half month's salary for each completed year of service. This will not be included in the computation of the ceiling on perquisites.

**Category "C":**

Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Ranjit Malhotra.

**(C)** Commission: 0.33% of the net profits of the Company for each financial year or part thereof as laid down under Section 309(5) of the Companies Act, 1956.

**(D)** Leave: Leave on full pay and allowance as per rules of the Company. Leave accumulated and not availed of may be encashed as per rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

**(E)** The Vice-Chairman will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.

**(F)** The Vice-Chairman shall be entitled to the reimbursement of all expenses including traveling and entertainment expenses actually and properly incurred by him in the course of business of the Company.

**(G)** In case the Vice-Chairman suffers permanent total disablement due to sickness or accident or shall die during the course of his employment hereunder, the Company shall pay full salary for the then current calendar month and for six calendar months thereafter, to him or his heirs as the case may be.

**(H)** In case of premature death during the currency of this agreement, his nominee as disclosed by him in the Superannuation Scheme, will be paid 50% of the Salary for the balance period of the full term of this agreement.

**(I)** Subject to the provisions of Section 201 of the Companies Act, 1956 the Company agrees to indemnify the Vice-Chairman for any costs, losses, penalty, fine expenses which he may incur or become liable to by reasons of any contract entered into or act or thing done by him in any way in the discharge of his duties as a Vice Chairman.

"RESOLVED FURTHER THAT in the event of loss or absence or inadequacy of profits in any financial year of the Company subject to the provisions of the Companies Act, 1956 the salary and perquisites payable and allowed to Mr. Ranjit Malhotra shall be as specified in Schedule XIII of the Companies Act, 1956 as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, increase, expand, enhance, enlarge or widen the scope of the remuneration and perquisites, including the monetary value thereof specified in Schedule XIII to the Companies Act, 1956, as amended from time to time."



“RESOLVED LASTLY THAT the Board of Directors be and are hereby authorized to do all such acts, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution.”

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

“RESOLVED THAT in modification of the resolution passed by the Shareholders of the Company at the 106th Annual General Meeting held on 28th August, 2007, and pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, and other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow from time to time any sum or sums of money for the purpose of the business of the Company on such terms and conditions, with or without security, as the Board of Directors may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; provided that the total amount up to which monies may be so borrowed by the Board of Directors shall not at any time exceed ₹ 200,00,00,000/- (Rupees Two Hundred crores only).”

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

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

**Registered Office:**

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

Place : Mumbai

Date : May 29, 2013.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND

AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos.6 to 8 as set out above is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. In terms of Article 152 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Rajbir Singh and Mr. Dileep Malhotra, Directors, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments.
5. Brief resume of all Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the BSE Limited, are provided in the Report on Corporate Governance forming part of the Annual Report.
6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
8. The Company has already notified closure of Register of Members and Transfer Books thereof from Saturday, the 13th July, 2013 to Friday, the 26th July, 2013 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. The Dividend on Equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid between July 27, 2013 and August 3, 2013 to those members whose names shall appear in the Register of Members



## EMPIRE INDUSTRIES LIMITED

### ANNUAL REPORT 2012-13

of the Company on July 12, 2013 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members, holdings shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
11. Members who hold shares in physical form and who have not yet submitted Bank Details 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 mandatorily as per SEBI guidelines:
  - (i) Name of the Sole/First joint holder and the Folio Number.
  - (ii) Particulars of Bank Account, viz.
    - (a) Name of Bank
    - (b) Name of Branch
    - (c) Complete address of the Bank with PIN Code Number.
    - (d) Account Type, whether Savings Account (SA) or Current Account (CA)
    - (e) Bank Account Number.
    - (f) MICR Number.
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/ Registrars and Transfer Agents, M/s. Bigshare Services Private Limited.
13. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through their Depository Participants.

14. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., for consolidation into a single folio.

15. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 2004-05 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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

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

Sr. No.	Year	Description	Date of Declaration	Last Date for claiming unpaid Dividend
1.	2003-04	Dividend @ 10%	21.09.2004	Transferred to IEPF
2.	2004-05	Dividend @ 20%	26.08.2005	Transferred to IEPF
3.	2005-06	Dividend @ 40%	25.08.2006	24.08.2013
4.	2006-07	Dividend @ 60%	28.08.2007	27.08.2014
5.	2007-08	Dividend @ 80%	27.08.2008	26.08.2015
6.	2008-09	Dividend @ 100%	27.08.2009	26.08.2016
7.	2009-10	Dividend @ 200%	27.08.2010	26.08.2017
8.	2010-11	Dividend @ 220%	26.08.2011	25.08.2018
9.	2011-12	Dividend @ 240%	28.08.2012	27.08.2019

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

16. The Securities and Exchange Board of India (SEBI) has made it mandatory the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, M/s. Bigshare Services Private Limited.



17. The Ministry of Corporate affairs has taken a "Green Initiative in the Corporate governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent through e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Bigshare Services Private Limited.

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

As required by Section 173 of the Companies Act, 1956 the following Explanatory statement set out all material facts relating to the business mentioned under Item Nos. 6 to 8 of the accompanying Notice dated May 29, 2013.

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

Mr. S. C. Malhotra's tenure of appointment as Chairman of the Company expires on 31st October 2013. The Board of Directors at its Meeting held on 29th May, 2013, have re-appointed Mr. S. C. Malhotra as Chairman subject to the approval of the Members of the Company, for a period of five years with effect from 1st November, 2013, on such remuneration and terms & conditions as set out in the Resolution. Mr. S. C. Malhotra satisfies all the conditions set out in Part-I of Schedule XIII to the Companies Act, 1956 for being eligible for the re-appointment. Since Mr .S. C. Malhotra has attained the age of 75 years, his reappointment is to be approved by Special Resolution per provisions of Schedule XIII of the Companies Act, 1956.

The draft Agreement to be entered into by the Company with Mr. S. C. Malhotra is available for inspection by the Members of the Company between 10.00 A.M. and 1.00 P.M. on all working days up to and including day of the Meeting.

A brief resume of Mr. S. C. Malhotra, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement with the BSE Limited, is provided in the Report of Corporate Governance forming part of the Annual Report.

Mr. S. C. Malhotra is interested in the proposed Resolution as it concerns his own remuneration.

Mr. Ranjit Malhotra and Mr. Dileep Malhotra, Directors of the Company may also be regarded as interested in the Resolution as relatives of Mr. S. C. Malhotra.

#### **ITEM NO.7**

Mr. Ranjit Malhotra's tenure of appointment as Vice-Chairman & Joint Managing Director of the Company expires on 30th September 2013. The Board of Directors at its Meeting held on 29th May, 2013, have re-appointed Mr. Ranjit Malhotra as Vice-Chairman & Managing Director (With the designation of Vice-Chairman) subject to the approval of the Members of the Company, for a period of five years with effect from 1st October, 2013, on such remuneration and terms & conditions as set out in the Resolution. Mr. Ranjit Malhotra satisfies all the conditions set out in Part-I of Schedule XIII to the Companies Act, 1956 for being eligible for the re-appointment.

The draft Agreement to be entered into by the Company with Mr. Ranjit Malhotra is available for inspection by the Members of the Company between 10.00 A.M. and 1.00 P.M. on all working days up to and including day of the Meeting.

A brief resume of Mr. Ranjit Malhotra, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement with the BSE Limited, is provided in the Report of Corporate Governance forming part of the Annual Report.

Mr. Ranjit Malhotra is interested in the proposed Resolution as it concerns his own remuneration. Mr. S. C. Malhotra and Mr. Dileep Malhotra, Directors of the Company may also be regarded as interested in the Resolution as relatives of Mr. Ranjit Malhotra.

#### **Item No.8**

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the company in General Meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

At the Annual General Meeting of the Company held on 28th August, 2007 the Company had authorized the Board of Directors to borrow monies for the purpose

**EMPIRE INDUSTRIES LIMITED**

**ANNUAL REPORT 2012-13**

---

of the business of the Company to the extent of ₹ 60,00,00,000 (Rupees Sixty crores). It is proposed to increase this limit of ₹ 60,00,00,000 to ₹ 200,00,00,000 to provide for the additional funds needed for the future development of Company's property and expansion of business of the Company.

In the circumstances, the sanction of the Shareholders under Section 293(1)(d) of the Companies act, 1956, is sought to enable the Directors to borrow monies to the extent of ₹ 200,00,00,000 in modification of the earlier resolution passed on the 28th day of August, 2007.

None of the Directors of the Company is concerned or interested in the said resolution.

The Explanatory Statements and the Resolutions may be treated as an abstract under Section 302 of the Companies Act, 1956.

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

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

**Registered Office:**

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

Place : Mumbai

Date : May 29, 2013.



## DIRECTORS' REPORT

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2013.

### FINANCIAL RESULTS:

Particulars	Year ended 31.03.2013 ₹ in Lakhs	Year ended 31.03.2012 ₹ in Lakhs
<b>Income:</b>		
Revenue from Operations	27998.71	24273.88
Other Income	791.47	461.95
<b>Total Revenue</b>	<b>28790.18</b>	<b>24735.83</b>
<b>Expenditure</b>		
Cost of Materials Consumed	4631.83	3707.18
Purchase of Stock-in-Trade	3326.08	2542.58
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	(463.78)	(548.13)
Employee Benefit Expenses	6460.61	5725.85
Finance Costs	902.61	644.73
Depreciation and Amortization Expenses	745.32	729.30
Other Expenses	8511.89	6977.31
<b>Total Expenses</b>	<b>24114.56</b>	<b>19778.82</b>
Profit Before Tax	4675.62	4957.01
<b>Tax Expenses</b>		
(1) Current Tax	1261.00	1300.00
(2) Deferred Tax	(98.79)	(42.68)
Profit for the year	3513.41	3699.69
<b>Appropriated as under:</b>		
Dividend proposed	1440.00	1440.00
Tax on Proposed Dividend	244.73	233.60
General Reserve	1828.68	2026.09
<b>Total amount appropriated</b>	<b>3513.41</b>	<b>3699.69</b>
Earning per Equity Share of the face value of ₹ 10		
Each Basic and Diluted (in ₹)	58.56	61.66

### DIVIDEND:

The Directors are pleased to recommend, for your consideration, payment of Dividend @240% (₹ 24 per Equity Share of the face value of ₹ 10 Tax Free) for the financial year 2012-13, (Previous Year 240%). The total amount of the Dividend outgo will be ₹ 1440 Lakhs as

against ₹ 1440 Lakhs for the previous financial year. The tax on distributed profits, payable by the Company would amount to ₹ 244.73 Lakhs as against ₹ 233.60 Lakhs for the previous financial year.

### OPERATIONS:

The performance of the Company is satisfactory considering the recessionary/adverse market conditions and increase in input costs. The Division-wise performance is given below:

#### *Vitrum Glass:*

The Division manufactures Amber Glass Bottles of international quality for the Pharmaceutical Industry. Over 14.00 lakh bottles are manufactured every day on four fully automatic production lines. During the year under review demand for pharmaceutical bottles was good & the Division achieved 9% higher turnover at ₹ 113 crores. However margins were under pressure as a result of increase in fuel and power costs and also over capacity created by producers. The Division is expected to do satisfactorily in the coming year.

#### **EMPIRE MACHINE TOOLS – MFTM**

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

This Division is engaged in indenting business of Imported Equipments. The Division is also engaged in sales, service and turnkey projects. Currently Forging Press Lines, Melting Furnaces, Sheet and Section Forming Presses, Welding Lines and big CMM's etc are in demand, mainly from the Government Sector. The business in Private Sector is slow.

There has been a shortfall in our order intake, compared to initial projections, due to sluggish market conditions and the trend is likely to continue in the current year. Lack of clarity with customers involved, for the first time in E-bidding, dual currency quotes and progressive payments have resulted in several postponements in tenders. Matters are now getting sorted out with repeated interactions and representations. Shipments were delayed in many cases that affected profits but the backlog of orders for execution for the coming year is satisfactory.

The Division has restructured its manpower resources and engaged professional help to handle turnkey Projects. Also strategic planning in obtaining high value orders, with coordinated team efforts have received focused attention of entire sales force to become more successful, in an increasingly competitive market.

## EMPIRE INDUSTRIES LIMITED

### ANNUAL REPORT 2012-13

#### **EMPIRE MACHINE TOOLS - MCAT**

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

Order in-flow in MCAT Division has been affected due to recessionary trends and also due to unclear Government policies. There have been some cancellations of orders due to projects not coming up or due to manufacturer's financial problems in Europe. Shipments have been badly affected. The Division is now focusing mainly on defence, railways, aerospace, tool rooms, steel, Oil and Gas.

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

Empire Industrial Equipment performed reasonably well in the year under review. As projected, Oil & Gas Sector orders remained steady, with a major breakthrough in the Steel Sector. Power and Water departments have made considerable strides in promoting products and consolidating our position in the Market. For the year ahead, this Division continues to see good prospects in the Oil, Gas and Fertilizer sectors, with new projects coming up for investment. Steel Sector is slow. Ports & Shipyards area seems to show some good investment potential. Power, particularly Solar Power, should be good for us in the year ahead. Overall the Division expects to do better in the year ahead with Power and Water Management teams beginning to make significant contributions.

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

GRABBIT provides premium food & beverages vending services to corporate offices, hotels, banks etc. through automated vending machines. GRABBIT promises easy access to hygienic, fresh packed food and beverages on a 24 x 7 basis. Grabbit is operational in Mumbai, Delhi, Bangalore, Hyderabad and Pune.

During the year, Grabbit has introduced a range of snacks under the brand name "SNAKPAK". SNAKPAK is being sold through vending machines in all the five cities. Many other varieties of products are expected to be added in the current year. GRABBIT has shown reasonable growth and the future should be bright.

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

The division has done well in terms of further developing the business in various parts of the country. It started its seventh Branch in Bangalore and strengthened its distribution in large Non - Metro cities like Hyderabad, Agra, Mysore, Pondicherry, Shimla, Jaipur etc. The division also started its cold storage Private Bonded Warehouse. It has now unique capacity to offer Duty Free products which can be cleared against Customer's Duty-Free License. The Division is Planning to add more

Domestic and imported products this year. We expect to continue the High Growth Trend in the current year too.

##### ***PROPERTY AT AMBERNATH***

The Company is intending to develop its Ambernath Land of Approximately 35 Acres for Industrial, Residential and Commercial purposes. Permission for this is being obtained from the MIDC and the Maharashtra Government. The Company is hopeful of obtaining these permissions.

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

The major Capital Expenditure is on account of Vehicles (₹ 201.22 Lakhs), Furniture & Fixtures (₹ 125.15 Lakhs) and Office Equipments (₹ 98.59 Lakhs).

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

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

- i) in the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the Annual Accounts of the Company on a going concern basis.

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

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

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

As on March 31, 2013, 93 depositors had not claimed their matured deposits amounting to ₹ 17,61,000. Since then 21 depositors have claimed/renewed their deposits amounting to ₹ 4,02,000. As of date, all deposit claims



have been met, except unclaimed deposits amounting to ₹ 13,59,000. 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. Rajbir Singh and Mr. Dileep Malhotra, retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

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

Pursuant to the provisions of Section 205C of the Companies Act, 1956 the Unclaimed Dividend, Fixed Deposits and interest thereon which remained unpaid/

unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

**ACKNOWLEDGEMENT:**

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

**AUDITORS:**

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

**COST AUDITORS**

Cost Audit Report for the financial year ended March 31, 2012 has been filed with the Ministry of Corporate Affairs within the stipulated time. The Central Government has approved the appointment of M/s. Vinay Mulay & Company, Cost Accountants, to conduct the audit of the Cost Accounts of the Company in respect of its Vitrum Glass Division situated at L. B. S. Marg, Vikhroli, Mumbai 400 083 for the financial year 2012-2013.

On Behalf of the Board of Directors

Place : Mumbai  
Date : May 29, 2013

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

## ANNEXURE TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

As per the provisions of Clause 49 of the Listing Agreement with BSE Limited, the Company has complied with the requirements and report containing the details of Corporate Governance is furnished below:

### 1. Company's philosophy on Corporate 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 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. This has resulted in achieving sustained growth.

### 2. Board of Directors:

As at 31st March, 2013 the composition and the category of the Directors is as under:

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

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

- a) **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 25 years

experience and well known in the field. He is a Director of R. C. Edwards & Co. Private Limited, Kelly & Henderson Private Limited and Sardar Bahadur Bakshi Dalip Singh & Son Private Limited.

Mr. Singh holds 15 shares of the Company in his name as on March 31, 2013.

- b) **Mr. Dileep Malhotra** is a 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.

He is the Promoter of the Company and holds 13,32,723 shares of the Company in his name as on March 31, 2013.

- c) **Mr. S C Malhotra** is the Chairman of 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 63 years of experience and handles several corporate responsibilities. He is a Director of Empire International Private Limited.

He is the Promoter of the Company and holds 2,03,252 shares of the Company in his name as on March 31, 2013.

- d) **Mr. Ranjit Malhotra** is a MBA from 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.

He is the Promoter of the Company and holds 9,43,876 shares of the Company in his name as on March 31, 2013.





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

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

- (1) 30.04.2012                      (4) 30.10.2012  
 (2) 22.06.2012                      (5) 29.01.2013  
 (3) 27.07.2012

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

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

Name of the Director	Attendance Particulars		No. of Directorship and Committee Membership/ Chairmanship		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
S.C. Malhotra	5	Present	-	-	-
Ranjit Malhotra	4	Present	-	-	-
Dileep Malhotra	5	Present	-	-	-
R.A. Maskati	4	Present	-	-	2
Rajbir Singh	5	Present	-	2	-
Chandrakant P Shah	5	Present	-	2	1
Bipinchandra Chimanlal Gandhi	5	Present	-	-	-
Subodh Chandra	3	Absent	-	-	-

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. Chandrakant Poonamchand Shah	5
3.	Mr. Rajbir Singh	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. Rajbir Singh and Mr. C. P. Shah. The Remuneration Committee reviews the remuneration package of Executive Directors and Senior Executives of the Company.

- Details of remuneration to Directors for the year.

The aggregate value of salary and perquisites paid for the financial year 2012-13 to the Executive Directors is as follows:

Mr. S. C. Malhotra	₹ 51.03 Lakh
Mr. Ranjit Malhotra	₹ 51.00 Lakh
Mr. Dileep Malhotra	₹ 51.54 Lakh
<b>Total</b>	<b>₹ 153.57 Lakh</b>

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

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

S.No	Name of Directors	Sitting Fees (₹)
1.	Mr. R. A. Maskati	80,000
2.	Mr. Rajbir Singh	1,00,000
3.	Mr. C. P. Shah	1,00,000
4.	Mr. B. C. Gandhi	1,00,000
5.	Mr. Subodh Chandra	60,000

No commission has been paid to any Non-Executive Director for the year ended March 31, 2013.



## EMPIRE INDUSTRIES LIMITED

### ANNUAL REPORT 2012-13

- Shares held by Non-Executive Directors

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

#### 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 Share Certificate after Transfer	1
Non receipt of Dividend Warrant	3

There were no outstanding complaints as on March 31, 2013.

#### 6. Annual General Meetings:

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

Year	Location	Date	Time
2009-2010	Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai 400018.	27.08.2010	4.00 p.m.
2010-2011	Same as above	26.08.2011	4.00 p.m.
2010-2012	Same as above	28.08.2012	3.00 p.m.

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

#### 7. Disclosures:

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

#### 8. Means of communication

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

#### • Management Discussion and Analysis

##### Overall Review

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

##### Industry Structure & Development

The Vitrum Glass Division is manufacturing Amber Glass Bottles for the Pharmaceutical Industry by using its production capacity fully. The division carries out R&D activities regularly in various manufacturing operations with the objective of improving quality, reducing energy consumption and improving the overall efficiency / productivity.



### Opportunities & Risks

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

### Human Resources

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

### Internal Controls & Systems

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

### Statutory Compliance

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

### Cautionary Statement

Statements in the Management Discussion and Analysis describing Company's objectives, projections, expectations may be "forward looking statements" within the meaning of relevant securities laws, rules and regulations.

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

### 9. General Shareholder information:

#### • Company Registration Details:

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

- **AGM Date & Time** : Friday, the 26th July, 2013 at 3.00 p.m.

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

#### • Financial Calendar (Tentative):

Results for the quarter ending June 30, 2013	End July 2013
Results for the quarter ending September 30, 2013	End October 2013
Results for the quarter ending December 31, 2013	End January 2014.
Results for the quarter and year ending March 31, 2014 (Audited)	End May 2014
Annual General Meeting	July 2014.

- **Book Closure Date** : Saturday the 13th July, 2013 to Friday the 26th July, 2013 (both days inclusive).
- **Dividend** : The Board of Directors have recommended 240% Dividend for the financial year 2012-13.
- **Listing of Equity Shares on** : BSE Limited
- **Stock Code** : 509525

## EMPIRE INDUSTRIES LIMITED

### ANNUAL REPORT 2012-13

- 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, 2012	777.90	664.00	17664.10	17010.16
May, 2012	779.90	707.05	17432.33	15809.71
June, 2012	767.00	713.00	17448.48	15748.98
July, 2012	787.00	731.00	17631.19	16598.48
August, 2012	780.00	641.00	17972.54	17026.97
September, 2012	734.00	662.00	18869.94	17250.80
October, 2012	764.00	666.00	19137.29	18393.42
November, 2012	759.75	694.10	19372.70	18255.69
December, 2012	760.00	703.00	19612.18	19149.03
January, 2013	740.00	676.00	20203.66	19508.93
February, 2013	738.00	660.00	19966.69	18793.97
March, 2013	705.00	617.20	19754.66	18568.43

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

- Registrar and Share Transfer Agents**

M/s. Bigshare Services Pvt. Ltd.,  
E-2 Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (E),  
Mumbai - 400072.

Tel. : +91 22 28470652 / 40430200

Fax : +91 22 28475207

Email : info@bigshareonline.com

Our Registrar & Transfer Agent, M/s. Bigshare Services Private Limited launched Gen-Next Investor Module i'Boss the most advanced tool to interact with shareholders. Please login into i'Boss (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 31.03.2013**

	% to the total paid-up capital
Promoters	57.38
Financial Institutions & Banks	17.40
Corporate Bodies	14.23
Others	10.99
<b>Total</b>	<b>100.00</b>

- Distribution of Shareholding as on 31.03.2013**

Shareholding of Nominal value of	Share-holders Numbers	% of Total	Share Amount ₹	% to Equity
Up to 5000	4906	95.2436	35,13,770	5.8563
5001 – 10000	131	2.5432	9,36,870	1.5615
10001 – 20000	55	1.0678	7,73,250	1.2888
20001 – 30000	16	0.3106	3,74,120	0.6235
30001 – 40000	9	0.1747	3,05,460	0.5091
40001 – 50000	7	0.1359	3,21,950	0.5366
50001 – 100000	8	0.1553	5,97,200	0.9953
100001 and above	19	0.3689	5,31,77,360	88.6290
<b>Total</b>	<b>5151</b>	<b>100.0000</b>	<b>5,99,99,980</b>	<b>100.0000</b>

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

- Bank details for dividend payment**

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

- Address** : EMPIRE INDUSTRIES LIMITED

**for** Secretarial Department  
**corres-** Empire Complex  
**pondence** 414, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013.

Tel. : 66555453

Fax : 24939143

Email: investor\_relations@empiremumbai.com

Website: www.empiremumbai.com



## ANNEXURE TO DIRECTORS' REPORT

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

### VITRUM GLASS:

#### (A) CONSERVATION OF ENERGY

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

Machine H.P. air receivers installed for saving compressor electrical energy. Furnace combustion system has been improved for reducing Gas consumption on furnace

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

To save power consumption inverter installed on machine -1 mould cooling blower.

Cold end improved by covering 2 Production Lines resulting in avoiding foreign material going in the bottles.

Covered re- sorting and re-checking area has been created in ware house.

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

The above measures have helped in saving the energy and improvement in productivity and Customers are fully satisfied with Vitrum Bottles.

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

### FORM – A

	Current Year	Previous Year
<b>I. Power &amp; Fuel consumption:</b>		
<b>1) Electricity:</b>		
Purchased Units	1,03,90,160	1,04,78,929
Total Cost (₹ in Lakh)	664.03	606.73
Rate / Unit (₹)	6.39	5.79
<b>2) Natural Gas</b>		
Quantity Purchased (SCM)	77,45,819	77,49,587
Total Cost (₹ in Lakh)	2294.37	1972.27
Rate / Standard Cubic Meter (₹)	29.62	25.45
<b>II. Consumption per Ton of Production:</b>		
Electricity (Units)	222	236
Natural Gas (SCM)	166	174

**(B) TECHNOLOGY ABSORPTION**

**FORM – B**

**Research & Development (R&D)**

1. Specific areas in which R&D carried out by the Company:
  - a. Batch charger modification work done for spreading batch in the furnace for better melting.
  - b. Introduced the Calumite for Better Batch melting, which has helped us to increase glass pull up to 155 tons per day glass in same energy consumption.
  - c. PLC has been installed in batch plant for controlling mixing and weighing raw material Automatically, which has helped us for batch segregation and uniform furnace bottom temperature.
2. Benefits derived as a result of the above R&D:
  - a. Batch plant PLC has helped for reducing electrical energy
3. Further plan for action:

To increase I S Machine Speeds and reduce weight of bottles as per customers requirement.

**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	₹ 2763.83 Lakh
Foreign Exchange earned	₹ 7340.57 Lakh

On Behalf of the Board of Directors

Place : Mumbai  
Date : May 29, 2013

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



**STATEMENT OF INFORMATION AS PER SECTION 2(17)(2A) OF THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

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.	73	Director ** Corporate	1,16,65,250	B.Tech. (Hons.) (Mech. Engg.)	07.08.1969	51	Consultant. Icoon Pvt. Ltd. Mumbai (3 Years).
2	Mr. Gulati S. K.	74	Director** Finance & Company Secretary	1,18,00,933	B.Com. (Hons.) A.C.S., F.C.A.	02.05.1975	51	Administrative Manager, Machine Division, Crompton Greaves Ltd., Mumbai (9 Years)
3	Mr. Jadhav D. P.*	59	I.T. Executive	6,47,703	S.S.C.	01.07.1974	38	First Employment
4	Mrs. Monica *	61	Manager Commercial	9,07,605	B.A.	22.12.1975	36	Easter Trading Corpn. Mumbai (4 Years)
5	Mr. Narasimhan N.S.L.	64	Director ** Empire Industrial Equipment	1,30,03,262	B.E., M.M.S. (Marketing); M.F.M.	10.01.2000	39	Chief Executive Healy & Gresham (I) Ltd. Delhi (10 Years & 7 Months)
6	Mr. Parmar S.S.	56	Director ** Vitrum Glass	75,75,492	Diploma in Mechanical Engg.	18.03.2009	34	General Manager Pankaj Glass Works Firozabad U.P. (1 Year)
7	Mr. Pradhan C.K.	55	Director ** Commercial	91,14,387	B.Com.	01.06.1995	34	Manager - Warehousing Arjun Transport Co. Pvt. Ltd. Mumbai (10 Years)
8	Mr. Rao P.N.	61	Director ** Empire Machine Tools (MCAT)	1,35,84,613	B.E. (Mech)	01.01.1980	37	Asst. Sales Engineer Voltas Ltd., Lucknow (2 Years)
9	Mr. Sen K.K.	64	Director ** Empire Machine Tools (MFTM)	1,25,59,804	B. Tech (Hons.)	21.06.1971	42	First Employment
10	Mr. Yogesh Grover	42	Director ** Empire Foods	1,10,88,669	B.Sc. (Hons), A.C.A.	02.05.2008	20	M.D. CEO Uganda Marine Products Ltd. Kampala (8 Years)

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

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

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

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

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

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

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2013 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 : May 29, 2013

**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, 2013.

For **EMPIRE INDUSTRIES LIMITED**

Place : Mumbai,  
Date : May 29, 2013

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



---

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Empire Industries Limited

We have examined the compliance of the conditions of Corporate governance by Empire Industries Limited for the year ended 31st March, 2013 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, 2013 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 Registration No. : 103176W

Place : Mumbai,  
Date : May 29, 2013

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



## INDEPENDENT AUDITOR'S REPORT

To the Members  
**Empire Industries Limited**

### Report on the financial statements

We have audited the accompanying financial statements of Empire Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in case of the Cash Flow Statement, of the 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, 2003 ("the Order"), as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far it appears from our examination of those books;
  - c. the balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act; and
  - e. on the basis of written representations received from the directors as at 31 March 2013 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

**D.P. GHEVARIA**  
*Proprietor*  
Place : Mumbai  
Date : May 29, 2013  
Membership No. : 032431



## ANNEXURE TO THE AUDITOR'S REPORT – 31<sup>ST</sup> MARCH, 2013

Referred to in our report of even date

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

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

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

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods.
- (v) (a) Based on the audit procedures applied by us and according to information and explanation provided by the management, we are of the opinion that the transactions need to be entered into the register maintained u/s. 301 of the Act, have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Act, and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In Our Opinion, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public which have matured and are remaining unpaid as at 31st March, 2013.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

## EMPIRE INDUSTRIES LIMITED

### ANNUAL REPORT 2012-13

- (ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Wealth-tax, Custom Duty, Excise-Duty, Cess and other material statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues were outstanding, as on 31st March, 2013 for a period of more than six months from the date they became payable.

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

Statute	Nature dues	Amount (₹ in lacs)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Duty on Classification / Valuation and other disputes	8.75 18.58	1987-88 to 1990-91 2007-08	Central Excise Tribunal
The Central Excise Act, 1944	Penalty under Service Tax	2.11	2011-12	Commissioner of Central Excise
Income Tax Act, 1961	Income tax matters under dispute	54.10	AY 2009-10	Commissioner of Income Tax (Appeals)

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

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

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

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

**D.P. GHEVARIA**  
*Proprietor*  
Place : Mumbai  
Date : May 29, 2013  
Membership No. : 032431



## Balance Sheet as at 31<sup>st</sup> March, 2013

		(₹ in lakhs)	
	Note	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	600.00	600.00
Reserves and Surplus	2	<u>9,415.77</u>	<u>7,587.09</u>
		<b>10,015.77</b>	<b>8,187.09</b>
<b>Non-current Liabilities</b>			
Long Term Borrowings	3	1,736.72	1,153.54
Deferred Tax Liabilities (Net)	4	220.53	319.32
Other Long Term Liabilities	5	4,533.57	3,241.00
Long Term Provisions	6	<u>1,282.97</u>	<u>1,166.74</u>
		<b>7,773.79</b>	<b>5,880.60</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	4,440.80	4,677.63
Trade Payables	8	2,345.03	1,463.07
Other Current Liabilities	9	3,212.16	4,627.89
Short Term Provisions	10	<u>4,013.57</u>	<u>3,529.72</u>
		<b>14,011.56</b>	<b>14,298.31</b>
<b>TOTAL</b>		<u><b>31,801.12</b></u>	<u><b>28,366.00</b></u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed assets			
Tangible Assets	11	13,367.02	13,705.45
Intangible Assets	11	3.70	0.30
Capital Work-in-Progress	11	3,786.41	-
Non-Current Investments	12	0.28	0.28
Long Term Loans and Advances	13	598.09	2,206.38
Other Non-Current Assets	14	<u>525.56</u>	<u>137.72</u>
		<b>18,281.06</b>	<b>16,050.13</b>
<b>Current Assets</b>			
Inventories	15	2,256.46	1,634.20
Trade Receivables	16	5,360.43	5,182.44
Cash and Cash Equivalents	17	4,616.62	4,698.37
Short Term Loans and Advances	18	260.67	93.39
Other Current Assets	19	<u>1,025.88</u>	<u>707.47</u>
		<b>13,520.06</b>	<b>12,315.87</b>
<b>TOTAL</b>		<u><b>31,801.12</b></u>	<u><b>28,366.00</b></u>
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements</b>	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 29, 2013

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

Chairman  
Vice Chairman  
Joint Managing Director

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

Directors

**S. K. GULATI**

Director Finance &  
Company Secretary

Mumbai, May 29, 2013

**EMPIRE INDUSTRIES LIMITED**

**ANNUAL REPORT 2012-13**

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2013**

		Year ended 31 <sup>st</sup> March, 2013	Year ended 31 <sup>st</sup> March, 2012
			(₹ in lakhs)
	<b>Note</b>		
<b>INCOME</b>			
Revenue from Operations	20	<b>27,998.71</b>	24,273.88
Other Income	21	<b>791.47</b>	461.95
<b>Total Revenue</b>		<b>28,790.18</b>	24,735.83
<b>EXPENDITURE:</b>			
Cost of Materials Consumed	22	<b>4,631.83</b>	3,707.18
Purchases of Stock-in-Trade		<b>3,326.08</b>	2,542.58
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	23	<b>(463.78)</b>	(548.13)
Employee Benefits Expense	24	<b>6,460.61</b>	5,725.85
Finance Costs	25	<b>902.61</b>	644.73
Depreciation and Amortization Expense	11	<b>745.32</b>	729.30
Other Expenses	26	<b>8,511.89</b>	6,977.31
<b>Total Expenses</b>		<b>24,114.56</b>	19,778.82
Profit Before Tax		<b>4,675.62</b>	4,957.01
<b>Tax Expense</b>			
(1) Current Tax		<b>1,261.00</b>	1,300.00
(2) Deferred Tax		<b>(98.79)</b>	(42.68)
<b>Profit for the year</b>		<b>3,513.41</b>	3,699.69
Earning per equity share of face value of ₹ 10 each Basic and Diluted (in ₹)		<b>58.56</b>	61.66

**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 29, 2013

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

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

**S. K. GULATI**

Mumbai, May 29, 2013

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

*Directors*

*Director Finance &  
Company Secretary*



## Significant Accounting Policies

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

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

### 2. Use of Estimates :

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

### 3. Fixed Assets:

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

### 4. Capital Work in Progress :

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

### 5. Depreciation and Amortization:

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

### 6. Valuation of Stock :

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

Cost comprises of purchase cost including all taxes and duties.

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

### 7. Investments:

Investments are stated at cost.

### 8. Operating Lease:

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

**9. Borrowing Costs :**

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

**10. Provisions and Contingencies :**

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

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

**11. Revenue Recognition:**

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

**12. Staff Retirement Benefits :**

**Defined benefit plan :**

The Company accounts for the defined benefit plans such as gratuity and leave encashment on accrual basis. Gratuity and leave encashment liability has been determined by an actuarial valuation report based on AS - 15 (revised) obtained as at 31st March, 2013.

**13. Taxes on Income:**

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

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

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

**14. Foreign Currency Transactions :**

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

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



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

(₹ in lakhs)

		As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>1. SHARE CAPITAL</b>			
<b>Authorised</b>			
1,50,00,000	Equity Shares of ₹ 10 each (Previous Year 1,50,00,000 Equity Shares of ₹ 10 each)	<b>1,500.00</b>	1,500.00
50,000	Cumulative Redeemable Preference Shares of ₹ 100 each (Previous Year 50,000 Cumulative Redeemable Preference Shares of ₹ 100 each)	<b>50.00</b>	50.00
		<u><b>1,550.00</b></u>	<u>1,550.00</u>
<b>Issued and Subscribed</b>			
59,99,998	Equity Shares of ₹ 10 each (Previous Year 59,99,998 Equity Shares of ₹ 10 each)	<b>600.00</b>	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.		
		<u><b>600.00</b></u>	<u>600.00</u>

1.4 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
	No. of Shares	% held	No. of Shares	% held
Dileep Malhotra	<b>13,32,723</b>	<b>22.21</b>	11,40,494	19.01
Life Insurance Corporation of India	<b>9,48,717</b>	<b>15.81</b>	9,51,976	15.87
Ranjit Malhotra	<b>9,43,876</b>	<b>15.73</b>	9,43,876	15.73
Arjun Transport Company Private Limited	<b>7,07,442</b>	<b>11.79</b>	7,07,442	11.79
Satish Chandra Malhotra	<b>2,03,252</b>	<b>3.39</b>	5,23,252	8.72
Empire International Private Limited	<b>3,27,012</b>	<b>5.45</b>	3,27,012	5.45
Usha Devi Malhotra	<b>1,98,117</b>	<b>3.30</b>	3,08,117	5.13



**EMPIRE INDUSTRIES LIMITED**

**ANNUAL REPORT 2012-13**

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

(₹ in lakhs)

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

	<b>As at 31<sup>st</sup> March, 2013</b>	As at 31 <sup>st</sup> March, 2012
	<b>No.of Shares</b>	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.

	<b>As at</b>	(₹ in lakhs)
	<b>31<sup>st</sup> March,</b>	As at
	<b>2013</b>	31 <sup>st</sup> March,
		2012
<b>2. RESERVE AND SURPLUS</b>		
<b>Capital Reserve:</b>		
Balance as per last account	<b>65.97</b>	65.97
<b>Share Premium Account:</b>		
Balance as per last account	<b>13.33</b>	13.33
<b>General Reserve:</b>		
Balance as per last account	<b>7,507.79</b>	5,481.70
Add: Transferred from Profit and Loss Account	<b>1,828.68</b>	2,026.09
	<b>9,336.47</b>	7,507.79
Profit and Loss Account		
Profit for the year	<b>3,513.41</b>	3,699.69
Less: Appropriations		
Proposed Dividend on Equity Shares	<b>1,440.00</b>	1,440.00
Tax on Dividend	<b>244.73</b>	233.60
Transferred to General Reserve	<b>1,828.68</b>	2,026.09
	<b>9,415.77</b>	7,587.09
<b>3. LONG-TERM BORROWINGS</b>		
<b>Unsecured</b>		
Fixed Deposits	<b>1,736.72</b>	1,153.54



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

	As at 31 <sup>st</sup> March, 2013	(₹ in lakhs) As at 31 <sup>st</sup> March, 2012
<b>4. DEFERRED TAX LIABILITIES (Net)</b>		
<b>Deferred Tax Liabilities</b>		
Related to Fixed Assets	1,403.31	1,313.17
Deferred Tax Assets		
Disallowances under the Income Tax Act 1961.	1,182.78	993.85
	<u>220.53</u>	<u>319.32</u>
<b>5. OTHER LONG-TERM LIABILITIES</b>		
Security Deposits	4,415.00	3,127.74
Advance from Customers	24.39	16.13
Others	94.18	97.13
	<u>4,533.57</u>	<u>3,241.00</u>
<b>6. LONG-TERM PROVISIONS</b>		
Employee Benefits	1,282.97	1,166.74
<b>7. SHORT-TERM BORROWINGS</b>		
Secured		
Cash Credit	374.10	104.34
<b>Unsecured</b>		
Fixed Deposits	1,107.70	981.79
Inter-corporate Deposits	2,959.00	3,591.50
	<u>4,440.80</u>	<u>4,677.63</u>
<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>		
<b>8. TRADE PAYABLES</b>		
Trade Payables	1,346.12	996.23
Due to Related Parties	43.81	56.20
Others	955.10	410.64
	<u>2,345.03</u>	<u>1,463.07</u>

There are no Micro Small & Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2013. 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.

**EMPIRE INDUSTRIES LIMITED**

**ANNUAL REPORT 2012-13**

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

(₹ in lakhs)

	<b>As at 31<sup>st</sup> March, 2013</b>	<b>As at 31<sup>st</sup> March, 2012</b>
<b>9. OTHER CURRENT LIABILITIES</b>		
Other Payable - Employees	350.01	384.18
Trade Deposits & Advances	2,459.38	3,935.88
Sales Tax & withholding taxes payable	210.15	140.23
Interest Accrued but not due	129.02	115.38
Unpaid matured deposits	17.61	14.93
Unpaid/unclaimed Dividends	45.99	37.29
	<u>3,212.16</u>	<u>4,627.89</u>

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

**10. SHORT-TERM PROVISIONS**

Proposed Dividend	1,440.00	1,440.00
Tax on Dividend	244.73	233.60
Employee Benefits	2,328.84	1,856.12
	<u>4,013.57</u>	<u>3,529.72</u>

**11. FIXED ASSETS**

(₹ in lakhs)

Description	GROSS BLOCK - COST/BOOK VALUE				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1 <sup>st</sup> April, 2012	Addi- tions/ adjust- ments during the year	Deduc- tions/ adjust- ments during the year	Total As at 31 <sup>st</sup> March, 2013	As at 1 <sup>st</sup> April, 2012	Provided during the year	Deduc- tions/ adjust- ments during the year	Total As at 31 <sup>st</sup> March, 2013	As at	As at
									31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>TANGIBLE ASSETS</b>										
Freehold Land	18.97	-	-	18.97	-	-	-	-	18.97	18.97
Leasehold Land	4.65	-	-	4.65	2.26	0.04	-	2.30	2.35	2.39
Buildings	10,512.38	-	-	10,512.38	1,112.64	164.87	-	1,277.51	9,234.87	9,399.74
Plant & Machinery	4,854.23	24.09	2.82	4,875.50	1,983.67	234.52	2.04	2,216.15	2,659.35	2,870.56
Furnaces	1,220.61	-	-	1,220.61	963.37	60.93	-	1,024.30	196.31	257.24
Vehicles	896.46	201.22	93.74	1,003.94	438.22	142.15	73.05	507.32	496.62	458.24
Furniture & Fixtures	812.34	125.15	23.22	914.27	528.62	52.77	11.79	569.60	344.67	283.72
Office Equipments :	1,370.54	98.59	80.23	1,388.90	955.95	88.96	69.89	975.02	413.88	414.59
Moulds & Castings	2.80	-	-	2.80	2.80	-	-	2.80	-	-
<b>Total Tangible Assets</b>	<b>19,692.98</b>	<b>449.05</b>	<b>200.01</b>	<b>19,942.02</b>	<b>5,987.53</b>	<b>744.24</b>	<b>156.77</b>	<b>6,575.00</b>	<b>13,367.02</b>	<b>13,705.45</b>
<b>INTANGIBLE ASSETS</b>										
Software	1.31	4.48	-	5.79	1.01	1.08	-	2.09	3.70	0.30
<b>Total Intangible Assets</b>	<b>1.31</b>	<b>4.48</b>	<b>-</b>	<b>5.79</b>	<b>1.01</b>	<b>1.08</b>	<b>-</b>	<b>2.09</b>	<b>3.70</b>	<b>0.30</b>
<b>Total Fixed Assets</b>	<b>19,694.29</b>	<b>453.53</b>	<b>200.01</b>	<b>19,947.81</b>	<b>5,988.54</b>	<b>745.32</b>	<b>156.77</b>	<b>6,577.09</b>	<b>13,370.72</b>	<b>13,705.75</b>
Previous Year	15,377.71	4,678.89	362.31	19,694.29	5,518.12	729.30	258.88	5,988.54	13,705.75	
Capital Work-in-Progress	-	-	-	-	-	-	-	-	3,786.41	-



## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2013

### 12. NON-CURRENT INVESTMENTS

(Long Term Investments)

(₹ in lakhs)

Particulars	Number	Face Value per unit (₹)	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Non-Trade Investments - Unquoted				
Fully paid Equity Shares in The Saraswat Co-operative Bank Ltd.	2,500.00 (2,500.00)	10	0.25	0.25
Fully paid Shares in Co-operative Housing Societies*:				
Arabian Sea-View Co-operative Housing Society Ltd.	5 (5)	50	-	-
Chitrakoot Co-operative Housing Society Ltd.	10 (10)	50	0.01	0.01
Tahnee Heights Co-operative Housing Society Ltd.	5 (5)	50	-	-
West Nandanvan Co-operative Housing Society Ltd.	10 (10)	50	0.01	0.01
Vipul Co-operative Housing Society Ltd.	20 (20)	50	0.01	0.01
Tara Apartments Co-operative Housing Society Ltd.	5 (5)	50	-	-
			<b>0.28</b>	<b>0.28</b>

Figures in brackets are for the previous year.

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

### 13. LONG-TERM LOANS AND ADVANCES

Employee Loans & Advances	27.03	38.85
Other Loans and Advances	571.06	2,167.53
	<b>598.09</b>	<b>2,206.38</b>

### 14. OTHER NON-CURRENT ASSETS

Security Deposits	296.13	45.39
Other Long-term Receivables	229.43	92.33
	<b>525.56</b>	<b>137.72</b>

### 15. INVENTORIES

Raw Materials	235.09	159.07
Stores, Spare parts & Packing Materials	492.96	412.02
Liquid Fuel & Petrol	42.96	45.76
Stock-in-trade	406.22	304.68
Finished Goods	1,079.23	712.67
	<b>2,256.46</b>	<b>1,634.20</b>

**EMPIRE INDUSTRIES LIMITED**

**ANNUAL REPORT 2012-13**

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

	As at 31 <sup>st</sup> March, 2013	(₹ in lakhs) As at 31 <sup>st</sup> March, 2012
<b>16. TRADE RECEIVABLES</b>		
Unsecured (considered Good)		
Over Six Months	722.06	1,119.06
Other Debts	4,638.37	4,063.38
	<u>5,360.43</u>	<u>5,182.44</u>
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash in hand	28.82	27.74
Cheques in hand	317.02	1.46
Balances with banks*	520.06	583.49
Fixed Deposits with banks#	3,750.72	4,085.68
	<u>4,616.62</u>	<u>4,698.37</u>
* Balances with Banks include Unclaimed Dividend of ₹ 45.99 lakhs(Previous year ₹ 37.29 lakhs)		
# Fixed Deposits with Banks include Deposits against Bank Guarantees issued by banks of ₹ 96.35 lakhs (Previous year ₹ 44.98) with maturity of more than 12 months.		
<b>18. SHORT-TERM LOANS AND ADVANCES</b>		
Loans and advances to Employees	19.37	20.25
Deposit against Insurance Premium	39.97	31.30
Deposit/Balances with Central Excise/Sales tax authorities	23.07	14.35
Advance Payment of Income tax(including TDS) and Wealth tax (Net of Provisions)	178.26	27.49
	<u>260.67</u>	<u>93.39</u>
<b>19. OTHER CURRENT ASSETS</b>		
Advance to suppliers	106.23	53.27
Interest accrued but not due on Fixed Deposits	289.88	111.57
Other Current Assets	629.77	542.63
	<u>1,025.88</u>	<u>707.47</u>
		(₹ in lakhs)
	Year ended 31 <sup>st</sup> March, 2013	Year ended 31 <sup>st</sup> March, 2012
<b>20. REVENUE FROM OPERATIONS</b>		
Sales of Products	15,614.76	13,565.75
Sales of Services	247.63	323.56
Other Operating Revenues	13,060.81	11,091.50
	<u>28,923.20</u>	<u>24,980.81</u>
Less: Excise Duty	924.49	706.93
Net Sales	<u>27,998.71</u>	<u>24,273.88</u>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

	Year ended 31 <sup>st</sup> March, 2013	Year ended 31 <sup>st</sup> March, 2012
		(₹ in lakhs)
<b>20.1 Particulars of Sale of Products :</b>		
<b>Manufactured Goods</b>		
Glass Bottles	11,799.78	10,955.16
<b>Traded Goods</b>		
Food Products	3,411.54	1,990.77
Machine Tools and Industrial Equipments	403.44	619.82
	<u>3,814.98</u>	<u>2,610.59</u>
	<u>15,614.76</u>	<u>13,565.75</u>
<b>20.2 Particulars of other Operating Revenues :</b>		
Commission Income	5,717.02	4,823.31
Property Rent	6,539.65	5,736.75
Advertising, Branding and Operating Income	407.26	398.14
Others	396.88	133.30
	<u>13,060.81</u>	<u>11,091.50</u>
<b>21. OTHER INCOME</b>		
Credit balances Written back	11.48	-
Insurance Claims	55.85	4.89
Interest Income	510.26	189.17
Dividend Income from Non-Current Investments	0.05	0.05
Dividend Income from Current Investments	10.93	-
Profit on Sale of assets	4.78	4.68
Foreign Exchange Rate Difference	156.45	199.27
Miscellaneous Income	41.67	63.89
	<u>791.47</u>	<u>461.95</u>
<b>22. COST OF MATERIAL CONSUMED</b>		
Raw Materials Consumed	3,640.03	2,834.93
Stores & Spares, Packing Materials, Refractories & Moulds and Castings Consumed	991.80	872.25
	<u>4,631.83</u>	<u>3,707.18</u>

**EMPIRE INDUSTRIES LIMITED**

**ANNUAL REPORT 2012-13**

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

	Year ended 31 <sup>st</sup> March, 2013		Year ended 31 <sup>st</sup> March, 2012	
			(₹ in lakhs)	
<b>22.1 Particulars of Material Consumed</b>				
<b>Raw Materials</b>	₹ in lakhs	%	₹ in lakhs	%
Imported	<b>555.44</b>	<b>15.26</b>	496.24	17.50
Indigenous	<b>3,084.59</b>	<b>84.74</b>	2,338.70	82.50
	<u><b>3,640.03</b></u>	<u><b>100.00</b></u>	<u>2,834.94</u>	<u>100.00</u>
			₹ in lakhs	₹ in lakhs
Chemicals			<b>1,276.26</b>	1,107.82
Silica Sand			<b>160.20</b>	169.04
Cullets			<b>2,203.57</b>	1,558.08
			<u><b>3,640.03</b></u>	<u>2,834.94</u>
	₹ in lakhs	%	₹ in lakhs	%
<b>22.2 Components and Spare parts</b>				
Imported	<b>43.25</b>	<b>10.40</b>	43.32	11.67
Indigenous	<b>372.51</b>	<b>89.60</b>	327.96	88.33
	<u><b>415.76</b></u>	<u><b>100.00</b></u>	<u>371.28</u>	<u>100.00</u>
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE</b>			₹ in lakhs	₹ in lakhs
Stock at close - Finished Goods	<b>1,079.23</b>		712.67	
Stock at commencement - Finished Goods	<b>712.67</b>		292.66	
			<u><b>(366.56)</b></u>	<u>(420.01)</u>
Stock at close - Traded Goods	<b>401.90</b>		304.68	
Stock at commencement - Traded Goods	<b>304.68</b>		176.56	
			<u><b>(97.22)</b></u>	<u>(128.12)</u>
			<u><b>(463.78)</b></u>	<u>(548.13)</u>
<b>24. EMPLOYEE BENEFITS EXPENSES</b>				
Salaries, Wages, Bonus, Gratuity & Allowances	<b>5,449.66</b>		4,843.62	
Contribution to Provident & Superannuation Fund	<b>538.27</b>		467.05	
Staff Welfare Expenses	<b>472.68</b>		415.18	
	<u><b>6,460.61</b></u>		<u>5,725.85</u>	
<b>25. FINANCE COST</b>				
Interest Expense on Overdrafts & other Borrowings	<b>794.41</b>		555.01	
Other Borrowing Cost	<b>108.20</b>		89.72	
	<u><b>902.61</b></u>		<u>644.73</u>	



## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2013

	Year ended 31 <sup>st</sup> March, 2013	Year ended 31 <sup>st</sup> March, 2012
		(₹ in lakhs)
<b>26. OTHER EXPENSES</b>		
Repairs to Machinery	28.41	21.53
Repairs to Buildings	118.52	170.33
Other Repairs	262.82	203.66
Power & Fuel	2,966.32	2,587.76
Rent	108.45	106.82
Rates & Taxes	844.91	369.79
Insurance	43.96	32.96
Discount, Commission and Brokerage	211.26	152.92
Conducting Charges	219.43	214.48
Electricity charges	212.59	170.37
Vehicle Expenses	350.54	311.64
Carriage Outward and Steamer Freight	915.99	893.86
Professional and Legal charges	474.88	247.70
Travelling Expenses	704.22	520.70
Telephone and other Communication Expenses	127.81	120.85
Miscellaneous Expenses	921.78	851.94
	<u>8,511.89</u>	<u>6,977.31</u>
		(₹ in lakhs)
	<b>As at 31<sup>st</sup> March, 2013</b>	<b>As at 31<sup>st</sup> March, 2012</b>
<b>27. Contingent liabilities not provided for :</b>		
a) Guarantees given by the Banks	685.76	806.54
b) Letters of Credits	480.59	98.71
c) Claims against the Company not acknowledged as debts	29.81	29.81
d) Estimated amount of contracts remaining to be executed on Capital Account.	3,445.22	179.55
e) Excise demand disputed by the Company.	27.34	10.73
f) Service tax demand disputed by the Company.	2.11	-
g) The Income Tax assessment of the Company has been completed upto Assessment Year 2009-10. The disputed demand outstanding for the said Assessment Year is ₹ 54.10 lakhs (Previous Year - ₹ 54.10 lakhs). Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.		



**EMPIRE INDUSTRIES LIMITED**

**ANNUAL REPORT 2012-13**

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2013**

	2012-13 ₹ in lakhs	2011-12 ₹ in lakhs
<b>28. Payment to Auditors as :</b>		
a) Statutory Audit Fees	4.50	4.50
b) Tax Audit Fees	1.00	1.00
c) Certification and Consultation Fees	1.38	1.23
d) Others	0.29	0.55
e) Reimbursement of expenses	0.40	0.39
f) Cost Audit Fees	0.50	0.50
g) Cost Auditors' other Fees/Expenses	0.08	—
	<b>8.15</b>	<b>8.17</b>
<b>29.</b> The value of stocks include all taxes and duties. Cenvat is credited to statement of Profit & Loss on consumption basis. Cenvat related to year-end stock is carried forward in Balance Sheet under the head 'Other Laibilities'.		
<b>30.</b> Excise duty liability on Finished Goods stock has not been provided and also not included in the valuation of Finished Goods stock. However, it has no impact on statement of Profit & Loss Account.		
<b>31.</b> The previous year's figures have been regrouped / reclassified wherever necessary.		
<b>32. Earning per Share</b>		
Net Profit (₹ in lakhs)	3,513.41	3,699.69
Weighted average number of Equity Shares outstanding	59,99,998	59,99,998
Earning per share - Basic and Diluted. ( ₹ )	58.56	61.66
Face value of share ( ₹ )	10.00	10.00
<b>33. Value of Imports on C.I.F. basis in respect of</b>		
Raw Materials	390.52	381.43
Components and Spare parts	109.43	71.91
Capital Goods	—	801.73
Traded Goods	2,025.17	1,119.77
	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March,</b>	<b>31<sup>st</sup> March,</b>
	<b>2013</b>	<b>2012</b>
	₹ in lakhs	₹ in lakhs
<b>34. Expenditure in Foreign Currency in respect of :</b>		
Technical and Professional services	65.82	122.93
Travelling	149.37	102.70
Commission	15.93	26.37
Others	7.59	14.08



## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2013

	As at 31 <sup>st</sup> March, 2012 ₹ in lakhs	As at 31 <sup>st</sup> March, 2011 ₹ in lakhs
<b>35. Earnings in foreign exchange in respect of</b>		
(i) Export of goods on F.O.B. basis	1,673.54	1,892.64
(ii) Commission	5,628.70	3,667.40
(iii) Others	38.33	91.01
<b>36. Remittances in foreign exchange on account of dividend</b>		
(i) Number of non-resident shareholders	23	24
(ii) Number of shares held by them	11,943	10,899
(iii) Dividends remitted	Nil	Nil
(iv) Year to which dividend relates	2011-12	2010-11
[Dividend to non-resident shareholders amounting to ₹ 2.87 lakhs (Previous year ₹ 2.40 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:

	(₹ in lakhs)			
	Gratuity		Leave Encashment	
	2012-2013 (Unfunded)	2011-2012 (Unfunded)	2012-2013 (Unfunded)	2011-2012 (Unfunded)
<b>A. Change in obligation during the year</b>				
Liability at the beginning of the year	2044.62	1375.93	978.24	869.58
Interest Cost	177.10	105.35	86.03	67.57
Current Service Cost	283.98	241.98	222.00	185.79
Benefits Paid	(153.70)	(118.09)	(44.57)	(49.71)
Actuarial (Gain)/ Loss on obligation	(9.80)	439.45	21.27	(94.99)
Liability at the end of the year	2342.20	2044.62	1262.97	978.24
<b>B. Change in fair value of plan assets</b>				
Fair Value of Plan Assets at the begin of the year	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	153.70	118.09	44.57	49.71
Benefits Paid	(153.70)	(118.09)	(44.57)	(49.71)
Actuarial (Gain)/ Loss on plan assets	-	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-

**EMPIRE INDUSTRIES LIMITED**

**ANNUAL REPORT 2012-13**

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2013**

(₹ in lakhs)

	Gratuity		Leave Encashment	
	2012-2013 (Unfunded)	2011-2012 (Unfunded)	2012-2013 (Unfunded)	2011-2012 (Unfunded)
<b>C. Fair value of plan assets</b>				
Fair Value of Plan Assets at the beginning of the year	-	-	-	-
Actual Return on Plan Assets	-	-	-	-
Contributions	153.70	118.09	44.57	49.71
Benefits Paid	(153.70)	(118.09)	(44.57)	(49.71)
Fair Value of Plan Assets at the end of the year	-	-	-	-
<b>D. Liability recognised in the Balance Sheet</b>				
Liability at the end of the year	2342.20	2044.62	1262.97	978.24
Funded status	-	-	-	-
Liability recognised in th balance sheet	2342.20	2044.62	1262.97	978.24
<b>E. Liability recognised in the Statement of Profit and Loss</b>				
Current Service Cost	283.98	241.98	222.00	185.79
Interest Cost	177.10	105.35	86.03	67.57
Net Actuarial (Gain)/Loss	-9.80	439.45	21.27	-94.99
Expenses recognised in the Statement of Profit and Loss	451.28	786.78	329.30	158.37
<b>F. Movements in Liability recognised in the balance sheet</b>				
Opening Net Liability	2044.62	1375.93	978.24	869.58
Expenses as above	451.28	786.78	329.30	158.37
Contribution Paid	(153.70)	(118.09)	(44.57)	(49.71)
Closing Net Liability	2342.20	2044.62	1262.97	978.24
<b>G. Actuarial assumptions</b>				
Discount Rate	8%	9%	8%	9%
Salary escalation	7%	7%	7%	7%
Mortality rate	LIC (1994-96) Ultimate table	LIC (1994-96) Ultimate table	LIC (1994-96) Ultimate table	LIC (1994-96) Ultimate table



## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2013

### 38. Segment wise information for the year ended 31st March, 2013 :

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	2012-2013 (₹ in lakhs)			2011-12 (₹ in lakhs)		
	External	Inter-Segment	Total	External	Inter-Segment	Total
Manufacturing	11,342.38	–	11,342.38	10,419.26	–	10,419.26
Trading & Indenting	10,349.09	–	10,349.09	8,366.23	–	8,366.23
Others	6,577.47	–	6,577.47	5,761.12	–	5,761.12
<b>Total Revenue</b>	<b>28,268.94</b>	<b>–</b>	<b>28,268.94</b>	<b>24,546.61</b>	<b>–</b>	<b>24,546.61</b>
<b>RESULT</b>						
Segment Result						
Manufacturing	584.18	–	584.18	1,300.83	–	1,300.83
Trading & Indenting	558.41	–	558.41	601.91	–	601.91
Others	4,268.21	–	4,268.21	3,939.21	–	3,939.21
<b>Total Result</b>	<b>5,410.80</b>	<b>–</b>	<b>5,410.80</b>	<b>5,841.95</b>	<b>–</b>	<b>5,841.95</b>
<b>Un-allocated Expenditure</b>						
Net of un-allocated Income			353.81			429.43
Finance Cost			902.61			644.73
Interest Income			510.26			189.17
Dividend Income			10.98			0.05
Profit before Taxation			4,675.62			4,957.01
Provision for Taxation			1,162.21			1,257.32
<b>Net Profit</b>			<b>3,513.41</b>			<b>3,699.69</b>
Other Information						
			<b>Segment Assets</b>		<b>Segment Liabilities</b>	
			<b>2012-13</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2011-12</b>
Manufacturing			6,266.03	5,857.05	1,974.46	1,724.08
Trading & Indenting			7,024.04	6,031.76	2,761.88	2,135.72
Others			18,511.05	16,477.19	17,049.01	16,319.11
			<b>31,801.12</b>	<b>28,366.00</b>	<b>21,785.35</b>	<b>20,178.91</b>
			<b>Capital Expenditure</b>		<b>Depreciation</b>	
			<b>2012-13</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2011-12</b>
Manufacturing			3.57	1,226.95	264.08	245.37
Trading & Indenting			309.46	321.53	208.63	214.13
Others			140.50	3,130.41	272.61	269.80
			<b>453.53</b>	<b>4,678.89</b>	<b>745.32</b>	<b>729.30</b>

## EMPIRE INDUSTRIES LIMITED

## ANNUAL REPORT 2012-13

Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2013

Non-Cash expenses other than depreciation

(ii) Information about Secondary Business Segments

	2012-13 ₹ in Lakhs	2011-12 ₹ in Lakhs
Revenue by Geographical Market		
India	20,391.59	17,279.77
Outside India	7,877.35	7,266.84
	<u>28,268.94</u>	<u>24,546.61</u>
 Segment Assets		
India	31,801.12	28,366.00
Outside India	-	-
	<u>31,801.12</u>	<u>28,366.00</u>
 Capital Expenditure		
India	453.53	4,678.89
Outside India	-	-
	<u>453.53</u>	<u>4,678.89</u>
	<b>As at 31<sup>st</sup> March, 2013 ₹ in lakhs</b>	<b>As at 31<sup>st</sup> March, 2012 ₹ in lakhs</b>

(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 &amp; service, commission income in respective segments.

Segment Revenue comprises of :

Sales, Commission Property Rent and other Operating Income

27,998.71    24,273.88

Other income excluding income from investments

270.23    272.73

28,268.94    24,546.61

(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.



### 39. Related Party disclosures

Related party	Relationship	Description of Transaction	Income During the year	Expenses During the year	Outstanding as on 31.03.2012
			₹ in lakhs	₹ in lakhs	₹ in lakhs
Empire International Pvt. Ltd.	Some of the Directors of the Company are also Directors in the said Pvt. Ltd. Company	Conducting charges		96.58 (112.77)	43.81 (56.20)
		Rent	0.50 (0.50)		
S. C. Malhotra - Chairman Ranjit Malhotra - Vice-Chairman Dileep Malhotra - Jt. Mg. Director	Key Managerial Personnel	Directors' Remuneration	-	153.57 (153.97)	-
Karan Malhotra		Relative of Key Manegarial Personnel	Salary	-	24.00 (19.44)
Kabir Malhotra	Relative of Key Manegarial Personnel	Salary	-	24.00 (19.44)	-

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

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

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

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 29, 2013

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

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

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

*Directors*

**S. K. GULATI**

*Director Finance &  
Company Secretary*

Mumbai, May 29, 2013

**EMPIRE INDUSTRIES LIMITED**

**ANNUAL REPORT 2012-13**

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2013**

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

	<b>2012-2013</b>	<b>2011-2012</b>
	<b>₹ Lakhs</b>	<b>₹ Lakhs</b>
<b>A. Cash Flow from Operating Activities :</b>		
a) Net Profit before Tax & Extra Ordinary items	4,675.62	4,957.01
Adjustments for :		
Depreciation	745.32	729.30
Finance cost	902.61	644.73
Interest & Dividend earned	(521.24)	(189.22)
Profit/Loss on sale of Fixed Assets (Net)	1.77	(1.56)
Provision for Gratuity/Leave encashment on actuarial basis	582.32	777.34
	6,386.40	6,917.60
b) Operating Profit before working capital changes	6,386.40	6,917.60
Adjustments for :		
Trade & other Receivables	(733.70)	(1,153.00)
Inventories	(622.26)	(657.27)
Increase/(Decrease) in Trade Payables	732.74	238.49
	5,763.18	5,345.82
c) Cash generated from operations	5,763.18	5,345.82
Finance cost paid	(888.97)	(611.43)
Direct Taxes paid (net of refunds)	(1,411.78)	(1,276.27)
Net Cash flow from Operating Activities	3,462.43	3,458.12
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(2,668.04)	(4,772.81)
Proceeds from Sale of Fixed Assets	41.45	104.99
Interest received	338.61	116.53
Dividend received	10.98	0.05
Net Cash from Investing Activities	(2,277.00)	(4,551.24)
<b>C. Cash Flow from Financing Activities :</b>		
Dividend Paid (Including tax on Dividend)	(1,673.60)	(1,534.13)
Proceeds from borrowings	978.85	1,888.50
Repayment of borrowings	(632.50)	-
Net Cash flow from Financing Activities	(1,327.25)	354.37



## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2013

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

	2012-2013 ₹ Lakhs	2011-2012 ₹ Lakhs
<b>D. Net increase/(decrease) in cash and cash equivalent</b>	<b>(141.82)</b>	<b>(737.76)</b>
Cash and cash equivalents at beginning of the year	4,616.10	5,353.86
Cash and cash equivalents at the end of the year	4,474.28	4,616.10

S. C. MALHOTRA  
RANJIT MALHOTRA  
DILEEP MALHOTRA

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

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

*Directors*

S. K. GULATI

*Director Finance &*  
*Company Secretary*

Mumbai, May 29, 2013

## Auditor's Certificate

We have verified the above Cash Flow Statement of Empire Industries Limited, derived from audited financial statements for the year ended 31<sup>st</sup> March, 2013 and for the year ended 31<sup>st</sup> March, 2012 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*  
Firm Regn. No.103176W

**D. P. GHEVARIA**

*Proprietor*  
Membership No.032431

Mumbai, 29<sup>th</sup> May, 2013.





## 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 TWELVETH ANNUAL GENERAL MEETING of the Company held on Friday, July 26, 2013 at 3:00 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

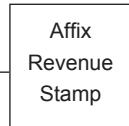
\_\_\_\_\_ of \_\_\_\_\_ or failing him

\_\_\_\_\_ of \_\_\_\_\_ as my/our

proxy to vote for me/us and on my/our behalf at the ONE HUNDRED AND TWELVETH ANNUAL GENERAL MEETING of the Company to be held on Friday, July 26, 2013 at 3:00 p.m. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai - 400 018.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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.









May 29, 2013

**FORM A**

**COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE BSE**

- 1. Name of the Company : EMPIRE INDUSTRIES LIMITED
- 2. Annual financial statements for the year ended : 31<sup>st</sup> March, 2013.
- 3. Type of Audit observation : Un-qualified
- 4. Frequency of observation : Not Applicable

CEO / MANAGING DIRECTOR:

  
S. C. MALHOTRA

CFO:

  
S. K. GULATI

AUDITOR:

  
D. P. GHEVARIA

AUDIT COMMITTEE CHAIRMAN:

  
R. A. MASKATI