



ANNUAL REPORT 2013-14

EMPIRE INDUSTRIES LIMITED
CIN: L17120MH1900PLC000176

BOARD OF DIRECTORS:

S.C. MALHOTRA *Chairman*
RANJIT MALHOTRA *Vice-Chairman*
DILEEP MALHOTRA *Jt. Managing Director*
UMA RANJIT MALHOTRA *Woman Director*
(Appointed w.e.f. 29.05.2014)

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

} *Directors*

**DIRECTOR FINANCE &
COMPANY SECRETARY:**

S. K. Gulati

AUDITORS:

D. P. Ghevaria & Co.

ADVOCATES & SOLICITORS:

DSK Legal

BANKERS:

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

REGISTERED OFFICE:

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

PLANT:

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

REGISTRARS & TRANSFER AGENTS:

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

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NOTICE

The ONE HUNDRED AND THIRTEENTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Thursday, July 24, 2014 at 3:00 P.M. at the Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai - 400 018 to transact the following business:

AGENDA

Ordinary Business:

1. To adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2014, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2014.
3. 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 appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company 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:

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

"RESOLVED THAT Mr. Rasheed A. Maskati, who retires by rotation as a Director of the Company and who fulfils the conditions specified in the Act and the rules made thereunder, and who was appointed as Independent Director by the Board of Directors for a period of two years from the conclusion of this 113th Annual General Meeting to the conclusion of 115th Annual General Meeting as per provisions of Section 149 of the Companies Act, 2013 be and is hereby approved."

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

"RESOLVED THAT Mr. Chandrakant Poonamchand Shah, who retires by rotation as a Director of the

Company and who fulfils the conditions specified in the Act and the rules made thereunder, and who was appointed as Independent Director by the Board of Directors for a period of five years from the conclusion of this 113th Annual General Meeting to the conclusion of 118th Annual General Meeting as per provisions of Section 149 of the Companies Act, 2013 be and is hereby approved."

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

"RESOLVED that Mrs. Uma Ranjit Malhotra, who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 29, 2014 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT pursuant to provisions of Section 197 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V (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. Dileep Malhotra as Joint Managing Director of the Company for a period of five years with effect from 1st October 2014 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:** Joint Managing Director shall be entitled to the perquisites as applicable u/s 17(2) of Income Tax Act 1961 as follows:

(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. Dileep 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: Family means the spouse, the dependent children and dependent parents.
 - (vii) 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.
 - (viii) 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.
- (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. Dileep Malhotra.
- (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 Joint Managing Director will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.
- (F) The Joint Managing Director 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 Joint Managing Director 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 197 of the Companies Act, 2013 the Company agrees to indemnify the Joint Managing Director 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 Joint Managing Director.

"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, 2013 the salary and perquisites payable and allowed to Mr. Dileep Malhotra shall be as specified in Schedule V of the Companies Act, 2013 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 V to the Companies Act, 2013, 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 modification, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to provisions of Section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013, approval of the Members of the Company be and is hereby accorded to the acceptance of deposits from the public.”

“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.”

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

“RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 50,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses, for the Financial Year commencing on 1st April, 2014 and ending on 31st March, 2015, as approved by the Board of Directors of the Company, to be paid to M/s.Vinay Mulay & Co, Cost Accountants (Registration No. M/8791), for the conduct of the Cost Audit of the Company's Glass Bottle Manufacturing be and is hereby ratified and confirmed.”

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

“RESOLVED THAT in modification of the resolution passed by the Shareholders of the Company at the 112th Annual General Meeting held on 26th July, 2013, and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, 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).”

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

“RESOLVED THAT the consent of the company be and is hereby accorded in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 read with the provisions of Section 180(1)(a) Companies Act, 2013, for mortgaging and/or charging by the Board of Directors of the Company the property being a premises bearing old Plot Nos.27 & 8 and New Plot Nos.19 & 20 corresponding to C.T.S.No.9, on the 1st Floor, 2nd Floor, 3rd Floor, 4th Floor and 6th Floor of the building known as Empire Plaza – I situated at Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai 400083 in favour of IndusInd Bank Limited for ₹ 85.00 Crore to secure financial assistance by way of Rupee Loans aggregating to ₹ 85.00 Crore sanctioned in August, 2013 for developing property at MIDC, Ambemath together with interest at the respective agreed rate of interest and/or compound interest and/or additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the aforesaid bank in terms of their Loan Agreements /Hypothecation Agreements/ Letters of Sanction/ Memorandum of terms and conditions, entered into/to be entered into by the Company, in respect of the said loan.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to finalise with IndusInd Bank Limited, the documents for creating the aforesaid mortgage and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution.”

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

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

Registered Office:

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

Place : Mumbai

Date : May 29, 2014.

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 102 of the Companies Act, 2013, in respect of Item Nos. 4 to 11 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. Brief resume of all Directors, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se 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.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. 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.
7. The Company has already notified closure of Register of Members and Transfer Books thereof from Friday, the 18th July, 2014 to Thursday, the 24th July, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
8. The Dividend on Equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid between July 25, 2014 and July 31, 2014 to those members whose names shall appear in the Register of Members of the Company on July 17, 2014 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.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members, holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. 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.
11. 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.
12. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through their Depository Participants.
13. 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.
14. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 read with Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend for the financial year 2005-06 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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

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

S. No.	Year	Description	Date of Declaration	Last Date for claiming unpaid Dividend
1.	2003-04	Dividend @ 10%	21.09.2004	Transferred to IEPF
2.	2004-05	Dividend @ 20%	26.08.2005	Transferred to IEPF
3.	2005-06	Dividend @ 40%	25.08.2006	Transferred to IEPF
4.	2006-07	Dividend @ 60%	28.08.2007	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
10.	2012-13	Dividend @ 240%	26.07.2013	25.07.2020

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

15. 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.
16. 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.
17. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 20th June, 2014 are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of

the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on Friday, 18th July, 2014 and will end at 5.00 p.m. on Sunday, 20th July, 2014. The Company has appointed Mrs. Deepa Gupta, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter

The instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- (i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- (ii) Log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab to cast your votes.
- (iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/ Depository Participant are requested to use the default number: EMPIR1234E in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the value 17/10/1900 in the DOB column or the EMPIRE1234 in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ %& *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- (viii) Click on the relevant EVSN on which you choose to vote.
- (ix) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

- (B) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- (D) The voting period begins at on 9.00 a.m. Friday, 18th July, 2014 and will end at 5.00 p.m. on Sunday, 20th July, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE:

As required by Section 102 of the Companies Act, 2013 the following Explanatory statement set out all material facts relating to the business mentioned under Item Nos. 4 to 11 of the accompanying Notice dated May 29, 2014.

ITEM NO.4

In terms of Article 152 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Rasheed A. Maskati, a Director of the Company, retire by rotation at the ensuing Meeting and being eligible, offer himself for appointment as an

Independent Director under Companies Act, 2013. As per the Companies Act, 2013 The Independent Director shall not retire by rotation. The Board of Directors of the Company recommend the appointment of Mr. Rasheed A Maskati as Independent Director of the Company. None of the Directors is anyway concerned or interested in the resolution except Mr. Rasheed A Maskati to the extent of his appointment.

ITEM NO.5

In terms of Article 152 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Chandrakant Poonamchand Shah, a Director of the Company, retire by rotation at the ensuing Meeting and being eligible, offer himself for appointment as an Independent Director under Companies Act, 2013. As per the Companies Act, 2013 the Independent Director shall not retire by rotation. The Board of Directors of the Company recommend the appointment of Mr. Chandrakant Poonamchand Shah as Independent Director of the Company. None of the Directors is anyway concerned or interested in the resolution except Mr.Chandrakant Poonamchand Shah to the extent of his appointment.

ITEM NO.6

As per the Companies Act, 2013 we are required to appoint a Women Director on the Board. Accordingly, Mrs. Uma Ranjit Malhotra was appointed as Additional Director of the Company w.e.f. 29th May, 2014 by the Board of Directors under Section 161 of the Companies Act, 2013 read with Article 136 and she would hold office upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mrs. Uma Ranjit Malhotra as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting.

Brief resume of Mrs. Uma Ranjit Malhotra, nature of her expertise in specific functional areas and names of Companies in which she holds directorships, memberships /chairmanships of Board Committees and their shareholding in the Company are provided in the Annexure to Directors' report.

Your Directors recommend the appointment of Mrs. Uma Ranjit Malhotra as Director of the Company.

Mrs. Uma Ranjit Malhotra is interested in the proposed Resolution as it concerns her own appointment. Mr. S. C. Malhotra, Mr. Ranjit Malhotra, and Mr. Dileep Malhotra,

Directors of the Company may also be regarded as interested in the Resolution as relatives of Mrs. Uma Ranjit Malhotra.

ITEM NO.7

Mr. Dileep Malhotra's tenure of appointment as Joint Managing Director of the Company expires on 30th September 2014. The Board of Directors at its Meeting held on 29th May, 2014, have re-appointed Mr. Dileep Malhotra as Joint Managing Director subject to the approval of the Members of the Company, for a period of five years with effect from 1st October, 2014, on such remuneration and terms & conditions as set out in the Resolution. Mr. Dileep Malhotra satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 for being eligible for the re-appointment.

The draft Agreement to be entered into by the Company with Mr. Dileep 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. Dileep 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. Dileep Malhotra is interested in the proposed Resolution as it concerns his own remuneration. Mr. S. C. Malhotra, Mr. Ranjit Malhotra, Mrs. Uma Ranjit Malhotra, Directors of the Company may also be regarded as interested in the Resolution as relatives of Mr. Dileep Malhotra.

ITEM NO.8

As per the Sections 73 to 76 of the Companies Act 2013, and Companies (Acceptance of Deposits) Rules, 2014, no Company shall invite, accept, or renew deposits from the public unless a special resolution is passed in general meeting and subject to the fulfillment of the following conditions namely:

- (a) issuance of a circular to its members including all the information as prescribed in Section 73(2)(a) of the Companies Act, 2013.
- (b) filing a copy of the circular along with such statement with the Registrar within thirty days before the date of issue of the circular;



- (c) depositing such sum, as prescribed in Section 73(2) (c) in a scheduled bank in a separate bank account to be called as deposit repayment reserve account;
- (d) providing such deposit insurance in such manner and to such extent as may be prescribed.
- (e) certifying that the company has not committed any default in the repayment of deposits accepted either before or after the commencement of this Act or payment of interest on such deposits.

Copy of the Circular under Section 73(2) of the Companies Act, 2013 is being circulated.

In the circumstances, the sanction of the Shareholders under Sections 73 and 76 of the Companies Act, 2013, is sought to enable the Directors to accept deposits from the Public.

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

ITEM NO.9

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

On recommendation of the Audit Committee at its meeting held on May 29, 2014 the Board has considered and approved appointment of M/s. Vinay Mulay & Co., Cost Accountants (Registration No. M/8791), for the conduct of the Cost Audit of the Company's Glass Bottles Manufacturing at a remuneration of ₹ 50,000/- plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2015.

The resolution of Item No. 9 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 9.

ITEM NO.10

Under Section 180 of the Companies Act, 2013, the

Board of Directors cannot, except with the consent of the company by a Special Resolution 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 26th July, 2013 the Company had authorized the Board of Directors to borrow monies for the purpose of the business of the Company to the extent of ₹ 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 180 of the Companies Act, 2013, 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 26th July, 2013.

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/Section 190 of the Companies Act, 2013.

ITEM NO.11

The Company has approached the IndusInd Bank Limited for financial assistance of ₹ 85.00 Crore for developing property of the Company at MIDC Industrial Area, Ambarnath as mentioned in Resolution No.11.

The said financial assistance from IndusInd Bank Limited is to be secured by a first mortgage of the property being a premises bearing old Plot Nos. 27 & 8 and New Plot Nos.19 & 20 corresponding to C.T.S. No. 9, on the 1st Floor, 2nd Floor, 3rd Floor, 4th Floor and 6th Floor of the building known as Empire Plaza – I situated at Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400 083 with the jurisdiction of Sub-Registrar of Assurances, Kurla in the State of Maharashtra.

Section 293(1)(a) of the Companies Act, 1956 read with Companies Act, 2013 provides inter alia that the Board of Directors of a Public Company shall not, without the consent of the Members of such Public company by special resolution in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since a mortgage and charge by the Company are required to be created on its immovable properties as required in favour of IndusInd Bank Limited, the same may be deemed to be disposal of the Company's property/undertaking of the Company at Vikhroli in Maharashtra, within the meaning of Section 293(1)(a) of the Companies Act, 1956 read with Section 180(1) (a) of the Companies Act, 2013, the sanction of the shareholders is therefore being sought in accordance with Resolution No.11. Copies of the Head of Agreements entered into by the Company with IndusInd Bank Limited in respect of the aforesaid financial assistance and copies of the sanction letters are open for inspection at the Registered Office of the Company on any working day of the Company between 10.00 a.m. and 1.00 p.m.

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/Section 190 of the Companies Act, 2013.

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, 2014.



DIRECTORS' REPORT

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2014.

FINANCIAL RESULTS:

Particulars	Year ended 31.03.2014 ₹ in Lakhs	Year ended 31.03.2013 ₹ in Lakhs
Income:		
Revenue from Operations	31376.04	27998.71
Other Income	673.43	791.47
Total Revenue	32049.47	28790.18
Expenditure		
Cost of Materials Consumed	4480.71	4631.83
Purchase of Stock-in-Trade	6210.96	3330.40
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	(712.61)	(468.10)
Employee Benefit Expenses	6290.04	6460.61
Finance Costs	1076.30	902.61
Depreciation and Amortization Expenses	815.95	745.32
Other Expenses	9118.85	8511.89
Total Expenses	27280.20	24114.56
Profit Before Tax	4769.27	4675.62
Tax Expenses		
(1) Current Tax	853.38	1261.00
(2) Deferred Tax	291.27	(98.79)
Profit for the year	3624.62	3513.41
Appropriated as under:		
Dividend proposed	1440.00	1440.00
Tax on Proposed Dividend	244.73	244.73
General Reserve	1939.89	1828.68
Total amount appropriated	3624.62	3513.41
Earning per Equity Share of the face value of ₹ 10 each Basic and Diluted (in ₹)	60.41	58.56

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 2013-14, (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 ₹ 244.73 Lakhs for the previous financial year.

OPERATIONS:

The Division-wise details are 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 and the Division achieved 12.50% higher turnover at ₹ 133 crores. However margins were under pressure as a result of increased competition. The Division is expected to do well in the current year.

EMPIRE MACHINE TOOLS – MFTM (Metal Forming, Testing & Metrology):

This Division is engaged in business covering sales, service and turnkey project support of imported machines procured from globally reputed companies in the field of Metal Forming, Metrology and Prototyping. During the year under review there has been a shortfall in order intake due to sluggish market conditions in the Private Sector and delayed decisions and lack of clarity in tender uploading and tender evaluation processes in the Government Sector. There is hope that investments will pick up after the new Government takes over as needs exist. Some major shipments were delayed. The backlog of orders for execution for the coming year is healthy and therefore better results are expected in the current year.

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

Order in-flow in MCAT Division has been affected mainly due to recessionary trends and also due to unclear government policies. There has been some cancellation of orders mainly due to projects not coming up due to lack of growth in the economy. MCAT is now focusing mainly on railways, aerospace, power generation & steel. Prospects in the Year 2014-2015 are better.

Empire Industrial Equipment:

The Division did not perform to expectation due to overall slowdown in the economy and investor apathy. Infrastructure scenario suffered badly, though the Oil & Gas sector did contribute towards some good orders. In the Power Sector some breakthrough orders were received. The Steel sector saw very little investment. For the ensuing year, our emphasis will be on Oil & Gas and Power. The Division expects better performance in the current year.

Empire Vending (GRABBIT)

GRABBIT premium Vending Solutions was launched in the year 2006 as a unique initiative by the Company and is respected nationwide as the pioneer and leader of Vending in India. GRABBIT has multiple branch offices at Mumbai, Delhi, Bangalore, Pune and Hyderabad. GRABBIT provides premium food & beverage vending services to corporate offices, hotels, banks etc. through automated vending machines. GRABBIT offers various kinds of vending machines like Snack & Cold Vending Machines. These vending machines offer pre-packed snacks & beverages on a 24 hours basis. During the year, GRABBIT has added many reputed clients like Ernst & Young, Larsen & Toubro, LG Soft, Johnson & Johnson etc. GRABBIT is expected to have reasonable growth in the coming year.

Empire Foods

The Division has done well during the year and has further consolidated its business in most parts of the country. Another Branch was started at Hyderabad and activities in the States of Kerala and Goa were strengthened. It has expanded its business significantly by offering Duty Free products directly from self - operated custom bonded warehouses. The division has a comfortable advantage in winning contracts due to its strong distribution network spread now throughout the country. The division launched additional products during the year which are doing well. The division is planning to add further products this year. A high growth trend is expected this year.

EMPIRE REAL ESTATE

The construction of Empire Plaza II at Vikhroli consisting of 10 Floors (3 Floors for parking and 7 Floors for office purposes) with a usable area of approximately 2 lac sq. ft. is complete. Occupation certificate is expected soon. Rentals for this property should start within the next nine months.

Empire Plaza I at Vikhroli and Empire Complex at Parel are 95% occupied by reputed clients under Leave and License arrangements.

Property At Ambernath

The Company has a lease on approximately 35 Acres of Land in Ambernath, a suburb of Mumbai. Permission has been obtained from the requisite authorities to develop this property into Industrial, Commercial and Residential. Work on this project will commence shortly after obtaining environmental clearance. Because of the large size of the property, the project will take 5 years to complete. The project should prove to be very profitable for the Company.

The Empire Business Centre (TEBC)

The Division is operational from July 2013 and provides flexible and customizable work space solutions with fully furnished offices, complete business support services, meeting and conference room facilities that enables our clients to run their businesses without incurring high start up costs and over head expenses. Our fully furnished offices are occupied by various esteemed organisations like Redknee Solutions, Rose Rock India Pvt Ltd, Spectrum LS Management Consultancy Pvt Ltd, TransUnion Software Services Pvt. Ltd, Hivos India etc. Since the division is doing good business with increasing occupancy, we plan to expand by having more business centres in different locations in the future.

CAPITAL EXPENDITURE:

The major Capital Expenditure is on account of Furniture & Fixtures (₹ 414.22 Lakhs), Office Equipments (₹ 227.99 Lakhs) and Vehicles (₹ 173.85 Lakhs).

NUMBER OF MEETINGS OF THE BOARD

Four Board Meetings were held during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2014 and of the profit and loss of the company for that period;



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

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Board has received statements from all the Independent Directors declaring that they are satisfying all the conditions mentioned under sub-section (6) of Section 149 of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

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

CORPORATE GOVERNANCE:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVE TAKEN

The Company has formed the CSR Committee with its members as Mr. Dileep Malhotra, Mrs. Uma Ranjit Malhotra and Mr. Rajbir Singh and the committee will perform its activities according to the CSR Policy finalized by the Board during the year.

TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of Section 205C of the Companies Act, 1956/Section 125 of Companies Act, 2013 the Unclaimed Dividend, Fixed Deposits and interest thereon which remained unpaid/unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956/Section 125 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES:

The Company had 15 employees who were in receipt of remuneration of not less than ₹ 60,00,000 during the year ended 31st March, 2014 or not less than ₹ 5,00,000 per month during any part of the said year. However, as per provisions of section 291(1)(b)(iv) of the Companies Act, 1956/Section 136 of the Companies Act, 2013, the Directors' Report and Accounts are being sent to all the Members of the Company excluding the Statement of particulars of employees. Any Member interested in obtaining a copy of the Statement may write to the Company Secretary of the Company.

DIRECTORS:

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 136 of the Articles of Association of the Company, Mrs. Uma Ranjit Malhotra has been appointed as Additional Director on the Board with effect from May 29, 2014. As per the provisions of Section 161 of the Companies Act, 2013, this Director holds office only up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notice under Section 160 of the Act in respect of the above person, proposing her appointment as Director of the Company, along with the requisite deposit. Resolution seeking approval of the shareholders for her appointment has been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details of the candidate.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Rasheed A Maskati and Mr. Chandrakant P. Shah,

retire by rotation at this Annual General Meeting. As per the Provision of the Companies Act, 2013 they have been appointed for a term of two years and five years respectively from the date of Annual General Meeting subject to the approval of the members.

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:

M/s. 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, 2013 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 400083 for the financial year 2013-2014.

On Behalf of the Board of Directors

Place : Mumbai

Date : May 29, 2014

S.C. MALHOTRA

Chairman



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.

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 code of Governance:

In our view, Corporate Governance comprises of principles, processes and systems to be followed by the management to ensure accountability, transparency and fairness in all its transactions in the widest sense and maximize value for shareholders. A good governance process, thus should provide integrity, transparency and compliance with laws in letter and spirit in all dealings with Government, Customers, Suppliers, Employees and other stakeholders.

2. Board of Directors:

a. As at 31st March, 2014 the composition and the category of the Directors is as under:

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

* Appointed w.e.f. 29.05.2014

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

- 1) **Mr. S C Malhotra** is the Chairman of 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, 2014.
- 2) **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, Randil Trading Co. Pvt. Ltd., Arjun Transport Co. Pvt. Ltd. and Empire Technical Services Pvt. Ltd.

He is the Promoter of the Company and holds 9,43,876 shares of the Company in his name as on March 31, 2014.
- 3) **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, Randil Trading Co. Pvt. Ltd., Arjun Transport Co. Pvt. Ltd. and Empire Technical Services Pvt. Ltd.

He is the Promoter of the Company and holds 13,32,723 shares of the Company in his name as on March 31, 2014.
- 4) **Mrs. Uma Ranjit Malhotra** is a Director of the Company since May, 29, 2014.

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

Mrs. Uma Ranjit Malhotra holds 77973 shares of the Company in her name as on March 31, 2014.
- 5) **Mr. R. A. Maskati** has been one of the senior most Director of the Company since July 4, 1972. He is a prominent figure in Business and has been connected with business for over 50 years.

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

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

Mr. Maskati holds 200 shares of the Company in his name as on March 31, 2014.

- 6) **Mr. Rajbir Singh** is a Director of the Company since June 28, 2007. He has wide contacts with the key personnel in financial institutions and banks. He has vast experience in arranging funds for financing projects. He is a successful financial consultant having more than 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.

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

Mr. Singh holds 15 shares of the Company in his name as on March 31, 2014.

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

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

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

Mr. Shah holds 50 shares of the Company in his name as on March 31, 2014.

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

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

Comtex Engg. (Bom) Private Limited. He represents many well-known textile machinery manufactures from Italy, Germany and Switzerland in his capacity as partner of Commonwealth Textiles.

Mr. Gandhi holds 15 shares of the Company in his name as on March 31, 2014.

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

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

Mr. Subodh Chandra holds 15 shares of the Company in his name as on March 31, 2014.

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

Name of the Director	Attendance Particulars	
	Board Meetings	Last AGM
S.C. Malhotra	4	Present
Ranjit Malhotra	4	Present
Dileep Malhotra	4	Present
R.A. Maskati	2	Absent
Rajbir Singh	4	Present
Chandrakant P Shah	4	Present
Bipinchandra Chimanlal Gandhi	4	Present
Subodh Chandra	4	Present

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

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

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

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

- (1) 29.05.2013 (2) 26.07.2013 (3) 30.10.2013 (4) 29.01.2014

3. Audit Committee:

- a. The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,—
- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - (iii) examination of the financial statement and the auditors' report thereon;
 - (iv) approval or any subsequent modification of transactions of the company with related parties;
 - (v) scrutiny of inter-corporate loans and investments;
 - (vi) valuation of undertakings or assets of the company, wherever it is necessary;
 - (vii) evaluation of internal financial controls and risk management systems;
 - (viii) monitoring the end use of funds raised through public offers and related matters.
- b. The Audit Committee comprises of three Independent/Non-Executive Directors as per details mentioned hereunder:

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

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

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

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

4. Nomination and Remuneration Committee:

- a. The role of Nomination and Remuneration Committee is –

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulation of criteria for evaluation of Independent Directors and the Board;
- (ii) Devising a policy on Board diversity;
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

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

- c. Attendance during the year: All members attended the Meeting held on 29.05.2013.

- d. Remuneration policy:

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

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

- e. Details of remuneration to all the Directors is given below:

Details of remuneration to Directors for the year.

The aggregate value of salary and perquisites paid for the financial year 2013-2014 to the Executive Directors is as follows:

Mr. S. C. Malhotra	₹ 98.48 Lakh
Mr. Ranjit Malhotra	₹ 97.98 Lakh
Mr. Dileep Malhotra	₹ 97.98 Lakh
Total	₹ 294.44 Lakh

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	40,000
2.	Mr. Rajbir Singh	80,000
3.	Mr. C. P. Shah	80,000
4.	Mr. B. C. Gandhi	80,000
5.	Mr. Subodh Chandra	80,000

No commission has been paid to any Non-Executive Director for the year ended March 31, 2014.

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. Stakeholders Grievance Committee:

The Board of Directors at their meeting held on 29th May, 2014, re-designed the Shareholders' / Investors' Grievance Committee as the Stakeholders' Relationship Committee in order to align with the requirements of the Companies Act, 2013.

(i)	Name of non-executive director heading the Committee:	Mr. Rasheed A. Maskati
(ii)	Name and Designation of compliance officer:	Mr. S. K. Gulati, Director-Finance & Company Secretary.
(iii)	Number of shareholders' complaints received so far:	6 (Six)
(iv)	Number of complaints resolved to the satisfaction of shareholders:	6 (Six)
(v)	Number of pending complaints:	Nil

6. General Body Meetings:

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

Year	Location	Date	Time
2010-2011	Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai 400 018.	26.08.2011	4.00 p.m.
2011-2012	Same as above	28.08.2012	3.00 p.m.
2012-2013	Same as above	26.07.2013	3.00 p.m.

- (ii) Whether any special resolutions passed in the previous AGMs: Yes.
- (iii) Whether any special resolution passed last year through postal ballot: No
- (iv) Person who conducted the postal ballot exercise: Not applicable.
- (v) Whether any special resolution is proposed to be conducted through postal ballot: Yes
- (vi) Procedure for postal ballot: As mentioned in Ballot Form.

7. Disclosures:

- (i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large: NIL
- (ii) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NIL
- (iii) Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee.
- (iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has no matters which are required to be disclosed per sub-clause (i) to (iii) and if any matter arises the company shall disclose the same. The Company is ready to adopt non-mandatory requirements of sub-clause (iv).

8. Means of communication

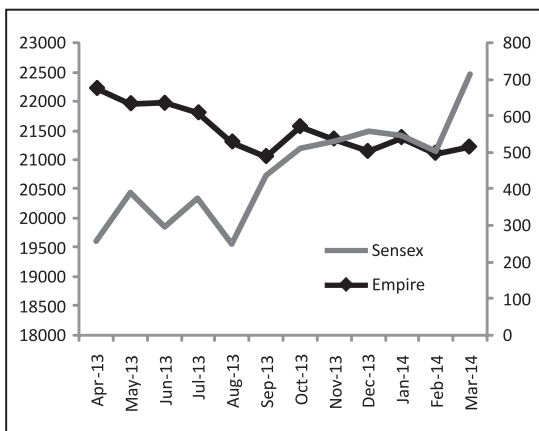
- (i) Quarterly results : Advertisement in 'Free Press Journal' and 'Navshakti' within 48 hours of Board Meeting.
- (ii) Newspapers wherein results normally published: Free Press Journal & Navshakti.
- (iii) Any website, where displayed : www.empiremumbai.com
- (iv) Whether it also displays official news releases; and
- (v) The presentations made to institutional investors or to the analysts: Only on request.

9. General Shareholder information:

- (i) **AGM Date, Time and Venue :**
Thursday, the 24th July, 2014 at 3.00 p.m.
Hall of Culture, Ground Floor, Nehru Centre,
Dr. Annie Besant Road, Worli, Mumbai 400 018.
- (ii) **Financial year :** 2013-14
- (iii) **Date of Book closure :** Friday the 18th July, 2014
Thursday the 24th July, 2014
(both days inclusive).
- (iv) **Dividend Payment Date :** 30th July, 2014.
- (v) **Listing on Stock Exchanges :** BSE Limited.
- (vi) **Stock Code :** 509525
- (vii) **Market Price Data :** High, Low during each month in last financial year:

Month & Year	BSE		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2013	676.80	612.00	19622.68	18144.22
May, 2013	635.00	556.65	20443.62	19451.26
June, 2013	636.00	558.00	19860.19	18467.16
July, 2013	610.00	490.00	20351.06	19126.82
August, 2013	529.90	423.45	19569.20	17448.71
September, 2013	490.00	430.00	20739.69	18166.17
October, 2013	572.00	447.20	21205.44	19264.72
November, 2013	538.00	479.00	21321.53	20137.67
December, 2013	504.00	453.00	21483.74	20568.70
January, 2014	542.00	443.00	21409.66	20343.78
February, 2014	498.90	440.05	21140.51	19963.12
March, 2014	516.00	471.00	22467.21	20920.98

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



(ix) Registrar and Transfer Agents :

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

Our Registrar & Transfer Agent, M/s. Bigshare Services Private Limited launched Gen-Next Investor Module 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.

(x) 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.

(xi) Distribution of shareholding as on March 31, 2014:

Shareholding of Nominal value of	Share-holders Numbers	% of Total	Share Amount ₹	% to Equity
Up to 5000	4838	95.4806	3468540	5.7809
5001 – 10000	118	2.3288	836670	1.3945
10001 – 20000	51	1.0065	726170	1.2103
20001 – 30000	15	0.2960	352070	0.5868
30001 – 40000	9	0.1776	306140	0.5102
40001 – 50000	7	0.1382	320900	0.5348
50001 – 100000	9	0.1776	678330	1.1305
100001 and above	20	0.3947	5331160	88.8520
Total	5067	100.0000	59999980	100.0000

(xii) Dematerialization of shares and liquidity

Dematerialisation of shares:

Mod of Holding	%age
NSDL	73.87
CDSL	23.25
Physical	2.88
Total	100.00

Liquidity:

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

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

(xiv) Plant Locations :

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

xv. Address for correspondence :

EMPIRE INDUSTRIES LIMITED
Secretarial Department
Empire Complex, 414, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
Telephone : 66555453 Fax : 24939143
Email: investor_relations@empiremumbai.com
Website: www.empiremumbai.com

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956/Section 234 of the Companies Act, 2013:

VITRUM GLASS:

A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

1. VDF installed on mould blower to reduce rpm of motor as per the job requirement which could save power consumption.
2. Combustion air ratio controller installed on furnace for proper combustion of gas and to maintain oxygen level control.
3. Capacity of the Existing Compressor increased by 10% by changing the motor pulley to save power consumption.
4. The inspection table on SQC modified to stop running of two shrink tunnel. The re-sorting area provided with two side inspection station.
5. Furnace reversal timing changed to reduce the number reversal cycle to save the gas consumption during reversal.

(b) Additional investments and proposals being implemented.

1. The Globle Energy Technologies fuel saving equipment Kvx has been installed on furnace for melting end burners to save the natural gas consumption.
2. To save power consumption we have stopped of Bleeding of Pilot to HP and HP to LP, we now generate only the required quantity of Pilot as per the job run.

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

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

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

FORM – A

	Current Year	Previous Year
I. Power & Fuel consumption:		
1) Electricity:		
Purchased Units	98,77,933	1,03,90,160
Total Cost (₹ in Lakh)	703.49	664.03
Rate/Unit (₹)	7.12	6.39
2) Natural Gas		
Quantity Purchased (SCM)	76,23,416	77,45,819
Total Cost (₹ in Lakh)	2792.75	2294.37
Rate/Standard Cubic Meter (₹)	36.63	29.62
II. Consumption per Ton of Production:		
Electricity (Units)	209	222
Natural Gas (SCM)	161	166

(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 effective cooling of charger paddle hereby increasing the life of charger and reducing the downtime.
- b. Batch charger paddle stroke reduced to reduce the batch travelling towards the throat and to increase the residence time near the dog house area.
- c. Post type baffle used for blank mould to reduce weight and improve bottle quality.

2. Benefits derived as a result of the above R&D:

- a. Batch piles are not entering in the refining zone of the furnace, as a result quality of glass improved
- b. Furnace bottom temperature controlled as well a gas consumption also reduced

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.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned:

Foreign Exchange used ₹ 4249.61 Lakh

Foreign Exchange earned ₹ 9136.73 Lakh

On Behalf of the Board of Directors

Place : Mumbai
Date : May 29, 2014

S.C. MALHOTRA
Chairman



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, 2014 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, 2014

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, 2014.

For **EMPIRE INDUSTRIES LIMITED**

Place : Mumbai,
Date : May 29, 2014

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, 2014 as stipulated in Clause 49 of the Listing Agreements 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 carried out in accordance with the guidance note on certification of Corporate Governance (as stipulated in Clause 49 of the listing Agreement), issued by the Institute of Chartered Accountants of India and 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

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

D.P. GHEVARIA
Proprietor
Membership No. : 032431

Place : Mumbai

Date : 29th May, 2014



INDEPENDENT AUDITORS' REPORT

To the Members of
Empire Industries Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Empire Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2014, 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, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's 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") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies' Act, 2013. 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.

Auditors' Responsibility

3. 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.

4. 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- 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

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, 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.

8. As required by section 227(3) of the Act, we report that:

- 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;
- 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;
- 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, read with the General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- e. on the basis of written representations received from the directors as at 31 March 2014 and taken on record by the Board of Directors, none of the directors of the Company is disqualified

as on March 31, 2014, 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
Membership No. : 032431

Place : Mumbai

Date : 29th May, 2014

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Empire Industries Limited on the financial statements for the year ended March 31, 2014.

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Management during the year under a programme for phased verification of assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified by the Management during the year. In respect of inventories lying with third parties, these have substantially been confirmed by them. Having regard to the size of the Company and the nature of its business, in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, 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) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (iv) The Company has taken unsecured interest bearing inter corporate deposits from companies covered in the register maintained under Section 301 of the Companies Act, 1956: The yearend balance of such deposits was ₹ 2,109 lacs. The terms and conditions on which deposits have been taken from such companies are not prima facie prejudicial to the interest of the company. No terms and conditions have been stipulated for the repayment of the deposits. There is no overdue amount of such deposits.
- (v) (a) Based on the audit procedures applied by us and according to information and explanations provided by the management, we are of the opinion that the transactions need to be entered into the register maintained u/s. 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of Rupees five lacs in respect of any party during the year have been made at prices which are 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, 2014.
- (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 in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix) (a) According to the information and explanations given to us and the records of the company verified by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Service Tax though there has been some delay in a few cases and is generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection fund, Employees' State insurance, Income-tax, Sales-tax, Wealth-tax, Custom duty, Excise-duty, Cess and other statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as on 31st March, 2014 for a period of more than six months from the date they became payable. Details in respect of amounts not deposited on account of disputes pending at various forums are given below:

Statute	Nature of 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	1987-88	Central Excise Tribunal
		18.58	to 1990-91 2007-08	
The Central Excise Act, 1944	Penalty under Service Tax	2.11	2011-12	Commissioner of Central Excise
The Maharashtra Value Added Tax Act, 2002	VAT Dues	175.68	F.Y.2008-09	Deputy Commissioner of Sales Tax (Appeals)
		83.51	F.Y.2009-10	
The Income Tax Act, 1961	Tax demand under dispute	54.10	F.Y.2008-09	Income Tax Tribunal
The Income Tax Act, 1961	Penalty	20.22	F.Y.2008-09	CIT (Appeals)
The Income Tax Act, 1961	Tax demand under dispute	86.38	F.Y.2010-11	CIT (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 or banks.

- (xii) According to the information and explanations given to us the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/ Society are not applicable to the Company.
- (xiv) The Nature of Company's business/activities during the year does not include dealing in shares, securities, debentures or other investments, hence the requirement of offering comments on this clause is not applicable.
- (xv) According to the information and explanations given to us and records made available to us, the company has not given any guarantees for the loans taken by others from Banks or financial institutions.
- (xvi) The term loans have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment by the company.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) During the period covered by our audit report, the Company has not issued any debentures requiring report under this clause.
- (xx) The Company has not raised any money by way of public issue during the year. Hence the question of disclosure and verification of end use of such monies does not arise.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **D.P. Ghevaria & Co.**
Chartered Accountants
Firm Registration No. 103176W

D.P. GHEVARIA

Place : Mumbai
Date : 29th May, 2014
Membership No. : 032431



Balance Sheet as at 31st March, 2014

(₹ In lakhs)

	Note	As at 31 st March, 2014	As at 31 st March, 2013	
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	1	600.00	600.00	
Reserves and Surplus	2	<u>11,355.66</u>	<u>9,415.77</u>	
		11,955.66		10,015.77
Non-current Liabilities				
Long Term Borrowings	3	4,093.87	1,736.72	
Deferred Tax Liabilities (Net)	4	511.80	220.53	
Other Long Term Liabilities	5	5,458.41	4,533.57	
Long Term Provisions	6	<u>1,232.31</u>	<u>1,282.97</u>	
		11,296.39		7,773.79
Current Liabilities				
Short Term Borrowings	7	5,923.44	4,440.80	
Trade Payables	8	2,202.91	2,345.03	
Other Current Liabilities	9	3,155.38	3,212.16	
Short Term Provisions	10	<u>3,455.72</u>	<u>4,013.57</u>	
		14,737.45		14,011.56
TOTAL		<u>37,989.50</u>		<u>31,801.12</u>
ASSETS				
Non-current Assets				
Fixed assets				
Tangible Assets	11	13,440.41	13,367.02	
Intangible Assets	11	2.22	3.70	
Capital Work-in-Progress	11	7,015.41	3,786.41	
Non-Current Investments	12	0.03	0.28	
Long Term Loans and Advances	13	3,210.73	598.09	
Other Non-Current Assets	14	<u>244.87</u>	<u>525.56</u>	
		23,913.67		18,281.06
Current Assets				
Inventories	15	2,999.12	2,256.46	
Trade Receivables	16	6,061.54	5,360.43	
Cash and Cash Equivalents	17	3,499.14	4,616.62	
Short Term Loans and Advances	18	598.64	260.67	
Other Current Assets	19	<u>917.39</u>	<u>1,025.88</u>	
		14,075.83		13,520.06
TOTAL		<u>37,989.50</u>		<u>31,801.12</u>

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, 2014

S. C. MALHOTRA
RANJIT MALHOTRA
DILEEP MALHOTRA

Chairman
Vice Chairman
Joint Managing Director

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

Directors

S. K. GULATI

Director Finance &
Company Secretary

Mumbai, May 29, 2014

Statement of Profit and Loss for the year ended 31st March, 2014

(₹ in lakhs)

	Note	Year ended 31 st March, 2014	Year ended 31 st March, 2013
INCOME			
Revenue from Operations	20	31,376.04	27,998.71
Other Income	21	673.43	791.47
Total Revenue		32,049.47	28,790.18
EXPENDITURE:			
Cost of Materials Consumed	22	4,480.71	4,631.83
Purchases of Stock-in-Trade		6,210.96	3,330.40
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	23	(712.61)	(468.10)
Employee Benefits Expense	24	6,290.04	6,460.61
Finance Costs	25	1,076.30	902.61
Depreciation and Amortization Expense	11	815.95	745.32
Other Expenses	26	9,118.85	8,511.89
Total Expenses		27,280.20	24,114.56
Profit Before Tax		4,769.27	4,675.62
Tax Expense			
(1) Current Tax		853.38	1,261.00
(2) Deferred Tax		291.27	(98.79)
Profit for the year		3,624.62	3,513.41
Earning per equity share of face value of ₹ 10 each Basic and Diluted (in ₹)		60.41	58.56

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, 2014

S. C. MALHOTRA
RANJIT MALHOTRA
DILEEP MALHOTRA

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

S. K. GULATI

Mumbai, May 29, 2014

Chairman
Vice Chairman
Joint Managing Director

Directors

Director Finance &
Company Secretary

Significant Accounting Policies

1. Basis of preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting and in accordance with the provisions under sub-section (3C) of Section 211 of the Companies' Act, 1956 and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies' (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the 'National Advisory Committee' on Accounting Standards and other pronouncement of the Institute of Chartered Accountants of India.

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. Changes in estimates are recognised in the year they arise.

3. Fixed Assets

(a) Tangible Assets

Tangible 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.

(b) 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.

4. Depreciation and Amortization

a) Tangible Assets

Depreciation on Assets is provided at the rates specified by Schedule XIV of the Companies Act, 1956 in the following manner :

- i) On Buildings and Flats, Plants & Machinery and Furnaces it is provided on Straight Line Method.
- ii) On other assets it is provided on Written Down Value Method
- iii) On Assets added/sold during the year it is provided on pro-rata basis.
- iv) Additional depreciation is provided, if required, to cover any impairment in the value of Fixed Assets

b) Leasehold Land

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

c) Impairment of Assets

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

d) Current / Non - Current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

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

- i) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realized within twelve months after the balance sheet date; or
- iv) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the revised Schedule VI to the Act. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycles as ranging from 12 months to 36 months depending upon each activity for the purpose of current and non-current classification of assets and liabilities.

5. Valuation of Stock

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

6. Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

7. Lease accounting

a) Where the company is lessee

Leases which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised. A leased asset is depreciated on a straight-line basis over the useful life of the asset. Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

b) Where the company is lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets.

Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

8. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

9. 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.

10. Revenue Recognition

- a) Revenues from sales and services are recognised on transfer of all significant risks and rewards of ownerships to the customers and are net of sales returns and taxes. Scrap sale is accounted upon sale.
- 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.

11. 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, 2014.

12. Taxes on Income

Current tax provision is determined as amount of tax payable in respect of taxable income for the current accounting year in accordance with the Income Tax Act. The Deferred tax for all timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

13. 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.

14. Earnings Per Share :

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

Notes on Financial Statements for the Year ended 31st March, 2014

(₹ in lakhs)

		As at 31 st March, 2014	As at 31 st March, 2013
1. SHARE CAPITAL			
Authorised			
1,50,00,000	Equity Shares of ₹ 10 each (Previous Year 1,50,00,000 Equity Shares of ₹ 10 each)	1,500.00	1,500.00
50,000	Cumulative Redeemable Preference Shares of ₹ 100 each (Previous Year 50,000 Cumulative Redeemable Preference Shares of ₹ 100 each)	50.00	50.00
		<u>1,550.00</u>	<u>1,550.00</u>
Issued and Subscribed			
59,99,998	Equity Shares of ₹ 10 each (Previous Year 59,99,998 Equity Shares of ₹ 10 each)	600.00	600.00
Out of the Issued and Subscribed Capital:			
1.1	9,27,000 Fully paid-up Equity Shares allotted by way of Bonus Shares by capitalisation of Reserves.		
1.2	1,65,000 Equity Shares allotted without payment being received in cash pursuant to the Scheme of Amalgamation of Garlick & Company Private Limited with the Company.		
1.3	3,99,999 Fully paid-up Equity Shares allotted to Debenture Holders pursuant to conversion option exercised by them.		
		<u>600.00</u>	<u>600.00</u>

1.4 Details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares	% held	No. of Shares	% held
Dileep Malhotra	13,36,934	22.28	13,32,723	22.21
Life Insurance Corporation of India	9,48,717	15.81	9,48,717	15.81
Ranjit Malhotra	9,43,876	15.73	9,43,876	15.73
Arjun Transport Company Private Limited	7,07,442	11.79	7,07,442	11.79
Empire International Private Limited	3,27,012	5.45	3,27,012	5.45



Notes on Financial Statements for the Year ended 31st March, 2014

1.5 The reconciliation of the number of shares outstanding:

	As at 31 st March, 2014 No. of Shares	As at 31 st March, 2013 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.

2. RESERVE AND SURPLUS

	As at 31 st March, 2014	As at 31 st March, 2013
(₹ in lakhs)		
Capital Reserve:		
Balance as per last account	65.97	65.97
Share Premium Account:		
Balance as per last account	13.33	13.33
General Reserve:		
Balance as per last account	9,336.47	7,507.79
Add: Transferred from Profit and Loss Account	1,939.89	1,828.68
	11,276.36	9,336.47
Profit and Loss Account		
Profit for the year	3,624.62	3,513.41
Less: Appropriations		
Proposed Dividend on Equity Shares	1,440.00	1,440.00
Tax on Dividend	244.73	244.73
Transferred to General Reserve	1,939.89	1,828.68
	11,355.66	9,415.77

Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31 st March, 2014	(₹ in lakhs) As at 31 st March, 2013
3. LONG-TERM BORROWINGS		
Secured		
Term Loan from a Bank	1,924.34	–
Unsecured		
Fixed Deposits	2,169.53	1,736.72
	<u>4,093.87</u>	<u>1,736.72</u>
4. DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilities		
Related to Fixed Assets	1,544.07	1,403.31
Deferred Tax Assets		
Disallowances under the Income Tax Act 1961.	1,032.27	1,182.78
	<u>511.80</u>	<u>220.53</u>
5. OTHER LONG-TERM LIABILITIES		
Security Deposits	5,284.39	4,415.00
Advance from Customers	13.56	24.39
Others	160.46	94.18
	<u>5,458.41</u>	<u>4,533.57</u>
6. LONG-TERM PROVISIONS		
Employee Benefits	1,232.31	1,282.97
7. SHORT-TERM BORROWINGS		
Secured		
Term Loan from Bank	75.66	–
Cash Credit	363.24	374.10
Unsecured		
Fixed Deposits	1,305.54	1,107.70
Fixed Deposits from Directors	1,969.00	–
Inter-corporate Deposits	2,210.00	2,959.00
	<u>5,923.44</u>	<u>4,440.80</u>

The borrowings from banks on Cash Credit account are secured by hypothecation of Stocks and Book Debts and Second charge on the property of Glass Bottle Division and personal guarantees given by Chairman and Vice-Chairman.

The term loan from IndusInd Bank is secured by assignment of lease rentals receivable from some of the licencees of the Company's properties situated at Vikhroli and Lower Parel, Mumbai together with first charge on properties leased to TCS at Empire Plaza, Vikhroli.



Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31 st March, 2014	(₹ in lakhs) As at 31 st March, 2013
8. TRADE PAYABLES		
Trade Payables	1,710.35	1,346.12
Due to Related Parties	7.26	43.81
Others	485.30	955.10
	<u>2,202.91</u>	<u>2,345.03</u>
<p>There are no Micro Small & Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.</p>		
9. OTHER CURRENT LIABILITIES		
Other Payable - Employees	414.09	350.01
Trade Deposits & Advances	2,124.16	2,459.38
Sales Tax & withholding taxes payable	241.34	210.15
Interest Accrued but not due	292.45	129.02
Unpaid matured deposits	28.09	17.61
Unpaid/unclaimed Dividends	55.25	45.99
	<u>3,155.38</u>	<u>3,212.16</u>
<p>Investor Education and Protection Fund is credited by the amount of unclaimed dividend/unclaimed matured fixed deposits after seven years from the due date.</p>		
10. SHORT-TERM PROVISIONS		
Proposed Dividend	1,440.00	1,440.00
Tax on Dividend	244.73	244.73
Employee Benefits	1,770.99	2,328.84
	<u>3,455.72</u>	<u>4,013.57</u>

Notes on Financial Statements for the Year ended 31st March, 2014

11. FIXED ASSETS

(₹ in lakhs)

Description	GROSS BLOCK - COST/BOOK VALUE			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 1 st April, 2013	Additions/adjustments during the year	Deductions/adjustments during the year	Total As at 31 st March, 2014	As at 1 st April, 2013	Provided during the year	Deductions/adjustments during the year	Total As at 31 st March, 2014	As at 31 st March, 2014	As at 31 st March, 2013
TANGIBLE ASSETS										
Freehold Land	18.97	-	-	18.97	-	-	-	-	18.97	18.97
Leasehold Land	4.65	-	-	4.65	2.30	0.05	-	2.35	2.30	2.35
Buildings	10,512.38	18.69	-	10,531.07	1,277.51	164.15	-	1,441.66	9,089.41	9,234.87
Plant & Machinery	4,875.50	123.25	52.68	4,946.07	2,216.15	230.55	34.56	2,412.14	2,533.93	2,659.35
Furnaces	1,220.61	-	-	1,220.61	1,024.30	60.87	-	1,085.17	135.44	196.31
Vehicles	1,003.94	173.85	148.38	1,029.41	507.32	141.74	97.63	551.43	477.98	496.62
Furniture & Fixtures	914.27	414.22	1.70	1,326.79	569.60	107.10	1.03	675.67	651.12	344.67
Office Equipments :	1,388.90	227.99	13.73	1,603.16	975.02	110.01	13.13	1,071.90	531.26	413.88
Moulds & Castings	2.80	-	-	2.80	2.80	-	-	2.80	-	-
Total Tangible Assets	19,942.02	958.00	216.49	20,683.53	6,575.00	814.47	146.35	7,243.12	13,440.41	13,367.02
INTANGIBLE ASSETS										
Software	5.79	-	-	5.79	2.09	1.48	-	3.57	2.22	3.70
Total Intangible Assets	5.79	-	-	5.79	2.09	1.48	-	3.57	2.22	3.70
Total Fixed Assets	19,947.81	958.00	216.49	20,689.32	6,577.09	815.95	146.35	7,246.69	13,442.63	13,370.72
Previous Year	19,694.29	453.53	200.01	19,947.81	5,988.54	745.32	156.77	6,577.09	13,370.72	-
Capital Work-in-Progress	3786.41	3229.00	-	7,015.41	-	-	-	-	7,015.41	3,786.41

12. NON-CURRENT INVESTMENTS

(Long Term Investments)

(₹ in lakhs)

Particulars	Number	Face Value per unit (₹)	As at 31 st March, 2014	As at 31 st March, 2013
Non-Trade Investments - Unquoted				
Fully paid Equity Shares in The Saraswat Co-operative Bank Ltd.	-	-	-	0.25
	(2,500.00)			
Fully paid Shares in Co-operative Housing Societies* :				
Arabian Sea-View Co-operative Housing Society Ltd.	5	50	-	-
	(5)			
Chitrakoot Co-operative Housing Society Ltd.	10	50	0.01	0.01
	(10)			
Tahnee Heights Co-operative Housing Society Ltd.	5	50	-	-
	(5)			
West Nandanvan Co-operative Housing Society Ltd.	10	50	0.01	0.01
	(10)			
Vipul Co-operative Housing Society Ltd.	20	50	0.01	0.01
	(20)			
Tara Apartments Co-operative Housing Society Ltd.	5	50	-	-
	(5)			
			0.03	0.28

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.



Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31 st March, 2014	(₹ in lakhs) As at 31 st March, 2013
13. LONG-TERM LOANS AND ADVANCES		
Employee Loans & Advances	22.87	27.03
Other Loans and Advances	3,187.86	571.06
	<u>3,210.73</u>	<u>598.09</u>
14. OTHER NON-CURRENT ASSETS		
Security Deposits	154.50	296.13
Other Long-term Receivables	90.37	229.43
	<u>244.87</u>	<u>525.56</u>
15. INVENTORIES		
Raw Materials	230.90	235.09
Stores, Spare parts & Packing Materials	521.08	492.96
Liquid Fuel & Petrol	49.08	42.96
Stock-in-trade	1,309.65	406.22
Finished Goods	888.41	1,079.23
	<u>2,999.12</u>	<u>2,256.46</u>
16. TRADE RECEIVABLES		
Unsecured (considered Good)		
Over Six Months	1,048.74	722.06
Other Debts	5,012.80	4,638.37
	<u>6,061.54</u>	<u>5,360.43</u>
17. CASH AND CASH EQUIVALENTS		
Cash in hand	27.97	28.82
Cheques in hand	2.55	317.02
Balances with banks*	1,049.70	520.06
Fixed Deposits with banks [#]	2,418.92	3,750.72
	<u>3,499.14</u>	<u>4,616.62</u>

* Balances with Banks include Unclaimed Dividend of ₹ 55.25 lakhs (Previous year ₹ 45.99 lakhs)

Fixed Deposits with Banks include Deposits against Bank Guarantees issued by banks of ₹ 177.04 lakhs (Previous year ₹ 96.35 lakhs) with maturity of more than 12 months

Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31 st March, 2014	As at 31 st March, 2013
(₹ in lakhs)		
18. SHORT-TERM LOANS AND ADVANCES		
Loans and advances to Employees	17.57	19.37
Deposit against Insurance Premium	43.38	39.97
Deposit / Balances with Central Excise/Sales tax authorities	27.36	23.07
Advance Payment of Income tax (including TDS) and Wealth tax (Net of Provisions)	510.33	178.26
	<u>598.64</u>	<u>260.67</u>
19. OTHER CURRENT ASSETS		
Advance to suppliers	216.66	106.23
Interest accrued but not due on Fixed Deposits	55.98	289.88
Other Current Assets	644.75	629.77
	<u>917.39</u>	<u>1,025.88</u>

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
(₹ in lakhs)		
20. REVENUE FROM OPERATIONS		
Sales of Products	19,989.63	15,614.76
Sales of Services	393.45	247.63
	<u>20,383.08</u>	<u>15,862.39</u>
Less: Excise Duty	967.62	924.49
Sales of Products and Services (Net)	19,415.46	14,937.90
Other Operating Revenues	11,960.58	13,060.81
	<u>31,376.04</u>	<u>27,998.71</u>

20.1 Particulars of Sale of Products :**Manufactured Goods**

Glass Bottles	13,292.20	11,799.78
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Traded Goods

Food Products	5,595.85	3,411.54
Machine Tools and Industrial Equipments	1,101.58	403.44
	<u>6,697.43</u>	<u>3,814.98</u>
	<u>19,989.63</u>	<u>15,614.76</u>



Notes on Financial Statements for the Year ended 31st March, 2014

			(₹ in lakhs)	
	Year ended 31 st March, 2014		Year ended 31 st March, 2013	
20.2 Particulars of other Operating Revenues :				
Commission Income	4,602.09		5,717.02	
Property Rent	6,359.53		6,539.65	
Advertising, Branding and Operating Income	651.68		407.26	
Business Centre Services	88.82		–	
Others	258.46		396.88	
	<u>11,960.58</u>		<u>13,060.81</u>	
21. OTHER INCOME				
Credit balances Written back	3.49		11.48	
Insurance Claims	19.19		55.85	
Interest Income	237.54		510.26	
Dividend Income from Non-Current Investments	0.02		0.05	
Dividend Income from Current Investments	11.37		10.93	
Profit on Sale of assets	5.31		4.78	
Excess Provision written back	146.39		–	
Foreign Exchange Rate Difference	214.06		156.45	
Miscellaneous Income	36.06		41.67	
	<u>673.43</u>		<u>791.47</u>	
22. COST OF MATERIAL CONSUMED				
Raw Materials Consumed	3,452.37		3,640.03	
Stores & Spares, Packing Materials, Refractories & Moulds and Castings Consumed	1,028.34		991.80	
	<u>4,480.71</u>		<u>4,631.83</u>	
22.1 Particulars of Material Consumed Raw Materials				
		%		%
Imported	547.20	15.85	555.44	15.26
Indigenous	2,905.17	84.15	3,084.59	84.74
	<u>3,452.37</u>	<u>100.00</u>	<u>3,640.03</u>	<u>100.00</u>
Chemicals	1,254.85		1,276.26	
Silica Sand	139.11		160.20	
Cullets	2,058.41		2,203.57	
	<u>3,452.37</u>		<u>3,640.03</u>	
22.2 Components and Spare parts				
		%		%
Imported	74.96	20.51	43.25	10.40
Indigenous	290.53	79.49	372.51	89.60
	<u>365.49</u>	<u>100.00</u>	<u>415.76</u>	<u>100.00</u>

Notes on Financial Statements for the Year ended 31st March, 2014

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
(₹ in lakhs)		
23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE		
Stock at close - Finished Goods	888.41	1,079.23
Stock at commencement - Finished Goods	<u>1,079.23</u>	<u>712.67</u>
	190.82	(366.56)
Stock at close - Traded Goods	1,309.65	406.22
Stock at commencement - Traded Goods	<u>406.22</u>	<u>304.68</u>
	(903.43)	(101.54)
	(712.61)	(468.10)
24. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus, Gratuity & Allowances	5,232.24	5,449.66
Contribution to Provident & Superannuation Fund	530.12	538.27
Staff Welfare Expenses	527.68	472.68
	<u>6,290.04</u>	<u>6,460.61</u>
25. FINANCE COST		
Interest Expense on Overdrafts & other Borrowings	774.42	794.41
Other Borrowing Cost	301.88	108.20
	<u>1,076.30</u>	<u>902.61</u>
26. OTHER EXPENSES		
Repairs to Machinery	97.02	28.41
Repairs to Buildings	149.59	118.52
Other Repairs	235.33	262.82
Power & Fuel	3,502.32	2,966.32
Rent	135.73	108.45
Rates & Taxes	508.09	844.91
Insurance	54.58	43.96
Discount, Commission and Brokerage	263.77	211.26
Conducting Charges	19.51	219.43
Electricity charges	218.67	212.59
Vehicle Expenses	362.59	350.54
Carriage Outward and Steamer Freight	1,301.49	915.99
Professional and Legal charges	397.58	474.88
Travelling Expenses	568.43	704.22
Telephone and other Communication Expenses	143.54	127.81
Miscellaneous Expenses	<u>1,160.61</u>	<u>921.78</u>
	9,118.85	8,511.89



Notes on Financial Statements for the Year ended 31st March, 2014

	As at 31 st March, 2014	As at 31 st March, 2013
		(₹ in lakhs)
27. Contingent liabilities not provided for :		
a) Guarantees given by the Banks	1,155.15	685.76
b) Letters of Credits	553.05	480.59
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 (Net of advances)	2,337.75	3,445.22
e) Excise demand disputed by the Company.	27.34	27.34
f) Service tax demand disputed by the Company.	2.11	2.11
g) Income Tax matters in respect of which appeals are pending	160.70	54.10
h) Sales tax demand disputed by the Company.	259.19	–
28. Payment to Auditors as :		
a) Statutory Audit Fees	5.50	4.50
b) Tax Audit Fees	1.50	1.00
c) Certification and Consultation Fees	2.67	1.38
d) Others	0.90	0.29
e) Reimbursement of expenses	0.40	0.40
f) Cost Audit Fees	0.50	0.50
g) Cost Auditors' other Fees/Expenses	–	0.08
	11.47	8.15
29. The value of stocks include all taxes and duties. Cenvat is credited to statement of Profit & Loss on consumption basis. Cenvat related to year-end stock is carried forward in Balance Sheet under the head 'Other Laibilities'.		
30. Excise duty liability on Finished Goods stock has not been provided and also not included in the valuation of Finished Goods stock. However, it has no impact on statement of Profit & Loss Account.		
31. The previous year's figures have been regrouped / reclassified wherever necessary.		
	2013-14	2012-13
32. Earning per Share		
Net Profit (₹ in lakhs)	3,624.62	3,513.41
Weighted average number of Equity Shares outstanding	59,99,998	59,99,998
Earning per share - Basic and Diluted. (₹)	60.41	58.56
Face value of share (₹)	10.00	10.00

Notes on Financial Statements for the Year ended 31st March, 2014

	2013-14	2012-13
(₹ in lakhs)		
33. Value of Imports on C.I.F. basis in respect of		
Raw Materials	354.04	390.52
Components and Spare parts	22.25	109.43
Capital Goods	202.93	–
Traded Goods	3,418.16	2,025.17
	As at 31st March, 2014	As at 31st March, 2013
34. Expenditure in Foreign Currency in respect of :		
Technical and Professional services	83.76	65.82
Travelling	129.28	149.37
Commission	30.94	15.93
Others	8.25	7.59
35. Earnings in foreign exchange in respect of		
(i) Export of goods on F.O.B. basis	3,362.01	1,673.54
(ii) Commission	5,752.33	5,628.70
(iii) Others	22.39	38.33
	2013-14	2012-13
36. Remittances in foreign exchange on account of dividend		
(i) Number of non-resident shareholders	25	23
(ii) Number of shares held by them	12329	11943
(iii) Dividends remitted	Nil	Nil
(iv) Year to which dividend relates	2012-13	2011-12

[Dividend to non-resident shareholders amounting to ₹ 2.96 lakhs (Previous year ₹ 2.87 lakhs) has been paid to their Bankers/Agents in India]

Notes on Financial Statements for the Year ended 31st March, 2014

(₹ in lakhs)

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

Defined Benefit Plans as per Actuarial Valuation are as under:

	Gratuity		Leave Encashment	
	2013-2014 (Unfunded)	2012-2013 (Unfunded)	2013-2014 (Unfunded)	2012-2013 (Unfunded)
A. Change in obligation during the year				
Liability at the beginning of the year	2342.21	2044.62	1262.97	978.24
Interest Cost	164.32	177.10	91.35	86.03
Current Service Cost	252.21	283.98	208.61	222.00
Benefits Paid	(606.83)	(153.70)	(259.31)	(44.57)
Actuarial (Gain) / Loss on obligation	(187.23)	(9.80)	(271.63)	21.27
Liability at the end of the year	1964.68	2342.20	1031.99	1262.97
B. Change in fair value of plan assets				
Fair Value of Plan Assets at the begin of the year	—	—	—	—
Expected Return on Plan Assets	—	—	—	—
Contributions	606.83	153.70	259.31	44.57
Benefits Paid	(606.83)	(153.70)	(259.31)	(44.57)
Actuarial (Gain) / Loss on plan assets	—	—	—	—
Fair Value of Plan Assets at the end of the year	—	—	—	—
C. Fair value of plan assets				
Fair Value of Plan Assets at the beginning of the year	—	—	—	—
Actual Return on Plan Assets	—	—	—	—
Contributions	606.83	153.70	259.31	44.57
Benefits Paid	(606.83)	(153.70)	(259.31)	(44.57)
Fair Value of Plan Assets at the end of the year	—	—	—	—
D. Liability recognised in the Balance Sheet				
Liability at the end of the year	1964.68	2342.20	1031.99	1262.97
Funded status	—	—	—	—
Liability recognised in the balance sheet	1964.68	2342.20	1031.99	1262.97
E. Liability recognised in the Statement of Profit and Loss				
Current Service Cost	252.21	283.98	208.61	222.00
Interest Cost	164.32	177.10	91.35	86.03
Net Actuarial (Gain)/Loss	(187.23)	(9.80)	(271.63)	21.27
Expenses recognised in the Statement of Profit and Loss	229.30	451.28	28.33	329.30
F. Movements in Liability recognised in the Balance Sheet				
Opening Net Liability	2342.21	2044.62	1262.97	978.24
Expenses as above	229.30	451.28	28.33	329.30
Contribution Paid	(606.83)	(153.70)	(259.31)	(44.57)
Closing Net Liability	1964.68	2342.20	1031.99	1262.97
G. Actuarial assumptions				
Discount Rate	9%	8%	9%	8%
Salary escalation	7%	7%	7%	7%
Mortality rate	IALM(2006-08) Ultimate table	LIC(1994-96) Ultimate table	IALM(2006-08) Ultimate table	LIC(1994-96) Ultimate table

Notes on Financial Statements for the Year ended 31st March, 2014

38. Segment wise information for the year ended 31st March, 2014 :

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	2013-2014 (₹ in Lakhs)			2012-2013 (₹ in Lakhs)		
	External	Inter-Segment	Total	External	Inter-Segment	Total
Manufacturing	12,662.36	–	12,662.36	11,342.38	–	11,342.38
Trading & Indenting	12,516.70	–	12,516.70	10,349.09	–	10,349.09
Others	6,621.48	–	6,621.48	6,577.47	–	6,577.47
Total Revenue	31,800.54	–	31,800.54	28,268.94	–	28,268.94

RESULT

Segment Result

Manufacturing	680.45	–	680.45	584.18	–	584.18
Trading & Indenting	967.26	–	967.26	558.41	–	558.41
Others	4,372.54	–	4,372.54	4,268.21	–	4,268.21
Total Result	6,020.25	–	6,020.25	5,410.80	–	5,410.80

Un-allocated Expenditure

Net of un-allocated Income		423.61				353.81
Finance Cost		1,076.30				902.61
Interest Income		237.54				510.26
Dividend Income		11.39				10.98
Profit before Taxation		4,769.27				4,675.62
Provision for Taxation		1,144.65				1,162.21
Net Profit		3,624.62				3,513.41

Other Information

	Segment Assets		Segment Liabilities	
	2013-14	2012-13	2013-14	2012-13
Manufacturing	6,469.58	6,266.03	1,647.55	1,974.46
Trading & Indenting	7,863.48	7,024.04	3,510.62	2,761.88
Others	23,656.44	18,511.05	20,875.67	17,049.01
	37,989.50	31,801.12	26,033.84	21,785.35

	Capital Expenditure		Depreciation	
	2013-14	2012-13	2013-14	2012-13
Manufacturing	177.19	3.57	267.72	264.08
Trading & Indenting	152.79	309.46	217.25	208.63
Others	3,857.02	140.50	330.98	272.61
	4,187.00	453.53	815.95	745.32



Notes on Financial Statements for the Year ended 31st March, 2014

(₹ in lakhs)

	<u>2013-14</u>	<u>2012-13</u>
Non-Cash expenses other than depreciation		
(ii) Information about Secondary Business Segments		
Revenue by Geographical Market		
India	23,027.85	20,391.59
Outside India	8,772.69	7,877.35
	<u>31,800.54</u>	<u>28,268.94</u>
Segment Assets		
India	37,989.50	31,801.12
Outside India	—	—
	<u>37,989.50</u>	<u>31,801.12</u>
Capital Expenditure		
India	4,187.00	453.53
Outside India	—	—
	<u>4,187.00</u>	<u>453.53</u>
	<u>As at 31st March, 2014</u>	<u>As at 31st March, 2013</u>
(iii) Notes :		
(a) The management has identified following main business segments:		
Manufacturing - comprising of manufacturing glass bottles, Trading and Indenting.		
(b) Segment Revenue in each of the above domestic business segments primarily includes Sales & service, commission income in respective segments.		
Segment Revenue comprises of :		
Sales, Commission Property Rent and other Operating Income	31,376.04	27,998.71
Other income excluding income from investments	424.50	270.23
	<u>31,800.54</u>	<u>28,268.94</u>
(c) The Segment revenue in the geographical segments considered for the disclosure are as follows :		
Domestic - comprising of sales to customers located within India and earnings in India.		
International - comprising of sales to customers located outside India and 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**A. Related party**

Empire International Pvt. Ltd.
 Randil Trading Co. Pvt. Ltd. (w.e.f 25.10.2013)
 Arjun Transport Co. Pvt. Ltd. (w.e.f 25.10.2013)

Relationship

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

Mr. S. C. Malhotra - Chairman
 Mr. Ranjit Malhotra - Vice-Chairman
 Mr. Dileep Malhotra - Jt. Mg. Director

Key Managerial Personnel

Mr. Karan Malhotra
 Mr. Kabir Malhotra
 Mrs. Uma Malhotra

Relatives of Key Managerial Personnel

B. Disclosure of related party transactions

(₹ in lakhs)

Nature of transactions	Year ended 31.03.2014	Year ended 31.03.2013
Income		
Rent received		
Empire International Pvt. Ltd.	0.48	0.50
Randil Trading Co. Pvt. Ltd.	0.21	-
Arjun Transport Co. Pvt. Ltd.	0.53	-
Expenses		
Conducting Charges		
Empire International Pvt. Ltd.	19.51	96.58
Interest on Inter-corporate Deposits		
Empire International Pvt. Ltd.	109.87	-
Randil Trading Co. Pvt. Ltd.	120.57	-
Arjun Transport Co. Pvt. Ltd.	16.05	-
Interest on Fixed Deposits		
Mr. S. C. Malhotra	13.40	-
Mr. Ranjit Malhotra	22.85	-
Mr. Dileep Malhotra	127.40	-
Remuneration to Key Managerial Personnel	294.44	153.97
Salary to relatives of Key Managerial Personnel		
Mr. Karan Malhotra	29.00	24.00
Mr. Kabir Malhotra	29.00	24.00
Mrs. Uma Malhotra	25.21	-



Nature of transactions	(₹ in lakhs)	
	Year ended 31.03.2014	Year ended 31.03.2013
Outstanding balances		
Sundry Creditors		
Empire International Pvt. Ltd.	7.26	43.81
Fixed Deposits		
Mr. S. C. Malhotra	140.00	—
Mr. Ranjit Malhotra	275.00	—
Mr. Dileep Malhotra	1,554.00	—
Inter-corporate Deposits		
Empire International Pvt. Ltd.	300.00	—
Randil Trading Co. Pvt. Ltd.	1,585.00	—
Arjun Transport Co. Pvt. Ltd.	224.00	—

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, 2014

S. C. MALHOTRA
RANJIT MALHOTRA
DILEEP MALHOTRA

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

S. K. GULATI

Mumbai, May 29, 2014

Chairman
Vice Chairman
Joint Managing Director

Directors

*Director Finance &
Company Secretary*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

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

	2013-2014 ₹ Lakhs	2012-2013 ₹ Lakhs
A. Cash Flow from Operating Activities :		
a) Net Profit before Tax & Extra Ordinary items	4,769.27	4,675.62
Adjustments for :		
Depreciation	815.95	745.32
Finance cost	1,076.30	902.61
Interest & Dividend earned	(248.93)	(521.24)
Profit/Loss on sale of Fixed Assets (Net)	6.13	1.77
Provision for Gratuity/Leave encashment on actuarial basis	<u>(608.51)</u>	<u>582.32</u>
b) Operating Profit before working capital changes	5,810.21	6,386.40
Adjustments for :		
Trade & other Receivables	(2,641.09)	(733.70)
Inventories	(742.66)	(622.26)
Increase/(Decrease) in Trade Payables	<u>532.06</u>	<u>732.74</u>
c) Cash generated from operations	2,958.52	5,763.18
Finance cost paid	(912.87)	(888.97)
Direct Taxes paid (net of refunds)	<u>(1,213.42)</u>	<u>(1,411.78)</u>
Net Cash flow from Operating Activities	<u>832.23</u>	<u>3,462.43</u>
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(4,769.78)	(2,668.04)
Proceeds from Sale of Fixed Assets	64.01	41.45
Proceeds from Sale of Investments	0.25	-
Interest received	499.41	338.61
Dividend received	<u>11.39</u>	<u>10.98</u>
Net Cash from Investing Activities	<u>(4,194.72)</u>	<u>(2,277.00)</u>
C. Cash Flow from Financing Activities :		
Dividend Paid (Including tax on Dividend)	(1,684.73)	(1,673.60)
Proceeds from borrowings	4,599.65	978.85
Repayment of borrowings	<u>(759.86)</u>	<u>(632.50)</u>
Net Cash flow from Financing Activities	<u>2,155.06</u>	<u>(1,327.25)</u>



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

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

	2013-2014 ₹ Lakhs	2012-2013 ₹ Lakhs
D. Net increase/(decrease) in cash and cash equivalent	(1,207.43)	(141.82)
Cash and cash equivalents at beginning of the year	4,474.28	4,616.10
Cash and cash equivalents at the end of the year	3,266.85	4,474.28

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

Mumbai, May 29, 2014

Auditor's Certificate

We have verified the above Cash Flow Statment of Empire Industries Limited, derived from audited financial statements for the year ended 31st March, 2014 and for the year ended 31st March, 2013 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, 29th May, 2014.



ATTENDANCE SLIP

EMPIRE INDUSTRIES LIMITED

CIN: L17120MH1900PLC000176

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint shareholders may obtain additional Slip at the venue of the meeting

DP Id*		Folio No.	
Client Id*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **113TH ANNUAL GENERAL MEETING** of the Company held on Thursday, July 24, 2014 at 3.00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

* Applicable for Investors holding shares in electronic form.

Signature of Shareholder / Proxy

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]



EMPIRE INDUSTRIES LIMITED

CIN: L17120MH1900PLC000176

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

Name of the Member(s): Registered address:		e-mail Id: Folio No./*Client Id: *DP Id:	
---	--	--	--

I/We, being the member(s) of _____ shares of Empire Industries Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **113th Annual General Meeting** of the Company, to be held on Thursday, July 24, 2014 at 3.00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Declaration of Dividend on Equity Shares		
3. Appointment of Auditors and fixing their Remuneration		
4. Appointmentment of Mr. Rasheed A Maskati as an Independent Director		
5. Appointment of Mr. Chandrakant P. Shah as an Independent Director		
6. Appointment of Mrs. Uma Ranjit Malhotra as Woman Director		

Resolutions	For	Against
7. Re-Appointment of Mr. Dileep Malhotra as Joint Managing Director		
8. Approval of Acceptance of Deposits		
9. Approval of Remuneration of Cost Auditors		
10. Approval of Borrowing Powers of Directors.		
11. Approval of creation of charge in favour of Indusind Bank.		

Signed this _____ day of _____ 2014

Signature of Shareholder

Affix a
15 paise
Revenue
Stamp

Signature of the first proxy holder Signature of the second proxy holder Signature of the third proxy holder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all joint holders should be stated.



EMPIRE INDUSTRIES LIMITED

CIRCULAR OR CIRCULAR IN THE FORM OF ADVERTISEMENT INVITING DEPOSITS

[Pursuant to section 73 (2)(a) and section 76 and rule 4(1) and 4(2) of the Companies
(Acceptance of Deposits) Rules, 2014]

1. GENERAL INFORMATION

a.	Name, address, website and other contact details of the company	EMPIRE INDUSTRIES LIMITED Registered Office: Empire Complex, 414 Senapati Bapat Marg, Lower Parel Mumbai - 400 013. Web: www.empiremumbai.com , Telephone: 66555453 CIN: L17120MH1900PLC000176 E-Mail: deposits@empiremumbai.com
b.	Date of incorporation of the company	17 th October, 1900.
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	The business carried on by the Company is: (1) Manufacture of Glass Containers for Pharmaceutical Industry; (2) Represents a number of foreign manufacturers of Precision Machine Tools, Measuring Instruments, Testing Machines and Designing and Marketing of Industrial Equipments. (3) Vending services of Foods and Non-Food products through Vending Machines under the brand name "GRABBIT"; and Marketing of Frozen Foods. (4) Offering office space in the properties developed at Lower Parel & Vikhroli, under Leave & License basis to Banks and Multinational Companies. The Company has Branch Offices at Delhi, Kolkata, Chennai, Hyderabad, Bangalore, Pune, Nagpur, Chandigarh and Secunderabad. The location of its Plant is as under: VITRUM GLASS Lal Bahadur Shastri Marg, Vikhroli, Mumbai - 400 083.
d.	Brief particulars of the management of the company;	The Company is managed by the Managing Director, subject to the superintendence, control and direction of the Board of Directors.
e.	Names, addresses, DIN and occupations of the directors	

S.No.	Name	Address	DIN	Occupation
1.	Mr. S. C. Malhotra	Windmere, New Cuffe Parade, Colaba, Mumbai - 400 005.	00026704	Industrialist
2.	Mr. Ranjit Malhotra	Tahnee Heights Co-Op. Hsg. Soc. Ltd, Flat No. B-34,66, Napean Sea Road, Petit Hall, Mumbai - 400 006.	00026933	Industrialist
3.	Mr. Dileep Malhotra	Windmere, New Cuffe Parade, Colaba, Mumbai - 400 005.	00027168	Industrialist
4.	Mr. Rasheed A. Maskati	Maskati Villa, Colaba, Mumbai - 400 005.	00057850	Business
5.	Mr. Rajbir Singh	Flat No.2, Gr. Floor, Kanwal Mansion, 23 Cuffe Parade, Colaba, Mumbai - 400 005	00826402	Business
6.	Mr. Chandrakant P. Shah	Parekh Bldg., 3rd Floor 18 Mama Parmanad Marg, Opera House, Mumbai - 400 004.	00450394	Retired Businessman
7.	Mr. Bipinchandra C. Gandhi	23/24 West View, Bldg. No.3, 309 S. V. Road, Santacruz (West) Mumbai - 400 054.	00780094	Business
8.	Mr. Subodh Chandra	Kusum Kunj, Civil Lines, Pilibhit, Uttar Pradesh - 262 001.	02076844	Business & Agriculture
9.	Mrs. Uma Ranjit Malhotra *	Tahnee Heights Co-Op. Hsg. Soc. Ltd., Flat No. B-34,66, Napean Sea Road, Petit Hall, Mumbai - 400 006.	06848613	Service

* Appointed w.e.f. 29.05.2014

f. **Management's perception of risk factors**

The Company is investing its funds only for the purpose of business and hence there are no financial risks except normal business risks that any Company has to face. The Company has taken out adequate insurance policies for covering the risks to the Company's properties.

g. **Details of default, including the amount involved, duration of default and present status, in repayment of-**

- i) Statutory Dues : Nil
- ii) Debentures and interest thereon : Nil
- iii) Loan from any bank or financial institution and interest thereon : Nil

2. PARTICULARS OF THE DEPOSIT SCHEME

- a. Date of passing Board Resolution : 29.05.2014
- b. Date of passing resolution in the general meeting authorizing the invitation of such deposits : 24.07.2014
- c. Type of deposits, i.e., whether secured or unsecured : Unsecured
- d. Details of Deposit amounts:- (₹ in lakhs)
 - i) Amount which the company can raise by way of deposits per Act and Rules made there under. 4184.48
 - ii) Aggregate Deposit held on :
 - a) Last day of the immediately preceding financial year 3503.16
 - b) On the date of issue of the Circular or advertisement 3462.47
 - iii) Amount of Deposits proposed to be raised 4184.48
 - iv) Amount of Deposits repayable within the Next Twelve months. 1305.55

e. **Terms of raising of deposits :**

Duration (Months)	6	12	24	36
Rate of Interest (% age p.a)*	8.75	9.75	10.00	10.25
Mode of Payment	Cheque or Demand Draft			
Mode of Repayment	Cheque			
*Additional rate of 0.50% p.a. for Senior Citizen (Age above 60 years)				

f. **Proposed time schedule**

- i) Date of Opening the scheme : 25.07.2014
- ii) Time period for which the circular or advertisement is valid : 24.07.2015

g. **Reasons or objects of raising the deposits**

: Working Capital

h. **Credit rating obtained**

- i) Name of the Credit Rating Agencies : I C R A Limited
- ii) Rating obtained : MA
- iii) Meaning of the rating obtained : Stable
- iv) Date on which rating was obtained : 09.05.2014

i.* **Extent of deposit insurance**

Deferred till 31st March, 2015 vide MCA Notification No. G.S.R.386(E) dated 6th June, 2014.

- i) Name of the Insurance Company : Awaited
- ii) Terms of the insurance coverage : Awaited
- iii) Duration of coverage : Awaited
- iv) Extent of coverage : Awaited
- v) Procedure for claim in case of default etc : Awaited

j. Short particulars of the charge created or to be created for securing such deposits, if any. : Not applicable

k. Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons. : Nil

3. DETAILS OF ANY OUTSTANDING DEPOSITS:

a.	Amount Outstanding (Matured but not claimed)	₹ 104.38 Lakhs							
b.	Date of acceptance	21.11.2004 to 24.05.2013							
c.	Total amount accepted	₹ 3503.16 Lakhs							
d.	Rate of interest	0.5yr	8.75%	1yr	9.75%	2yrs	10%	3yrs	10.25%
e.	Total number of depositors	5741							
f.	Default, if any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved.	Nil							
g.	Any waiver by the depositors, of interest accrued on deposits.	Nil							

* Deferred till 31st March, 2015 vide MCA Notification No.G.S.R.386(E) dated 6th June, 2014.

4. FINANCIAL POSITION OF THE COMPANY

a. Profit of the Company before and after making provision for tax

(₹ in lakhs)

Financial Year ended	Profit Before Tax	Profit After Tax
31.03.2012	4957.01	3699.69
31.03.2013	4675.62	3513.41
31.03.2014	4769.27	3624.62

b. Dividend declared by the company and interest coverage ratio in respect of the said three Financial years.

Financial Year ended	Dividend Declared		Interest Coverage Ratio
	Amount (₹ in lakhs)	%	
31.03.2012	1440.00	240	9.82
31.03.2013	1440.00	240	7.01
31.03.2014	1440.00	240 *	6.19

* Recommended by the Directors and to be declared at the Annual General Meeting to be held on July 24, 2014.

c. A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement.

(₹ in lakhs)

LIABILITIES	As at 31.03.14	As at 31.03.13	As at 31.03.12	ASSETS	As at 31.03.14	As at 31.03.13	As at 31.03.12
Shareholders' Funds				Non-current Assets			
Share Capital	600.00	600.00	600.00	Fixed assets			
Reserves & Surplus	11355.66	9415.77	7587.09	Tangible Assets	13440.41	13367.02	13705.45
Sub-total (a)	11955.66	10015.77	8187.09	Intangible Assets	2.22	3.70	0.30
Non-current Liabilities				Capital Work-in Progress	7015.41	3786.41	–
Long Term Borrowings	4093.87	1736.72	1153.54	Non-Current Investments	0.03	0.28	0.28
Deferred Tax Liabilities (Net)	511.80	220.53	319.32	Long Term Loans and Advances	3210.73	598.09	2206.38
Other Long Term Liabilities	5458.41	4533.57	3241.00	Other Non-Current Assets	244.87	525.56	137.72
Long Term Provision	1232.31	1282.97	1166.74				
Sub-Total (b)	11296.39	7773.79	5880.60	Sub-total (a)	23913.67	18281.06	16050.13
Current Liabilities				Current Assets			
Short Term Borrowings	5923.44	4440.80	4677.63	Inventories	2999.12	2256.46	1634.20
Trade Payables	2202.91	2345.03	1463.07	Trade Receivables	6061.54	5360.43	5182.44
Other Current Liabilities	3155.38	3212.16	4627.89	Cash and Cash Equivalents	3499.14	4616.62	4698.37
Short Term Provision	3455.72	4013.57	3529.72	Short Term Loans and Advances	598.64	260.67	93.39
				Other Current Assets	917.39	1025.88	707.47
Sub-total (c)	14737.45	14011.56	14298.31	Sub-Total (a+b)	14075.83	13520.06	12315.87
Total (a+b+c)	37989.50	31801.12	28366.00	Total (a+b)	37989.50	31801.12	28366.00

d. **Audited Cash Flow statement of the three years immediately preceding the date of issue of circular or advertisement**
(₹ in lakhs)

	2013-2014	2012-2013	2011-2012
A. Cash Flow from Operating Activities			
a) Net profit before Tax & Extra Ordinary items	4769.27	4675.62	4957.01
Adjustments for:			
Deprecation	815.95	745.32	729.30
Finance cost	1076.30	902.61	644.73
Interest & Dividend earned	(248.93)	(521.24)	(189.22)
Profit/Loss on sale of Fixed Assets (Net)	6.13	1.77	(1.56)
Provision for Gratuity/Leave encashment on actuarial basis	(608.51)	582.32	777.34
b) Operating Profit before working capital changes	5810.21	6386.40	6917.60
Adjustments for:			
Trade & other Receivables	(2641.09)	(733.70)	(1153.00)
Inventories	(742.66)	(622.26)	(657.27)
Increase/ (Decrease) in Trade Payables	532.06	732.74	238.49
c) Cash generated from operations	2958.52	5763.18	5345.82
Finance cost paid	(912.87)	(888.97)	(611.43)
Direct Taxes paid (net of refunds)	(1213.42)	(1411.78)	(1276.27)
Net Cash Flow from Operating Activities	832.23	3462.43	3458.12
B. Cash Flow from investing activities			
Purchase of Fixed Assets	(4769.78)	(2668.04)	(4772.81)
Proceeds from sale of Fixed Assets	64.01	41.45	104.99
Proceeds from sale of Investment	0.25	-	-
Interest received	499.41	338.61	116.53
Dividend received	11.39	10.98	0.05
Net Cash from Investing activities	(4194.72)	(2277.00)	(4551.24)
C. Cash Flow from Financing Activities:			
Dividend Paid(Including tax on Dividend)	(1684.73)	(1673.60)	(1534.13)
Proceeds from borrowings	4599.65	978.85	1888.50
Repayment of borrowings	(759.86)	(632.50)	-
Net Cash flow from financing activities	2155.06	(1327.25)	354.37
D. Net Increase / (decrease) in cash equivalent	(1207.43)	(141.82)	(737.76)
Cash and cash equivalents at beginning of the year	4474.28	4616.10	5353.86
Cash and cash equivalents at the end of the year	3266.85	4474.28	4616.10

e. **There is no change in accounting policies during the last three years.**

5. **A DECLARATION BY THE DIRECTORS THAT –**

- the company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest thereon.
- the board of directors have satisfied themselves fully with respect to the affairs and prospects of the company and that they are of the opinion that having regard to the estimated future financial position of the company, the company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue of the circular or advertisement.
- the company has complied with the provisions of the Act and the rules made thereunder.
- the compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government.
- the deposits accepted by the company before the commencement of the Act have been repaid (or will be repaid along with interest within 306 days (days to be specified) and until they are repaid, they shall be treated as unsecured and ranking paripassu with other unsecured liabilities).
- In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty.
- the deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement.
- the deposits accepted by the company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank paripassu with other unsecured liabilities of the company.

Name of Directors	Signature
Mr. S. C. Malhotra	(Sd/-)
Mr. Ranjit Malhotra	(Sd/-)
Mr. Dileep Malhotra	(Sd/-)
Mr. R.A. Maskati	(Sd/-)
Mr. Rajbir Singh	(Sd/-)
Mr. Chandrakant P. Shah	(Sd/-)
Mr. Bipinchandra C. Gandhi	(Sd/-)

Place : Mumbai

Date : 29.05.2014



May 29, 2014

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 : 31st March, 2014.
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

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

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Divisions

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