



ANNUAL REPORT 2009-10

EMPIRE INDUSTRIES LIMITED

DIRECTORS:

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

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

} *Directors*

REGISTERED OFFICE :

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

Tel : 6655 5453
Fax : 2493 9143 / 2493 7203
E-mail : email@empiresecretarial.com

PLANT :

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

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



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NOTICE

The ONE HUNDRED AND NINTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Friday, August 27, 2010 at 4:00 P.M. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai – 400 018 to transact the following business:

AGENDA

1. To adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2010, and the Profit & Loss Account for the year ended on that date.
 2. To declare a Dividend for the year ended March 31, 2010.
 3. To appoint a Director in place of Mr. Rajbir Singh, who retires by rotation, and being eligible, offers himself for re-appointment.
 4. To appoint a Director in place of Mr. Dileep Malhotra, who retires by rotation, and being eligible, offers himself for re-appointment.
 5. To appoint Auditors and fix their remuneration, and to pass, with or without modification, the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Messrs D. P. Ghevaria & Co., Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting up to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors plus applicable Taxes plus reimbursement of travelling and actual out-of-pocket expenses."
- By Order Of The Board
For **EMPIRE INDUSTRIES LIMITED**
- S. K. GULATI**
*Director Finance &
Company Secretary*
- Registered Office:**
414, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
Place : Mumbai
Date : June 30, 2010.
- NOTES:**
1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
 2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
 3. In terms of Article 152 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Rajbir Singh, Mr. Dileep Malhotra, Directors, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments.
 4. The Company has already notified closure of Register of Members and Transfer Books thereof from Saturday, the 17th July 2010 to Saturday, the 24th July, 2010 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares.
 5. The Dividend on Equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after August 27, 2010:

To those members whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company and its Registrars on or before July 16, 2010.

In respect of shares held in electronic form to those 'deemed members' whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), at the end of business hours on July 16, 2010.
 6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
 7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
 8. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants:



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

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

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

9. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through your Depository Participants.
10. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., for consolidation into a single folio.

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

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

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31.03.2004 onwards are requested to claim the amount forthwith from the Company.

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

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

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

Registered Office:

414, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
Place : Mumbai
Date : June 30, 2010.

DIRECTORS' REPORT

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2010.

FINANCIAL RESULTS:

| Particulars | Year ended 31.03.2010 Rupees | Year ended 31.03.2009 Rupees |
|---|------------------------------------|------------------------------------|
| Income: | | |
| Sales & Commission | 1,49,25,11,947 | 1,30,93,19,126 |
| Other Income | 43,48,04,178 | 44,60,23,664 |
| | 1,92,73,16,125 | 1,75,53,42,790 |
| Less: Operating Expenses | 1,55,73,20,383 | 1,50,27,76,784 |
| Profit Before Tax | 36,99,95,742 | 25,25,66,006 |
| Less: Provision for Current Taxation | 11,10,00,000 | 6,13,00,000 |
| Provision for Fringe Benefit Tax | — | 88,25,000 |
| Provision for Deferred Tax | -14,00,000 | 1,00,97,000 |
| Taxation for earlier years | 20,69,128 | — |
| Amount available for appropriation | 25,83,26,614 | 17,23,44,006 |
| Appropriated as under: | | |
| Dividend proposed | 11,99,99,960 | 5,99,99,980 |
| Tax on Proposed Dividend | 1,99,30,490 | 1,01,96,997 |
| General Reserve | 11,83,96,164 | 10,21,47,029 |
| Total amount appropriated | 25,83,26,614 | 17,23,44,006 |
| Earning per share – Basic & Diluted (Face value of Rs. 10 each) | 43.05 | 28.72 |

DIVIDEND:

The Directors are pleased to recommend, for your consideration, payment of Dividend @ 200% (Rs.20/- per Equity Share of the face value of Rs.10/- Tax Free) for the financial year 2009-10, (Previous Year 100%). The total amount of the Dividend outgo will be Rs.11,99,99,960/-

as against Rs. 5,99,99,980/- for the previous financial year. The tax on distributed profits, payable by the Company would amount to Rs.1,99,30,490/- as against Rs.1,01,96,997/- for the previous financial year.

OPERATIONS:

Vitrum Glass:

The Division manufactures Amber Glass Bottles of international quality for the Pharmaceutical Industry. Over 11.50 lac bottles are manufactured every day on four fully automatic production lines. During the year under review the Division achieved 12% higher turnover at Rs.76.60 crore. Exports of bottles during the year under review were 12% of the total production. Our Company has been granted Export House status by the Ministry of Commerce & Industry for a period of five years, which is valid up to 31.03.2014. The performance of the Eight Section Triple Gob Machine which was installed in March, 2009 on line No.1 is excellent. This machine has given 45% increased production on line No.1. The Division is expected to do well in the current year.

EMPIRE MACHINE TOOLS – MFTM

(Metal Forming, Testing & Metrology):

The Division is engaged in agency business covering sales and service support of hi-tech machines in Metal Forming, Metrology, Assembly and Testing Lines, Welding, Melting, Heat Treatment and Process consultancy in the Engineering Industry. Investments in all the major three sectors of Automobiles, Power Generation and Aerospace did not come up to expectations due to recessionary trends, but there are definite upward market movements now towards investment in all these sectors. The Division is expected to improve its performance during the year.

EMPIRE MACHINE TOOLS - MCAT

(Metal Cutting & Allied Technologies):

Order inflow in the Division is affected mainly due to recessionary trends and also due to the global economic meltdown. Market is on the upswing now. Competition is severe. The Division has done well in terms of shipments on orders received and is now focusing mainly on Power Generation and Aerospace where there are greater opportunities. The Division has enough pending orders and expects to do well in the current year.



Empire Industrial Equipment:

The Division has done well during the year under review in spite of the general slowdown in business. Government Projects in Oil & Gas sector continued without any major setback, and the division had the expected share of the business. The overall Business outlook has improved compared to last year. Private sector Oil & Gas sector and Steel Sector have started making new investments. The Division had a good share of orders coming from the Refinery sector. In the current year, this Division expects business to grow at a good pace, gaining greater share from Oil & Gas, Steel, Ports & Shipyard sectors. The Division's Business in the Refinery sector should continue to be good. On the Construction, Mining and power Plant Equipment sectors, this Division expects to penetrate and slowly grow. Scope for Business in these sectors looks good. Overall the division expects business to grow at a good rate in the current year as well.

Empire Vending (GRABBIT)

During the year of recession GRABBIT also went through a downfall and hence the revenues were affected. By the end of the financial year GRABBIT has improved its performance and shall grow in terms of revenue and profitability in the current year.

Empire Foods

There is ever increasing demand for quality seafood and other imported frozen foods in India. The Division has identified this need and started to import various kinds of chilled and frozen seafood and other frozen food products from all over the world and Market them Pan-India. The Division has introduced in India an extremely popular fish from Vietnam called "Basa". Basa has close to one Billion Dollars global business and is heavily consumed in food industry in USA, EU, Middle East, Australia, Japan, Egypt and rest of the world except it was not available in India. In a very limited time, this fish has gained extreme popularity in leading Five-star / Four star chain of hotels, Hi-end restaurants, Air caterers and leading banquet halls throughout the country. The Division has created its own registered brands of Basa popularly known as "Royal Basa", "Basa King" and "Basa Supreme". The Division has got its distributors in Mumbai, Delhi, Calcutta, Chennai, Bangalore, Goa, Jaipur, Udaipur, Lucknow, Indore, Hyderabad, Chandigarh and rest of the country. This year the Division has identified more products like Salmon and many other popular and niche frozen foods products to trade in India. The Division has established a cold chain for frozen food products spread throughout the country for institutional products.

CAPITAL EXPENDITURE:

The major Capital Expenditure is on account of renovation of building (Rs.121.64 Lacs) and Vehicles (Rs.113.08 Lacs).

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) that in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year ended on that date;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the Annual Accounts of the Company on a going concern basis.

CORPORATE GOVERNANCE:

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

FIXED DEPOSITS:

As on March 31, 2010, 99 depositors had not claimed their matured deposits amounting to Rs.23,59,500/-. Since then 60 depositors have claimed/renewed their deposits amounting to Rs.16,07,000/-. As of date, all deposit claims have been met, except unclaimed deposits amounting to Rs.7,52,500/-. The Company has complied with the provisions of Section 58 A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

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

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

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

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Rajbir Singh and Mr. Dileep Malhotra, retire by rotation at this Annual General Meeting and being eligible, offers themselves for re-appointment.

TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF

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

ACKNOWLEDGEMENT:

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

AUDITORS:

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

On Behalf of the Board of Directors

Place : Mumbai
Date : June 30, 2010

S. C. MALHOTRA
Chairman

ANNEXURE TO DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

As per the provisions of Clause No.49 of the Listing Agreement, the Company has complied with the requirements as per the Report furnished below:

1. Company's philosophy on Corporate Governance:

Corporate Governance has been an integral part of the way we have been carrying on our business. We believe that good Corporate Governance emerges from the application of best and sound management practices and compliance with the law coupled with the total adherence to the highest norms of business ethics. The Company has adequate checks to ensure protection of all stakeholders' interest. These practices have helped the Company in its sustained growth.

2. Board of Directors:

As at 31st March, 2010 the composition and the category of the Directors is as follows:

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

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

- a) **Mr. 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, Empire-Ace Edu-Counselling Private Limited, Renoir Investments Private Limited, Elton Investments Private Limited and Bach Investments Private Limited.

He is the Promoter of the Company and holds 11,40,494 shares of the Company in his name as on March 31, 2010.

- b) **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 22 years experience and well known in the field.

He is a Director of R. C. Edwards & Co. Private Limited, Kelly & Henderson Private Limited and Sardar Bahadur Bakshi Dalip Singh & Son Private Limited.

Mr. Singh holds 15 shares of the Company in his name as on March 31, 2010.

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

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

- | | |
|----------------|----------------|
| (1) 29.04.2009 | (4) 29.10.2009 |
| (2) 25.06.2009 | (5) 23.01.2010 |
| (3) 30.07.2009 | |

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

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

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

*Directorships of Private Limited Companies not included.

3. Audit Committee:

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

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

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

4. Remuneration Committee:

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

- Details of remuneration to Directors for the year.
The aggregate value of salary and perquisites paid for the financial year 2009-10 to the Executive Directors is as follows:

| | |
|---------------------|-------------------------|
| Mr. S. C. Malhotra | Rs. 51,46,832/- |
| Mr. Ranjit Malhotra | Rs. 50,94,041/- |
| Mr. Dileep Malhotra | Rs. 51,54,411/- |
| Total | Rs.1,53,95,284/- |

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

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

| Sr. No. | Name of Directors | Sitting Fees (Rs.) |
|---------|-------------------|--------------------|
| 1. | Mr. R. A. Maskati | 60,000/- |
| 2. | Mr. K. C. Khanna | 60,000/- |
| 3. | Mr. Rajbir Singh | 60,000/- |
| 4. | Mr. C. P. Shah | 60,000/- |
| 5. | Mr. B. C. Gandhi | 40,000/- |

No commission has been paid to any Non-Executive Director for the year ended March 31, 2010.

- Shares held by Non-Executive Directors

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

5. Shareholders'/Investors' Grievance Committee:

- The Committee comprises of Mr. C. P. Shah (Chairman), Mr. S. K. Gulati, Director Finance & Company Secretary and Mr. R. G. Vartikar, General Manager Funding & Legal. The role of the Committee is to look into the grievances of the Shareholders/Investors and to resolve the same. The Company has resolved all complaints received from the Shareholders/Investors during the financial year.

- The Board has designated Mr. S. K. Gulati, Director – Finance & Company Secretary as the Compliance Officer.

6. Annual General Meetings:

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

| Year | Location | Date | Time |
|-----------|---|------------|-----------|
| 2006-2007 | Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai 400018 | 28.08.2007 | 4.00 p.m. |
| 2007-2008 | Same as above | 27.08.2008 | 4.00 p.m. |
| 2008-2009 | Same as above | 27.08.2009 | 4.00 p.m. |

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

7. Disclosures:

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

8. Means of communication

- The Company's quarterly results in the format prescribed by the Stock Exchange are approved and taken on record by the Board within the time frame, and sent immediately to The Stock Exchange, Mumbai on which the Company's shares are listed. These results are also published in 'Free Press Journal' in English and 'Navshakti' in vernacular.

Management Discussion and Analysis Overall Review

The Company is engaged in the manufacture of Amber Glass Bottles for the Pharmaceutical Industry. It represents a number of foreign

manufacturers of Precision Machine Tools, Measuring Instruments, Electronic Instruments and Instrumentation Systems. The performance of all these Divisions is reviewed in the Directors' Report.

Industry Structure & Development

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

Opportunities & Risks

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

Human Resources

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

Internal Controls & Systems

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

Statutory Compliance

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

Cautionary Statement

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

9. General Shareholder information:

• **Company Registration Details:**

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

• **AGM Date & Time** : Friday, the 27th August, 2010, at 4.00 p.m.

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

• **Financial Calendar (Tentative):**

| | |
|--|-------------------|
| Results for the quarter ending June 30, 2010 | End July 2010. |
| Results for the quarter ending September 30, 2010 | End October 2010. |
| Results for the quarter ending December 31, 2010 | End January 2011. |
| Results for the quarter ending March 31, 2011 | End April 2011. |
| Results for the year ending March 31, 2011 (Audited) | End June 2011. |
| Annual General Meeting | August, 2011. |

- **Book Closure :** Saturday the 17th July, 2010 to Saturday the 24th July, 2010 (both days inclusive).
- **Dividend :** The Board of Directors have recommended 200% Dividend for the financial year 2009-10.
- **Listing of Equity Shares on** : Bombay Stock Exchange Ltd.
- **Stock Code :** 509525

• **Market Price Data**

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

| Month & Year | BSE | | Sensex | |
|-----------------|------------|-----------|------------|-----------|
| | High (Rs.) | Low (Rs.) | High (Rs.) | Low (Rs.) |
| April, 2009 | 187.00 | 137.80 | 11492.10 | 9546.29 |
| May, 2009 | 263.00 | 189.00 | 14930.54 | 11621.30 |
| June, 2009 | 310.00 | 228.45 | 15600.30 | 14016.95 |
| July, 2009 | 313.00 | 230.10 | 15732.81 | 13219.99 |
| August, 2009 | 293.80 | 255.00 | 16002.46 | 14684.45 |
| September, 2009 | 332.00 | 267.25 | 17142.52 | 15356.72 |
| October, 2009 | 349.95 | 286.40 | 17493.17 | 15805.20 |
| November, 2009 | 398.95 | 284.00 | 17290.48 | 15330.56 |
| December, 2009 | 397.00 | 325.50 | 17530.94 | 16577.78 |
| January, 2010 | 476.00 | 363.00 | 17790.33 | 15982.08 |
| February, 2010 | 464.50 | 365.00 | 16699.25 | 15651.99 |
| March, 2010 | 435.00 | 399.00 | 17793.01 | 16438.45 |

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

• **Registrar and Share Transfer Agents**

M/s. Bigshare Services Pvt. Ltd.,
E-2 Ansa Industrial Estate,
Sakivihar Road,
Saki Naka,
Andheri (E),
Mumbai 400072.
Tel: +91 22 28470652 / 40430200
Fax: +91 2228475207
Email: info@bigshareonline.com

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

• **Share Transfer System:**

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

• **Shareholding pattern as on 31.03.2010**

| | % to the total paid-up capital |
|--------------------------------|--------------------------------|
| Promoters | 57.38 |
| Financial Institutions & Banks | 18.12 |
| Corporate Bodies | 14.02 |
| Others | 10.48 |
| Total | 100.00 |

• **Distribution of Shareholding as on 31.03.2010**

| Shareholding of Nominal value of | Share-holders Numbers | % of Total | Share Amount Rs. | % to Equity |
|----------------------------------|-----------------------|---------------|--------------------|---------------|
| Up to 5000 | 4565 | 95.26 | 36,07,220 | 6.01 |
| 5001 - 10000 | 106 | 2.21 | 7,58,290 | 1.26 |
| 10001 – 20000 | 66 | 1.38 | 9,25,880 | 1.54 |
| 20001 – 30000 | 19 | 0.40 | 4,71,810 | 0.79 |
| 30001 – 40000 | 5 | 0.10 | 1,70,690 | 0.28 |
| 40001 – 50000 | 8 | 0.17 | 3,60,180 | 0.60 |
| 50001 – 100000 | 6 | 0.13 | 4,34,170 | 0.72 |
| 100001 and above | 17 | 0.35 | 5,32,71,740 | 88.80 |
| Total | 4792 | 100.00 | 5,99,99,980 | 100.00 |

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



- **Bank details for dividend payment**

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

- **Address : EMPIRE INDUSTRIES LIMITED for correspondence**

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

Tel : 66555453 & 24937200

Fax : 24939143

Email :

shares@empiresecretarial.com

ANNEXURE TO DIRECTORS' REPORT

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

VITRUM GLASS:

A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

1. Vacuum Pump No. 1 output divided and diverted to Machine No. 2 as well. Vacuum Pump No. 2 kept off resulting in energy saving to the tune of 650 kWh per day.
2. Augmented capacity of Compressors No. 9 & 10 by replacing 30 HP, 1440 RPM Motor with 40 HP, 1440 RPM Motor resulting in energy saving to the tune of 150 kWh per day.
3. Cullet Elevator 7.5 HP Motor replaced with 5 HP Motor resulting in energy saving to the tune of 35 kWh per day.
4. Main batch Conveyors 12 HP Motor replaced with 7.5 HP Motor resulting in energy saving to the tune of 60 kWh per day.

The above measures have helped in saving energy consumption by 10%.

(b) Additional investments and proposals being implemented.

Performance of Eight Section Triple Gob Machine which was installed in March, 2009 on Line No.1 is excellent. This has resulted in 45% production increase.

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

The above measures have helped in conserving energy and improvement in Productivity.

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

FORM – A

| I. Power & Fuel consumption: | Current Year | Previous Year |
|---|--------------------|---------------|
| 1) Electricity: | | |
| Purchased Units | 1,18,58,188 | 1,08,75,264 |
| Total Cost (Rs.in Lacs) | 582.57 | 682.48 |
| Rate/Unit (Rs.) | 4.91 | 6.28 |
| 2) Natural Gas | | |
| Quantity Purchased (SCM) | 74,82,741 | 67,17,436 |
| Total Cost (Rs.in Lacs) | 1027.60 | 781.61 |
| Rate/Standard Cubic Meter (Rs.) | 13.73 | 11.64 |
| II. Consumption per Ton of Production: | | |
| Electricity (Units) | 287 | 286 |
| Natural Gas (SCM) | 181 | 176 |

(B) TECHNOLOGY ABSORPTION**FORM - B****Research & Development (R&D)**

1. Specific areas in which R&D carried out by the Company:
 - (a) Through various modifications and improvements bottle weight has been reduced substantially without affecting quality, which has resulted in Glass saving.
 - (b) By adopting proper temperature gradient and Glass conditioning in all Fore-hearths, cooling blowers put OFF resulting in Natural Gas saving by about 10%.
 - (c) New Inverter + Motor & Gear Box Unit fitted for Push Bar Stacker and Cross Conveyor of all 4 I.S. Machines resulting in smoother operation, reduction in break downs and partial energy saving.
 - (d) Shrink Wrap Machine No. 1 old PLC + Contactor logic system panel is replaced with advanced PLC + solid state relay panel resulting in smoother operation, fast fault finding, increase in Packing Machine speed to absorb the TG productivity increase and minimized breakdowns.
 - (e) Shrink wrapping film thickness reduced and even shrinking temperatures reduced for better packing, resulting in packing material cost saving as well as energy saving and better quality packing.
2. Benefits derived as a result of the above R&D:
 - (a) I. S. Machine No. 1 after new T.G. electronic machine installed, productivity has improved by almost 45% and quality of the products also improved.
 - (b) Clean room concept has been adopted in cold end area as per the Pharma requirements by doing false ceiling in the entire cold-end area.



(3) Further plan for action:

To continue up-gradation of technology to improve productivity and quality of products.

Technology absorption, adaption and innovation

1. Efforts in brief:

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

2. Benefits derived:

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned:

| | |
|-------------------------|-----------------|
| Foreign Exchange used | Rs.980.63 lacs |
| Foreign Exchange earned | Rs.5498.96 lacs |

On Behalf of the Board of Directors

Place : Mumbai
Date : June 30, 2010

S. C. MALHOTRA
Chairman

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

To the Members of Empire Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Empire Industries Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange/s in India.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2010 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and as per the certificate of the Registrar & Transfer Agents of the Company.

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

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

Place : Mumbai,
Date : June 30, 2010

D.P. GHEVARIA
Proprietor
Membership No. 032431



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

We, S. C. Malhotra, Chairman and 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, 2010 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee -
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **EMPIRE INDUSTRIES LIMITED**

Place : Mumbai,
Date : June 30, 2010

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, 2010.

For **EMPIRE INDUSTRIES LIMITED**

Place : Mumbai,
Date : June 30, 2010

S. C. MALHOTRA
Chairman

STATEMENT OF INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

| Sr. No. | Name of the Employee | Age | Designation/ Nature of Duties | Remuneration Received | Qualification | Date of Joining | Total Exp. Years | Last Employment & Period |
|---------|-------------------------|-----|---|--------------------------|--|--------------------|------------------------|--|
| 1. | Mr. Bhattacharjee P.K. | 70 | Director ** Corporate | 67,94,296 | B.Tech.(Hons.) (Mech. Engg.) | 07.08.1969 | 48 | Consultant, Ibcou Pvt. Ltd. Mumbai (3 Years). |
| 2. | Mrs. Bhavana Prabhu * | 63 | Secretary to Chairman | 17,64,033 | S.S.C., Diploma in Personal Assistant | 14.07.1980 | 39 | Secretary/Stenographer Sikri & Grover, Mumbai (4 Years) |
| 3. | Mr. Deshpande J. R.* | 41 | Manager Instrumentation | 6,69,081 | Diploma in Electronics | 30.01.1996 | 17 | Officer - Instrumentation Jaysmith Dyechem Ltd. Panvel (1½Years) |
| 4. | Mr. Geonkar C. R. * | 63 | Purchase Executive | 6,50,856 | S.S.L.C. | 05.04.1974 | 42 | Clerk, M.S.E.B. Mumbai (4 Years) |
| 5. | Mr. Ghosh S. K. | 57 | Sr. Vice President | 28,99,948 | D.M.E. | 15.02.2000 | 37 | General Manager Healty & Gresham (!) Ltd. Delhi (8 Years) |
| 6. | Mr. Grover Yogesh | 40 | Director ** Empire Foods | 36,96,648 | B.Sc.(Hons.), A.C.A. | 02.05.2008 | 18 | Managing Director & CEO Uganda Marine Products Ltd. Kampala (7 Years) |
| 7. | Mr. Gulati S. K. | 71 | Director** Finance & Company Secretary | 68,66,646 | B.Com.(Hons.) A.C.S., F.C.A. | 02.05.1975 | 48 | Administrative Manager, Machine Division, Crompton Greaves Ltd. Mumbai (9 Years). |
| 8. | Mr. Kutty A.P.N. * | 61 | Secretary | 4,55,083 | S.S.L.C. | 12.04.1976 | 43 | Stenographer, Jyoti E Pvt.Ltd. Mumbai (2 Years) |
| 9. | Mr. Malhotra Dileep | 45 | Jt. Managing Director | 51,54,411 | B.A., M.B.A. (U.S.A.) | 01.10.1999 | 19 | Managing Director - Empire Securities & Capital Ltd., Mumbai (3 Years.) |
| 10. | Mr. Malhotra Ranjit | 52 | Vice-Chairman | 50,94,041 | M.B.A. (U.S.A.) | 01.10.1998 | 29 | Managing Director Empire International Pvt. Ltd. Mumbai (6 Years.) |
| 11. | Mr. Malhotra S. C. | 76 | Chairman | 51,46,832 | Intermediate Arts & Certificate of N.D.A. | 01.11.1965 | 60 | Chief Executive, Kohinoor Mills, Divn. of Killick Ind. Ltd. Mumbai (6 Years) |
| 12. | Mr. Narasimhan N. S. L. | 61 | Director ** Empire Industrial Equipment | 73,19,566 | B.E., M.M.S. (Marketing); M.F.M. | 10.01.2000 | 36 | Chief Executive Healty & Gresham (!) Ltd. Delhi (10 Years & 7 Months) |
| 13. | Mr. Parmar S.S. | 53 | Sr. Vice President Works | 25,90,457 | Diploma in Mechanical Engg. | 18.03.2009 | 31 | General Manager, Pankaj Glass Works, Firozabad U.P.(1 Year) |
| 14. | Mr. Patil P. T. * | 58 | Peon | 3,06,319 | S.S.C. | 10.08.1978 | 30 | First Employment |

STATEMENT OF INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

| Sr. No. | Name of the Employee | Age | Designation/ Nature of Duties | Remuneration Received | Qualification | Date of Joining | Total Exp. Years | Last Employment & Period |
|---------|------------------------|-----|---|--------------------------|---|--------------------|------------------------|--|
| 15. | Mr. Pradhan C. K. | 52 | Director ** Commercial | 47,02,720 | B.Com. | 01.06.1995 | 31 | Manager-Warehousing Arijun Transport Co. Pvt. Ltd. Mumbai (10 Years) |
| 16. | Mr. Rao P. N. | 58 | Director ** Empire Machine Tools (MCAT) | 72,78,799 | B.E.(Mech) | 01.01.1980 | 34 | Asst. Sales Engineer Volitas Ltd., Lucknow (2 Years) |
| 17. | Salunkhe C.S. * | 60 | General Assistant | 4,29,744 | 5th Standard | 07.07.1966 | 43 | First Employment |
| 18. | Mr. Sampath Kumar | 56 | Sr. Vice President | 31,68,150 | B.A., P.G.B.B.M. | 01.03.2000 | 33 | Marketing Controller Heatly & Gresham (I) Ltd. Delhi (10 Years) |
| 19. | Mr. Sen K. K. | 61 | Director ** Empire Machine Tools (MFTM) | 76,75,524 | B. Tech (Hons.) | 21.06.1971 | 39 | First Employment |
| 20. | Mr. Singhal M.N. * | 64 | President - Works | 71,68,660 | D.M.E. | 01.03.1985 | 45 | Production Manager, Vazir Glass, Mumbai (1 Year). |
| 21. | Mr. Singh Rajindar | 83 | Director ** Vitrum Glass | 65,06,094 | B.Sc. (Engg.) M.I.E. (India) A.F.Inst. Pet (London), Member Comb. Inst. | 16.04.1974 | 61 | Sr. Executive Burmah Shell Mumbai (25 Years.) |
| 22. | Mr. Srinivasan A.K. * | 68 | Dy. G.M. Workshop | 11,09,159 | Diploma in Engineering | 14.11.1995 | 43 | Dy. Manager - Workshop Mohan Breweries & Distilleries Ltd. Pondicherry (5 Years) |
| 23. | Mr. Tamba B. M. * | 58 | Production Supervisor | 6,54,490 | S.S.C. | 27.11.1978 | 39 | I.S. Machine Operator J.G. Glass Works, Pune (9 Years.) |
| 24. | Mr. Vishwambaram C.C.* | 65 | Manager Stores | 8,15,962 | 8th Standard | 01.11.1965 | 46 | First Employment |

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

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

The names of only those employees who were in the Company's employment for a part of the financial year and whose monthly remuneration was not less than Rs.2,00,000/- per month have been included and their names are marked *.

Relatives to Directors:

Mr. S. C. Malhotra, Mr. Ranjit Malhotra and Mr. Dileep Malhotra are related, Mr. S. C. Malhotra is father of Mr. Ranjit Malhotra and Mr. Dileep Malhotra.

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

AUDITORS' REPORT

To,
THE SHAREHOLDERS
EMPIRE INDUSTRIES LIMITED

We have audited the attached Balance Sheet of Empire Industries Limited, as at 31st March, 2010 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b. in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

D.P. GHEVARIA
Proprietor

Place : Mumbai
Date : June 30, 2010

Membership No. 032431

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

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

- | | |
|--|--|
| <p>(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(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.</p> <p>(c) During the year the Company has not disposed off any substantial part of Fixed Assets.</p> | <p>Accordingly, the provisions of clause (iii)(b) regarding terms and conditions of such loans, clause (iii)(c) regarding payment of principal amount and interest and clause (iii)(d) regarding steps for recovery of overdue amount of Para 4 of the Order are not applicable to the company for the year.</p> |
| <p>(ii) (a) The inventory has been physically verified by the Management during the year. Having regard to the size of the company and the nature of its business, in our opinion, the frequency of verification is reasonable.</p> <p>(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.</p> <p>(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.</p> | <p>(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods.</p> <p>(v) (a) Based on the audit procedures applied by us and according to information and explanation provided by the management, we are of the opinion that the transactions need to be entered into the register maintained u/s. 301 of the Companies Act, 1956 have been so entered.</p> <p>(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.</p> |
| <p>(iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956:</p> | <p>(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, 2010.</p> <p>(vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.</p> <p>(viii) As informed to us, the Central Government has not prescribed maintenance of cost records u/s 209(1) (d) the Companies Act 1956 in respect of the any product.</p> |

(ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State insurance, Income-tax, Sales-tax, Wealth-tax, Custom duty, Excise-duty, Cess and other statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as on 31st March, 2010 for a period of more than six months from the date they became payable.

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

| Statute | Nature dues | Amount (Rs. in lacs) | Period to which amount relates | Forum where dispute is pending |
|--------------------------------|---|----------------------|--------------------------------|--|
| The Central Excise Act, 1944 | Duty on Classification / Valuation and other disputes | 10.73 | 1984-85 to 2002-03 | Central Excise Tribunal |
| The Bombay Sales Tax Act, 1959 | Sales Tax Dues | 2.74 | 2001-2002 | Maharashtra Sales Tax Tribunal |
| The Finance Act, 1994 | Service Tax Dues | 0.49 | 2008-2009 | Commissioner of Central Excise (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 Regn. No. 103176W

D. P. GHEVARIA

Proprietor

Membership No. 032431

Place : Mumbai

Date : June 30, 2010



Balance Sheet as at 31st March, 2010

| | Schedules | Rupees | Rupees | As at 31st March, 2009 Rupees |
|--|-----------|----------------------|-----------------------|--|
| CAPITAL AND LOAN FUNDS EMPLOYED: | | | | |
| Shareholders' Funds: | | | | |
| Share Capital | A | 5,99,99,980 | | 5,99,99,980 |
| Reserves & Surplus | B | 42,41,83,655 | | 30,57,87,491 |
| | | | 48,41,83,635 | 36,57,87,471 |
| Secured Loans | C | | 30,61,986 | 29,56,41,024 |
| Unsecured loans | D | | 35,03,43,000 | 27,48,38,544 |
| Deferred Tax Liability(Net) | | | 4,27,00,000 | 4,41,00,000 |
| | | | 88,02,88,621 | 98,03,67,039 |
| EMPLOYMENT OF CAPITAL AND LOAN FUNDS: | | | | |
| Fixed Assets & Investments: | | | | |
| Fixed assets | E | 101,30,27,440 | | 104,57,91,368 |
| Investments | F | 28,000 | | 45,800 |
| | | | 101,30,55,440 | 104,58,37,168 |
| Net Current Assets: | | | | |
| Current Assets | G | 88,51,08,517 | | 83,25,36,778 |
| Less: Current Liabilities & Provisions | H | 101,78,75,336 | | 89,80,06,907 |
| | | | (13,27,66,819) | (6,54,70,129) |
| | | | 88,02,88,621 | 98,03,67,039 |
| SIGNIFICANT ACCOUNTING POLICIES | M | | | |
| NOTES TO THE ACCOUNTS | N | | | |

As per our Report attached

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

D. P. GHEVARIA
Proprietor

Mumbai, June 30, 2010

S. C. MALHOTRA
RANJIT MALHOTRA
DILEEP MALHOTRA

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

S. K. GULATI

Mumbai, June 30, 2010

Chairman
Vice Chairman
Joint Managing Director

Directors

Director Finance
& Company Secretary

Profit & Loss Account for the year ended 31st March, 2010

| | Schedules | Rupees | Rupees | Rupees | Year ended 31st March, 2009 Rupees |
|---|-----------|---------------------------|----------------------------|----------------------------|---|
| Sales | | 104,80,68,809 | | | 98,00,34,092 |
| Less:Excise Duty | | <u>4,85,65,274</u> | | | <u>6,39,06,721</u> |
| | | | 99,95,03,535 | | 91,61,27,371 |
| Commission | | | 49,30,08,412 | | 39,31,91,755 |
| Other Income | I | | <u>43,48,04,178</u> | | <u>44,60,23,664</u> |
| | | | | 192,73,16,125 | <u>175,53,42,790</u> |
| Cost of Sales | J | | 63,54,20,000 | | 61,84,59,220 |
| Personnel | K | | 43,06,26,719 | | 36,47,90,260 |
| Other Expenses | L | | 36,33,59,744 | | 37,94,83,877 |
| Depreciation | | | 6,53,88,582 | | 6,42,12,949 |
| Interest & Commitment Charges : | | | | | |
| On Fixed/Other Deposits and Fixed Loans | | 6,00,37,560 | | | 6,61,91,751 |
| Others | | <u>24,87,778</u> | | | <u>96,38,727</u> |
| | | | 6,25,25,338 | | <u>7,58,30,478</u> |
| | | | | 155,73,20,383 | <u>150,27,76,784</u> |
| Profit before Taxation | | | | 36,99,95,742 | 25,25,66,006 |
| Provision for Current Taxation | | | | 11,10,00,000 | 6,13,00,000 |
| Provision for Fringe benefit tax | | | | — | 88,25,000 |
| Provision for Deferred Tax | | | | (14,00,000) | <u>1,00,97,000</u> |
| Profit after Taxation | | | | 26,03,95,742 | 17,23,44,006 |
| Taxation for earlier years | | | | 20,69,128 | — |
| | | | | <u>25,83,26,614</u> | <u>17,23,44,006</u> |
| APPROPRIATED AS UNDER : | | | | | |
| Proposed Dividend | | | | 11,99,99,960 | 5,99,99,980 |
| Tax on Proposed Dividend | | | | 1,99,30,490 | 1,01,96,997 |
| General Reserve | | | | 11,83,96,164 | 10,21,47,029 |
| | | | | <u>25,83,26,614</u> | <u>17,23,44,006</u> |
| Earning per share - Basic & Diluted (Face value of Rs.10 each) | | | | 43.05 | 28.72 |
| SIGNIFICANT ACCOUNTING POLICIES | M | | | | |
| NOTES TO THE ACCOUNTS | N | | | | |

As per our Report attached

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

D. P. GHEVARIA
Proprietor

Mumbai, June 30, 2010

S. C. MALHOTRA
RANJIT MALHOTRA
DILEEP MALHOTRA

Chairman
Vice Chairman
Joint Managing Director

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

Directors

S. K. GULATI

Director Finance
& Company Secretary

Mumbai, June 30, 2010



Schedules Forming Part of the Accounts

| | Rupees | Rupees | As at 31st March, 2009 Rupees |
|----------------------------------|--|---------------------|--|
| A. SHARE CAPITAL | | | |
| AUTHORISED | | | |
| 1,50,00,000 | Equity Shares of Rs.10 each | 15,00,00,000 | 15,00,00,000 |
| 50,000 | Cumulative Redeemable Preference Shares of Rs.100 each | 50,00,000 | 50,00,000 |
| | | 15,50,00,000 | 15,50,00,000 |
| ISSUED AND SUBSCRIBED | | | |
| 59,99,998 | fully paid-up Equity Shares of Rs.10 each | 5,99,99,980 | 5,99,99,980 |
| The Subscribed Capital includes: | | | |
| (a) | 9,27,000 fully paid-up Equity Shares allotted by way of Bonus Shares by capitalisation of Reserves | | |
| (b) | 1,65,000 Equity Shares allotted without payment being received in cash pursuant to the Scheme of Amalgamation of Garlick & Company Private Limited with the Company | | |
| (c) | 3,99,999 fully paid-up Equity Shares allotted to Debenture Holders pursuant to conversion option exercised by them | | |
| | | 5,99,99,980 | 5,99,99,980 |
| B. RESERVES AND SURPLUS | | | |
| 1. | Capital Reserve: Balance as per last account | 65,96,962 | 65,96,962 |
| 2. | Share Premium Account: Balance as per last account | 13,33,330 | 13,33,330 |
| 3. | General Reserve: Balance as per last account | 29,78,57,199 | 19,62,10,170 |
| | Less : Amortisation of Goodwill | — | 5,00,000 |
| | | 29,78,57,199 | 19,57,10,170 |
| | <i>Add</i> : Transferred from Profit & Loss Account | 11,83,96,164 | 10,21,47,029 |
| | | 41,62,53,363 | 29,78,57,199 |
| | | 42,41,83,655 | 30,57,87,491 |

| | | As at 31st March, 2009 | |
|-------------------------|--|------------------------------|------------------------|
| | | Rupees | Rupees |
| C. SECURED LOANS | | | |
| 1. | From Banks on Cash Credit Account: Secured by hypothecation of Stocks and Book Debts and Second charge on the property of Glass Bottle Division and personal guarantees given by Chairman and Vice-Chairman | 18,05,148 | 4,03,32,404 |
| 2. | Term Loans from Banks | - | 24,67,52,114 |
| 3. | Hire Purchase Loans: Secured by hypothecation of specific Vehicles purchased under the scheme. Interest accrued and due | 12,56,838 - | 72,42,930 13,13,576 |
| | | 30,61,986 | 29,56,41,024 |

Term Loans from Banks to the extent of :

- (i) Rs. Nil (Previous year Rs.12,25,00,000) are secured by hypothecation and first mortgage of the Company's immovable and movable properties, pertaining to its Glass Bottle Division, both present and future, subject to prior charge in favour of the banks on specific movable assets and personal guarantees given by Chairman and Vice-Chairman.
- (ii) Rs. Nil (Previous year Rs.10,42,52,114) are Secured by Simple Mortgage without possession of entire first floor admeasuring 26,200 sq. ft. (carpet area) of Empire Plaza situated at Vikhroli (West), Mumbai and personal guarantees given by Chairman and Vice-Chairman.
- (iii) Rs. Nil (Previous year Rs.2,00,00,000) are secured by hypothecation of Vending machines and personal guarantees given by Chairman and Vice-Chairman.

D. UNSECURED LOANS

| | | As at 31st March, 2009 | |
|----|---|------------------------------|-----------------------|
| | | Rupees | Rupees |
| 1. | Fixed Deposits from Public & Shareholders | 12,54,43,000 | 8,87,10,500 |
| 2. | Other Deposits | 22,49,00,000 | 17,03,10,000 |
| 3. | Term Loans from Banks Interest accrued and due | - - | 1,57,73,506 44,538 |
| | | 35,03,43,000 | 27,48,38,544 |

E. FIXED ASSETS

| | COST | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------------------------|---------------------------------|------------------------|-------------------------|----------------------------------|---------------------------------|------------------------|-------------------------|----------------------------------|----------------------------------|----------------------------------|
| | As at 1st April, 2009 Rupees | of Additions Rupees | of Deductions Rupees | As at 31st March, 2010 Rupees | As at 1st April, 2009 Rupees | of Additions Rupees | of Deductions Rupees | As at 31st March, 2010 Rupees | As at 31st March, 2010 Rupees | As at 31st March, 2009 Rupees |
| Freehold Land | 18,96,628 | - | - | 18,96,628 | - | - | - | - | 18,96,628 | 18,96,628 |
| Leasehold Land | 4,65,100 | - | - | 4,65,100 | 1,26,847 | 89,260 | - | 2,16,107 | 2,48,993 | 3,38,253 |
| Building & Flats | 72,50,13,753 | 1,21,63,759 | - | 73,71,77,512 | 7,14,83,625 | 1,16,49,341 | - | 8,31,32,966 | 65,40,44,546 | 65,35,30,128 |
| Bldg. under Construction | - | 20,19,558 | - | 20,19,558 | - | - | - | - | 20,19,558 | - |
| Plant & Machinery | 32,47,95,185 | 22,13,379 | 50,971 | 32,69,57,593 | 14,67,79,902 | 1,26,93,938 | 48,423 | 15,94,25,417 | 16,75,32,176 | 17,80,15,283 |
| Furniture & Office Equipments | 24,52,62,872 | 86,19,062 | 18,78,388 | 25,20,03,546 | 11,45,79,871 | 2,34,38,484 | 15,08,101 | 13,65,10,254 | 11,54,93,292 | 13,06,83,001 |
| Vehicles | 7,23,85,102 | 1,13,07,849 | 1,18,54,924 | 7,18,38,027 | 3,57,55,249 | 1,10,74,024 | 85,28,806 | 3,83,00,467 | 3,35,37,560 | 3,66,29,853 |
| Furnaces | 12,20,60,969 | - | - | 12,20,60,969 | 7,73,62,747 | 64,43,535 | - | 8,38,06,282 | 3,82,54,687 | 4,46,98,222 |
| Technical Know-how Fees | 3,50,000 | - | - | 3,50,000 | 3,50,000 | - | - | 3,50,000 | - | - |
| Moulds & Castings | 2,80,132 | - | - | 2,80,132 | 2,80,132 | - | - | 2,80,132 | - | - |
| | 149,25,09,741 | 3,63,23,607 | 1,37,84,283 | 151,50,49,065 | 44,67,18,373 | 6,53,88,582 | 1,00,85,330 | 50,20,21,625 | 101,30,27,440 | 104,57,91,368 |
| As at 31st March, 2009 | 138,24,38,010 | 15,84,26,904 | 4,83,55,173 | 149,25,09,741 | 42,09,78,483 | 6,42,12,949 | 3,84,73,059 | 44,67,18,373 | 104,57,91,368 | - |



Schedules Forming Part of the Accounts

| | Numbers | Face Value of each Rupees | Cost Price Rupees | As at 31st March, 2009 Rupees |
|--|---------|---------------------------------|----------------------|--|
| F. INVESTMENTS | | | | |
| Unquoted: | | | | |
| Fully paid Equity Shares in The Saraswat Co-operative Bank Ltd. | 1000 | 25 | 25,000 | 25,000 |
| Fully paid Shares in Co-operative Housing Societies*: | | | | |
| Arabian Sea-View Co-operative Housing Society Ltd. | 5 | 50 | 250 | 250 |
| Chitrakoot Co-operative Housing Society Limited | 10 | 50 | 500 | 500 |
| Breach Candy Apartments Co-operative Housing Society Limited | 10 | 50 | 500 | 500 |
| West Nandanvan Co-operative Housing Society Limited | 10 | 50 | 500 | 500 |
| Vipul Co-operative Housing Society Limited | 20 | 50 | 1,000 | 1,000 |
| Tara Apartments Co-operative Housing Society Limited | 5 | 50 | 250 | 250 |
| Government Securities: | | | | |
| (Lodged as Security Deposits with Public Authorities) | | | | |
| 7 Years National Saving Certificates: | | | — | 17,800 |
| | | | 28,000 | 45,800 |

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

| | Rupees | Rupees | As at 31st March, 2009 Rupees |
|--|----------------------------|----------------------------|--|
| G. CURRENT ASSETS, LOANS AND ADVANCES: | | | |
| 1. CURRENT ASSETS: | | | |
| Inventories at lower of cost or market value/contracted price as certified by Managing Director: | | | |
| Stores and Spare parts | 3,66,66,452 | | 3,43,45,738 |
| Liquid Fuel and Petrol | 37,15,712 | | 28,45,568 |
| Raw Materials | 1,17,09,344 | | 1,63,90,597 |
| Finished Goods/Traded Goods (Including in-transit Rs. NIL - Previous year Rs. 65,10,294) | <u>6,54,73,021</u> | | <u>4,93,22,637</u> |
| | | 11,75,64,529 | 10,29,04,540 |
| Sundry Debtors: (Unsecured, considered good): | | | |
| Debts outstanding for a period exceeding six months | 9,61,47,636 | | 8,31,31,773 |
| Others | <u>21,46,49,749</u> | | <u>24,28,16,320</u> |
| | | 31,07,97,385 | 32,59,48,093 |
| Cash and Bank Balances: | | | |
| On Hand | 21,47,586 | | 9,80,704 |
| With Scheduled Banks: | | | |
| On Current Account | 4,27,15,255 | | 2,61,52,621 |
| On Fixed Deposit and deposit at call | <u>4,83,69,150</u> | | <u>55,63,727</u> |
| | | 9,32,31,991 | 3,26,97,052 |
| 2. LOANS AND ADVANCES: (unsecured, considered good) | | | |
| Advances recoverable in cash or in kind or for value to be received | 36,19,51,164 | | 36,71,77,208 |
| Balance with Central Excise and Others | <u>15,63,448</u> | | <u>38,09,885</u> |
| | | <u>36,35,14,612</u> | <u>37,09,87,093</u> |
| | | <u>88,51,08,517</u> | <u>83,25,36,778</u> |



Schedules Forming Part of the Accounts

| | Rupees | Rupees | As at 31st March, 2009 Rupees |
|---|---------------------|----------------------|---|
| H. CURRENT LIABILITIES AND PROVISIONS: | | | |
| 1. CURRENT LIABILITIES: | | | |
| Trade and Other Creditors* | | 14,46,46,207 | 16,88,10,117 |
| Advance against Contracts | | 2,06,04,011 | 1,98,99,851 |
| Sundry Deposits | | 1,03,71,147 | 2,46,07,451 |
| Security Deposits | | 51,23,04,988 | 45,99,27,983 |
| Unclaimed Dividends | | 18,15,465 | 1,76,021 |
| Unpaid matured Fixed Deposits** | | 23,59,500 | 33,10,000 |
| Interest accrued but not due on : | | | |
| Secured Loans | — | | 6,10,344 |
| Unsecured loans | 67,14,798 | | 54,77,548 |
| | | 67,14,798 | 60,87,892 |
| | | 69,88,16,116 | 68,28,19,315 |
| 2. PROVISIONS: | | | |
| Provision for Gratuity and Leave encashment | 17,91,28,770 | | 14,49,90,615 |
| Proposed Dividend | 11,99,99,960 | | 5,99,99,980 |
| Tax On Proposed Dividend | 1,99,30,490 | | 1,01,96,997 |
| | | 31,90,59,220 | 21,51,87,592 |
| | | 101,78,75,336 | 89,80,06,907 |
| * The Company has not received any intimation from suppliers regarding their status under the Micro Small & Medium Enterprises Development Act,2006. Hence disclosure , if any, relating to amount unpaid as at the year end together with the interest paid/payable as required under the said Act, have not been given. | | | |
| ** Investor Education and Protection Fund is credited by the amount of unclaimed fixed deposits after seven years from the due date. | | | |
| | | | Year ended 31st March, 2009 Rupees |
| I. OTHER INCOME | Rupees | Rupees | |
| Credit/debit balances/advances written back/adjusted (net) | | 54,127 | 35,735 |
| Insurance claims | | 7,98,704 | 4,36,256 |
| Dividend | | 5,000 | 5,000 |
| Interest (Gross): | | | |
| (i) On Inter-Corporate and other deposits | 32,21,420 | | 36,35,216 |
| (ii) From Dealers and Others (Tax deducted at source Rs. 5,72,524; Previous year Rs.8,60,639) | 41,54,802 | | 3,55,068 |
| | | 73,76,222 | 39,90,284 |
| Property rent | | 39,16,06,228 | 38,70,66,613 |
| Advertising and Operational income - Vending | | 3,20,46,649 | 5,14,51,396 |
| Profit on sale of assets | | 4,02,116 | 3,17,421 |
| Miscellaneous Income | | 25,15,132 | 27,20,959 |
| | | 43,48,04,178 | 44,60,23,664 |

| | Rupees | Rupees | Year ended 31st March, 2009 Rupees |
|---|--------------------|---------------------|---|
| J. COST OF SALES | | | |
| Opening Stocks: | | | |
| Raw Materials | 1,63,90,597 | | 1,16,09,783 |
| Finished Goods/Traded Goods | 4,93,12,839 | | 3,76,49,025 |
| | | 6,57,03,436 | 4,92,58,808 |
| <i>Add:</i> Purchases | | 41,05,84,768 | 42,62,92,301 |
| | | 47,62,88,204 | 47,55,51,109 |
| <i>Less:</i> Closing Stocks: | | | |
| Raw Materials | 1,17,09,344 | | 1,63,90,597 |
| Finished Goods/Traded Goods | 6,54,73,021 | | 4,93,12,839 |
| | | 7,71,82,365 | 6,57,03,436 |
| | | 39,91,05,839 | 40,98,47,673 |
| Stores and spare parts consumed | | 6,42,31,845 | 5,50,66,192 |
| Power & Fuel | | 17,20,82,316 | 15,35,45,355 |
| | | 63,54,20,000 | 61,84,59,220 |
| K. PERSONNEL | | | |
| Salaries, Wages, Bonus and Gratuity | | 36,07,00,211 | 30,21,44,252 |
| Contribution to Provident and Other Funds | | 2,38,62,705 | 2,17,86,358 |
| Contribution to Superannuation Scheme | | 84,83,173 | 82,49,744 |
| Contribution to ESIC Scheme | | 7,95,100 | 14,94,922 |
| Welfare Expenses | | 3,67,85,530 | 3,11,14,984 |
| | | 43,06,26,719 | 36,47,90,260 |
| L. OTHER EXPENSES | | | |
| Repairs to Machinery | | 36,61,910 | 37,66,780 |
| Repairs to Buildings | | 1,54,01,452 | 2,11,46,497 |
| Other Repairs | | 2,42,92,182 | 1,97,82,043 |
| Insurance | | 28,18,942 | 28,90,059 |
| Rent (Net) | | 1,20,55,448 | 1,31,82,382 |
| Rates and Taxes | | 3,98,87,812 | 3,93,45,032 |
| Conducting Charges | | 1,69,46,980 | 2,44,66,480 |
| Discount, Commission and Brokerage | | 1,40,12,041 | 1,44,58,160 |
| Furnace Expenses | | 4,72,027 | 5,57,467 |
| Donations | | 3,000 | 7,500 |
| Electricity Charges | | 1,38,85,429 | 1,48,66,230 |
| Vehicle Expenses | | 2,42,39,433 | 2,35,75,657 |
| Directors' Fees | | 2,80,000 | 1,20,000 |
| Loss on assets sold/discarded | | 6,16,966 | 12,69,754 |
| Bad debts/advances written off | | 12,95,248 | 17,19,240 |
| Carriage Outward | | 4,54,93,304 | 4,20,56,155 |
| Professional Charges | | 2,46,10,620 | 1,62,70,712 |
| Travelling Expenses | | 4,83,44,993 | 5,99,73,497 |
| Telephone, Trunkcalls & Telex | | 1,29,13,044 | 1,17,36,615 |
| Miscellaneous Expenses | | 6,21,28,913 | 6,82,93,617 |
| | | 36,33,59,744 | 37,94,83,877 |

Schedules Forming Part of the Accounts

M. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements :

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

2. Use of Estimates :

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

3. Fixed Assets:

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

4. Capital Work in Progress:

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

5. Depreciation and Amortization:

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

6. Valuation of Stock:

Stock of raw materials, packing materials, stores & spares are valued at weighted average cost. Cost comprises of purchase cost including all taxes and duties.

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

7. Investments:

Investments are stated at cost.

8. Operating Lease:

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

9. Borrowing Costs:

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

10. Provisions and Contingencies :

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

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

11. Revenue Recognition:

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

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

The Company accounts for the defined benefit plans such as gratuity and leave encashment on accrual basis. Gratuity and leave encashment liability has been determined by an actuarial valuation report based on AS - 15 (revised) obtained as at 31st March, 2010.

13. Taxes on Income:

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

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

14. Foreign Currency Transactions :

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account except in cases where they relate to acquisition of fixed asset, in which case they are adjusted to the carrying cost of such assets.

N. NOTES TO THE ACCOUNTS

- (1) Secured loans from banks to the extent of Rs.18,05,148 (Previous year Rs.28,83,98,094) and Unsecured loans from banks to the extent of Nil (Previous year Rs.1,58,18,044) are guaranteed by Chairman and Vice-Chairman.
- (2) Future Licence Fees amounting to Rs. Nil (Previous year Rs.2,107.47 lacs) receivable from Licensees in respect of property is securitized with the Bankers.
- (3) There was no impairment loss of Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.
- (4) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs.1,39,93,090 (Previous year Rs1,62,68,306).

Schedules Forming Part of the Accounts

N. NOTES TO THE ACCOUNTS (Contd.)

(5) Contingent liabilities not provided for :

| | Rupees | As at 31st March, 2009 Rupees |
|--|--------------------|--|
| (a) Guarantees given by the Banks | 5,71,78,929 | 7,58,93,896 |
| (b) Claims against the Company not acknowledged as debts | 29,80,507 | 10,25,579 |
| (c) Excise demand disputed by the Company | 10,73,299 | 10,73,299 |
| (d) Sales Tax demands disputed by the Company | 2,74,035 | 2,74,035 |
| (e) Service Tax demands disputed by the Company | 99,120 | — |

| | Rupees | Year ended 31st March, 2009 Rupees |
|--|---------------------------|---|
| (6) Managerial remuneration to the Directors (net of recovery) : | | |
| (i) Salaries | 1,26,00,000 | 1,26,00,000 |
| (ii) Perquisites | 12,82,096 | 12,88,550 |
| (iii) Contribution to Provident Fund | 15,13,188 | 15,13,188 |
| | <u>1,53,95,284</u> | <u>1,54,01,738</u> |

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

| | | |
|---|------------------------|-----------------|
| (7) (a) Remuneration to the Auditors included in Miscellaneous Expenses : | | |
| (i) As an Auditor | 3,03,325 | 1,55,000 |
| (ii) In other capacity: | | |
| Tax Audit | 82,725 | 45,000 |
| Certification work | 39,756 | 28,100 |
| Others | 40,573 | 46,500 |
| (iii) For reimbursement of expenses | 33,280 | 30,750 |
| | <u>4,99,659</u> | <u>3,05,350</u> |

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

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

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

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

During the year, the Company has credited the Profit & Loss Account with the Deferred Tax Liability of Rs.14.00 lakhs as against the provision of Rs.100.97 lakhs in the previous year.

(13) Earning per Share :

| | | |
|--|---------------------|--------------|
| Net Profit | 25,83,26,614 | 17,23,44,006 |
| Weighted average number of Equity Shares outstanding | 59,99,998 | 59,99,998 |
| Earning per share - Basic and Diluted | 43.05 | 28.72 |
| Face value of share | 10.00 | 10.00 |

N. NOTES TO THE ACCOUNTS (Contd.)

| | Rupees | Rupees | Year ended 31st March, 2009 Rupees | | | | | |
|--|--|------------------|---|---------------|--|---------------|--|----------|
| (14) Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI of the Companies Act, 1956: | | | | | | | | |
| (1) Value of Imports on C.I.F. basis in respect of: | | | | | | | | |
| (i) Raw Materials | 2,58,13,608 | | 2,82,76,466 | | | | | |
| (ii) Components and Spare parts | 64,87,033 | | 66,32,230 | | | | | |
| (iii) Capital Goods | 10,80,755 | | 5,14,20,406 | | | | | |
| (iv) Traded Goods | 4,96,04,714 | | 7,12,65,419 | | | | | |
| (2) Expenditure in foreign currency in respect of: Travelling, books and periodicals and others | 1,50,77,397 | | 1,47,11,116 | | | | | |
| (3) Earnings in foreign exchange in respect of: | | | | | | | | |
| (i) Export of goods on F.O.B. basis | 8,88,02,958 | | 9,36,16,046 | | | | | |
| (ii) Commission | 46,10,93,277 | | 46,23,74,101 | | | | | |
| (4) Remittances in foreign exchange on account of dividend: | | | | | | | | |
| (i) Number of non-resident shareholders | Nos. | 23 | 21 | | | | | |
| (ii) Number of shares held by them | Nos. | 8,731 | 8,216 | | | | | |
| (iii) Dividends remitted | Rs. | Nil | Nil | | | | | |
| (iv) Year to which dividend relates | | 2008-2009 | 2007-2008 | | | | | |
| | | | [Dividend amounting to Rs.87,310(Previous year Rs.65,728) has been paid to their Bankers/Agents in India.] | | | | | |
| (5) Value of imported and indigenous Raw Material, Components and Spare Parts consumed: | | | | | | | | |
| | Raw Materials | | | | Components and Spare Parts | | | |
| | For the year ended 31st March, 2010 | | For the year ended 31st March, 2009 | | For the year ended 31st March, 2010 | | For the year ended 31st March, 2009 | |
| | Rupees | % | Rupees | % | Rupees | % | Rupees | % |
| (i) Imported | 4,15,42,155 | 17.53 | 3,82,34,282 | 16.69 | 27,90,266 | 10.91 | 20,00,918 | 6.81 |
| (ii) Indigenous | 19,54,89,492 | 82.47 | 19,08,26,586 | 83.31 | 2,27,73,921 | 89.09 | 2,73,98,406 | 93.19 |
| | 23,70,31,647 | 100.00 | 22,90,60,868 | 100.00 | 2,55,64,187 | 100.00 | 2,93,99,324 | 100.00 |
| (6) Opening and closing of goods manufactured and Turnover : | | | | | | | | |
| | | Opening Stock | | Closing Stock | | Turnover | | |
| | | Quantity | Value Rupees | Quantity | Value Rupees | Quantity | Value Rupees | |
| Bottles | M.T. | 2,761 | 3,25,93,466 | 3,183 | 3,99,62,899 | 40,968 | 76,59,60,486 | |
| | | (2,516) | 2,60,13,535 | (2,761) | (3,25,93,466) | (37,751) | (68,75,83,890) | |
| Other Misc. Sales including bought out components | | | | | | | 23,35,43,049 | |
| | | | | | | | (22,85,43,481) | |

Figures in the brackets are for the previous year ended 31st March, 2009.

Schedules Forming Part of the Accounts

N. NOTES TO THE ACCOUNTS (Contd.)

(7) Raw Materials Consumption :

| | | Quantity | Value Rupees | For the year ended 31st March, 2009 | |
|-------------|------|----------|-----------------|--|-----------------|
| | | | | Quantity | Value Rupees |
| Chemicals | M.T. | 9,278 | 9,59,91,443 | 7,215 | 11,51,55,356 |
| Silica Sand | M.T. | 8,839 | 1,10,18,510 | 7,088 | 91,50,608 |
| Cullets | M.T. | 32,670 | 13,00,21,694 | 31,199 | 10,47,54,904 |

(8) Licensed and Installed Capacity and Actual Production :

| | | For the year ended 31st March, 2009 | | | | | |
|---------|------|-------------------------------------|-------------------------------------|----------------------|------------------------------------|-------------------------------------|----------------------|
| | | Licensed Capacity* Per annum | Installed Capacity* Per annum | Actual Production | Licensed Capacity* Per annum | Installed Capacity* Per annum | Actual Production |
| Bottles | M.T. | 37,548 | 37,548 | 41,390 | 37,548 | 37,548 | 37,996 |

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

(15) Segment wise Information for the year ended 31st March, 2010 :

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 | 2009-2010 (Rs. in Lakhs) | | | 2008-2009 (Rs. in Lakhs) | | |
|----------------------------|--------------------------|---------------|------------------|--------------------------|---------------|------------------|
| | External | Inter-Segment | Total | External | Inter-Segment | Total |
| Manufacturing | 7,777.47 | | 7,777.47 | 6,925.62 | | 6,925.62 |
| Trading & Indenting | 7,487.94 | | 7,487.94 | 6,697.78 | | 6,697.78 |
| Others | 3,933.94 | | 3,933.94 | 3,890.08 | | 3,890.08 |
| Total Revenue | 19,199.35 | — | 19,199.35 | 17,513.48 | — | 17,513.48 |
| RESULT | | | | | | |
| Segment Result | | | | | | |
| Manufacturing | | | 515.19 | | | 342.83 |
| Trading & Indenting | | | 1,506.87 | | | 791.78 |
| Others | | | 2,609.81 | | | 2,668.47 |
| Total Result | | | 4,631.87 | | | 3,803.08 |
| Un-allocated Expenditure | | | | | | |
| Net of un-allocated Income | | | (380.47) | | | (559.07) |
| Interest Expenses | | | (625.25) | | | (758.30) |
| Interest Income | | | 73.76 | | | 39.90 |
| Dividend Income | | | 0.05 | | | 0.05 |
| Profit before Taxation | | | 3,699.96 | | | 2,525.66 |
| Provision for Taxation | | | 1,116.69 | | | 802.22 |
| Net Profit | | | 2,583.27 | | | 1,723.44 |

N. NOTES TO THE ACCOUNTS (Contd.)

Other Information

| | Segment Assets | | Segment Liabilities | |
|---|---------------------|------------------|---------------------|-----------------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Manufacturing | 4,480.35 | 4,466.21 | 1,191.41 | 1,324.29 |
| Trading & Indenting | 3,824.30 | 4,179.39 | 1,468.87 | 1,281.35 |
| Others | 10,678.99 | 10,138.14 | 7,518.47 | 6,374.43 |
| | 18,983.64 | 18,783.74 | 10,178.75 | 8,980.07 |
| | Capital Expenditure | | Depreciation | |
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Manufacturing | 47.86 | 832.75 | 215.14 | 185.45 |
| Trading & Indenting | 109.76 | 681.67 | 207.48 | 204.49 |
| Others | 205.62 | 69.85 | 231.27 | 252.19 |
| | 363.24 | 1,584.27 | 653.89 | 642.13 |
| Non-Cash expenses other than depreciation | | | NIL | NIL |

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

| | 2009-2010 Rs. in Lakhs | 2008-2009 Rs. in Lakhs |
|---------------------|---------------------------|---------------------------|
| India | 13,462.40 | 12,642.43 |
| Outside India | 5,736.95 | 4,871.05 |
| | 19,199.35 | 17,513.48 |
| Segment Assets | | |
| India | 18,983.64 | 18,783.74 |
| Outside India | — | — |
| | 18,983.64 | 18,783.74 |
| Capital Expenditure | | |
| India | 363.24 | 1,584.27 |
| Outside India | — | — |
| | 363.24 | 1,584.27 |

(iii) Notes:

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



Schedules Forming Part of the Accounts

N. NOTES TO THE ACCOUNTS (Contd.)

| | 2009-2010 | 2008-2009 |
|--|---------------------|--------------|
| | Rs. in Lakhs | Rs. in Lakhs |
| Segment Revenue comprises of: | | |
| – Sales and Commission income | 14,925.12 | 13,093.19 |
| – Other income excluding income from investments | 4,274.23 | 4,420.29 |
| | 19,199.35 | 17,513.48 |

- (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.

(16) Related Party disclosures

| <u>Related party</u> | <u>Relationship</u> | <u>Description of Transaction</u> | <u>Income During the year</u> | <u>Expenses During the year</u> | <u>Outstanding as on 31.03.2010</u> |
|---|--|-----------------------------------|-------------------------------|---------------------------------|---------------------------------------|
| | | | Rupees | Rupees | Rupees |
| Empire International Pvt. Ltd. | Some of the Directors of the Company are also Directors in the said Pvt. Ltd. Company. | Conducting charges | | 89,21,611 (1,07,68,354) | 36,91,509 (6,95,506) |
| | | Rent | 50,544 (49,280) | | — (—) |
| S. C. Malhotra - <i>Chairman</i> | } Key Managerial Personnel | Directors' Remuneration | | 1,53,95,284 (15,401,738) | — |
| Ranjit Malhotra - <i>Vice-Chairman</i> | | | | | |
| Dileep Malhotra - <i>Jt. Mg. Director</i> | | | | | |
| Karan Malhotra | Relative | Salary | | 5,88,000 (588,000) | — |
| Kabir Malhotra | Relative | Salary | | 5,88,000 (588,000) | — |

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

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

Signatures to Schedules 'A' to 'N'

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

Mumbai, June 30, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

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

| | 2009-2010 Rs. Lacs | 2008-2009 Rs. Lacs |
|--|-----------------------|-----------------------|
| A. Cash Flow from Operating Activities : | | |
| a) Net Profit before Tax & Extra Ordinary items | 3699.96 | 2525.66 |
| Adjustments for : | | |
| Depreciation | 653.89 | 642.13 |
| Interest | 625.25 | 758.30 |
| Interest & Dividend earned | (73.81) | (39.95) |
| Profit/Loss on sale of Fixed Assets (Net) | 2.15 | 9.53 |
| Provision for Gratuity/Leave encashment on actuarial basis | 341.38 | 107.31 |
| | <hr/> | <hr/> |
| b) Operating Profit before working capital changes | 5,248.82 | 4,002.98 |
| Adjustments for : | | |
| Trade & other Receivables | 245.27 | 297.73 |
| Inventories | (149.84) | (220.69) |
| Increase/(Decrease) in Trade Payables | 562.18 | (695.80) |
| | <hr/> | <hr/> |
| c) Cash generated from operations | 5,906.43 | 3,384.22 |
| Interest paid | (632.56) | (761.66) |
| Direct Taxes paid (net of refunds) | (1,118.42) | (1,059.37) |
| Net Cash flow from Operating Activities | 4,155.45 | 1,563.19 |
| | <hr/> | <hr/> |
| B. Cash Flow from Investing Activities : | | |
| Purchase of Fixed Assets | (761.16) | (1,177.94) |
| Proceeds from Sale of Fixed Assets | 34.84 | 83.58 |
| Increase/Decrease in Loans & Advance | 0.18 | 405.00 |
| Interest received | 35.12 | 39.07 |
| Dividend received | 0.05 | 0.05 |
| Net Cash from Investing Activities | (690.97) | (650.24) |
| | <hr/> | <hr/> |
| C. Cash Flow from Financing Activities : | | |
| Dividend Paid (Including tax on Dividend) | (701.97) | (561.58) |
| Proceeds from borrowings | 943.22 | 1,430.29 |
| Repayment of borrowings | (3,100.38) | (1,592.22) |
| Net Cash flow from Financing Activities | (2,859.13) | (723.51) |
| | <hr/> | <hr/> |



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (Contd.)

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

| | 2009-2010 Rs. Lacs | 2008-2009 Rs. Lacs |
|---|-----------------------|-----------------------|
| D. Net increase/(decrease) in cash and cash equivalent | 605.35 | 189.44 |
| Cash and cash equivalents at beginning of the year | 326.97 | 137.53 |
| Cash and cash equivalents at the end of the year | 932.32 | 326.97 |

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

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

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

Mumbai, June 30, 2010

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 2010 and for the year ended 31st March, 2009 and found the same to be drawn in accordance there with and also with the requirements of Clause 32 of the listing agreement with Stock Exchange.

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

D. P. GHEVARIA
Proprietor

Mumbai, 30th June, 2010.

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

| | | | |
|--------------------|-----------------------|------------|----|
| Registration No. | L17120MH1900PLC000176 | State Code | 11 |
| Balance Sheet Date | 31.03.2010 | | |

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

| | | | |
|--------------|-----|-------------------|-----|
| Public Issue | NIL | Rights Issue | NIL |
| Bonus Issue | NIL | Private Placement | NIL |

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

| | | | |
|----------------------|-----------|---------------------------|-----------|
| Total Liabilities | 18,98,163 | Total Assets | 18,98,163 |
| Sources of Funds | | | |
| Paid-up Capital | 60,000 | Reserves & Surplus | 4,24,183 |
| Secured Loans | 3,062 | Unsecured Loans | 3,50,343 |
| Deferred tax | 42,700 | | |
| Application of Funds | | | |
| Net Fixed Assets | 10,13,027 | Investments | 28 |
| Net Current Assets | (132,767) | Miscellaneous Expenditure | NIL |
| Accumulated Losses | NIL | | |

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

| | | | |
|-----------------------------------|-----------|-------------------|-----------|
| Turnover (Including other income) | 19,27,316 | Total Expenditure | 15,57,320 |
| Profit Before Tax | 3,69,996 | Profit After Tax | 2,58,327 |
| Earnings Per Share in Rs. | 43.05 | Dividend Rate % | 200 |

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

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

