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**ANNUAL REPORT 2019-20**



**EMPIRE INDUSTRIES LIMITED**  
**CIN: L17120MH1900PLC000176**

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**BOARD OF DIRECTORS**

MR. S. C. MALHOTRA  
MR. RANJIT MALHOTRA  
MR. DILEEP MALHOTRA  
MRS. UMA RANJIT MALHOTRA  
*Resigned w.e.f. 31.07.2020*  
MR. KABIR MALHOTRA  
*Appointed w.e.f. 31.07.2020*  
MR. RAJBIR SINGH  
MR. C. P. SHAH  
MR. SUBODH CHANDRA  
MS. GEETANJALI R NAIDU  
*Appointed w.e.f. 03.03.2020*  
MR. B. C. GANDHI  
*Resigned w.e.f. 12.02.2020*

*Chairman*  
*Vice-Chairman & Managing Director*  
*Jt. Managing Director*  
*Woman Director*  
  
*Executive Director*  
  
*Independent Director*  
*Independent Director*  
*Independent Director*  
*Woman Independent Director*  
  
*Independent Director*

**REGISTERED OFFICE**

Empire Complex  
414 Senapati Bapat Marg  
Lower Parel  
Mumbai 400013.  
  
Tel: +91 22 6655 5453  
Fax: +91 22 2493 9143  
e-mail: [email@empiresecretarial.com](mailto:email@empiresecretarial.com)  
Website: [www.empiremumbai.com](http://www.empiremumbai.com)

**AUDIT COMMITTEE:**

MR. RAJBIR SINGH ... *Chairman*  
MR. C. P. SHAH  
MR. SUBODH CHANDRA

**PLANT**

**Vitrum Glass**  
**L.B.S. Marg**  
**Vikhroli Mumbai 400083**

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

MR. RAJBIR SINGH ... *Chairman*  
MR. C. P. SHAH  
MR. SUBODH CHANDRA

**NOMINATION & REMUNERATION COMMITTEE**

MR. RAJBIR SINGH .. *Chairman*  
MR. C. P. SHAH  
MR. SUBODH CHANDRA

**CSR COMMITTEE**

MR. KABIR MALHOTRA ... *Chairman*  
*Appointed w.e.f. 31.07.2020*  
MR. DILEEP MALHOTRA  
MR. RAJBIR SINGH  
MRS. UMA RANJIT MALHOTRA  
*Resigned w.e.f. 31.07.2020*

**RISK MANAGEMENT COMMITTEE**

MR. DILEEP MALHOTRA ... *Chairman*  
MR. RAJBIR SINGH  
MR. C. P. SHAH

**DIRECTOR FINANCE &  
COMPANY SECRETARY**

MR. SUHAS CHANDRA NANDA

**AUDITORS**

A.T. JAIN & CO.

**ADVOCATES & SOLICITORS**

DSK Legal

**BANKERS**

Indian Bank  
Bank of India  
Bank of Baroda  
Central Bank of India  
Kotak Mahindra Bank  
Citi Bank N.A.

**REGISTRARS & TRANSFER AGENTS**

M/s. Bigshare Services Pvt. Ltd.,  
1<sup>st</sup> Floor Bharat Tin Works Building, Opp. Vasant  
Oasis, Makwana Road, Marol, Andheri (E)  
Mumbai 400072.  
Tel: +91 22 62638200 / 62638222 / 62638223  
Fax: +91 62638299  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

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## NOTICE

The ONE HUNDRED AND NINETEENTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Monday, September 28, 2020 at 3.00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### **AGENDA**

#### **Ordinary Business:**

1. To adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2020, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2020.
3. To appoint a Director in place of Mr. Ranjit Malhotra, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To ratify appointment of M/s. A. T. Jain & Co. as Statutory Auditors:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the 116th Annual General Meeting appointing M/s. A. T. Jain & Co., Chartered Accountants (Firm Registration No.103886W) as Statutory Auditors of the Company to hold office until the conclusion of 121st Annual General Meeting of the Company, the Company hereby ratifies and confirms the appointment of M/s. A. T. Jain & Co., as Statutory Auditors of the Company for the financial year ending 31st March, 2021 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

#### **Special Business:**

5. Re-appointment of Mr. Subodh Chandra as an Independent Non-Executive Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. Subodh Chandra (DIN: 02076844), Independent

Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from the conclusion of 119<sup>th</sup> Annual General Meeting to the conclusion of 124th Annual General Meeting of the Company and whose office shall not be liable to retire by rotation".

"RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of The Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration payable during the financial year 2020-2021 to M/s. Vinay Mulay & Co, Cost Accountants (Registration No. M/8791), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-2021 amounting to Rs.1,00,000/- (Rupees One Lakh only) as also the payment of GST as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

**SUHAS CHANDRA NANDA**  
DIRECTOR FINANCE &  
COMPANY SECRETARY

#### **Registered Office:**

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

Place: Mumbai

Date: June 29, 2020.

## NOTES:

1. The information in respect of the business under item Nos. 5 & 6 set out above forms part of the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.
2. Pursuant to the General Circular numbers 14/2020, 17/2020, 20/2020 and 22/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 (“the Act”).
5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal / e-voting portal.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 28, 2020. Members seeking to inspect such documents can send an email to [investor\\_relations@empiremumbai.com](mailto:investor_relations@empiremumbai.com).
7. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participants(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends. Please refer point No.12 for the process to be followed for updating bank account mandate.
8. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (“e-voting”) facility provided by the Central Depository Services Limited (CDSL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Ms. Deepa Gupta, Practicing Company Secretary, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
9. The e-voting period commences on Friday, September 25, 2020 (9:00 a.m. IST) and ends on Sunday, September 27, 2020 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on September 21, 2020 may cast their votes electronically. The e-voting module will be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on September 21, 2020.
10. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
11. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at CDSL [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
12. We urge members to support our commitment to environmental protection by choosing to receive the Company’s communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company’s RTA, Bigshare Services Private Limited at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) to receive copies of the Annual Report 2019-20 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the Annual Report, user ID / password for e-voting and updation of bank account mandate for the receipt of dividend.

Type of Holder	Process to be followed	
	Registering Email Address	Updating bank account details
Physical	Send a request to the RTA of the Company, Bigshare Services Private Limited at 1st Floor Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E) Mumbai 400072. providing Folio No., Name of member, scanned copy of the	Send a request to the RTA of the Company, Bigshare Services Private Limited at 1st Floor Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E) Mumbai 400072. providing Folio No., Name of member, scanned copy of the share certificate (front and back), PAN

Physical	share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for registering email address.	<p>(self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for updating bank account details.</p> <p>The following additional details need to be provided in case of updating bank account details:</p> <ul style="list-style-type: none"> <li>Name and branch of the bank in which you wish to receive the dividend,</li> <li>the bank account type,</li> <li>Bank account number allotted by their banks after implementation of core banking solutions</li> <li>9 digit MICR Code Number</li> <li>11 digit IFSC</li> <li>a scanned copy of the cancelled cheque bearing the name of the first member.</li> </ul>
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

13. In compliance with the Circulars, the Annual Report 2019-20, the Notice of the 119th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
14. Members may also note that the Notice of the 119th AGM and the Annual Report 2019-20 will also be available on the Company's website, <http://empiremumbai.com/investor-information>, websites of the Stock Exchanges, i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
15. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
16. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the Bigshare Services Private Limited, in case the shares are held in physical form.

18. The Scrutinizer will submit her report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchange, and RTA and will also be displayed on the Company's website, [www.empiremumbai.com](http://www.empiremumbai.com).
19. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
20. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 read with Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend for the financial year 2011-2012 to the Investor Education and Protection Fund (IEPF) established by the Central Government. No dividend has been declared for the years ended 31.03.1991 to 31.03.2003.

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

S. No.	Year	Description	Date of Declaration	Last Date for claiming unpaid Dividend
1.	2003-04	Dividend @ 10%	21.09.2004	Transferred to IEPF
2.	2004-05	Dividend @ 20%	26.08.2005	Transferred to IEPF
3.	2005-06	Dividend @ 40%	25.08.2006	Transferred to IEPF
4.	2006-07	Dividend @ 60%	28.08.2007	Transferred to IEPF
5.	2007-08	Dividend @ 80%	27.08.2008	Transferred to IEPF
6.	2008-09	Dividend @ 100%	27.08.2009	Transferred to IEPF
7.	2009-10	Dividend @ 200%	27.08.2010	Transferred to IEPF
8.	2010-11	Dividend @ 220%	26.08.2011	Transferred to IEPF
9.	2011-12	Dividend @ 240%	28.08.2012	Transferred to IEPF
10.	2012-13	Dividend @ 240%	26.07.2013	25.07.2020
11.	2013-14	Dividend @ 240%	24.07.2014	23.07.2021
12.	2014-15	Dividend @ 240%	24.07.2015	23.07.2022
13.	2015-16	Interim Dividend @ 200%	08.03.2016	07.03.2023
14.	2015-16	Final Dividend @ 40%	30.07.2016	29.07.2023
15.	2016-17	Dividend @ 250%	27.07.2017	26.07.2024
16.	2017-18	Dividend @ 250%	26.07.2018	25.07.2025
17.	2018-19	Dividend @ 250%	26.07.2019	25.07.2026

21. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office. Members are requested to note that dividends that are not claimed



within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

22. As per provisions of Section 125(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified by the Ministry of Corporate Affairs effective from September 7, 2016, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) Suspense Account established by the Central Government. Accordingly, the Company has transferred shares to IEPF Authority. For claiming the shares and unclaimed dividends you have to apply to the Authority by submitting an online application in Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) along with fee specified by the authority.

### 23. CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without

restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.empiremumbai.com](http://www.empiremumbai.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

#### A. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Friday, September 25, 2020 (9:00 a.m. IST) and ends on Sunday, September 27, 2020 (5:00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.



- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	<ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</li> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**B. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID+ CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **two days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **two days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

#### **D. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### **(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investor\\_relations@empiremumbai.com](mailto:investor_relations@empiremumbai.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor,

Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

#### **ANNEXURE TO NOTICE**

As required by Section 102 of the Companies Act, 2013 the following Explanatory statement set out all material facts relating to the business mentioned under Item Nos. 5 & 6 of the accompanying Notice dated June 29, 2020.

#### **ITEM NO.5**

#### **Re-appointment of Mr. Subodh Chandra as an Independent Non-Executive Director.**

Mr. Subodh Chandra was appointed as an Independent Non-Executive Director of the Company by the members at the 114th AGM of the Company held on 26<sup>th</sup> August, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. Subodh, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. In the opinion of the Board, Mr. Subodh fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his reappointment as an Independent Non-Executive Director of the Company and is independent of the management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Subodh as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Subodh Chandra as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

Except Mr. Subodh Chandra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. Subodh Chandra is not related to any Director of the Company.

**ITEM NO.6**

**Appointment of M/s. Vinay Mulay & Co, Cost Accountants**

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

On recommendation of the Audit Committee at its meeting held on June 29, 2020 the Board has considered and approved appointment of M/s. Vinay Mulay & Co., Cost Accountants (Registration No. M/8791), for the conduct of the Cost Audit of the Company's Construction including development activities at a remuneration of Rs.1,00,000/- plus GST as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2021.

The resolution of Item No.6 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 6.

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

- i. None of the Promoters, Directors, Manager, Key Managerial Personnel of the Company, and/or their relatives is deemed to be concerned or interested in the proposed Resolutions except to the extent of their shareholding in the Company.
- ii. All the relevant documents in respect of accompanying notice for Resolution Nos. 5 & 6 are open for inspection at the Registered Office of the Company during normal business hours on any working day, excluding Sunday. You are requested to communicate your assent or dissent for the aforesaid resolution, in accordance with the instructions set out herein.

**Registered Office:**

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

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

S. C. NANDA  
DIRECTOR FINANCE &  
COMPANY SECRETARY

Place: Mumbai

Date: June 29, 2020.

**ANNEXURE TO NOTICE**

**PROFILE OF DIRECTORS**

***[Seeking Re-appointment]***

1. **Mr. Ranjit Malhotra** is an MBA from the University of Texas. He is the son of Mr. S. C. Malhotra, Chairman of the Company. Mr. Ranjit Malhotra joined Empire in April 10, 1981. He is on the Board of the Company as Whole-time Director designated as Vice-Chairman since October 1, 1998. He is instrumental in developing the property of the Company at Lower Parel and Vikhroli and giving the same on Leave & License basis to Multinational Companies and Banks.

Directorship in Other Companies:

- i. Randil Trading Company Private Limited
- ii. Empire Technical Services Private Limited

Membership / Chairmanship of Board Committees in other Companies: NIL

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

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

Directorship in Other Companies: NIL

Membership / Chairmanship of Board Committees in other Companies: NIL

## ADDENDUM TO THE NOTICE OF THE ONE HUNDRED AND NINETEENTH ANNUAL GENERAL MEETING

This is an Addendum to the Notice of One Hundred and Nineteenth Annual General Meeting (AGM) of the Company to be held on Monday, September 28, 2020 at 3.00 p.m. through VC/OAVC. By this Addendum, notice is also hereby given as required under Section 160 of the Companies Act, 2013 read with Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with regard to nomination received by the Company from a shareholder, for appointment of Mr. Kabir Ranjit Malhotra, as more fully described in the Explanatory Statement to this Addendum.

### 1. To add Item Number 7 in the Notice of One Hundred and Nineteenth AGM dated June 29, 2020, as below:

#### Item No.7

#### **Appointment of Mr. Kabir Ranjit Malhotra (DIN 07019714) as Whole-time Director and remuneration payable to him.**

To consider and if thought fit, to pass with or without modification(s) the following as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 and the rules framed thereunder (including statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other applicable regulations, Mr. Kabir Ranjit Malhotra (DIN 07019714), who is eligible to be appointed as Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

“RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to appoint Mr. Kabir Ranjit Malhotra (DIN: 07019714) as Whole-time Director designated as Executive Director, for a period of 5 (five) years with effect from October 1, 2020 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit.”

“RESOLVED FURTHER THAT the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

#### **Registered Office:**

414, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.  
Place: Mumbai  
Date: July 30, 2020.

By Order of the Board  
For EMPIRE INDUSTRIES LIMITED  
SUHAS CHANDRA NANDA  
DIRECTOR FINANCE &  
COMPANY SECRETARY

#### **NOTES:**

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of special business as proposed above to be transacted at the One Hundred and Nineteenth AGM is annexed hereto.
2. The relevant documents referred to in this Addendum to Notice of AGM will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 28, 2020. Members seeking to inspect such documents can send an email to [investor\\_relations@empiremumbai.com](mailto:investor_relations@empiremumbai.com).
3. This addendum to the Notice of AGM is available on the website of the Company at [www.empiremumbai.com](http://www.empiremumbai.com).
4. Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief resume /details of the person as mentioned under item number 7 are annexed hereto.
5. All the processes, notes and instructions relating to e-voting set out for and applicable for the ensuing One Hundred and Nineteenth AGM shall mutatis-mutandis apply to the e-voting for the resolutions proposed in this Addendum to the Notice of AGM.

#### **ANNEXURE TO ADDENDUM TO NOTICE OF AGM DATED 29.06.2020**

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

#### **Appointment of Mr. Kabir Ranjit Malhotra - Whole-time Director, and remuneration payable to him**

The Board of Directors of the Company (“the Board”) at its meeting held on July 30, 2020 appointed Mr. Kabir Ranjit Malhotra (DIN: 07019714) as an Additional Director. Thereafter he has been appointed as Whole-time Director, designated as Executive Director, subject to approval of members, for a period of 5 (five) years from October 1, 2020, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board. It is proposed to seek members’ approval for the appointment of and remuneration payable



to Mr. Kabir Ranjit Malhotra as Whole-time Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Act. Broad particulars of the terms of appointment of and remuneration payable to Mr. Kabir Ranjit Malhotra are as under:

I Period of Appointment: October 1, 2020 to September 30, 2025.

II **Remuneration**

(A) **Fixed Compensation**

Fixed Compensation shall include Basic Salary, Company's Contribution to Provident Fund, and Gratuity. The Basic Salary shall be in the range of Rs.5,55,850/- to Rs.7,00,000/- per month, payable monthly. The annual increment shall be 10% of the basic salary subject to availability of profit as computed under section 198 of the Companies Act, 2013. The Company's contribution to Gratuity shall be according to the rules of the Company, in force from time-to-time.

(B) **Performance-Linked Variable Remuneration (PLVR)**

PLVR shall be according to the applicable scheme of the Company for each of the financial year or as may be decided by the Board of Directors.

(C) **Flexible Compensation**

In addition to the fixed compensation and PLVR, the Executive Director will be entitled to the following allowances, perquisites, benefits, facilities, and amenities as per the rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called 'perquisites and allowances'). These perquisites and allowances may be granted to the Executive Director in such form and manner as the Board may decide.

- Furnished residential accommodation (including maintenance of such accommodation, provision of or reimbursement of expenditure incurred on gas, water, power, and furnishing) or house rent allowance in lieu thereof as per the rules of the Company.
- Payment/reimbursement of medical/hospitalisation expenses for the Executive Director and his family, hospitalisation, and accident insurance for self and family in accordance with the rules of the Company.
- Leave Travel Assistance for the Executive Director and his family in accordance with the rules of the Company;
- Payment/reimbursement of club fees.

- Consolidated privilege leave on full pay and allowance, not exceeding 30 days in a financial year. Encashment/ accumulation of leave will be permissible in accordance with the Rules specified by the Company.
- Sick leave as per the rules of the Company.
- Provision of Company maintained car(s) with driver(s) for official use.
- Provision of free telephone facilities or reimbursement of telephone expenses at residence including payment of local calls and long distance official calls.
- Reimbursement of all expenses including travelling and entertainment expenses incurred by him in the course of business of the Company.
- Such other perquisites and allowances as per the policy/rules of the Company in force and/ or as may be approved by the Board from time to time.

**Explanation**

- i. For Leave Travel Assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse and dependent children of Mr. Kabir Ranjit Malhotra.
- ii. Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

III. **Overall Remuneration**

The aggregate of salary and perquisites as specified above or paid additionally, in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion may pay to the Executive Director from time-to-time shall not exceed the limits prescribed from time-to-time under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may for the time being, be in force.

IV. **Minimum Remuneration**

Notwithstanding the foregoing, if in any Financial Year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule V to the Companies Act, 2013.

**Note:**

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Kabir Ranjit Malhotra under Section 190 of the Act.

Details of Mr. Kabir Ranjit Malhotra are provided in "Annexure" to the Addendum to Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Kabir Ranjit Malhotra is interested in the resolution set out at Item No. 7 of the Addendum to Notice. The relatives of Mr. Kabir Ranjit Malhotra may be deemed to be interested in the resolution set out at Item No. 7 of the Addendum to Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the above- mentioned resolution.

The Board recommends the Ordinary Resolution.

**Registered Office:**

414, Senapati Bapat  
Marg,  
Lower Parel,  
Mumbai – 400 013.  
Place: Mumbai  
Date: July 30, 2020

By Order of the Board  
For EMPIRE INDUSTRIES  
LIMITED  
S. C. NANDA  
DIRECTOR FINANCE &  
COMPANY SECRETARY

**ANNEXURE TO ADDENDUM TO NOTICE OF AGM  
DATED 29.06.2020**

**PROFILE OF DIRECTOR**

[Seeking Appointment]

Mr. Kabir Ranjit Malhotra is aged 34 years. He has been working with the Company for almost 14 years and has gathered rich business experience.

He is a postgraduate in Management. Since the last four years, Mr. Kabir Malhotra has been working as General Manager-Business Development of the Company.

His educational qualifications are as follows:

- a) Bachelor of Management Studies (BMS) - 2007- H.R College of Commerce & Economics, University of Mumbai.
- b) Master of Commerce (M.Com) - 2009- H.R College of College of Commerce & Economics, University of Mumbai.
- c) Master of Business Administration (MBA) – 2012 - Royal Dock's Business School, University of East London.

He is the son of Mrs. & Mr. Ranjit Malhotra, grandson of Mr. S C Malhotra, Chairman of the Company, and related to Mr. Dileep Malhotra, Joint Managing Director of the Company.

Directorship in other Companies: (1) Randil Trading Company Pvt. Ltd.

Membership / Whole-time Directorship of Board Committees in other Companies: Nil

Number of shares held in Empire Industries Limited: 195874 (3.26%)

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2020.

### 1. FINANCIAL RESULTS:

Particulars	Year ended 31.03.2020 ₹ in Lakh	Year ended 31.03.2019 ₹ in Lakh
<b>Income:</b>		
Revenue from Operations	57475.87	52621.73
Other Income	1855.42	3260.62
<b>Total Revenue</b>	<b>59331.29</b>	<b>55882.35</b>
<b>Expenditure</b>		
Cost of Materials Consumed	18201.13	13962.12
Cost of Project	1316.40	2112.06
Purchase of Stock-in-Trade	12918.14	11042.14
Changes in Inventories of Finished goods and Stock-in-Trade	-3913.78	-2122.34
Employee Benefit Expenses	10454.09	9171.81
Finance Costs	3158.46	1967.83
Depreciation and Amortization Expenses	1498.44	1067.43
Other Expenses	11046.58	12573.11
<b>Total Expenses</b>	<b>54679.46</b>	<b>49774.16</b>
<b>Profit/(Loss) before exceptional and tax</b>	<b>4651.83</b>	6108.19
Exceptional items	628.44	--
<b>Profit / (Loss) before tax</b>	<b>4023.39</b>	6108.19
<b>Tax Expenses</b>		
(1) Current Tax	476.72	1250.00
(2) Deferred Tax	129.04	474.69
<b>Profit after tax</b>	<b>3417.63</b>	4383.50
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss	-10.67	-49.64
<b>Total comprehensive income for the period</b>	<b>3406.96</b>	4333.86
<b>Appropriated as under:</b>		
Proposed Dividend	1500.00	1500.00
Tax on Dividend	305.36	305.36
General Reserve	1601.60	2528.50
<b>Total amount appropriated</b>	<b>3406.96</b>	<b>4333.86</b>
<b>Earnings per equity share (for discontinued &amp; continuing operations).</b>		
a) Basic	56.96	73.05
b) Diluted	56.96	73.05

### 2. DIVIDEND:

Your Directors are pleased to recommend the Interim Dividend of ₹ 25/- per equity share of face value of ₹ 10/- each for the year ended 31st March, 2020 declared by the Board Directors on March 3, 2020 and paid on March 21, 2020 to the Members whose names appeared in the Register of Members, as on the record date, March 14, 2020 as Final Dividend for the year ended March 31, 2020. The total dividend for the financial year will absorb ₹1500 Lakh (Previous Year ₹ 1500 Lakh). The tax on distributed profits, payable by the Company would amount to ₹ 305.36 Lakh as against ₹ 305.36 Lakh for the previous financial year.

### 3. OPERATIONS:

The Division-wise details are given below:

#### i. VITRUM GLASS

Vitrum Glass is an acknowledged leader in the manufacture and marketing of high quality amber glass bottles for the Pharmaceutical industry - both for India and abroad.

The division's fully automated plant produces more than one million glass bottles a day with sizes from 5 ml to 500 ml.

Vitrum boasts of a clientele comprising of the best multinational pharmaceutical companies in India such as GlaxoSmithKline Pharmaceuticals Ltd., Pfizer Limited, Merck Limited, Wardex Pharmaceuticals and Cipla Limited, among others.

During the year, it has rebuilt its furnace and increased the capacity by 20%, adding 2 new 10 section electronic machines replacing the old 8 section mechanical machines. It has also upgraded its facilities to further cater to the international market.

The division is expected to perform well in the current financial year.

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

The MCAT division provides engineering and consultancy services to many state of the art machine tool companies in metal cutting in the world such as Waldrich Coburg (Germany), WFL (Austria) and Goratu (Spain) among others. It serves many sectors such as Defence, Automobile, Aerospace, Heavy Engineering, Railways, Energy and Power, Steel, Tool rooms and Fabricators.

During the year under review, the order in-flow has been good. The main focus of the division this year will be on Aerospace, Railways, Defense, MSME, Export of Services and technical support of overseas manufacturers.

In view of slow market condition, the Company has decided to merge the operation of Empire Machine Tools (MFTM) division to MCAT division. We believe this will enhance the efficiency of operations.

Due to COVID 19 situation the forthcoming year's performance appears uncertain.

#### iii. EMPIRE INDUSTRIAL EQUIPMENT

Empire industrial Equipment is in the business of sourcing capital equipment and undertaking related turnkey jobs for infrastructure sector like oil and gas, steel and metallurgy, ports and shipyards and Construction and mining.



These services include local supply chain management, inland transportation, site management including civil foundation, electrical cabling and erection & commissioning.

During the year under review, the division did reasonably well, despite a little slowdown in the Steel & Metallurgy and refinery sectors. Due to COVID 19 the future seems uncertain.

**iv. EMPIRE VENDING (GRABBIT<sup>+</sup>)**

Grabbit<sup>+</sup> is a market leader in providing premium vending services. It offers a wide range of vending products, snacks, beverages, perishables and sanitary care, IT Accessories and PPE's.

Through a combination of technologically advanced superior machines, and complete operational support (including seamless service delivery & prompt resolution of issues raised) - the customer is ensured the best value amongst all competitors in the market. Grabbit<sup>+</sup> serves over 1 million end users across the country.

Grabbit<sup>+</sup>'s proficiency is derived from years of experience in this industry. We were the first ever organized, automated vending service provider in the country.

**v. EMPIRE FOODS**

The Empire foods division imports various types of frozen foods from all over the world, and sells to leading hotels, restaurants, and caterers in the country. The Division also processes Prawns and Shrimps in Andhra Pradesh for exports to various countries across the Globe.

Empire Foods is the market leader of seafood imports and distribution in India. It is very well known in the hospitality sector across the country with its own offices and distribution network spreading from J&K in the North to Kerala in the South and Assam in the East, to Gujarat in the west.

During the year, "Insights" Success Magazine has recognized Empire foods as the "Most Promising Sea Food Company to watch in 2020".

The division did very well in the year under review. It increased its exports significantly in terms of volume, markets and variety of products.

The current year has started with a challenge in the hospitality sector due to COVID-19 with Hotels/ Restaurants closed in the first quarter. Despite these testing times, export orders for shrimp remain strong and the division continues to perform well.

The division is growing rapidly and expects further growth in exports this year.

**vi. EMPIRE REAL ESTATE**

This division manages Empire Industries Ltd's owned properties comprising 10 lakh Sq. Ft of Commercial and IT space. It boasts of an excellent clientele such as,

HDFC Bank, Zee Entertainment, ICICI Bank, CNBC TV 18, WPP and others.

Its IT Park at Vikhroli, Mumbai, consists of 2 buildings - Empire Plaza 1 and Empire Plaza 2. Both buildings are 100% occupied. Its Commercial space at Empire Complex located in Lower Parel, Mumbai, is currently 80% occupied.

**Empire Industrial Centrum**

The Empire Industrial Centrum is being developed on a 35-Acre property in Ambernath. The project started in the year 2014 -2015 after obtaining all the necessary Government Approvals.

The division has registered its project with RERA for 'Phase-1-4'. Phase-1 -This comprises of 3 residential and 2 Industrial buildings. Occupation Certificates have been received from MIDC for all the 5 buildings. Due possession has also been handed over. Phase-2 - comprises of 1 residential building. Phase-3 - comprises of 2 residential buildings. Phase-4 - comprises of 1 Industrial building.

The division's delivery demonstrates that it can operate on a large scale and keep pace with its accelerating sales.

This year, the division received 2 awards from CNN News18 Real Estate & Business Excellence Awards. i.e. The "The Iconic Project of the Year" and "Quality in Real Estate Awards". Additionally, - it received the "Corporate of the Year Award" from SME Excellence Awards.

**The Empire Business Centre (TEBC)**

Empire Business Centres offer fully furnished and built to suit serviced office spaces at Empire Complex, Lower Parel, The Fulcrum building in Andheri East, and the Empire Tower at Reliable Tech Park, Airoli. Airoli was a newly added center during the year under review.

The Empire Business Centres (TEBC) are known for their high level of customer satisfaction, loyalty and well appointed contemporary office interiors. They have had and continue to enjoy the patronage of multinationals, SMEs and growing organizations including self-employed professionals.

The products on offer include office space, virtual offices, meeting rooms and lounge/ co-working spaces.

TEBC has seen high level of client renewals and repeat clients. The centres command the best prices in their market segments.

**4. CAPITAL EXPENDITURE**

The major Capital Expenditure is on account of Plant & Machinery (₹ 5595.87 Lakh), Furnace (₹ 2339.00 Lakh), Capital Work-in-Progress (₹ 869.60 Lakh), Building (₹543.55 Lakh), Vehicles (₹ 204.09 Lakh), Office Equipment (₹139.47 Lakh), Furniture & fixtures (₹ 43.61 Lakh) and Software (₹3.01 Lakh).

**5. EXTRACT OF THE ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed to this report. The Annual Return of the Company has been placed on the website of the Company and can be accessed at <http://www.empiremumbai.com/AnnualReport.zip>.

**6. NUMBER OF MEETINGS OF THE BOARD**

During the year Four Board Meetings and Four Audit Committee Meetings were convened and held. The details of these are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**7. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the directors had prepared the annual accounts on a going concern basis.
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.  
"Internal Financial Controls" means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including the adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- (f) the directors had devised proper systems to ensure compliances with the provisions of the applicable laws and that such systems were adequate and operating effectively.

**8. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

**9. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 relating to the remuneration for the Directors, key managerial personnel, and other employees. As required by the rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the prescribed details are annexed to this report.

**10. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK**

There is no qualification, reservation or adverse remark or disclaimer made –

- (i) by the auditor in his report; and
- (ii) by the Company Secretary in practice in her secretarial audit report.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT**

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

**12. CORPORATE GOVERNANCE**

As per Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the Stock Exchange, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

**13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons who may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. The report of the Board in respect of the particulars of contracts or arrangements with related parties referred to sub-section (1) of section 188 in Form AOC-2 is annexed to this report.

#### **14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, relating to the foregoing matters is given in the Annexure forming part of this report.

#### **15. REPORT ON RISK MANAGEMENT POLICY**

The Risk Management Committee with its members as Mr. Dileep Malhotra, Mr. Rajbir Singh and Mr. C. P. Shah performs its activities according to the Risk Policy finalized by the Board indicating the development and implementation of Risk Management.

#### **16. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES**

The Company has developed and implemented the CSR policy to carry out activities in health and education and also formed KARO Trust which has been registered on 12.03.2015 with Charity Commissioner, Mumbai for this purpose. The policy is put up on Company's website. CSR report as per the provision of section 135 of the Companies Act, 2013 is annexed to this report.

#### **17. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and compliance committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **18. BUSINESS RESPONSIBILITY REPORT**

The 'Business Responsibility Report' (BRR) of your Company for the year 2019-20 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **19. TRANSFER OF SHARES/UNPAID / UNCLAIMED AMOUNTS TO IEPF**

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

As per provisions of Section 125(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified by the Ministry of Corporate Affairs effective from September 7, 2016, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more

in the name of Investor Education and Protection Fund (IEPF) Suspense Account established by the Central Government. Accordingly, the Company has transferred shares to IEPF Authority.

#### **20. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

#### **21. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, the Company has constituted Internal Committees (IC). While maintaining the highest governance norms, the Company has appointed external independent persons, who have done work in this area and have requisite experience in handling such matters. During the year, no complaint with allegations of sexual harassment was received by the Company. In order to build awareness in this area, the Company has been conducting programmes in the organisation on a continuous basis.

#### **22. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report marked as Annexure D.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and Any Member interested in obtaining a copy of the same may write to the Company Secretary.

#### **23. SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Deepa Gupta, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed to this report.

#### **24. DIRECTORS**

Mr. Bipinchandra Chimanlal Gandhi (DIN: 00780094), non-executive Independent Director of the Company has resigned from the Board on 12<sup>th</sup> February, 2020 due to his ill health. The Company places on record its gratitude and high appreciation for the services rendered by Mr. Gandhi to the Company during the 10 years of his Directorship.

In accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company, Mr. Ranjit Malhotra, having Director Identification Number 00026933, retire by rotation at this Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Subodh Chandra (DIN: 02076844), Independent Non-Executive Director of the Company, whose term expires at this Annual General Meeting, has given his consent for re-appointment as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from the conclusion of 119<sup>th</sup> Annual General Meeting to the conclusion of 124<sup>th</sup> Annual General Meeting of the Company.

Mrs. Geetanjali Ram Naidu (DIN: 08713727), was appointed by the Board of Directors on March 3, 2020 and approved by the Members by Evoting / Postal Ballots, results of which declared on April 6, 2020 an Independent Non-Executive Director of the Company, for a term of five consecutive years with effect from March 3, 2020 to the conclusion of 124<sup>th</sup> Annual General Meeting of the Company.

## **25. SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES**

There are no companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year.

## **26. DETAILS RELATING TO FIXED DEPOSITS**

The details relating to deposits covered under Chapter V of the Act –

- (a) Accepted during the year: ₹ 3735.10 Lakh.
- (b) Remained unpaid or unclaimed as at the end of the year: ₹ 91.02 Lakh.
- (c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-
  - (i) At the beginning of the year: Nil
  - (ii) Maximum during the year: Nil
  - (iii) At the end of the year: Nil

Deposits received from Directors amounting to ₹1970.00 Lakhs, which are exempted borrowings and not covered under sections 73 to 76 of the Companies Act, 2013 as amended from time to time.

## **27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## **28. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL CONTROLS**

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

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

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

## **29. 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.

## **30. AUDITORS**

M/s. A. T. Jain & Co., Chartered Accountants (Firm Registration No.103886W) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 27<sup>th</sup> July, 2017 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

## **31. COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Construction activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Vinay Mulay & Co. to audit the cost accounts of the Company for the financial year 2020-2021 on a remuneration of ₹1,00,000/-As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. Vinay Mulay & Co., Cost Auditors is included at Item No. 6 of the Notice convening the Annual General Meeting.

Place: Mumbai Date: June 29, 2020	On Behalf of the Board of Directors <b>S. C. MALHOTRA</b> Chairman
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## ANNEXURE TO DIRECTORS' REPORT

As per Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the Stock Exchange:

### A. RELATED PARTY DISCLOSURE:

The report of the Board in respect of the particulars of contracts or arrangements with related parties under sub-section (1) of section 188 in Form AOC-2 is annexed to this report.

### B. MANAGEMENT DISCUSSION AND ANALYSIS

#### 1 (a) Industry Structure & Development

The Vitrum Glass Division is manufacturing Amber Glass Bottles of international quality and standard for the Pharmaceutical Industry by using its production capacity fully. The division carries out R&D activities regularly in various manufacturing operations with the objective of improving quality, reducing energy consumption and improving the overall efficiency /productivity. The Division has developed 15 new products and produced those products successfully.

#### (b) Opportunities & Threats

The Company has developed Industrial Properties at its Lower Parel and Vikhroli premises and has offered the same to various Multinational Companies and Banks for office use on Leave and License basis. The demand from the Pharmaceutical Industry for Glass Containers manufactured by Vitrum Glass Division is sufficient and hence the Company does not foresee any risks for the product in near future. The revenue of the Divisions involved in agency businesses for marketing the products manufactured by foreign principals are dependent on the Government Policies declared from time to time. Oil and Gas Sector continues to be major contributor with good contributions from fire and safety sector as well as from steel and metallurgical sector. In the business of Frozen & Chilled Foods, the Company imports various frozen foods from around the globe and sells to HORACA (Hotels, Restaurants and Caterers). The division is now focusing on trading indigenously developed food products. The Company is getting good response / support in the areas of providing office space on Leave & License basis, developing the property at Ambarnath and providing flexible and customizable work space solutions.

#### (c) Segment-wise or product-wise performance

The Company is engaged in the following activities:

- (1) Manufacture of Amber Glass Bottles for the Pharmaceutical Industry.
- (2) Representing number of foreign manufacturers of Precision Machine Tools, Measuring Instruments, Testing Machines, designing and marketing of Industrial Equipment.
- (3) Imports Frozen & Chilled Foods from around the Globe and distribute it to leading chains of Five / Four

Star Hotels and leading Restaurants.

- (4) Provides office space on Leave & License basis to multinational companies and banks.
- (5) Developing residential, commercial and industrial galas on the land admeasuring to 35 Acres at Ambarnath with the consent of MIDC.
- (6) Provides flexible and customizable work space solutions to clients to run their business without increasing massive start-up costs and over-head expenses.

The performance of all these Divisions is reviewed in the Directors' Report.

#### (d) Outlook

The economic impact of COVID-19, a coronavirus pandemic has had wide ranging and severe impacts upon financial markets as well as on manufacturing industries. The ongoing lockdown has put a lot of strain on the manufacturing and service industries in India. This lockdown has adversely affected our bottle making activities and also business support services, consultancy and commission services. In view of the above, we expect 10 % to 15 % reduction in the financials of the company.

Overall outlook for the Company's various activities is satisfactory. The Division-wise outlook and details are given in the Directors' Report.

#### (e) Risks and concerns

The Company is investing its funds only for the purposes of normal business activities and there are no financial risks except normal business risks which are managed by the prudent business and risk management practices. The Company is regularly taking adequate insurance policies for covering the risks to Company's properties.

#### (f) Internal control systems and their adequacy

Mr. R. C. Shah, Vice President is the Internal Auditor who is carrying out the internal audit functions of the Company. He regularly carries out the internal audit and review of internal control mechanisms prevailing in all the Divisions of the Company and submits the report to the management from time to time. Immediate corrective actions are taken on the recommendations of such reports. Division's operational performances are reviewed periodically by the senior management and necessary policy decisions are taken from time to time.

#### (g) Discussion on financial performance with respect to operational performance

The General Manager-Accounts daily circulates drawing power statements to the management. The said statement discloses division-wise daily transactions of cash inflows / outflows, Loans / Advances, receivables positions etc. and required actions are taken immediately to bring the financial position in order so that no inconvenience is caused to any Division in carrying out its business activities smoothly.

**(h) Material developments in Human Resources / Industrial Relations front, including number or people employed.**

During the year under review, cordial relationships were maintained between the management and the employees. The Directors place on record their appreciation for the support and contribution from all employees of the Company. The total numbers of people employed in the Company are shown in the Annexure to the Directors' Report.

**2. Disclosure of Accounting Treatment:**

Financial statements are prepared in accordance with the applicable Accounting Standards specified in terms of Sections 129 and 133 of the Companies Act, 2013 along with generally accepted accounting principles in India under the historical cost conversion on accrual basis. All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule-III of the Companies Act, 2013. There are no significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

**C. CORPORATE GOVERNANCE REPORT:**

**1. Company's philosophy on code of Governance**

In our view, Corporate Governance comprises of principles, processes and systems to be followed by the management to ensure accountability, transparency and fairness in all its transactions in the widest sense and to maximize value for shareholders. A good governance process, thus, should provide integrity, transparency and compliance with laws in letter and spirit in all dealings with Government, Customers, Suppliers, Employees and other stakeholders. All Directors and Employees are bound by Code of Conduct and the associated standards of conduct that sets out the fundamental standards to be followed in all actions carried out on behalf of the Company.

**2. Board of Directors**

- a. As at March 31, 2020 the composition and the category of the Directors is as under:

Category	Name of Directors
Promoter/ Executive Directors	Mr. Satish Chandra Malhotra, <i>Chairman</i> Mr. Ranjit Malhotra, <i>Vice Chairman</i> Mr. Dileep Malhotra, <i>Joint Managing Director</i> Mrs. Uma Ranjit Malhotra
Independent Directors	Mr. Rajbir Singh Mr. Chandrakant Poonamchand Shah Mr. Subodh Chandra Mrs. Geetanjali Ram Naidu - <i>Appointed w.e.f. 03.03.2020</i> Mr. Bipinchandra Chimanlal Gandhi - <i>resigned w.e.f. 12.02.2020</i>

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

- 1) Mr. S. C. Malhotra is the Chairman of the Company since 3<sup>rd</sup> December, 1963. Before taking over Empire he was with Kohinoor Mills Division of Killick Industries Limited for six years as Chief Executive. He has substantially contributed to the growth of Empire. He has 68 years of experience and handles several corporate responsibilities.

He is the Promoter of the Company and holds 95,582 shares of the Company in his name as on March 31, 2020.

- 2) Mr. Ranjit Malhotra is an MBA from the University of Texas. He is the son of Mr. S. C. Malhotra, Chairman of the Company. Mr. Ranjit Malhotra joined Empire in April 10, 1981. He is on the Board of the Company as Whole-time Director designated as Vice-Chairman since October 1, 1998. He is instrumental in developing the property of the Company at Lower Parel and Vikhroli and giving the same on Leave & License basis to Multinational Companies and Banks. He is a Director of Randil Trading Co. Pvt. Ltd and Empire Technical Services Pvt. Ltd.

He is the Promoter of the Company and holds 9,68,403 shares of the Company in his name as on March 31, 2020.

- 3) Mr. Dileep Malhotra is an MBA from Le High University, USA. He is the son of Mr. S. C. Malhotra, Chairman of the Company. Mr. Dileep Malhotra joined Empire in November 28, 1991. He is on the Board of the Company as Whole-time Director designated as Joint Managing Director since October 1, 1999. He has substantially contributed for the development of the Agency business of the Company. He is a Director of Randil Trading Co. Pvt. Ltd and Empire Technical Services Pvt. Ltd. He is also the Chairman of the Risk Management Committee of the Company.

He is the Promoter of the Company and holds 14,75,975 shares of the Company in his name as on March 31, 2020.

- 4) Mrs. Uma Ranjit Malhotra is a Director of the Company since May, 29, 2014. Mrs. Uma Malhotra graduated from St. Xavier's College, Mumbai. She is the daughter of Mr. Keshub Mahindra, Chairman Emeritus of the Mahindra Group of Companies. She is married to Mr. Ranjit Malhotra, Vice Chairman and Managing Director of Empire Industries since April 10, 1981. She owns and runs a School for underprivileged children. She is a Director of Randil Trading Company Private Limited. She is also the Chairperson of the CSR Committee of the Company. Mrs. Uma Ranjit Malhotra holds 1,25,222 shares of the Company in her name as on March 31, 2020.

- 5) Mr. Rajbir Singh is a Director of the Company since June 28, 2007. He has wide contacts with the key personnel in financial institutions and banks. He has vast experience in arranging funds for financing projects. He is a successful financial consultant having more than 29 years' experience and well known in the field. He is a Director of Kelly Handerson Private Limited. He is a partner in Anandini Solutions LLP.

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

Mr. Singh holds 15 shares of the Company in his name as on March 31, 2020.

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

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

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

Mr. Shah holds 2050 shares of the Company in his name as on March 31, 2020.

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

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

Mr. Subodh Chandra holds 15 shares of the Company in his name as on March 31, 2020.

- 8) **Ms. Geetanjali Ram Naidu**, aged 50 years, has Bachelor degree in Science from D. G. Ruparel College Arts, Science and Commerce, Mumbai, Bachelor of Law from Government Law College, Mumbai and Master's in Human Resources Development And Research from Prin. L. N. Welingkar Institute of Management and Research. Geetanjali Naidu is an Immigration Lawyer and High Court Advocate practicing in Mumbai, India. She is the Founder of GN LEGAL ADVISOR, a Mumbai-based Immigration Law Firm. Ms. Naidu helps her clients through all stages of EBS Immigrant Investor Program (USA- Green Card), Ireland PR, Canada PR, European PR and Citizenship (Cyprus, Malta, Portugal, Spain, Greece) along with Saint Kitts & Nevis, Commonwealth of Dominica, Grenada, and Saint Lucia. Ms. Naidu's legal services include counseling for the Investor and their family members, analysis of all documents related to EBS and other countries. She specializes in preparing Source of Funds report for EBS clients, tax planning along with Chartered Accounts or CPA, checking the company related documents. She provides an efficient combination of advocacy and advisory role to her clients, has traveled widely and seen the most conceivable immigration issues faced by her clients. She has helped her clients decide which country to settle in and has been instrumental in shaping the lives of many, making their dreams come true. Ms. Naidu is very well respected throughout the immigration law community in India, U.S. and Europe. She is the admitted to the Bar Association of Maharashtra & Goa and

has been awarded the "Certificate of Practice" from All India Bar Association.

Mrs. Geetanjali Ram Naidu is not holding any shares of the Company in her name as on March 31, 2020.

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

Name of the Director	Attendance Particulars	
	Board Meetings	Last AGM
S.C. Malhotra	4	Present
Ranjit Malhotra	4	Present
Dileep Malhotra	3	Present
Rajbir Singh	3	Absent
Chandrakant P Shah	3	Present
Subodh Chandra	2	Absent
Uma Ranjit Malhotra	3	Absent
Bipinchandra Chimanlal Gandhi*	3	Present
Geetanjali Ram Naidu #	0	--
*Resigned w.e.f. 12.02.2020	#Appointed w.e.f. 03.03.2020	

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

Name of the Director	Other Director-ship	Committee Member-ship	Committee Chairmanship
S.C. Malhotra	--	--	--
Ranjit Malhotra	2	--	--
Dileep Malhotra	2	1	1
Rajbir Singh	1	2	3
Chandrakant P Shah	2	3	-
Subodh Chandra	-	3	-
Uma Ranjit Malhotra	1	-	1
Bipinchandra Chimanlal Gandhi*	-	-	-
Geetanjali Ram Naidu #	-	-	-
*Resigned w.e.f. 12.02.2020		#Appointed w.e.f. 03.03.2020	

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

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

- (1) 24.05.2019 (2) 26.07.2019 (3) 12.11.2019  
(4) 14.02.2020



### 3. Audit Committee

- (a) The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Section 177 of the Companies Act, 2013 and Clause 18 of the Listing Obligations & Disclosures Regulations, 2015 with Stock Exchange are as follows:
- A. The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, *inter alia*, include,—
- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
  - (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - (a) Matters required to be included in the Director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - (b) Changes, if any, in accounting policies and practices and reasons for the same;
    - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
    - (d) Significant adjustments made in the financial statements arising out of audit findings;
    - (e) Compliance with listing and other legal requirements relating to financial statements;
    - (f) Disclosure of any related party transactions;
    - (g) Modified opinion(s) in the draft audit report;
  - (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
  - (9) Scrutiny of inter-corporate loans and investments;
  - (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (11) Evaluation of internal financial controls and risk management systems;
  - (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (14) Discussion with internal auditors of any significant findings and follow up there on;
  - (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - (18) To review the functioning of the whistle blower mechanism.
  - (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
  - (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- B. The audit committee shall mandatorily review the following information:
- (1) Management discussion and analysis of financial condition and results of operations;
  - (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (4) Internal audit reports relating to internal control weaknesses; and
  - (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - (6) Statement of deviations:
    - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

- b. The Audit Committee comprises of three Independent/Non-Executive Directors as per details mentioned hereunder:

Sr. No.	Name of the Member
1.	Mr. Rajbir Singh - <i>Chairperson</i>
2.	Mr. Chandrakant Poonamchand Shah
3.	Mr. Subodh Chandra

Mr. Suhas Chandra Nanda, the Director Finance & Company Secretary acts as the Secretary of the Committee.

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

Sr. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Rajbir Singh	4
2.	Mr. Chandrakant Poonamchand Shah	3
3.	Mr. Subodh Chandra	2

#### 4. Nomination and Remuneration Committee

- (a) The terms of reference of this Committee cover the matters specified for Nomination and Remuneration Committee in the Companies Act, 2013 and Clause 19 of Listing Obligation and Disclosure Regulations, 2015 are as follows:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- b. The Nomination and Remuneration Committee comprising of three independent Non-Executive Directors, viz., Mr. Rajbir Singh, Chairperson; Mr. Chandrakant Poonamchand Shah and Mr. Subodh Chandra. The Nomination and Remuneration Committee reviews the remuneration package of Executive Directors and Senior Executives of the Company.

- c. Attendance during the year: All members attended the Meeting held on 24th May, 2019.

- d. Circular Resolution: All the members approved the Circular Resolution passed on March 3, 2020.

#### 5. Remuneration of Directors:

Remuneration policy:

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

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

Details of remuneration to Directors for the year:

The aggregate value of salary and perquisites paid for the financial year 2019-2020 to the Executive Directors is as follows:

₹ in Lakh

Name	Salary	Perquisites	Total
Mr. S. C. Malhotra	62.50	32.52	95.02
Mr. Ranjit Malhotra	63.00	48.30	111.30
Mr. Dileep Malhotra	57.00	30.56	87.56
<b>Total</b>	<b>182.50</b>	<b>111.38</b>	<b>293.88</b>

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

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

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

No commission has been paid to any Non-Executive Director for the year ended March 31, 2020.

Shares held by Non-Executive Directors:

S.No	Name of Directors	Shares held
1.	Mr. Rajbir Singh	15
2.	Mr. C. P. Shah	2050
3.	Mr. Subodh Chandra	15
4.	Mrs. Uma Ranjit Malhotra	125222
5.	Mr. B. C. Gandhi	15
6.	Mrs. Geetanjali R Naidu	--

#### 6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of three Independent/Non-Executive Directors as per details mentioned hereunder:

Sr. No.	Name of the Member
1.	Mr. Chandrakant Poonamchand Shah
2.	Mr. Rajbir Singh
3.	Mr. Subodh Chandra

- (i) Name of non-executive director heading the Committee: Mr. Rajbir Singh
- (ii) Name and Designation of compliance officer: Mr. Suhas Chandra Nanda, Director-Finance & Company Secretary.
- (iii) Number of shareholders' complaints received so far: 4 (Four)
- (iv) Number of complaints resolved to the satisfaction of shareholders: 4 (Four)
- (v) Number of pending complaints: Nil

## 7. General Body Meetings

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

Year	Location	Date	Time
2016-2017	Hall of Culture, Ground Floor Nehru Centre, Worli, Mumbai 400018.	27.07.2017	3.00 P.M
2017-2018	Same as above	26.07.2018	3.00 P.M
2018-2019	Same as above	26.07.2019	3.00 P.M

- (b) Whether any special resolutions passed in the previous AGM: Yes.
- (c) Whether any special resolution passed last year through postal ballot: Yes.
- (d) Person who conducted the postal ballot exercise: Ms. Deepa Gupta.
- (d) Whether any special resolution is proposed to be conducted through postal ballot: No
- (e) Procedure for postal ballot: N.A.

## 8. Means of communication

- (a) Quarterly results: Advertisement in 'Free Press Journal' and 'Navshakti' within 48 hours of Board Meeting.
- (b) Newspapers wherein results normally published: Free Press Journal & Navshakti.
- (c) Any website, where displayed: [www.empiremumbai.com](http://www.empiremumbai.com)
- (d) Whether it also displays official news releases: Yes
- (f) The presentations made to institutional investors or to the analysts: Only on request.

## 9. General Shareholder information

- (a) Annual General Meeting for Financial Year 2019-2020:  
Date: September 28, 2020

Time: 3.00 P.M.

Venue: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circulars dated May 5, 2020 and June 15, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

- (b) Financial year : 2019-2020
- (c) Date of Book closure : Monday, September 21, 2020 to Monday, September 28, 2020  
(both days inclusive)
- (d) Dividend Payment Date : N.A. Since no Final Dividend
- (e) Listing on  
Stock Exchanges : BSE Limited, P J Tower, Dalal Street, Mumbai 400023.  
Annual listing fee is paid to BSE
- (f) Stock Code : 509525
- (g) Market Price Data: High, Low during each month in last financial year:

Month & Year	BSE		Sensex	
	High (₹)	Low (₹)	High	Low
April, 2019	940.00	791.10	39,487.45	38,460.25
May, 2019	852.00	695.00	40,124.96	36,956.10
June, 2019	789.80	688.30	40,312.07	38,870.96
July, 2019	780.40	646.00	40,032.41	37,128.26
August, 2019	841.50	644.00	37,807.55	36,102.35
September, 2019	835.00	721.00	39,441.12	35,987.80
October, 2019	766.00	692.30	40,392.22	37,415.83
November, 2019	758.60	705.00	41,163.79	40,014.23
December, 2019	745.00	684.10	41,809.96	40,135.37
January, 2020	890.00	680.00	42,273.87	40,476.55
February, 2019	839.95	700.05	41,709.30	38,219.97
March, 2020	745.00	469.00	39,083.17	25,638.90

- (h) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.
- (i) Registrar and Transfer Agents  
M/s. Bigshare Services Pvt. Ltd.,  
1<sup>st</sup> Floor Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E) Mumbai 400072.  
Tel: +91 22 62638200 Fax: +91 62638299  
Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)
- (j) Share Transfer System:

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

(k) Distribution of shareholding as on March 31, 2020:

Shareholding of Nominal value of	Shareholders Numbers	% of Total	Share Amount ₹	% to Equity
Up to 5000	5460	95.5549	3251710	5.4195
5001 - 10000	142	2.4851	1001780	1.6696
10001 – 20000	53	0.9275	765070	1.2751
20001 – 30000	21	0.3675	501960	0.8366
30001 – 40000	9	0.1575	304170	0.5070
40001 – 50000	3	0.0525	138940	0.2316
50001 – 100000	8	0.1400	547680	0.9128
100001 and above	18	0.3150	53488670	89.1478
Total	5714	100.0000	59999980	100.0000

(l) Dematerialization of shares and liquidity

Dematerialisation of shares:

Mode of Holding	No. of Shares	%
NSDL	1242571	20.71
CDSL	4668008	77.80
Physical	89419	1.49
Total	5999998	100.00

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

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

(n) Plant Locations: Vitrum Glass, L.B.S. Marg, Vikhroli, Mumbai – 400 083.

(o) Address for correspondence: EMPIRE INDUSTRIES LIMITED  
Secretarial Department  
Empire Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.  
Telephone: 66555453  
Fax: 24939143  
Email: investor\_relations@empiremumbai.com  
Website: [www.empiremumbai.com](http://www.empiremumbai.com)

(q) Credit Rating Obtained:

For Banking Facilities:

Facilities	Amount (Rs. Crore)	Rating
Long Term Bank Facilities	45.94	CARE A; Stable (Single A; Outlook Stable)
Short Term Bank Facilities	25.00	CARE A1 (A One)
Total facilities	70.94	

For Fixed Deposit (FD) Programme:

Instrument	Amount (Rs. Crore)	Rating
Fixed Deposit Programme	83.00	CARE A (FD); Stable [Single A (Fixed Deposit); Outlook Stable]

10. Other Disclosures:

- There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large;
- There are no non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the Securities and Exchange Board or any statutory authority, on any matter related to capital markets, during the last three years;
- Company has put in place Vigil mechanism, whistle blower policy and posted on the Company's website, and affirm that no personnel has been denied access to the audit committee;
- The Company has complied with all mandatory requirements.
- The Company has no subsidiaries.
- Requirement of policy on dealing with related party transactions on web- link shall be complied with.
- Disclosure of commodity price risks and commodity hedging activities: Not applicable to our Company.
- The codes of conduct applicable to all Directors and employees of the Company have been posted on the Company's website. For the year under review, all Directors and senior management personnel of the Company have confirmed their adherence to the provisions of the said codes.

Compliances

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

Cautionary Statement

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

On Behalf of the Board of Directors

Place: Mumbai  
Date: June 29, 2020

S. C. MALHOTRA  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- : L17120MH1900PLC000176
- ii) Registration Date : 17TH OCTOBER, 1900
- iii) Name of the Company : EMPIRE INDUSTRIES LIMITED
- iv) Category / Sub-Category of the Company : COMMERCIAL & INDUSTRIAL (C&I)
- v) Address of the Registered office and contact details : EMPIRE COMPLEX, 414 SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI 400013 Telephone: 66555453 Fax: 24939143 mail: investor\_relations@empiremumbai.com
- vi) Whether listed company : YES. LISTED ON BSE LIMITED.
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : BIGSHARE SERVICES PRIVATE LIMITED, 1st Floor Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E) Mumbai 400072.  
Tel: +91 22 62638200  
Email: info@bigshareonline.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Glass Bottles	23103	21.20
2	Real Estate Activities	68100	23.28
3	Business Support Service, Consultancy and Commission	46103	16.66
4	Wholesale of meat & fish	46303	38.86

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
... NIL ..					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No.of Sh	%
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	31,86,421	-	3186421	53.1070	31,86,421	-	31,86,421	53.1070	-	0.0000
b) Central Govt	-	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	11,11,990	-	1111990	18.5332	11,11,990	-	11,11,990	18.5332	-	0.0000
e) Banks / FI	-	-	-	-	-	-	-	-	-	-
f) Shares held by Mr. S. C. Malhotra, Trustee on behalf of Company's Employees Trusts since 28.02.1989	54,815	-	54815	0.9136	54,815	-	54,815	0.9136	-	-
Sub-total (A) (1):-	43,53,226	-	4353226	72.5538	43,53,226	-	43,53,226	72.5538	-	0.0000
(2) Foreign	-	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	43,53,226	-	4353226	72.5538	43,53,226	-	43,53,226	72.5538	-	0.0000
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	414	414	0.0069	-	414	414	0.0069	-	0.0000
c) Central Govt - IEPF Authority	25,225	-	25,225	0.4204	25,225	-	25,225	0.4204	-	0.0000
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	8,84,650	-	8,84,650	14.7442	8,60,993	-	8,60,993	14.3499	- 23,657	-0.3943
g) FIIs	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	9,09,875	414	9,10,289	15.1715	8,86,218	414	8,86,632	14.7772	-23,657	-0.3943
<b>2. Non-Institutions</b>										
a) Bodies Corp.										
i) Indian	97,230	508	97,738	1.6290	1,12,146	508	1,12,654	1.8776	14,916	0.2486
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,59,168	1,14,435	5,73,603	9.5601	5,19,304	88,297	6,07,601	10.1267	33,998	0.5666
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	53,763	-	53,763	0.8961	25,154	-	25,154	0.4192	- 28,609	-0.4768
c) Others										
i) Clearing Member	1,465	-	1,465	0.0244	3,693	-	3,693	0.0616	2,228	0.0371
ii) NRI	9,714	200	9,914	0.1652	10,838	200	11,038	0.1840	1,124	0.0187
Sub-total (B)(2):-	6,21,340	1,15,143	7,36,483	12.2747	6,71,135	89,005	7,60,140	12.6690	23,657	0.3943
Total Public Shareholding (B)=(B)(1)+(B)(2)	15,31,215	1,15,557	16,46,772	27.4462	15,57,353	89,419	16,46,772	27.4462	-	0.0000
<b>C. Shares held by Custodian for GDRs&amp;ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>58,84,441</b>	<b>1,15,557</b>	<b>59,99,998</b>	<b>100.0000</b>	<b>59,10,579</b>	<b>89,419</b>	<b>59,99,998</b>	<b>100.0000</b>	<b>-</b>	<b>-</b>



**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Share holding at the end of the year 31.03.2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	DILEEP MALHOTRA	14,75,975	24.60	-	14,75,975	24.60	-	-
2	RANJIT MALHOTRA	9,68,403	16.14	-	9,68,403	16.14	-	-
3	SATISHCHANDRA MALHOTRA	95,582	1.59	-	95,582	1.59	-	-
4	USHA DEVI MALHOTRA	1,98,117	3.30	-	1,98,117	3.30	-	-
5	UMA MALHOTRA	1,25,222	2.09	-	1,25,222	2.09	-	-
6	KABIR MALHOTRA	1,95,874	3.26	-	1,95,874	3.26	-	-
7	ANJALI MALHOTRA	1,27,248	2.12	-	1,27,248	2.12	-	-
8	S.C. MALHOTRA AS TRUSTEE	12,410	0.21	-	12,410	0.21	-	-
9	S.C. MALHOTRA AS TRUSTEE	11,998	0.20	-	11,998	0.20	-	-
10	S.C. MALHOTRA AS TRUSTEE	10,285	0.17	-	10,285	0.17	-	-
11	S.C. MALHOTRA AS TRUSTEE	10,123	0.17	-	10,123	0.17	-	-
12	S.C. MALHOTRA AS TRUSTEE	9,999	0.17	-	9,999	0.17	-	-
13	RANDIL TRADING CO. PVT. LTD.	11,11,990	18.53	-	11,11,990	18.53	-	-
	<b>TOTAL</b>	<b>43,53,226</b>	<b>72.55</b>	<b>-</b>	<b>43,53,226</b>	<b>72.55</b>	<b>-</b>	<b>-</b>

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

Sl. No.	Name	No. of shares at the beginning (01-04-2019)	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	% of total shares of the Company
1	MR. DILEEP MALHOTRA	14,75,975	24.5996			No change	14,75,975	24.5996
2	MR. RANJIT MALHOTRA	9,68,403	16.1401			No change	9,68,403	16.1401
3	MR. SATISH CHANDRA MALHOTRA	95,582	1.5930			No change	95,582	1.5930
4	USHA DEVI MALHOTRA	1,98,117	3.3020			No change	1,98,117	3.3020
5	UMA MALHOTRA	1,25,222	2.0870			No change	1,25,222	2.0870
6	KABIR MALHOTRA	1,95,874	3.2646			No change	1,95,874	3.2646
7	ANJALI MALHOTRA	1,27,248	2.1208			No change	1,27,248	2.1208
8	S.C. MALHOTRA AS TRUSTEE	12,410	0.2068			No change	12,410	0.2068
9	S.C. MALHOTRA AS TRUSTEE	11,998	0.2000			No change	11,998	0.2000
10	S.C. MALHOTRA AS TRUSTEE	10,285	0.1714			No change	10,285	0.1714
11	S.C. MALHOTRA AS TRUSTEE	10,123	0.1687			No change	10,123	0.1687
12	S.C. MALHOTRA AS TRUSTEE	9,999	0.1667			No change	9,999	0.1667
13	RANDIL TRADING CO. PVT. LTD.	11,11,990	18.5332			No change	11,11,990	18.5332



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	No. of shares at the beginning (01-04-2019)	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	7,89,741	13.1624	06/04/2019	-871	Sale	7,88,870	13.1478
				12/04/2019	-600	Sale	7,88,270	13.1378
				19/04/2019	-640	Sale	7,87,630	13.1272
				26/04/2019	-306	Sale	7,87,324	13.1221
				03/05/2019	-194	Sale	7,87,130	13.1188
				24/05/2019	-557	Sale	7,86,573	13.1096
				21/06/2019	-1508	Sale	7,85,065	13.0844
				28/06/2019	-290	Sale	7,84,775	13.0796
				05/07/2019	-746	Sale	7,84,029	13.0672
				12/07/2019	-161	Sale	7,83,868	13.0645
				19/07/2019	-346	Sale	7,83,522	13.0587
				27/12/2019	-3000	Sale	7,80,522	13.0087
				03/01/2020	-3081	Sale	7,77,441	12.9574
				10/01/2020	-7134	Sale	7,70,307	12.8385
				17/01/2020	-475	Sale	7,69,832	12.8305
				24/01/2020	-3285	Sale	7,66,547	12.7758
				07/02/2020	-463	Sale	7,66,084	12.7681
	At the end of the year (31.03.2020)						7,66,084	12.7681
2	ORIENTAL INSURANCE CO. LTD.	94,909	1.5818			No Change	94,909	1.5818
3	VISHNU TRADING CO. PVT. LTD.	73,348	1.2225	06/04/2019	2200	Purchase	75,548	1.2591
				14/06/2019	1297	Purchase	76,845	1.2808
				21/06/2019	2005	Purchase	78,850	1.3142
				28/06/2019	1058	Purchase	79,908	1.3318
	At the end of the year (31.03.2020)						79,908	1.3318
4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	25,225	0.4204			No Change	25,225	0.4204
5	MAHENDRA GIRDHARILAL	25,154	0.4192			No change	25,154	0.4192
6	THE PROPERTY COMPANY PRIVATE LIMITED	1,990	0.0332	31/12/2019	2848	Purchase	4,838	0.0806
				03/01/2020	3000	Purchase	7,838	0.1306
				10/01/2020	4864	Purchase	12,702	0.2117
				31/01/2020	997	Purchase	13,699	0.2283
				28/02/2020	353	Purchase	14,052	0.2342
				06/03/2020	266	Purchase	14,318	0.2386
				20/03/2020	42	Purchase	14,360	0.2393
	At the end of the year (31.03.2020)						14,360	0.2393
7	BHAVNA GOVINDBHAI DESAI	9,000	0.1500			No Change	9,000	0.1500

Sl. No.	Name	No. of shares at the beginning (01-04-2019)	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	% of total shares of the Company
8	GIRDHARI PARSRAM ROHIRA	7,500	0.1250			No change	7,500	0.1250
9	VIDHI PINAKIN SHAH	0	0.0000	12/04/2019	6316	Purchase	6,316	0.1053
				19/04/2019	-20	sale	6,296	0.1049
				03/05/2019	-80	Sale	6,216	0.1036
				31/05/2019	80	Purchase	6,296	0.1049
				12/07/2019	-36	Sale	6,260	0.1043
				26/07/2019	13	Purchase	6,273	0.1046
				16/08/2019	-150	Sale	6,123	0.1021
				25/10/2019	100	Purchase	6,223	0.1037
				01/11/2019	-100	Sale	6,123	0.1021
				10/01/2020	100	Purchase	6,223	0.1037
				17/01/2020	-100	Sale	6,123	0.1021
				31/01/2020	-350	Sale	5,773	0.0962
				07/02/2020	181	Purchase	5,954	0.0992
				21/02/2020	50	Purchase	6,004	0.1001
				13/03/2020	50	Purchase	6,054	0.1009
				20/03/2020	147	Purchase	6,201	0.1034
	At the end of the year (31.03.2020)						6,201	0.1034
10	PRAKSH GHISALAL SHARMA	5,688	0.0948			No change	5,688	0.0948

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	No. of shares at the beginning (01-04-2019)	% of total shares of the Company	Date	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year	% of total shares of the Company
1	MR. SATISH CHANDRA MALHOTRA	95,582	1.5930			No change	95,582	1.5930
2	MR. RANJIT MALHOTRA	9,68,403	16.1401			No change	9,68,403	16.1401
3	MR. DILEEP MALHOTRA	14,75,975	24.5996			No change	14,75,975	24.5996
4	RAJBIR SINGH	15	0.0003			No change	15	0.0003
5	CHANDRAKANT POONAMCHAND SHAH	2,050	0.0342			No change	2,050	0.0342
6	SUBODH CHANDRA	15	0.0003			No change	15	0.0003
7	UMA MALHOTRA	1,25,222	2.0870			No change	1,25,222	2.0870
8	GEETANJALI R NAIDU @	0	0.0000			N.A.	0	0.0000
9	BIPINCHANDRA CHIMANLAL GANDHI #	15	0.0003			No change	15	0.0003
@ APPOINTED W.E.F. 03.03.2020 # RESIGNED W.E.F. 12.02.2020								

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	8,936.92	5,205.42	8,515.67	22,658.01
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	225.86	225.86
<b>Total (i+ii+iii)</b>	<b>8,936.92</b>	<b>5,205.42</b>	<b>8,741.53</b>	<b>22,883.87</b>
Change in Indebtedness during the financial year				
Addition	5,983.00	21,789.85	5,965.87	33,738.72
Reduction	1,999.78	21,381.17	3,699.45	27,080.40
Net Change	3,983.22	408.68	2,266.42	6,658.32
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	12,920.14	5,614.10	10,782.09	29,316.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	336.82	336.82
<b>Total (i+ii+iii)</b>	<b>12,920.14</b>	<b>5,614.10</b>	<b>11,118.91</b>	<b>29,653.15</b>

### VI. A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		S.C.MALHOTRA	RANJIT MALHOTRA	DILEEP MALHOTRA	
1	Gross salary:	(₹ In lakh)	(₹ In lakh)	(₹ In lakh)	(₹ In lakh)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	62.50	63.00	57.00	182.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32.52	48.30	30.56	111.38
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5	Others, please specify.	-	-	-	-
	Total (A)	95.02	111.30	87.56	293.88
	Ceiling as per the Act.				341.76

### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Director					Total Amount
		Rajbir Singh	C. P. Shah	B. C. Gandhi	Subodh Chandra	Uma Malhotra	
	3. Independent Directors						(₹ In lakh)
	• Fee for attending Board committee meetings	1.50	1.50	1.50	1.00	-	5.50
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	1.50	1.50	1.50	1.00	-	5.50

4. Other Non-Executive Directors:						
•	Fee for attending Board committee meetings	-	-	-	1.50	1.50
•	Commission	-	-	-	-	-
•	Others, please specify	-	-	-	-	-
Total (2)		-	-	-	1.50	1.50
Total (B)=(1+2)		1.50	1.50	1.50	1.00	7.00
Total Managerial Remuneration						7.00
Overall Ceiling as per the Act.						34.18

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:			
Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount (₹ In lakh)
		CFO & Company Secretary - Mr. S C Nanda	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	86.91	86.91
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify.	-	-
	Total	86.91	86.91

Type	Section of the Companies Act	Brief Description	Details of Penalties / Punishment / Compounding Fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (Give details)
<b>A. COMPANY</b>					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			
<b>B. DIRECTORS</b>					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			

**ANNEXURE TO DIRECTORS' REPORT**
**Information pursuant to Section 134(8)(3) of the Companies Act, 2013:**
**VITRUM GLASS:**
**(A) Conservation of Energy –**

- (i) The steps taken or impact on conservation of energy:
  - a. The power factor KVRh component under control as per standards 0.99 to 100 Lag.
  - b. Unity lagging power factor being maintained and monitored.
  - c. VFD added to optimize the utility equipment and conserve energy. Achieved substantial sustained Conservation.
  - d. The Plant process area lighting installed with LED Lights.
  - e. For Plant power redistribution stability an OLTC Transformer Installed and commissioned.
- (ii) The steps taken by the Company for utilizing alternate sources of energy:  
Feasibility study conducted on roof top solar system of adequate capacity worked out.
- (iii) The capital investment on energy conservation equipment:
  - a. Hi Tech Furnace Fuel Efficient Gas Combustion Burners installed and commissioned.
  - b. Oscillating Batch Charger of fuel conservation - installed and commissioned.
  - c. Bottom Insulation of Tank Furnace to minimize heat loss and optimize heat conservation installed and commissioned.
  - d. Chimney Regenerator packing of better thermal efficiency installed and commissioned.

**(B) Technology absorption -**

- (i) The efforts made towards technology absorption:  
Ongoing process of achieving improvement on forming process a substantial development absorption program being initiated and Implemented on two of the process lines.  
Being developed on following fronts.
  - a. Accurate high-speed precise process forming mechanism installed and commissioned on three lines.
  - b. Electronic forming Machines installed and commissioned on two lines.
  - c. Latest forming process and Electronic control installed and commissioned.
- (ii) The benefits derived like product improvement, cost reduction, product development and import substitution:
  - a. Economical Annealing installed and commissioned.
  - b. Cold end Real time online inspection machine installed and commissioned.
  - c. High speed packing line with modern shrink tunnel installed and commissioned.
  - d. GMP with pressurized cabins installed and commissioned.
  - e. Housing to accommodate adequate space for all equipment's a Building installed and commissioned.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NIL
- (iv) The expenditure incurred on Research and Development: NIL

**(C) Foreign Exchange Earnings and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Foreign Exchange used	₹ 2570.56 Lakh
Foreign Exchange earned	₹ 18676.69 Lakh

On Behalf of the Board of Directors

Place: Mumbai  
Date: June 29, 2020

S. C. MALHOTRA  
Chairman

### Annual Report on Corporate Social Responsibility (CSR)

Activities for the Financial Year 2019-2020 (Pursuant to Section 135 of Companies Act, 2013)

Empire Industries Limited (EIL) is a 119-year-old Public Limited Company – a multi-faceted conglomerate with interests in diverse business and is associated with several international partners in some of the operating divisions. EIL is a well-diversified group of enterprises, whose manufacturing and marketing operations cover the area of Machine Tools, Industrial Equipment, Vending, Foods, Real Estate, Business Centers and Glass containers for Pharmaceuticals.

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

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

#### Our CSR Committee

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

<b>Chairperson</b>	Ms. Uma Malhotra	Director, Empire Industries Limited
<b>Member</b>	Mr. Dileep Malhotra	Director, Empire Industries Limited
<b>Member</b>	Mr. Rajbir Singh	Independent Director, Empire Industries Limited

#### Vision

We envision a society filled with happy, healthy and virtuous individuals.

#### Mission

Our mission is to improve the health of the poor and under-privileged, save lives and uplift the moral fiber of the nation through education, especially value based education.

#### Broad Areas of Focus

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

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

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

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

Financial Details		
1	A brief outline of the Company’s CSR Policy including overview of projects and programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs and the compositions of CSR Committee.	Our CSR enables EIL to contribute to nation building. EIL has chosen two areas in which to focus its CSR activities. These are health and education with special focus on value and character education. <a href="http://www.empiremumbai.com/pdf/csr_policy.pdf">http://www.empiremumbai.com/pdf/csr_policy.pdf</a>
2	Average net profit of the Company for the last 3 financial years.	₹ 4619.41 Lakhs

3	Prescribed CSR Expenditure (2 % of the amount mentioned in item 2 above).	₹ 92.39 Lakhs
4	Details of CSR spent during the Financial Year:	
A	Total Amount to be spent for the Financial Year.	₹ 92.50 Lakhs
B	Amount unspent, if any.	₹ 0.11 Lakh (Overspent)
C	Manner in which the amount spent during the Financial Year:	

Details of Amount spent on CSR activities during the Financial Year 2019 - 20

Sr. No	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the state and District where projects or programs was undertaken	Amount Outlay (Budget) project or program wise ₹	Amount spent on the projects or programs 1) Direct expenditure on projects or Programs 2) Overheads ₹	Cumulative expenditure up to the reporting period ₹	Amount Spent : Direct or through implementing Agency
1	<b>Project KARO Life</b> - Holistic support to the hospital for patient care / nutrition / Infrastructural / equipment support to the hospital, medication and follow up support etc.	Health	Pan India	83,01,987	83,01,987	83,01,987	Implementing Agency - KARO Trust
2	<b>FUN WITH KARO</b> and Patient support Group Meetings - entertainment and informative events / meetings for patients and families admitted in the hospital or at health care NGOs.	Health	Mumbai / Maharashtra	4,58,343	4,58,343	4,58,343	Implementing Agency - KARO Trust
3	<b>KARO EMpower</b> - Support patients or their caregivers for their education or training (vocational) courses.	Education / Training	Mumbai, Maharashtra	27,170	27,170	27,170	Implementing Agency - KARO Trust
4	Administrative expenses	Administration	Mumbai / Office	4,62,500	4,62,500	4,62,500	Implementing Agency - KARO Trust
<b>Total</b>				<b>92,50,000</b>	<b>92,50,000</b>	<b>92,50,000</b>	

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

### Our CSR responsibilities

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Place: Mumbai  
Date: 29/06/2020

Satish Chandra Malhotra  
Chairman

Ms. Uma Malhotra  
Chairperson CSR Committee



**ANNEXURE-D**

Disclosure pursuant to Section 134 of the Companies Act, 2013, read with Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of the Director	Ratio
Mr. S C Malhotra	19.93
Mr. Ranjit Malhotra	23.34
Mr. Dileep Malhotra	18.36

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of Employee	Designation	% Increase
Mr. S C Malhotra	Director on Board	9
Mr. Ranjit Malhotra	Director on Board	8
Mr. Dileep Malhotra	Director on Board	4
Mr. S C Nanda	Director - Finance & Company Secretary	18
Mr. Yogesh Grover	Director - Empire Foods	19
Mr. S S Parmar	Director - Vitrum Glass	17
Mr. Anoop K Bhargava	Director - Empire Industrial Centrum	10
Mr. C K Pradhan	Director - Commercial	15
Mr. Sandeep Jain	Director - Vending	-14
Mr. K. K. Sen	Director - MFTM	904*
Mr. N. S. L. Narasimhan	Director - Equipment	19
Mr. P. N. Rao	Director - MCAT	-53
Mr. Amitava Ghosh	Director - Business Centre	19

\* Includes One Time Incentive Payment

- (iii) The percentage increase in the median remuneration of employees in the financial year:

Percentage Decrease 19%

- (iv) The number of permanent employees on the rolls of Company: 755.

- (v) The explanation on the relationship between average increase in remuneration and company performance:

The Revenue from Operations has increased from ₹ 52,622 Lakhs to ₹57,476 Lakhs i.e. by ₹ 4854 Lakhs and the Employees Benefits expenses increased from ₹ 9172 Lakhs to ₹ 10454 Lakhs i.e. by ₹ 1282 Lakhs.

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

The remuneration paid to the Managerial personnel during the year ended 31.03.2020 is Rs.3382 Lakhs as against company's Revenue from operations is increased from ₹ 52,622 Lakhs to ₹ 57,476Lakhs i.e. by ₹ 4854 Lakhs.

- (vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

a. The variations in the market capitalisation on 31.03.2020 as against 31.03.19 is -30.61%

b. Price earnings ratio as on 31.03.2020 is 50.69 as against 73.05 as on 31.03.2019.

c. Percentage increase in the market quotations as compared to public offer as on 31.03.2020 is 50.69%.

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase in the salaries of employees other than Managerial personnel in the last financial year is 10% and the percentile increase in the managerial remuneration is 40% (includes Incentive Payment on retirement of Director-MFTM).

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

Name of Employee	Division	Remuneration ₹ Lakhs	Revenue from Operations ₹ Lakhs		Difference in Revenue	% Increase
			2019-2020	2018-2019		
Mr. S. C. Malhotra Mr. Ranjit Malhotra Mr. Dileep Malhotra Mr. S. C. Nanda Mr. R. C. Shah	Corporate	475	57476	52622	4854	10%
Mr. Yogesh Grover	Foods	366	22719	17845	4874	8%
Mr. S. S. Parmar	Vitrum Glass	290	12558	14048	-1490	-19%
Mr. C. K. Pradhan	Commercial	342	9691	8042	1649	21%
Mr. Sandeep Jain	Vending	70	1206	1376	-170	-41%
Mr. K. K. Sen**	MFTM	1219	936	769	167	730%
Mr. Amitava Ghosh	Business Centre	55	509	860	-351	-16%
Mr. N. S. L. Narasimhan	Equipment	162	4358	5194	-836	-19%
Mr. P. N. Rao	MCAT	302	3213	2247	966	31%
Mr. Anoop K Bhargava	Centrum	101	2285	2241	44	229%

\*\* Includes One Time Incentive Payment

(x) The key parameters for any variable component of remuneration availed by the directors:

The variable component of the remuneration availed by the directors is only perquisites paid according to the terms of the appointment.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

The Ratio of highest remuneration paid to an employee who is not a director to highest remuneration paid to Director is 10.95.

(xii) Affirmation that the remuneration is as per the remuneration policy of the company.

We hereby affirm that the remuneration paid to the Directors and Employees is as per remuneration policy of the Company.

On behalf of the Board of Directors

Place: Mumbai  
Date: June 29, 2020.

S C Malhotra  
Chairman

**ANNEXURE - E**

**ANNEXURE TO DIRECTORS' REPORT**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**1 Details of contracts or arrangements or transactions not at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	There were no transactions not at arm's length basis
(b)	Nature of contracts/arrangements/ transactions	
(c)	Duration of the contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	

**2 Details of material contracts or arrangement or transactions at arm's length basis:**

Sr. No.	Name(s) of related party	Relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any: Rs. in Lakhs.
1	Randil Trading Co. Pvt. Ltd.	Significant influence	Rent Received	From 01.04.2019 to 31.03.2020	Per mutual agreement.	Not applicable	2.57
2	Empire Technical Services Pvt. Ltd.	Significant influence	-do-	From 01.04.2019 to 31.03.2020	Per mutual agreement.	Not applicable	13.01
3	Mr. S. C. Malhotra – Chairman	Key Managerial Personnel	Managerial Remuneration	From 01.04.2019 to 31.03.2020	Not applicable	Not applicable	95.02
4	Mr. Ranjit Malhotra-Vice Chairman	Key Managerial Personnel	-do-	-do-	Not applicable	Not applicable	111.30
5	Mr. Dileep Malhotra-Jt. Mg. Director	Key Managerial Personnel	-do-	-do-	Not applicable	Not applicable	87.56
6	Mr. Kabir Malhotra	Relative of Promoter Directors	Salary	-do-	Not applicable	Not applicable	54.40
7	Ms. Anjali Malhotra	-do-	-do-	-do-	Not applicable	Not applicable	30.00
8	Mr. Ranjit Malhotra	Key Managerial Personnel	Interest Paid on Fixed Deposits	From 01.04.2019 to 31.03.2020	Not applicable	Not applicable	9.86
9	Mr. Dileep Malhotra	Key Managerial Personnel	-do-	-do-	Not applicable	Not applicable	16.03
10	Mr. S. C. Malhotra – Chairman	Key Managerial Personnel	-do-	-do-	Not applicable	Not applicable	20.77
11	Mrs. Uma Ranjit Malhotra	Director	-do-	-do-	Not applicable	Not applicable	8.24
12	Mr. Ranjit Malhotra	Key Managerial Personnel	Fixed Deposits & Interest accrued as on 31.03.2020	-do-	Not applicable	Not applicable	392.09

Sr. No.	Name(s) of related party	Relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any: Rs. in Lakhs.
13	Mr. Dileep Malhotra-Jt. Mg. Director	Key Managerial Personnel	-do-	-do-	Not applicable	Not applicable	731.04
14	Mr. S. C. Malhotra – Chairman	Key Managerial Personnel	-do-	-do-	Not applicable	Not applicable	370.77
15	Mrs. Uma Ranjit Malhotra	Director	-do-	-do-	Not applicable	Not applicable	100.32

Place: Mumbai  
Date: June 29, 2020

On Behalf of the Board of Directors  
S. C. MALHOTRA  
Chairman

**Certification by Chief Executive Officer(CEO) and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

We, Mr. Satish Chandra Malhotra, Chairman and Mr. Suhas Chandra Nanda, Director Finance & Company Secretary, in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of the Company hereby certify that –

- A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee -
- (1) Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For EMPIRE INDUSTRIES LIMITED**

Place: Mumbai,  
Date: June 29, 2020

**S. C. MALHOTRA**  
Chairman

**SUHAS CHANDRA NANDA**  
Director Finance &  
Company Secretary.

**Declaration by the Managing Director pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding compliance with Code of Conduct**

In accordance with to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended on March 31, 2020.

**For EMPIRE INDUSTRIES LIMITED**

Place: Mumbai,  
Date: June 29, 2020

**S. C. MALHOTRA**  
Chairman

## **Certificate for Corporate Governance**

To the Members of

Empire Industries Limited

I have examined the compliance of the conditions of Corporate Governance by Empire Industries Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

**Place: Mumbai**

**Date: 24<sup>th</sup> August, 2020**

**UDIN: A020860B000608689**

**DEEPA GUPTA**

**Practicing Company Secretary**

**ACS No.: 20860**

**CP No.: 8168**

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

The Members of

**EMPIRE INDUSTRIES LIMITED**

414 Senapati Bapat Marg,

Lower Parel, Mumbai - 400 013

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Empire Industries Limited having CIN: L17120MH1900PLC000176 and having registered office at 414 Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 and (hereinafter referred to as the Company), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Name: DEEPA GUPTA

Membership No.: A20860

CP No. 8168

UDIN: A020860B000333141

Place: MUMBAI Date: 10<sup>th</sup> JUNE 2020





Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Empire Industries Limited  
414, Senapati Bapat Road,  
Lower Parel, Mumbai 400013

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Empire Industries Limited (hereinafter called the company)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Empire Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Empire Industries Limited ("the Company")** for the financial year ended on 31<sup>st</sup> March 2020 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Provisions of Overseas Direct Investment and External Commercial Borrowings are not applicable during the audit period).
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2009 (not applicable during the audit period);

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable during the audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable during the audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (the Company is not registered as Registrar to an issue and Share Transfer Agent during the audit period);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable during the audit period);

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

- (6) Factories Act, 1948
- (7) Environment Protection Act, 1986 and other environmental laws
- (8) The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- (9) Indian Contract Act, 1872
- (10) MIDC Revised Development Control Regulations, 2009
- (11) Food Safety and Standards Act, 2006 and Food Safety Standards Regulations (FSSR), 2011

**I have also examined compliance with the applicable clauses of the following:**

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (b) The Listing Agreement entered into by the Company with BSE Limited (BSE) and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were generally carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously and recorded in the minutes of the meetings.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that during the audit period, there were no instances of:**

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations.

**DEEPA GUPTA**  
UDIN: A020860B000392704  
**ACS NO.:20860**  
**CP No.: 8168**

Place : Mumbai  
Date : 29/06/2020

## Annexure to the Report of Board of Directors

### Business Responsibility Report

#### SECTION A – GENERAL INFORMATION

1	Corporate Identity Number (CIN) of the Company	L17120MH1900PLC000176
2	Name of the Company	EMPIRE INDUSTRIES LIMITED
3	Registered Address	Empire Complex, 414 Senapati Bapat Marg, Lower Parel, Mumbai 400013.
4	Website	www.empiremumbai.com
5	E-mail id	email@empiresecretarial.com
6	Financial Year reported	April 1, 2019 to March 31, 2020
7	Sector(s) that the Company is engaged in (industrial code-wise)	Amber Glass Bottles
8	List three key products/services that the Company manufactures/ provides (as in balance sheet).	23103 Amber Glass Bottles
		68100 Real estate activities with own or leased property
		47990 Other retail sale not in stores, stalls or markets
		64990 Other financial service activities
9	Total number of locations where business activity is undertaken by the Company-	74909 Other professional, scientific and technical activities n.e.c.
	(i) Number of International Locations	Nil
	(ii) Number of National Locations	The Company's businesses and operations are spread across the country. Details of plant locations are provided in the section 'Shareholder Information', in the Report and Accounts.
10	Markets served by the Company	The Company's products and services are available nationally and several products are exported.

#### SECTION B – FINANCIAL DETAILS

1	Paid up Capital	₹599.99 Lakhs
2	Total Turnover	₹59331.29 Lakhs
3	Total profit after taxes	₹3417.63 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR)	₹ 92.50 Lakhs
	As percentage of Profit after taxes:	
5	List of activities in which expenditure in 4 above has been incurred	Please refer to CSR Annual Report which forms part of this Annual Report.

#### SECTION C – OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary Company(ies)?	Not Applicable

<b>3</b>	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	EIL is mindful of its duties as a responsible organisation and extends its Business Responsibility throughout its value chain. Providing a safe and healthy work environment for colleagues, contractors, visitors, business partners and stakeholders is a business priority and is linked with EIL's core values. In order to increase awareness on sustainable business practices, the organisation uses number of initiatives to engage with suppliers and vendors who are critical to its operations. Empire uses the 'Creating Optimal and Responsible Environment' (CORE) platform to sensitise our supply chain about the benefits of health & safety and the environment and encourage them to carry out sustainable business practices. As a part of the organisation's endeavour to forge stronger relationships across its value chain, periodic suppliers' meets are organised by the Company. Currently, less than 30% of our vendors and suppliers participate in our BR initiatives and we constantly strive to extend this across our supply chain.
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#### SECTION D: BR INFORMATION

##### 1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR

(a) Details of the Director/Directors responsible for implementation of the Business Responsibility policy/policies:

Name	Designation	DIN
Mr. Dileep Malhotra	Jt. Managing Director	00027168

(b) Details of the Business Responsibility Head:

DIN (if applicable) : NA

Name: Mr. Suhas Chandra Nanda

Designation Head: Director Finance & Company Secretary.

Telephone number: 022 66555453

E-mail ID: [scnanda@empiremumbai.com](mailto:scnanda@empiremumbai.com)

##### 2. PRINCIPLE-WISE (AS PER NVGs) BR POLICY / POLICIES

The National Voluntary Guidelines provide the following nine principles.

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 6: Environment [P6]

Principle 2: Products Lifecycle Sustainability [P2]

Principle 7: Policy Advocacy [P7]

Principle 3: Employees' Well-being [P3]

Principle 8: Inclusive Growth [P8]

Principle 4: Stakeholder Engagement [P4]

Principle 9: Customer Value [P9]

Principle 5: Human Rights [P5]

##### Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been formulated in consultation with the Management of the Company.								
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
The policies are in line with the applicable national and international standards and compliant with the principles of the National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs.										

4	Has the policy been approved by the Board. If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
All the policies relating to the 9 principles of the NVG have been approved by the Board and have been signed by the Chairman.										
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
EIL has appointed Joint Managing Director who is responsible for implementation of BR policies and Company Secretary to oversee the BR performance.										
6.	Indicate the link for the policy to be viewed online	The link to view the policies online is: <a href="https://www.empiremumbai.com/investors">https://www.empiremumbai.com/investors</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders'?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The queries relating to BR polices can be sent to <a href="mailto:scnanda@empiremumbai.com">scnanda@empiremumbai.com</a>								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: **Not Applicable**

### 3. GOVERNANCE RELATED TO BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year. The BR performance of EIL is reviewed annually by the Board of Directors.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time-to-time), the Company publishes a Business Responsibility Report as an Annexure to the Board's Report on an annual basis. Business Responsibility Report of the Company is available on the website of the company viz. <http://www.empiremumbai.com/investors>.

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Business should conduct and govern themselves with ethics, transparency and accountability

##### Ethics, Transparency, Accountability

Ethics, transparency and personal accountability form the core values of the Company. It focuses on high standards of corporate governance, in the conduct of its business. It has zero-tolerance for bribery and corruption and strives to build and maintain relationships

with its lenders, borrowers, shareholders and other stakeholders in a fair, transparent and professional manner.

The Company adheres to all applicable governmental and regulatory rules in order to ensure complete transparency and accountability in all business practices. Any breaches of Company guidelines are viewed very seriously by Management, who ensures that appropriate disciplinary action is taken. The Company has constituted various committees such as: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee. These committees meet periodically to supervise, review and advice on the relevant/respective matters. The Company is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all employees and other persons acting on its behalf to uphold this commitment. In accordance with this commitment, the Company has adopted Anti-Corruption Compliance Policy, which is applicable to all directors, officers, employees, agents, representatives and other associated persons of the Company. In brief, the Company will not tolerate bribery, kickbacks, or corruption of any kind, directly or through third parties, whether or not explicitly prohibited by this Policy or by law. Company Personnel are not permitted to give or offer anything of value (including gifts, hospitality, or entertainment) to anyone for the purpose of improperly obtaining or retaining a business advantage. Similarly, Company Personnel may not solicit or accept such improper payments.

##### Code of Conduct

With the objective of enhancing the standards of governance, the Company has formulated and adopted Code of Conduct & Ethics for its Board Members and Senior Management team. The Code

is placed on the website of the Company, which provides for ethical, transparent and accountable behaviour by its Directors and Senior Management team. The Company lays utmost importance on integrity while recruiting employees. The Employee Code of Conduct provides the framework within which the Company expects its business operations to be carried out and lays down the standards and principles, to be followed by all its employees. Failure to comply with the Code leads to disciplinary action, including dismissal from the services of the Company. All employees are handed over a copy of the Employee Code of Conduct on their first day of joining the Company, as a part of the employee joining kit. Additionally, the contents of the Code of Conduct are also shared in detail with the employees through a specific module that forms part of the HR session during the employee induction training programme. The Company has also formulated and adopted various other codes and policies including Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, policy on Protection of Women Against Sexual Harassment at Workplace, Code of Conduct for Prevention of Insider Trading etc, in terms of laws applicable to its business, which are applicable to all its employees / directors for enforcement of ethical conduct from a governance, regulatory and risk management perspective. The Code of Conduct and other policies adopted by the Company applies to the employees of the Company. In addition, the Company has a Whistle Blower Policy through which the Company seeks to provide a mechanism for its employees, directors, vendors or customers to disclose any unethical and/or improper practice(s) suspected to be taking place in the Company for appropriate action and reporting. Further, no employee was denied access to the Audit Committee and all disclosures are reported to the Chairman of the Audit Committee. The Code of Conduct and the Whistle Blower Policy are uploaded on the Company's website <http://www.empiremumbai.com/investors>.

### **Stakeholder Complaints**

The Company is committed to providing effective and prompt service to all its stakeholders. The central operations team along with the call centre records and redresses grievances and feedback from customers. Complaints and grievances are addressed in a time-bound manner. Regular analysis of customer issues is conducted and where required corrective measures are taken in the Company's processes. Designated customer care personnel are responsible for ensuring efficient and effective resolution of complaints within the prescribed turnaround time. All complaints are centrally monitored at the Head Office by the Operations and/or customer care team. The Company has in-built grievance redressal and escalation mechanism wherein complaints are escalated to the level of Head Customer Care and Operations/Business/Sales Head(s).

The Company has not yet received any incidence / complaint of Whistle Blower or code of conduct & ethics. During the year 2019-2020, the Company received 4 shareholders' complaints and disposed off the same satisfactorily during the respective quarters in which these were received. Customer complaints are addressed in the normal course of business by a dedicated team of Customer Services personnel. The Company submits a periodic status of complaints received, redressed and outstanding from its stakeholders along with the nature of complaints and their mode of redressal to the Board constituted Stakeholders Relationship Committee and the statement of all such complaints and their status are also placed before Board.

### **Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

Given the nature of our business, the Company could consider three "products". One "product" is a unit developed by the Company for sale and the other is the completed building which is leased. The Company inter alia, has implemented solid waste management technology to re-cycle house garbage into manure used for horticulture. The Company has commissioned state of the art sewage treatment plants which treat and re-cycle waste water for reusing in horticulture and toilets. The Company disposes some of the construction waste as a scrap to get them recycled and re-use the same in construction works. The Company is generally using Aerated Concrete blocks (ACC) instead of clay burnt bricks in "product" construction thus preventing the depletion of soil strata.

### **Environmental Standards**

The Company continuously aims to reduce the impact on environment by optimizing the usage of various resources. The Company works at minimizing its carbon footprint and there is particular focus on reduced resource usage. The Company has been able to reduce energy consumption by using star rated appliances where possible and also through the replacement of CFL lights with LED lights. Monitoring resource usage, improved process efficiency, reduced waste generation and disposal costs have also supported the cause.

The Company has in place an Environmental Management Systems (EMS) that helps assess the environmental cost of the Company's services and activities, and seeks to reduce or eliminate the negative impact and increase their positive effects. The Company continues to explore collaboration with contractors/partners that ensure conservation of energy and resources. On this front, the Company promotes the use of innovative technologies such as green buildings and other energy efficient measures for construction of their projects.

### **Resource Savings**

The Company has undertaken initiatives and energy efficient measures at its office premises such as use of LED light fittings, provision of centralized waste collection, etc. At most of its offices across India, the CFL light fitting have been replaced by LED light fittings to conserve energy. The Company promotes the use of electronic means of communication with its shareholders by sending electronic communication for confirmation of payments and other similar purposes. The Company also encourages the use of electronic mode of communications to and from all its stakeholders. Soft copies of the annual report(s) along with the notice convening the Annual General Meeting(s) were sent to its shareholders so as to minimize the usage of paper.

### **Principle 3: Businesses should promote the well-being of all employees Equitable Employment**

The Company's employee strength, at group level, as on March 31, 2020 was around 730, out of which 55 were women, the male : female ratio was 12.27:1 The Company has always advocated a business environment that favours the concept of equal employment opportunities for all without any discrimination with respect to caste, creed, gender, race, religion, disability or sexual orientation. The



Company provides a workplace environment that is safe, hygienic, and humane which upholds the dignity of its employees. The Company does not employ child labour directly or indirectly in any of its offices/projects.

### **Enabling a Gender Friendly & safe Workplace**

For the Company, safety of its employees is of paramount importance and as a good corporate citizen; it is committed to ensuring safety of all its employees at the workplace. The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted an internal complaints committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

### **Policies for Employee Grievances**

The Company believes in smooth and effective communication to ensure better flow of information and understanding amongst its employees. Any employee, irrespective of hierarchy, has free access to the members of senior management for sharing creative ideas, suggestions or even personal grievances. The Company has strengthened its vigil mechanism by adopting the Whistle Blower Policy which is applicable to its directors, employees and other stakeholders. The said policy which has been uploaded on Company's website and also communicated to all its employees aims to promote good governance, instil faith and empower all stakeholders to fearlessly voice their concerns.

### **Gender Inclusion**

The Company ensures that a gender inclusive environment is provided. To create an inclusive work culture for women, the awareness for the same is spread through special workshops and seminars. Wherever required, women employees have been provided with laptops with the view that they can work from home in case of an emergency and also for the reason that they do not work late. On various occasions and specifically on International Women's Day, health check-up camps and self-defence training sessions for all women employees are organized.

### **Work-Life Balance**

The Company's policies are structured around promoting work-life balance which ensures improved employee productivity at work.

### **Employee Engagement**

The Company strongly believes that highly engaged employees are high on productivity and therefore, in order to keep the motivation and the employee engagement levels high, it is necessary to constantly engage them in activities that motivate them. In sync with this philosophy, the Company encourages its employees to regularly participate in sports, picnics, outings, get-togethers and team building programmes.

### **Development of Employees**

The Company believes in the all-round development of its employees. Job specific knowledge gaps, skills and attitudes are identified

during the performance appraisal process. Through constant learning and development, the Company ensures that its employees are adequately trained in functional and behavioural skills to sustain high standards of service. The Company nominates its employees for self-development and leadership programmes for further enhancing their competencies and skill sets. Learning and development needs are also identified on the basis of internal audit reports as well as customer feedback. On-the-job training, job rotation or training through various programmes – internal, external are offered to employees to upgrade their competencies.

### **Mentoring Program**

The mentoring programme formulated by the Company ensures that all new employees integrate into its working culture and value systems. Such a programme helps new entrants understand and blend with its existing employees in a seamless manner.

### **Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized Corporate Social Responsibility**

The Company strives to approach its CSR activities with the goal to identify and work across a range of social initiatives that have a long-term sustainable impact. The Company has endeavoured to choose projects keeping in mind the Human Development Index norms which address human resource development in areas of Sanitation, Health Education etc. The details of CSR activities undertaken by the Company are provided in the Annual Report on Corporate Social Responsibility (CSR) Activities which forms part of this Annual Report.

### **Employee Welfare & Participation**

To encourage employees to maintain and lead a healthy life, employees' family get togethers, sports events and medical check-ups were organised across various branches and corporate office.

### **Principle 5: Businesses should respect and promote human rights**

#### **Human Rights**

The Company complies and adheres to all the human rights laws and guidelines of the Constitution of India, national laws and policies. The Company treats all its stakeholders and customers with dignity, respect and due understanding. The Company takes care to be just, patient and understanding while dealing with delinquent customers. The Company has put in place an internal culture work ethics where delinquent customers are treated with fairness. Customers who have difficulty in making regular payments are counselled patiently and given sufficient opportunities to recover from difficulties. Employee training programmes lay emphasis on this aspect. Any complaints and grievances pertaining to behavioural issues are attended to personally by senior officers.

### **Principle 6: Businesses should respect, protect and make efforts to restore the environment**

#### **Green Initiatives**

The Company promotes ecological sustainability and green initiatives, adopts energy saving mechanisms, by encouraging its employees, customers and all its other stake holders to use electronic

medium of communication and to reduce usage of papers as far as possible.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

The Company recognises that the real estate and infrastructure industry plays an important role in the Indian economy as this industry is the second largest employment generator after agriculture. The Company will continue to support and advocate for the further development of industry. The Company continues to make various recommendations/representations before various regulators, forums and associations relevant to further growth of Industry in the country.

**Principle 8: Businesses should support inclusive growth and equitable development**

As a committed corporate citizen, the Company has promoted and undertaken various social welfare initiatives for promoting Sanitation, Health Education etc. Details of CSR activities undertaken by the Company are provided in the Annual Report on Corporate Social Responsibility (CSR) Activities which forms part of this Annual Report.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**Customer Relationship Enhancement and Managing System**

The Company is committed to providing effective and prompt service to all its stakeholders. It has in place, a central operation team to record and redress the grievances/feedback from its customers which helps in ensuring standard operating procedure and maintaining service standards. All complaints are monitored at the Head Office by its Operations team. The Company has in-built grievance redressal and escalation mechanism wherein complaints are escalated to the level of Head Customer Care and Operations/Business/Sales Head(s). The company aims to reduce the number of grievances, attain the operational excellence and ensures continuous

improvement by doing periodical root-cause analysis (RCA) of all the received grievances.

**Transparent Communication**

The Company strives to ensure that transparent, correct and relevant information, pertaining to its products and services, is disseminated through its advertising material and the information displayed on the digital platforms owned by the Company. The Company encourages responsible and responsive communication towards all its stakeholders be it customers, media, investors, analysts, regulatory authorities, vendors and other stakeholders. The Company is a strong proponent of true and fair advertising and as such, discourages all kinds of means and activities that are unethical, abusive, derogatory or anti-competitive. All the communication material released by the Company adheres to the mandated regulatory requirements. The Company has complied with all the advertising norms applicable to the Company.

The important product attributes relevant information about the projects, fees and charges, and other important notifications like most important terms & conditions are displayed prominently in each of the Company office. This information is available on the Company's website as well. The Company is extending its presence to various social and digital platforms to engage and connect with existing customers and also to reach out to newer audiences through constant communication, which is in consonance with its brand values and the prescribed regulatory framework. The performance and financials of the Company are disclosed to BSE for information to all its stakeholders and on its website.

On Behalf of the Board of Directors

Place: Mumbai  
Date: June 29, 2020

S. C. MALHOTRA  
Chairman

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EMPIRE INDUSTRIES LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying financial statements of **Empire Industries Limited ("the Company")**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31<sup>st</sup> March 2020. These matters were addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

##### 1) Adoption of Ind AS 116 Leases

As described in Notes to the financial statements, the Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms.

Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.

Additionally, the standard mandates detailed disclosures in respect of transition.

#### Principal Audit Procedures

Our audit procedures on adoption of Ind AS 116 include:

- Assessed and tested new process and controls in respect of the lease accounting standard (Ind AS 116);
- Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;
- Upon transition as at 1 April 2019:
  - Evaluated the method of transition and related adjustments;
  - Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.
- On statistical sample, we performed the following procedures:
  - assessed the key terms and conditions of each lease with the underlying lease contracts; and
  - evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.
- Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of

such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report On Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2020, taken on

record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- (ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For A.T. Jain & Co.  
Chartered Accountants  
(Firm Registration No. 103886W)

Sushil Jain  
Partner  
Membership No.: 033809  
UDIN: 20033809AAAADA2098

Place: Mumbai  
Date: June 29, 2020



**Annexure A to the Independent Auditor's Report of even date on the Financial Statements of EMPIRE INDUSTRIES LIMITED**

We report that

- 1 a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As per the information and explanations given to us, Fixed Assets were physically verified during the year by the management as per its programme. The frequency of verification is reasonable and no material discrepancies have been noticed on such verification.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable property are held in the name of the company.
2. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. Stock of Finished Goods, Raw Materials, stores and spare parts are reported to be physically verified in accordance with the procedure followed by the management. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. The company has not granted loan to party covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given and investment made.
5. The Company has accepted deposits from the public. The directives issued by Reserve Bank Of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed there under, where applicable, have been complied with.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014, as amended prescribed by Central Government under sub – section (1) of Section 148 of the Companies Act 2013, and we are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, duty of excise, goods and service tax, duty of customs, value added tax, sales tax,

cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, goods and service tax, duty of customs, value added tax, sales tax, cess and other statutory dues were in arrears as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of books of accounts and records, the details of the aforesaid statutory dues as at 31<sup>st</sup> March 2020 which have not been deposited with the appropriate authorities on account of any dispute are given below:

Name of Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which it Relates	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax Demand	53.18	A.Y. 2010-11	Income Tax Appellate Tribunal - Mumbai
Income Tax Act, 1961	Income Tax Demand	83.43	A.Y. 2011-12	Income Tax Appellate Tribunal –Mumbai
Income Tax Act, 1961	Income Tax Demand	106.52	A.Y. 2012-13	Commissioner of Income Tax (Appeal)
MVAT Act, 2002	VAT / CST dues	58.81*	F.Y. 2009-10	Jt. Commissioner of Sales Tax (A)
MVAT Act, 2002	VAT / CST dues	13.10	F.Y. 2014-15	Jt. Commissioner of Sales Tax (A)

[\* Total demand of Rs. 83.51 Lakhs less amount deposited in dispute of Rs. 25.00 Lakhs]

8. According to the information and explanation given to us and based on the documents and records examined by us, the company has not defaulted in repayment of loans due to banks and financial institutions.
9. In our opinion and on the basis of information and explanations given to us, the company has not raised money by way of public offer.  
The term loans raised by the company were applied for the purposes for which they were raised.
10. According to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



12. In our opinion and according to the explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For A.T. Jain & Co.  
Chartered Accountants  
Firm Registration No. 103886W  
Sushil Jain  
Partner  
Membership No. 033809  
UDIN: 20033809AAAADA2098

Place: Mumbai  
Date: June 29, 2020

**Annexure B to the Independent Auditor's Report of even date on the Financial Statements of EMPIRE INDUSTRIES LIMITED**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Empire Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.T. Jain & Co.  
Chartered Accountants  
(Firm's Registration No.103886W)  
Sushil Jain  
Partner  
Membership No. 033809  
UDIN: 20033809AAAADA2098

Place: Mumbai  
Date: June 29, 2020



## Balance Sheet as at 31<sup>st</sup> March, 2020

	Notes	As at 31-Mar-2020	(₹ in lakhs) As at 31-Mar-2019
<b>ASSETS</b>			
<b>1) Non-current Assets</b>			
<b>Fixed Assets</b>			
a) Property, plant and equipment	3 A	29,025.87	21,223.95
b) Capital Work-in-Progress	3 B	7,162.86	10,311.49
c) Right-of-use Assets		2,609.25	-
d) Intangible Assets	4	24.59	32.39
e) Financial assets			
i) Investments	5	0.01	0.01
ii) Trade Receivables	6	651.08	372.51
iii) Loans	7	255.11	219.33
f) Other Non-Current Assets	8	1,788.19	1,482.77
		<u>41,516.96</u>	<u>33,642.45</u>
<b>2) Current Assets</b>			
(a) Inventories	9	18,258.24	14,378.54
(b) Financial assets			
i) Trade receivables	10	10,946.99	11,590.22
ii) Cash and cash equivalents	11	2,613.91	3,694.42
iii) Other bank balances	12	570.88	488.95
iv) Loans and Advances	13	139.25	118.45
(c) Current Tax Assets (net)		1,670.41	1,079.99
(d) Other Current Assets	14	2,655.66	2,701.06
		<u>36,855.34</u>	<u>34,051.63</u>
<b>Total</b>		<u><b>78,372.30</b></u>	<u><b>67,694.08</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	15	600.00	600.00
b) Other Equity		<u>22,771.14</u>	<u>23,138.03</u>
		<u><b>23,371.14</b></u>	<u><b>23,738.03</b></u>
<b>1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	16,211.03	12,028.05
(ii) Lease liability		2,727.86	-
(iii) Trade Payables - Total outstanding dues of micro enterprises & small enterprises		-	-
(iv) Trade Payables - Total outstanding dues of creditors other than micro enterprises & small enterprises		57.79	48.22
(v) Other Financial Liabilities	17	6,291.30	5,817.89
(b) Provisions	18	2,708.67	1,792.86
(c) Deferred Tax Liabilities (Net)		1,377.29	1,248.25
(d) Other Non-Current Liabilities	19	2,241.30	2,534.78
		<u>31,615.24</u>	<u>23,470.05</u>
<b>2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	11,946.46	9,696.85
(ii) Lease liability		186.96	-
(iii) Trade Payables - Total outstanding dues of micro enterprises & small enterprises		-	-
(iv) Trade Payables - Total outstanding dues of creditors other than micro enterprises & small enterprises	21	3,248.75	2,971.18
(v) Other Financial Liabilities	22	2,339.97	2,845.94
(b) Other Current Liabilities	23	3,082.95	1,862.71
(c) Provisions	24	2,580.83	3,109.33
		<u>23,385.92</u>	<u>20,486.01</u>
<b>Total</b>		<u><b>78,372.30</b></u>	<u><b>67,694.08</b></u>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

for A. T. JAIN & CO.  
Chartered Accountants  
FRN 103886W

Place : Mumbai  
Date: June 29, 2020

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

UMA R. MALHOTRA (DIN: 06848613)  
RAJBIR SINGH (DIN: 00826402)  
C. P. SHAH (DIN: 00450394)  
SUBODH CHANDRA (DIN: 02076844)  
GEETANJALI R NAIDU (DIN:08713727)

S. C. NANDA

Mumbai, June 29, 2020

Chairman  
Vice Chairman & Managing Director  
Joint Managing Director

Directors

Director Finance & Company Secretary

**Statement of Profit and Loss for the year ended 31st March, 2020**

Statement of Profit and Loss for the year ended 31st March, 2020		(₹ in lakhs)	
	Notes	As at 31st March, 2020	As at 31st March, 2019
<b>INCOME</b>			
I Revenue from operations	25	57,475.87	52,621.73
II Other income	26	1,855.42	3,260.62
<b>III Total Revenue ( I + II )</b>		<b>59,331.29</b>	<b>55,882.35</b>
<b>IV EXPENSES:</b>			
Cost of Materials Consumed	27	18,201.13	13,962.12
Cost of Projects		1,316.40	2,112.06
Purchases of Stock-in-trade		12,918.14	11,042.14
Changes in inventories of Finished Goods and Stock-in-trade	28	(3,913.78)	(2,122.34)
Employee benefit expense	29	10,454.09	9,171.81
Finance cost	30	3,158.46	1,967.83
Depreciation and amortisation expense	3 & 4	1,498.44	1,067.43
Other expense	31	11,046.58	12,573.11
Total Expenses (IV)		54,679.46	49,774.16
V Profit / (Loss) before exceptional and tax (III - IV)		4,651.83	6,108.19
VI Exceptional items		628.44	-
VII Profit / (Loss) before tax (V-VI)		4,023.39	6,108.19
VIII Tax Expenses			
- Current tax		476.72	1,250.00
- Deferred tax	32	129.04	474.69
		605.76	1,724.69
IX Profit/ (loss) for the period from continuing operations (VII-VIII)		3,417.63	4,383.50
X Profit/ (loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/ (loss) from discounting operations (after tax) (X-XI)		-	-
<b>XIII Profit/ (loss) for the period (IX+XII)</b>		<b>3,417.63</b>	<b>4,383.50</b>
<b>XIV Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
remeasurement of the net defined benefit liability/ asset		(10.67)	(49.64)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		(10.67)	(49.64)
XV Total comprehensive income for the period ( XIII+XIV)		3,406.96	4,333.86
XVI Earnings per equity share (for continuing operations)	33		
a) Basic		56.96	73.05
b) Diluted		56.96	73.05
XVII Earnings per equity share (for discontinued operations)			
a) Basic		-	-
b) Diluted		-	-
XVIII Earnings per equity share (for discontinued & continuing operations)			
a) Basic		56.96	73.05
b) Diluted		56.96	73.05

As per our report of even date

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

Chairman  
Vice Chairman & Managing Director  
Joint Managing Director

for **A. T. JAIN & CO.**  
Chartered Accountants  
FRN 103886W

**UMA R. MALHOTRA** (DIN: 06848613)  
**RAJBIR SINGH** (DIN: 00826402)  
**C. P. SHAH** (DIN: 00450394)  
**SUBODH CHANDRA** (DIN: 02076844)  
**GEETANJALI R NAIDU** (DIN:08713727)

Directors

Place : Mumbai  
Date: June 29, 2020

**S. C. NANDA**  
Mumbai, June 29, 2020

Director Finance & Company Secretary

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>CASH FLOW FROM OPERATIVE ACTIVITIES</b>		
Profit/(Loss) before tax	4023.39	6108.19
<b>Non-cash adjustments to reconcile profit/(loss) before tax to net cash flows</b>		
Depreciation / Amortisation	1498.44	1067.41
Loss/(profit) on sale/discard of Property Plant and Equipment	(561.24)	(1,867.36)
Interest Income	(305.19)	(326.31)
Finance Cost	3158.46	1967.83
Provision for Gratuity/Leave encashment on actuarial basis	387.31	372.94
<b>Operating Profit before exceptional items and working capital changes</b>	<b>8201.17</b>	<b>7322.70</b>
<b>Less : Exceptional items</b>	<b>628.44</b>	<b>-</b>
<b>Operating Profit before working capital changes</b>	<b>7572.73</b>	<b>7322.70</b>
<b>Movement in working capital :</b>		
Increase/(Decrease) in Trade Payables and Other Liabilities	1317.43	1214.54
Decrease/(Increase) in Trade Receivables	(98.93)	(4,454.45)
Decrease/(Increase) in Inventories	(3,879.70)	(3,852.29)
Decrease/(Increase) in Loans and Advances	(20.79)	(89.27)
<b>Cash generated from/(used in) Operations</b>	<b>4890.74</b>	<b>141.23</b>
Direct taxes (paid)/Refunds (net)	(921.58)	(1,399.97)
<b>Net Cash Flow from/(used in) Operating activities (A)</b>	<b>3969.16</b>	<b>(1,258.74)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and Equipment, Intangible assets, Capital Work in Progress and Capital Advances	(5,966.08)	(5,799.04)
Proceeds from sale of Property Plant and Equipment	1117.00	2069.14
Interest received	325.90	359.89
<b>Net Cash Flow from /(used in) Investing activities (B)</b>	<b>(4,523.18)</b>	<b>(3,370.01)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	6241.73	4948.09
Repayment of borrowings	-	(597.45)
Dividend paid	(3,610.72)	(1,805.36)
Interest paid	(3,047.50)	(1,997.17)
Repayment of Lease liability	(110.00)	-
<b>Net Cash Flow from /(used in) Financing activities (C)</b>	<b>(526.49)</b>	<b>548.11</b>

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,080.51)	(4,080.64)
Cash and cash equivalents at the beginning of the year	3694.42	7775.06
<b>Cash and cash equivalents at the end of the year</b>	<b>2613.91</b>	<b>3694.42</b>
<b>Components of Cash and Cash equivalents</b>		
Balances with banks :		
In current accounts	1861.35	1160.23
In deposit accounts (With original maturity of less than 3 months)	720.12	2501.94
In dividend accounts	-	11.61
Cash in hand	32.44	20.64
<b>Total cash and cash equivalents</b>	<b>2613.91</b>	<b>3694.42</b>

Summary of Significant Accounting Policies

Notes to Financial Statements

The notes are an integral part of the Financial Statements.

As per our report of even date

for A. T. JAIN & CO.  
Chartered Accountants  
FRN 103886W

S. C. MALHOTRA (DIN : 00026704)  
RANJIT MALHOTRA (DIN : 00026933)  
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SUBODH CHANDRA (DIN: 02076844)  
GEETANJALI R NAIDU (DIN:08713727)

Chairman  
Vice Chairman & Managing Director  
Joint Managing Director

Directors

Place : Mumbai  
Date: June 29, 2020

S. C. NANDA

Mumbai, June 29, 2020

Director Finance & Company Secretary



## Notes forming part of the financial statements

### A : Equity Share Capital

₹ in lakhs

	As at 31st March, 2020	As at 31st March, 2019
<b>Authorised Capital</b>		
<b>1,50,00,000</b> (Previous Year: 15,000,000)	<b>1,500.00</b>	1,500.00
Equity shares of Rs.10/- each		
<b>50,000</b> (Previous Year: 50,000)	<b>50.00</b>	50.00
Cumulative Redeemable Preference shares of Rs.100/- each		
<b>Total</b>	<b>1,550.00</b>	1,550.00
<b>Issued, Subscribed and Fully Paid up 59,99,998</b>		
(Previous Year: 5,999,998)		
Equity shares of Rs. 10/- each, fully paid up	<b>600.00</b>	600.00
<b>Total</b>	<b>600.00</b>	600.00

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Particulars	31st March, 2020		31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Shares outstandings at the beginning of the year	59,99,998	600.00	59,99,998	600.00
<b>Outstanding at the end of the year</b>	<b>59,99,998</b>	<b>600.00</b>	59,99,998	600.00

### B : Other Equity

For the year ended 31st March, 2020

₹ in lakhs

Particulars	Reserves and Surplus			Remeasurement of Defined benefit plan	Total
	Securities Premium Reserve	Capital Reserve	General Reserve		
Balance as at 1st April, 2019	13.33	65.97	23,197.26	(138.53)	23,138.03
Impact on account of adoption of Ind AS 116 ( Refer Note No. 40)	-	-	(157.19)	-	(157.19)
	13.33	65.97	23,040.07	(138.53)	22,980.84
Add : Profit/ (Loss) for the period	-	-	3,417.63	(10.67)	3,406.96
Less: Final Dividend ( including dividend distrubution tax	-	-	(1,500.00)	-	(1,500.00)
Less : Tax on final dividend	-	-	(308.33)	-	(308.33)
Less : Interim Dividend distribution	-	-	(1,500.00)	-	(1,500.00)
Less : Tax on dividend	-	-	(308.33)	-	(308.33)
Profit for the period	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>13.33</b>	<b>65.97</b>	<b>22,841.04</b>	<b>(149.20)</b>	<b>22,771.14</b>

For the year ended 31st March, 2019

₹ in lakhs

Particulars	Reserves and Surplus			Other Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Reserve	General Reserve		
Balance as at 1st April, 2018	13.33	65.97	20,619.12	(88.89)	20,609.53
Less : Goodwill on Amalgamation written off	-	-	-	-	-
Add : On Amalgamation	-	-	-	-	-
Add : Profit/ (Loss) for the period	-	-	4,383.50	(49.64)	4,333.86
Add : Gain/ (Loss) on Investment in Preference Shares	-	-	-	-	-
Add : Gain/ (Loss) on Preference Shares redeemed	-	-	-	-	-
Less : Dividend	-	-	(1,500.00)	-	(1,500.00)
Less : Tax on dividend	-	-	(305.36)	-	(305.36)
Profit for the period	-	-	-	-	-
Balance as at 31st March, 2019	13.33	65.97	23,197.26	(138.53)	23,138.03

## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION:

Empire Industries Limited (the Company) having domicile presence in the state of Maharashtra, India, has been incorporated under Companies Act in year 1900. It is engaged in the business of manufacture of container glass, trading in frozen foods, indenting and property development. The company's shares are listed and publicly traded on the BSE Limited (BSE).

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of Preparation of financial statements.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

Accounting policies have been consistently applied except where a newly issued Indian accounting standard is initially adopted or a revision to an existing accounting standard require a change in accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lakh, except otherwise indicated.

#### 2.2 Use of Assumptions Judgments and Estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### Critical accounting estimates

##### (a) Revenue Recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or

costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Company uses significant judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

##### (b) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

##### (c) Defined benefit plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(d) Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(e) Property, Plant and Equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**2.3 Recent Pronouncements**

**(a) Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 – Leases. Ind AS 116 will replace the existing Standard i.e. Ind AS 17 – Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the

incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods

The Company is currently evaluating the effect of this amendment on the financial statements.

**(b) Ind AS 12 Appendix C – Uncertainty over Income Tax Treatments**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C – Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition –

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

**(c) Amendment to Ind AS 19 – Plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection

with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

## 2.4 Revenue Recognition

The Company has revenue recognition policies for its various operating segments that are appropriate to the nature of each business. The revenues are recognized when the general revenue recognition criteria given in Ind AS 115 are met.

The Company derives revenue primarily from business of manufacturer of container glass, trading in frozen foods, indenting and real estate. The company has adopted Ind AS 115, Revenue from contracts with customer, effective April 1, 2018, on a modified retrospective basis, applying the standard to all contracts that are not completed as such date. The adoption of Ind AS 115 did not have any significant financial impact and accordingly, no adjustment are made to the amount recognized in the financial statement. The adoption has resulted in changes to accounting policies and mandated certain disclosures. Revenue is recognized upon transfer of control of promised products or services to customer in an amount that reflects the consideration we expect to receive in exchange for those products or services. Arrangement with customer for manufacturer of container glass, trading in frozen foods, indenting and real estate are either on a fixed-price fixed-timeframe or on a time-and-material basis. Revenue from fixed price, fixed timeframe contracts, where the performance obligation are satisfied overtime and where there is no uncertainty to measurement or collectability of consideration, is recognized as per the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue in excess of invoicing are classified as contracts assets (Which we refer as unbilled revenue) while invoicing in excess of revenue are classified as contract liabilities (Which we refer to as unearned revenues).

### Manufacturing and Trading Division

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

### Indenting Division

- a) Foreign commission is recognized on shipment of goods by foreign principals. Local commission is accounted on accrual basis.
- b) Revenue from engineering consultancy services and business support services are recognized as and when services are rendered.

### Revenue recognition on Property Development

- a) Income from property development is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However, if at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognized on proportionate basis as the act are being performed and monies received i.e. on the percentage of completion method on achieving at least 25 percent of physical progress of project and receipt of 10% of the sales consideration. The percentage of completion is stated on the basis of physical measurement of work actually completed as at the balance sheet date and certified by the Architect. As the long-term contracts necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known.
- b) Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

### Performance obligations and remaining performance obligations

The remaining performing obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Applying the

practical expedient as given in Ind AS 115, the company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and affected by several factors including terminations, changes in the scope of contracts, periodic revalidations, adjustments for revenues that has not materialized and adjustments for currency.

## 2.5 Taxes on Income:

Taxes on Income comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax expense is also recognized in other comprehensive income or directly in equity, respectively.

### Current Tax:

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Taxable income differs from 'profit before tax' as reported on the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

### Deferred tax:

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the

Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

## 2.6 Property, Plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company.

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an asset comprises of cost of acquisition or construction and includes, where applicable, inward freight, duties and taxes, installation expenses, professional fees, borrowing costs, initial estimates of the cost of dismantling, cost of replacing parts of the property, plant and equipments and other costs directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner and purposes. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Capital work in progress includes machinery to be installed, construction and erection materials, borrowing costs, unallocated pre-operative and other expenditures directly attributable towards construction and erection of the assets.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as "Capital Advances" under other non-current assets. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Property, plant and equipment are eliminated from financial statement on disposal. Gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on PPE commences when the assets are ready for their intended use.

- (i) Depreciation has been provided under Straight Line Method on Buildings and Flats, Plant and Machinery and Furnace and on other assets under the Written Down Value Method at the rates specified as per Schedule II of Companies Act, 2013. Depreciation on the additions to



assets or where any assets has been sold or discarded, is calculated on a Pro-rata basis from the date of such additions up to the date of such sale or discards as the case may be.

Asset	Useful lives (estimated by the management) (Years)
Building	60
Plants and Equipments	3-15
Furniture and fixture	10
Office equipment	3-6
Vehicles	8-10
Furnace	10

Lease hold improvements and premium on lease hold land is amortized over the period of lease.

## 2.7 Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the estimated useful economic life of the assets by using straight line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortized as follows:

Sr. No.	Nature of asset	Estimated Useful Life
1.	Software	3 Years

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## 2.8 Inventories

- Stock of raw materials, packing materials and stores & spares are valued at weighted average cost.
- Cost comprises purchase cost, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Damaged, unserviceable

and inert stocks are suitably written down.

- Work-in-Progress is valued at lower of cost and net realisable value. Cost comprises cost of land. Materials, services, overheads related to projects under construction and apportioned borrowing costs.
- Traded goods and finished goods are valued at lower of cost or market value / contracted price.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

## 2.9 Financial instruments

### (i) Financial assets:

#### Initial recognition and measurement

All financial assets are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through Profit and Loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.



- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

#### De - recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either-
  - (a) the Company has transferred substantially all the risks and rewards of the asset,
  - or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company

has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### (ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### De - recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange

or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**(iii) Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**2.10 Impairment of Asset:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of recoverable amount. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

**Impairment of financial assets**

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

**2.11 Provisions, Contingent Liabilities and Contingent assets**

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date.

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economics benefits is remote. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

**2.12 Foreign Currency Transactions:**

**Functional currency**

The functional currency of the company is Indian Rupees ('INR'). These financial statements are presented in Indian

Rupees and the all values are rounded to the nearest Lakh, except otherwise indicated.

**Transactions and translations**

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of transactions. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are transferred to Profit & Loss Account except for Long Term Foreign Currency Monetary Items. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**2.13 Borrowing Cost**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

**2.14 Earnings per equity share**

**Basic earnings per share**

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at

a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected

## 2.15 Employee Benefit

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements,
- Net interest expense or income.

### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

### Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred.

## 2.16 Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 2.17 Cash and cash equivalents:

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

## 2.18 Lease

Operating Lease

### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases.

### As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## 2.19 Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

## 2.20 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sell or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets/liabilities are classified as non-current.

All other liabilities are classified as non-current.

₹ in lakhs

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31-Mar-2019	Additions during the Year	Deductions/Decapitalized during the Year	As at 31-Mar-2020	Depreciation for the Year	Deduction during the Year	As at 31-Mar-2020	As at 31-Mar-2019
<b>NOTE 3A : Property, Plant &amp; Equipment</b>								
Freehold Land	18.97	-	-	18.97	-	-	18.97	18.97
Buildings	19,659.97	543.55	40.00	20163.52	336.85	20.16	17156.17	16,969.31
Leasehold improvements	-	579.30	-	579.30	39.03	-	540.27	-
Society Shares	-	-	-	-	-	-	-	-
Plant & Equipment	6,084.87	5,595.87	1,770.84	9909.90	463.07	1,711.16	8005.15	2,932.03
Furniture & Fixtures	1,825.58	43.61	364.73	1504.46	65.77	84.94	234.36	536.31
Vehicles	1,178.73	204.09	95.36	1287.46	131.66	85.01	472.57	410.49
Office Equipment	1,958.54	139.47	179.75	1918.26	91.22	161.11	267.34	237.73
Furnaces	1,220.61	2,339.00	956.18	2603.43	49.85	878.96	2331.04	119.11
Moulds and Castings	-	-	-	-	-	-	-	-
<b>TOTAL</b>	31,947.27	9,444.89	3,406.86	37985.30	1,177.45	2,941.34	29025.87	21,223.95
<b>NOTE 3B : Capital Work-in-Progress</b>								
	10,311.49	869.60	4,018.23	7,162.86	-	-	7,162.86	10,311.49
<b>NOTE 4 : Intangible Assets</b>								
Software	315.89	3.01	1.65	317.25	10.51	1.35	24.59	32.39
<b>TOTAL</b>	315.89	3.01	1.65	317.25	10.51	1.35	24.59	32.39
<b>GRAND TOTAL</b>	42,574.65	10,317.50	7,426.74	45,465.41	1,187.96	2,942.69	36,213.32	31,567.83

3.1. a Building includes Rs.1750 Being the value of 35 Shares of Rs.50/- Each.

1) West Nandanvan Co-op. Hsg Soc. Ltd, 2) Tara Apartment, 3) Vipul Co-op. Hsg Soc. Ltd.

3.1. b Capital work inprogress includes the acquisition/commissioning cost of assets under expansion/ acquisition and pending commissioning Projects under which tangible fixed assets are not ready for intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs. Expenditure of revenue nature related to such acquisition / expansion is also treated as Capital work-in-progress and capitalised along with the asset on completion of the expansion project or otherwise on commencement of commercial use of the asset.

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### Note 5 : INVESTMENTS

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Investments in Equity instruments</b>		
Quoted	-	-
Unquoted	0.01	0.01
Aggregate Value of unquoted share	0.01	0.01

### Note 6 : Trade Receivables

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(1) Trade receivable</b>		
Trade Receivable - considered good - Unsecured	651.08	372.51
Trade Receivable-credit impaired	3.27	1.87
Less : Allowances for credit losses	-3.27	-1.87
	651.08	372.51

### Note 7 : Loans

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, Considered good</b>		
At amortised cost		
Security Deposits	143.01	95.89
Loan to Employees	112.10	123.44
	255.11	219.33

### Note 8 : Other Non-Current Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	171.70	252.36
Other Advances Margin Money Deposits (Maturing after one year)	274.02	152.17
Fixed Deposits (Maturing after one year)	-	2.57

### Advances Other than Capital Advances

Other Advances	-	100.00
Advances to Employees	0.06	0.20
Tender Deposits	13.04	18.79
Telephone Deposits	0.30	0.30
Rent Deposits	28.44	25.35
Security Deposits	402.89	402.88
Electricity Deposits	3.46	3.46
Sundry Deposits	88.85	89.80
VAT/Sales Tax Deposit	100.75	100.21
Excise Duty Deposit	0.08	0.08
Deposits with Municipalities and Other Local Authorities	15.32	15.31
Balance with Central Excise	0.74	0.74
Prepaid Expenses	638.54	318.55
Other Receivables (SAD Receivables)	50.00	-
	1788.19	1482.77

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

**Note 9 : Inventories (Valued at lower of cost or Net Realisable Value)**  
(Value taken and certified by the management)

		₹ in lakhs
Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials	89.63	97.16
Work in Progress	8675.95	8874.91
Finished Goods	6756.01	3654.12
Stores and Spares	851.57	804.88
Liquid Fuel & Petrol	41.98	41.53
Stock-in-trade	1843.10	905.94
	<b>18258.24</b>	<b>14378.54</b>

9.1 Inventories of Stores and Spare Parts include certain slow moving, non-moving and obsolete items towards obsolescence of such slow-moving, non-moving and obsolete items is carried in the books and the management is of the opinion that the same is adequate.

**Note 10 : Trade Receivables**

	As at 31st March, 2020	As at 31st March, 2019
<b>Particulars</b>		
<b>(1) Trade receivable</b>		
Trade Receivable Considered Good - Unsecured	10946.99	11590.22
Trade Receivable - credit impaired	34.86	38.17
Less : Allowances for credit losses	(34.86)	(38.17)
	<b>10946.99</b>	<b>11590.22</b>

10.1 The accounts of some of the customers are pending reconciliation / confirmation.

10.2 There are no customers who represent more than 10% of the total balance of trade receivables as at the end of the reporting period.

10.3 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

**Note 11 : Cash and Cash Equivalents**  
(As certified by the management)

		₹ in lakhs
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Balances with banks :</b>		
In Current accounts	1606.58	1084.11
In Cash Credit Accounts	254.76	76.12
In Deposit accounts	720.13	2501.94
In Dividend Accounts	-	-
Cheques on Hand	-	11.61
Cash in Hand	32.44	20.64
	<b>2613.91</b>	<b>3694.42</b>

11.1 Balance with banks on unpaid dividend account represents monies that can be utilized only to pay dividend to equity shareholders against dividend warrants issued to them.



## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### Note 12 : Bank Balances Other Than above (As certified by the management)

₹ in lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Earmarked balances with bank - Unclaimed dividend	101.47	80.70
Margin Money Deposits maturing within one year	469.41	408.25
	<b>570.88</b>	<b>488.95</b>

### Note 13 : Loans

#### Particulars

#### At Amortised Cost

#### Unsecured, Considered good

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security Deposits	5.53	-
Loans to related parties	9.09	1.86
Loans to Employee	119.04	113.56
Loans and Advances to Employees	5.59	3.03
	<b>139.25</b>	<b>118.45</b>

### Note 14 : Other Current Assets

#### Particulars

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances other than Capital Advances	8.63	6.47
Security deposits	6.00	11.00
Advances against Expenses	15.73	29.87
Advance to Suppliers	537.41	1156.57
Sundry Deposits	209.87	208.25
<b>Others</b>		
Interest accrued on fixed deposits and bonds	60.75	81.45
Trade Deposits	29.86	59.38
Other receivable	6.54	0.05
Deposits with Insurance Company	129.68	67.74
Rent Deposits	26.50	53.84
Deposits / Balance with Central Excise / Sales Tax with Insurance Company	0.08	0.08
Adjustments of coins	-0.02	-0.02
Miscellaneous Receivable	367.47	288.01
Sundry Recoverable	47.11	77.50
Prepaid Expenses	322.72	270.24
Service Tax	1.34	40.03
VAT	66.71	49.52
Central Sales Tax	0.58	-
Balance with GST	818.70	301.08
	<b>2655.66</b>	<b>2701.06</b>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### Note 15-A : Equity Share Capital

₹ in lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised Capital		
15,000,000 (Previous Year: 15,000,000)		
Equity shares of Rs.10/- each	1,500.00	1,500.00
50,000 (Previous Year: 50,000)		
Cumulative Redeemable Preference shares of Rs.100/- each	50.00	50.00
<b>Total</b>	<b>1,550.00</b>	<b>1,550.00</b>
<b>Issued, Subscribed and Fully Paid up</b>		
5,999,998 (Previous Year: 5,999,998)	600.00	600.00
Equity shares of Rs. 10/- each, fully paid up		
<b>Total</b>	<b>600.00</b>	<b>600.00</b>

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	31st March, 2020		31st March, 2019	
	Number of shares	Amount ₹ in lakhs	Number of shares	Amount ₹ in lakhs
Shares outstandings at the beginning of the year	5,999,998	600.00	5,999,998	600.00
<b>Outstanding at the end of the year</b>	<b>5,999,998</b>	<b>600.00</b>	<b>5,999,998</b>	<b>600.00</b>

### (b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	31st March, 2020		31st March, 2019	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Dileep Malhotra	1,475,975	24.60	1,475,975	24.60
Randil Trading Co. Pvt. Ltd	1,111,990	18.53	1,111,990	18.53
Ranjit Malhotra	968,403	16.14	968,403	16.14
Life Insurance Corporation of India	766,084	12.77	789,741	13.16

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### Note 15-B : Other Equity

For the year ended 31st March, 2020

₹ in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income		Total
	Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	General Reserve	Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	
Balance as at 1st April, 2019	13.33	65.97	-	23,197.26	-	(138.53)	23,138.03
Impact on account of adoption of Ind AS 116 ( Ref Note No. 40 )	-	-	-	(157.19)	-	-	(157.19)
	13.33	65.97	-	23,040.07	-	(138.53)	22,980.84
Add : Profit/ (Loss) for the period	-	-	-	3,417.63	-	(10.67)	3,406.96
Less : Final Dividend ( including dividend distribution tax)	-	-	-	(1,500.00)	-	-	(1,500.00)
Less : Tax on Final dividend	-	-	-	(308.33)	-	-	(308.33)
Less : Intermin Dividend	-	-	-	(1,500.00)	-	-	(1,500.00)
Less : Tax on Intermin dividend	-	-	-	(308.33)	-	-	(308.33)
Profit for the period	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>13.33</b>	<b>65.97</b>	<b>-</b>	<b>22,841.04</b>	<b>-</b>	<b>(149.20)</b>	<b>22,771.14</b>

For the year ended 31st March, 2019

₹ in lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income		Total
	Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	General Reserve	Equity Instruments through Other Comprehensive Income	Other Items of Other Comprehensive Income	
Balance as at 1st April, 2018	13.33	65.97	-	20,619.12	-	(88.89)	20,609.53
Add : Profit/ (Loss) for the period	-	-	-	4,383.50	-	(49.64)	4,333.86
Less : Dividend	-	-	-	(1,500.00)	-	-	(1,500.00)
Less : Tax on dividend	-	-	-	(305.36)	-	-	(305.36)
Profit for the period	-	-	-	-	-	-	-
Balance as at 31st March, 2018	13.33	65.97	-	23,197.26	-	(138.53)	23,138.03

- 15. B.1** The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and it will not be reclassified subsequently to Statement of Profit and Loss.
- 15.B.2** Other Comprehensive Income (OCI) represent the balance in equity relating to remeasurement gains/(losses) on defined benefit obligations. This will not be reclassified to Statement of Profit and Loss.

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### Note 16 : Borrowing

₹ in lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>At Amortised Cost</b>		
<b>Secured Loans</b>		
<b>a) Term Loans</b>		
From Banks	11159.62	7647.51
<b>Unsecured Loans</b>		
b) Deposits	5051.41	4380.54
c) Loan from Directors	-	-
d) Other Loans	-	-
	<b>16211.03</b>	<b>12028.05</b>

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

The term loan from IndusInd Bank is secured by assignment of lease rentals receivables from some of the licencees of the Company's properties situated at Vikhroli and Lower Parel, Mumbai together with first charge on properties leased to HDFC at Empire Plaza, Vikhroli and personal guarantees given by Chairman and Vice-Chairman for entire amount.

16.2 Repayment details of Term Loans from a Financial Institution at unamortised cost outstanding as on 31st March, 2020 areas follows :

₹ in lakhs

Financial Year	Effective Interest : 8.20%-11.80% p.a.	Total
2020-2021	1012.23	1012.23
2021-2022	1375.15	1375.15
2022-2023	1414.44	1414.44
2023-2024	1458.82	1458.82
2024-2025	1504.29	1504.29
2025-2026	1580.86	1580.86
2026-2027	1171.28	1171.28
2027-2028	444.25	444.25
2028-2029	159.25	159.25
2029-2030	172.81	172.81
2030-2031	187.52	187.52
2031-2032	203.12	203.12
2032-2033	220.79	220.79
2033-2034	239.59	239.59
2034-2035	259.99	259.99
2035-2036	281.98	281.98
2036-2037	306.14	306.14
2037-2038	322.14	322.14
<b>Total</b>	<b>12314.64</b>	<b>12314.64</b>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### Note 17 : Other Non Current Financial Liabilities

Particulars	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
<b>At Amortised Cost</b>		
Security Deposits	6291.30	5817.89
	<b>6291.30</b>	<b>5817.89</b>

### Note 18 : Provisions for Employee Benefits

Particulars	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Provision for Gratuity	1489.74	938.07
Provision for Leave Encashment	1218.93	854.79
	<b>2708.67</b>	<b>1792.86</b>

18.1 The provision for employee benefits includes gratuity and vested long service leave entitlements accrued and compensation claim payable to employees which are payable as per the terms of the appointment. For other disclosures refer Note.

### Note 19 : Other Non Current Liabilities

Particulars	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Other Liabilities		
Income Received in Advance	1658.28	1857.17
Advance received from Customers	1.00	0.63
Deposit for cars from Employees	11.38	12.57
Trade Deposits	315.27	426.03
Sundry Deposits	255.37	238.38
	<b>2241.30</b>	<b>2534.78</b>

### Note 20 : Borrowing

Particulars	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
(a) Secured Loans Repayable on Demand		
(i) Loan from Banks	5614.10	5205.43
(ii) Cash Credit	692.70	465.75
Un-secured		
(b) Deposits	4079.66	3834.67
(c) Loan from Directors	1560.00	191.00
(d) Other Loans	-	-
	<b>11946.46</b>	<b>9696.85</b>

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

### Note 21 : Trade Payables

Particulars	₹ in lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Total outstanding dues of creditors other than micro enterprises and small enterprises	3248.75	2971.17
	<b>3248.75</b>	<b>2971.17</b>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

**21.1** There are no Micro Small & Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2020. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**21.2** Trade payables are non-interest bearing and are normally settled on 60 to 90 day terms.

### Note 22 : Other Financial Liabilities

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Interest Accrued	336.82	225.86
Unpaid dividends	101.47	80.70
Unpaid matured deposits and interest accrued thereon	91.02	109.46
Security Deposits	742.84	1606.27
Current Maturities of Long Term Debts	1067.82	823.65
	<b>2339.97</b>	<b>2845.94</b>

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

### Note 23 : Other Current Liabilities

₹ in lakhs

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Other payables		
Statutory Dues	489.30	432.55
Advance from Customers	776.84	310.39
Other Payables	56.66	38.60
Sundry Creditors for Supply of Goods & Services	140.95	90.96
Sundry Creditors for Capital Goods	-	0.95
Sundry Payable	5.44	11.39
Security Deposits	9.50	12.00
Liability for Expenses	793.22	367.85
Miscellaneous (FD)	-	-
Other Payables Employees	558.51	445.69
Trade Deposits & Advances	241.45	144.11
Income Received in Advance	5.28	2.41
Un Earned Revenue	5.80	5.81
	<b>3082.95</b>	<b>1862.71</b>

### Note 24 : Provision

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provision for Employee Benefits	2580.83	3109.33
	<b>2580.83</b>	<b>3109.33</b>

**24.1** The provision for employee benefits includes gratuity and vested long service leave entitlements accrued and compensation claim payable to employees which are payable as per the terms of the appointment.



## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### Note 25 : Revenue from Operations

₹ in lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Sale of Products	37249.25	33592.32
Sale of Service	1734.73	1647.96
Sale of Flats	2084.70	2135.58
Other Operating Revenue	16407.19	15245.87
Revenue from Operations	57475.87	52621.73

25.1 Sale of goods excluding GST collected from customer.

### 25.2 Particulars of Sale of Products

Particulars	As at 31st March, 2020	As at 31st March, 2019
Manufactured Goods		
Glass Bottles	12452.35	13903.03
Food Products	22198.38	17649.22
Machine Tools & Industrial Equipments	2598.52	2040.08
	37249.25	33592.33

### 25.3 Particulars of Other Operating Revenue

Particulars	As at 31st March, 2020	As at 31st March, 2019
Business Support Service, Consultancy and Commission	5482.28	6261.74
Property Rent	9691.25	8042.12
Advertising , Branding and Operating Income	802.05	907.62
Business Centre Service	936.01	769.31
Property Income	2285.05	2240.96
Others	1029.98	807.65
	20226.62	19029.40

### Note 26 : Other Income

Particulars	As at 31st March, 2020	As at 31st March, 2019
From Loans and Advances given (Carried at amortized cost)	9.27	2.45
From Others (Carried at Book Value)	295.93	323.86
	305.20	326.31

### Other Non Operating income

Surplus on Sale of Fixed Assets	576.18	1867.36
Export Incentives	-	500.00
Rent received	28.00	25.45
Miscellaneous Income	298.78	51.71
Credit Balance written back	-	1.46
Surplus on Loans/ advances given/repaid (net)	9.71	3.15
Gain of Exchange rate difference	480.28	157.54
Insurance Claims	0.60	7.53
Sale of Duty Credit Script	156.67	320.11
	1550.22	2934.31
	1855.42	3260.62

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### Note 27 : Cost of Materials Consumed

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials Consumed	14302.83	12848.39
Stores & Spares, Packing Materials, Refractories, Moulds & Castings Consumed	3898.30	1113.73
	18201.13	13962.12
Cost of Project	1316.40	2112.06
	19517.53	16074.18

### 27.1 Particulars of Material Consumed

Particulars	As at 31st March, 2020	As at 31st March, 2019
Imported	627.04	659.15
Indigenous	13675.79	12189.24
	14302.83	12848.39
Chemicals	1038.88	1205.37
Silica Sand	282.76	301.35
Cullets	2076.42	2261.04
Food Product	10904.77	9080.63
	14302.83	12848.39

### Note 27.2 : Components & Spare Parts Consumed

Particulars	As at 31st March, 2020	As at 31st March, 2019
Imported	61.11	57.30
Indigenous	3837.19	1056.43
	3898.30	1113.73

### Note 28 : CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK- IN -TRADE

Particulars	As at 31st March, 2020	As at 31st March, 2019
Closing Stock		
Stock at close-Finished Goods	6795.67	3720.23
Stock at Commencement- Finished Goods	3720.23	725.38
	(3075.44)	(2994.85)
Stock at Close - Traded Goods	1857.81	1026.53
Stock at Commencement -Traded Goods	1019.47	1899.04
Increase / (Decrease) in Traded Goods	(838.34)	872.51
	(3,913.78)	(2,122.34)

### Note 29 : EMPLOYEE BENEFITS EXPENSES

Particulars	As at 31st March, 2020	As at 31st March, 2019
Salaries, Wages, Bonus, Gratuity & Allowances	8733.31	7802.96
Contribution to Provident & Superannuation Fund	1003.65	696.13
Staff Welfare Expenses	717.13	672.72
	10454.09	9171.81

### Note 30 : Finance Costs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest Expense	2753.99	1719.01
Other borrowing Costs	404.47	248.82
Interest on Security Deposits	-	-
	3158.46	1967.83

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### Note 31 : Other Expenses

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Carriage Outward and Steamer Freight	1344.52	1213.27
Local Delivery Charges	293.52	227.41
Conducting Charges	64.98	67.68
Discount, Commission and Brokerage	442.30	315.53
Donation	0.04	10.00
Electricity Charges	231.73	246.22
Insurance Premium	153.15	123.54
Sales Promotion	255.84	179.94
Miscellaneous Expenses	880.25	1347.67
Operating Expenses	176.09	144.48
Bad Debts written off	145.76	313.29
Power & Fuel	2903.12	3640.55
Professional and Legal Charges	834.20	1034.07
Rates and Taxes	587.66	517.57
Rent paid	104.37	447.03
Repairs to Machinery	181.25	191.42
Repairs to Building	256.54	224.62
Other Repairs	452.46	555.59
Telephone, Trunk calls. Telex and Internet Charges	100.96	119.29
Expenditure on Corporate Social Responsibility (CSR) Activities	92.50	94.80
Vehicle Expenses	353.87	370.37
Storage Expenses	334.09	273.05
Travelling Expenses (Foreign)	149.68	205.35
Travelling Expenses (Local)	265.21	325.25
General Expenses	331.31	281.87
Water Charges	111.18	103.25
	<b>11046.58</b>	<b>12573.11</b>

### NOTE 32 : DEFERRED TAX LIABILITY (NET)

₹ in lakhs

(a)	Amount recognized in Financial Statements	As at 31st March, 2020	Current Year Change/(Credit) P/L	As at 31st March, 2019	Current Year Change/ (Credit) P/L
	<b>Particulars</b>				
	Deferred Tax Liabilities (Net):				
	Related to Fixed Assets	2,811.86	(149.41)	2,961.27	648.69
	Deferred Tax Assets:				
	Disallowance under the Income Tax Act, 1961	1,434.57	278.45	1,713.02	(174.00)
	Net Deferred Tax Liability	1,377.29	129.04	1,248.25	474.69

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### (b) Reconciliation of Tax Expenses/ (Income)

Particulars of Other Operating Revenue		₹ in lakhs
Particulars	As at 31st March, 2020	As at 31st March, 2019
Profit/ (Loss) before Tax	4,023.39	6,108.19
Applicable Tax Rate	25.63%	34.94%
<b>Expected Income Tax Expenses (i)</b>	<b>1,030.99</b>	<b>2,134.45</b>
Add/(Less):		
Tax effect of Depreciation allowance	(256.80)	85.91
Tax effect of Allowed/Disallowed Expenses as per Income Tax Act, 1961	35.13	(425.80)
Tax effect of Special Rate in Long Term Capital Gains	(127.03)	(59.92)
Excess Provision for Tax for earlier years	(73.38)	-
Others	(3.15)	(9.95)
<b>Subtotal (ii)</b>	<b>(425.23)</b>	<b>(409.75)</b>
<b>Income Tax Expense/(Income) to Statement of Profit &amp; Loss [i+ii]</b>	<b>605.76</b>	<b>1,724.69</b>

The Company's weighted average tax rate for the year ended March 31, 2020 is 15.06% and March 31, 2019 is 28.24%.

### NOTE 33 : EARNINGS PER SHARE (EPS)

Particulars	As at 31st March, 2020	As at 31st March, 2019
1. Face Value per equity share in Rupees	10.00	10.00
2. Weighted Average number of equity shares outstanding	59,99,998	59,99,998
3. Net (Loss) as per Profit and Loss Account (Continuing Operation ) Rupees in Lakhs	3417.63	4383.50
4. Weighted Average earning per share from continuing operation. (Basic and Diluted) in Rupees	56.96	73.05
5. Net Profit/ (Loss) as per Profit and Loss Account (Discontinued Operation ) Rupees in Lakhs	-	-
6. Weighted Average earning per share from discontinuing operation (Basic and Diluted) in Rupees	-	-
7. Net (Loss) as per Profit and Loss Account (Continuing and Discontinued Operation ) Rupees in Lakhs	3417.63	4383.50
8. Weighted Average earning per share continuing and discontinuing opera- tion (Basic and Diluted) in Rupees	56.96	73.05

### NOTE 34 : CONTINGENT LIABILITIES

Particulars	As at 31st March, 2020	₹ in lakhs
1. Income Tax matter in respect of which appeal are pending	243.13	369.45
2. Sales Tax Demand disputed by the Company	71.91	96.61

In the Financial Year 2015-16, the Investigation Branch of the Sales Tax Department had carried out survey action in the Company's premises. The company has paid ₹ 86.81 lakhs for the period from April, 2012 to November, 2015. The Company has contested for the entire amount paid at appropriate forum.

### NOTE 35 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The main focus areas for CSR activities are health care, education, malnutrition and water hygiene and sanitation. A CSR committee has been formed by the company as per the Act to oversee and execute the company's CSR policy. Gross amount spent by the company during the year is ₹ 92.50 lakhs (Previous year ₹ 94.80 lakhs).

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### NOTE 36 : CAPITAL COMMITMENT

Estimated amount committed on capital account and not provided for is ₹ 24.00 Lakhs as on 31st March, 2020. (Previous Year ₹2041.48 lakhs)

### NOTE 37: Revenue from Contracts with Customers (Ind AS 115):

The Company measures the revenues at fair value of the consideration received or receivable after taking in to account the amount of any discount or rebates allowed to the customers. The Company presents revenues net of indirect taxes collected in its statement of profit and loss.

#### Disaggregate Revenue information

Particulars	For the year ended 31st March, 2020	₹ in lakhs For the year ended 31st March, 2019
<b>Revenue</b>		
Manufacturing	12,557.89	14,048.14
Trading, Business Support Service, Consultancy and Commission	32,941.67	28,290.51
Property Development	2,285.05	2,240.96
Others	9,691.26	8,042.12
<b>Total Revenue from Operations</b>	<b>57,475.87</b>	<b>52,621.73</b>

### NOTE 38 : PAYMENT TO AUDITORS\*

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a) Statutory Audit Fees	13.50	11.00
b) Certification and Consultation Fees	2.38	3.00
	<b>15.88</b>	<b>14.00</b>

\*Exclusive of Goods and Service Tax.

### NOTE 39: Details of dues to micro and small enterprises as per MSMED Act, 2006

There are no Micro Small & Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2020. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

### Note 40: Leases

#### The Company as a lessee

##### Transition

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 1818.54 lakhs, and a lease liability of Rs. 2007.95 lakhs. The cumulative effect of applying the standard, amounting to Rs. 157.19 lakhs were debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

to contracts that were previously identified as leases under Ind AS 17.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

Particulars	Total (₹ in lakhs)
Balance as at April 1, 2019	1,818.54
Additions	1,101.20
Deletion	-
Depreciation	310.48
Balance as at March 31, 2020	2,609.25

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows:

Particulars	As at March 31, 2020 (₹ in lakhs)
Current lease liabilities	186.96
Non-current lease liabilities	2,727.86
<b>Total</b>	<b>2,914.82</b>

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Particulars	Year ended March 31, 2020 (₹ in lakhs)
Balance at the beginning	2,007.95
Additions	1,078.14
Finance cost accrued during the period	178.14
Deletions	-
Payment of lease liabilities	349.41
<b>Balance at the end</b>	<b>2,914.82</b>

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Particulars	As at March 31, 2020 (₹ in lakhs)
Less than one year	496.85
One to five years	1,914.55
More than five years	1,695.74
<b>Total</b>	<b>4,107.14</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rental expense recorded for short-term leases was Rs. 104.37 lakhs for the year ended March 31, 2020.

### The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

The Company has given premises on operating leases which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Rental income on assets given on operating lease was Rs. 9,611.43 lakhs for the year ended March 31, 2020.



## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

The total future minimum lease rentals receivable at the Balance Sheet date is as under:

Particulars	As at March 31, 2020 (₹ in lakhs)
Within than one year	8,593.68
After One but not more than five years	13,761.44
More than five years	5,701.05
<b>Total</b>	<b>28,056.18</b>

### NOTE 41: Post Retirement Benefit Plans

#### Defined Benefits Plan - Gratuity

₹ in lakhs

Particulars	31st March, 2020	31st March, 2019
I Changes in present value of obligation		
POV at beginning of period	2,967.64	2,799.67
Interest cost	156.01	196.59
Current service cost	223.92	202.27
Past service cost- (non vested benefits)	-	-
Past service cost- (vested benefits)	-	-
Benefits Paid	(218.05)	(286.17)
Contribution by plan participants	-	-
Business combinations	-	-
Curtailements	-	-
Settlements	-	-
Acturial (Gain)/ Loss on obligation	0.42	55.29
PVO at end of period	3,129.94	2,967.64
II Interest Expenses		
Interest Cost	156.01	196.59
III Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning	-	-
Interest income	-	-
IV Net Liability		
POV at beginning of period	2,967.63	2,799.67
Fair value of the assets at beginning report	-	-
Net Liability	2,967.63	2,799.67
V Net Interest		
Interest Expenses	156.01	196.59
Interest Income	-	-
Net Interest	156.01	196.59
VI Actual return on plan assets		
Less interest income included above	-	-
Return on plan assets excluding interest income	-	-
<b>Particulars</b>		
VII Acturial (Gain)/loss on obligation		
Due to demographic assumptions*	-	-
Due to financial Assumptions	137.44	4.62
Due to Experience	-137.01	50.67
Total Acturial (Gain)/loss	0.42	55.29

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

\*This figure does not reflect interrelationship between demographic assumptions and financial assumptions when a limit is applied on the benefit, the effect will be shown as an experience.

	<u>31st March, 2020</u>	<u>31st March, 2019</u>
VIII Fair value of Plan Assets		
Opening Fair value of Plan Asset	-	-
Adjustment to Opening Fair value of Plan asset	-	-
Return on Plan Assets excl. interest income	-	-
Interest Income	-	-
Contributions by Employer	218.05	286.17
Contributions by Employee	-	-
Benefit Paid	(218.05)	(286.17)
Fair value of Plan Asset at end	-	-
IX Past Service Cost Recognised	-	-
Past service cost- (non vested benefits)	-	-
Past service cost- (vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised past service cost- non vested benefit	-	-
Recognised past service cost- vested benefit	-	-
Unrecognised past service cost- non vested benefit	-	-
X Amount to be recognized in the balance sheet and Statement of profit & loss account		
PVO at end of period	3,129.94	2,967.64
Fair value of Plan Assets at end of period	-	-
Funded Status	(3,129.94)	(2,967.64)
Net Asset/(Liability) recognized in the balance sheet	(3,129.94)	(2,967.64)
XI Expenses recognized in the statement of P & L A/C		
Current service cost	223.92	202.27
Net interest	156.01	196.59
Past service cost- (non vested benefits)	-	-
Past service cost- (vested benefits)	-	-
Curtailment Effect	-	-
Settlement Effect	-	-
Unrecognised past service cost- non vested benefit	-	-
Expense recognized in the statement of P & L A/C	379.93	398.86
XII Other Comprehensive Income (OCI)		
Actuarial (Gain)/loss recognized for the period	0.42	55.29
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognized Actuarial (Gain)/loss from previous period	-	-
Total Actuarial (Gain)/loss recognized in (OCI)	0.42	55.29
XIII Movements in the Liability recognized in Balance Sheet		
Opening net Liability	2,967.64	2,799.67
Adjustment to opening balance	-	-
Expenses as above	379.93	398.86
Contribution paid	(218.05)	-
Other Comprehensive Income (OCI)	0.42	55.29

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

Closing Net Liability 3,129.94 2,967.64

	Particulars	31st March, 2020	31st March, 2019
XIV	Schedule III of the Companies Act 2013		
	Current Liability	1,640.21	1,690.08
	Non- Current Liability	1,489.74	1,277.56

XV Projected Service Cost 31 Mar 2021 245.61 223.92

	Asset information	Target Allocation Total Amount	%
	Cash and Cash Equivalents	-	-
	Gratuity Fund	-	-
	Debt Security- Government Bond	-	-
	Equity Securities- Corporate debt Securities	-	-
	Other Insurance Contract	-	-
	Property	-	-
	Total Itemized Assets	-	-

XVII	Assumption as at	31st March, 2020	31st March, 2019
	Mortality	IALM(2006-08)Ult.	IALM(2006-08)Ult.
	Interest / Discount rate	6.14%	7.35%
	Rate of increase in compensation	7.00%	7.00%
	Annual increase n healthcare cost	-	-
	Future changes in maximum state healthcare benefits	-	-
	Expected average remaining service	9.65	9.61
	Employee Attrition rate (past service (PS))	PS: 0 to 42: 4%	PS: 0 to 42: 4%

### XVIII Sensitivity Analysis

₹ in lakhs

	DR: Discount rate		ER: Salary Escalation rate	
	PVO DR + 1%	PVO DR – 1%	PVO DR + 1%	PVO DR – 1%
PVO	3,014.84	3,261.57	3,256.44	3,017.12

### XIX Expected Payout

Year	Expected outgo first	Expected outgo second	Expected outgo third	Expected outgo fourth	Expected outgo fifth	Expected outgo six to ten years
Payouts	1,640.21	95.26	155.91	156.55	200.99	687.88

### XX Asset Liability Comparisons

Year	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020
PVO at end of period	2,297.08	2,569.76	2,799.67	2,967.64	3,129.94
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(2,297.08)	(2,569.76)	(2,799.67)	(2,967.64)	(3,129.94)
Experience adjustment on plan assets	-	-	-	-	-

Weighted average remaining duration of Defined Benefit Obligation 12.87

## **Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020**

### **XXI Narrations**

**1 Analysis of Defined Benefit Obligations**

The number of members under the scheme have increased by 2.69%

The total salary has increased by 2.43% during the accounting period.

The resultant liability at the end of the period over the beginning of the period has increased by 5.47%.

**2 Expected rate of return basis**

Scheme is not funded EORA is not applicable

**3 Description of plan Assets and Reimbursement conditions: Not Applicable**

**4 Investment Risk**

Since the scheme is unfunded the company is not exposed to investment risk.

**5 Longevity Risk**

The company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any Reason.

**6 Risk of salary increase**

The company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

**7 Discount Rate**

The discount rate has decreased from 7.35% to 6.14% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

### **NOTE 42: Related Party Disclosures (As identified by the Management).**

**a) Related Party Relationship.**

**i) Key Managerial Personnel ( KMP )**

- Mr. Satish Chandra Malhotra - Chairman and Managing Director
- Mr. Ranjit Malhotra - Vice Chairman & Managing Director
- Mr. Dileep Malhotra - Jt. Managing Director
- Mr. Suhas C. Nanda - Director Finance & Company Secretary

**ii) Relatives of KMP**

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

**iii) Entities Controlled by KMP**

- Empire International Pvt. Ltd. (Amalgamated with Randil Trading Company Pvt Ltd)
- Randil Trading Company Pvt. Ltd.
- Arjun Transport Company Pvt. Ltd. (Amalgamated with Randil Trading Company Pvt Ltd)
- Empire Technical Services Pvt. Ltd.
- Elfab Co. L L C

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### b) Related Party Transactions

#### i. Aggregate amount of Transactions with related party

Nature of Transaction	Name of the Related Party	₹ in lakhs	
		For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Rent Received	Empire International Pvt. Ltd.	-	0.33
Rent Received	Randil Trading Co. Pvt. Ltd.	2.57	1.40
Rent Received	Arjun Transport Co. Pvt. Ltd.	-	0.83
Rent Received	Empire Technical Services Pvt. Ltd.	13.01	13.01
Sale of Products	Elfab Co. L. L. C.	-	34.17

#### ii. Aggregate amount of Transactions with Key Managerial Personnel and their relatives

Nature of Transactions	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Remuneration to Key Managerial Personnel:</b>		
Mr. S. C. Malhotra	95.02	87.26
Mr. Ranjit Malhotra	111.30	102.99
Mr. Dileep Malhotra	87.56	83.94
Mr. S. C. Nanda	86.90	74.00
<b>Salary to relatives of Key Managerial Personnel:</b>		
Mr. Kabir Malhotra	54.00	54.00
Ms. Anjali Malhotra	30.00	30.00
Interest paid on Fixed Deposits:		
Mr. S. C. Malhotra	20.77	-
Mr. Ranjit Malhotra	9.86	27.05
Mr. Dileep Malhotra	16.03	1.14
Mrs. Uma Malhotra	8.24	9.16
<b>Fixed Deposits &amp; Interest outstanding:</b>		
Mr. S. C. Malhotra	370.77	-
Mr. Ranjit Malhotra	392.09	50.10
Mr. Dileep Malhotra	731.04	-
Mrs. Uma Malhotra	100.32	141.00

#### NOTE 43: Financial Risk Management Objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Management Board.

Market Risk is the risk of loss of future earning, fair values or future cash flow that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market Risk is attributable to all market risk sensitive financial instruments including investment and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through its finance department, which evaluate and exercises independent control over the entire process of market risk management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

#### Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

₹ in lakhs

### Exposure to interest rate risk

Particular	As at 31st March, 2020	As at 31st March, 2019
Floating Rate Borrowings	18534.24	14142.34

### Interest rate sensitivity

A change of 1% in interest rates would have following impact on profit before tax

Particular	As at 31st March, 2020	As at 31st March, 2019
1% increase in interest rate – Decrease in Profit	(185.34)	(141.42)
1% decrease in interest rate – increase in Profit	185.34	141.42

### Liquidity Risk

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity through rolling forecasts on the basis of expected cash flows.

### Repayment of Borrowings as per below

Particular	As at 31st March, 2020	As at 31st March, 2019
Within the next 12 months	7,374.63	6,943.56
Between 2 to 5 years	5,752.68	2,766.89
5 years and above	5,406.93	4,431.89

### Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking in to account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limit are set accordingly.

The company considers the possibility of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

### Raw Material and Fuel Price Risk

The company is impacted by the price volatility of certain commodities like raw materials, packing materials and fuel. The Company is impacted by the price volatility of Fuels like Gas, Furnace Oil, etc.

To minimize the risk related to fuel price change, the Company uses alternate fuel based on their market prices. The Company swaps and uses alternate fuels based on the cost of energy efficiency and, hence, quantification of sensitivity is not practical. To mitigate the volatility in market price of major raw materials, the company has entered into fixed price contract.

### NOTE 44: Capital Risk Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.



## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### NOTE 45: Fair Value Measurement

#### Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for Non-Current borrowings, loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique: Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

				₹ in lakhs
Particular	Carrying Amount as at 31 <sup>st</sup> March, 2020	Fair value		
		Level 1	Level 2	Level 3
<b>Financial Assets at Amortised cost</b>				
Trade receivables	11,598.07	-	-	11,598.07
Cash and cash equivalents	2,613.91	-	-	-
Other bank balances	570.88	-	-	-
Loans and Advances ( Current )	394.36	-	-	394.36
Investments	0.01	-	-	0.01
<b>Total</b>	<b>15,177.23</b>	-	-	<b>11,992.44</b>
<b>Financial Liabilities at Amortised cost</b>				
Long Term Borrowings	16,211.03	-	-	16,211.03
Short Term Borrowings	11,946.46	-	-	11,946.46
Trade payables	3,306.54	-	-	3,306.54
Lease Liability	2,914.82	-	-	2,914.82
Other financial liabilities	8,631.27	-	-	8,631.27
<b>Total</b>	<b>43,010.12</b>	-	-	<b>43,010.12</b>

₹ in lakhs

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

₹ in lakhs				
Particular	Carrying Amount as at 31 <sup>st</sup> March, 2019	Fair value		
		Level 1	Level 2	Level 3
<b>Financial Assets at Amortised cost</b>				
Trade receivables	11,962.74	-	-	11,962.74
Cash and cash equivalents	3,694.42	-	-	-
Other bank balances	488.95	-	-	-
Loans and Advances ( Current )	337.78	-	-	337.78
Investments	0.01	-	-	0.01
<b>Total</b>	<b>16,483.90</b>	-	-	<b>12,300.53</b>
<b>Financial Liabilities at Amortised cost</b>				
Long Term Borrowings	12,028.05	-	-	12,028.05
Short Term Borrowings	9,696.85	-	-	9,696.85
Trade payables	3,019.40	-	-	3,019.40
Other financial liabilities	8,663.83	-	-	8,663.83
<b>Total</b>	<b>33,408.13</b>	-	-	<b>33,408.13</b>

During the reporting period ending 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019, there were no transfer between Level 1 and Level 2 fair value measurement.

### NOTE 46: Operating Segments:

#### DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 108 OPERATING SEGMENTS

##### Identifications of Segments :

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

##### Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure & income.

##### Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

	2019-2020 (₹ In Lakhs)			2018-2019 (₹ In Lakhs)		
	External	Inter - Segment	Total	External	Inter - Segment	Total
<b>REVENUE</b>						
Manufacturing	12,557.89	-	12,547.89	14,048.00	-	14,048.00
Trading, Business Support Service, Consultancy and Commission	32,941.67	-	32,941.67	28,291.00	-	28,291.00
Property Development	2,285.05	-	2,285.05	2,241.00	-	2,241.00
Others	9,691.26	-	9,691.26	8,042.00	-	8,042.00
<b>Total Revenue</b>	<b>57,475.87</b>	<b>-</b>	<b>57,475.87</b>	<b>52,622.00</b>	<b>-</b>	<b>52,622.00</b>
<b>Less : Inter segment revenue</b>		<b>-</b>		<b>-</b>	<b>-</b>	
<b>Revenue from operations</b>	<b>57,475.87</b>	<b>-</b>	<b>57,475.87</b>	<b>52,622.00</b>	<b>-</b>	<b>52,622.00</b>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

	2019-2020 (₹ In Lakhs)			2018-2019 (₹ In Lakhs)		
	External	Inter - Segment	Total	External	Inter - Segment	Total
<b>RESULT</b>						
Segment Result		-			-	
Manufacturing	32.14	-	32.14	663.00	-	663.00
Trading, Business Support Service, Consultancy and Commission	(2209.93)	-	(2,209.93 )	(781.00)	-	(781.00)
Property Development	114.10	-	114.10	(489.00)	-	(489.00)
Others	7,390.12	-	7,390.12	5,423.00	-	5,423.00
<b>Total Result</b>	<b>5,326.43</b>	<b>-</b>	<b>5,326.14</b>	<b>4,816.00</b>	<b>-</b>	<b>4,816.00</b>
<b>Unallocable items :</b>						
<b>Less : Finance Cost</b>	<b>3,158.46</b>	<b>-</b>	<b>3,158.46</b>	<b>1,968.00</b>	<b>-</b>	<b>1,968.00</b>
<b>Add : Other Income</b>	<b>1,855.42</b>	<b>-</b>	<b>1,855.42</b>	<b>3,260.00</b>	<b>-</b>	<b>3,260.00</b>
<b>Profit before Tax</b>	<b>4,023.39</b>	<b>-</b>	<b>4,023.39</b>	<b>6,108.00</b>	<b>-</b>	<b>6,108.00</b>
<b>Un-allocated Expenditure</b>						
<b>Net of un-allocated Income</b>	<b>1,855.42</b>	<b>-</b>	<b>1,855.42</b>	<b>3,260.00</b>	<b>-</b>	<b>3,260.00</b>
<b>Finance Cost</b>	<b>3,158.46</b>	<b>-</b>	<b>3,158.46</b>	<b>1,968.00</b>	<b>-</b>	<b>1,968.00</b>
<b>Interest Income</b>	<b>305.20</b>	<b>-</b>	<b>305.20</b>	<b>326.31</b>	<b>-</b>	<b>326.31</b>
<b>Profit before Taxation</b>	<b>4,023.39</b>	<b>-</b>	<b>4,023.39</b>	<b>6,108.00</b>	<b>-</b>	<b>6,108.00</b>
<b>Provision for Taxation</b>	<b>605.76</b>	<b>-</b>	<b>605.76</b>	<b>1,724.69</b>	<b>-</b>	<b>1,724.69</b>
<b>Net Profit</b>	<b>3,417.63</b>	<b>-</b>	<b>3,417.63</b>	<b>4,383.31</b>	<b>-</b>	<b>4,383.31</b>
<b>Other comprehensive income</b>	<b>(10.67)</b>	<b>-</b>	<b>(10.67)</b>	<b>(49.45)</b>	<b>-</b>	<b>(49.45)</b>
	<b>3,406.96</b>		<b>3406.96</b>	<b>4,333.86</b>	<b>-</b>	<b>4,333.86</b>

### Other information

	Segment Assets		Segment Liabilities	
	2019-2020	2018-2019	2019-2020	2018-2019
Manufacturing	14,657.53	11,469.04	8,103.45	3,066.19
Trading, Business Support Service, Consultancy and Commission	24,424.17	16,550.40	13,274.95	8,202.04
Property Development	11,558.68	11,395.81	1,151.44	2,181.67
Others	27,731.92	28,278.83	32,474.32	30,506.15
	<b>78,372.30</b>	<b>67,694.08</b>	<b>55,001.16</b>	<b>43,956.05</b>

Non Cash Expenses other than depreciation

### Geographical Segment

	Capital Expenditure		Depreciation	
	2019-2020	2018-2019	2019-2020	2018-2019
Manufacturing	3,941.46	53.24	407.88	134.90
Trading, Business Support Service, Consultancy and Commission	1,284.50	383.25	660.79	411.54
Capital Work-in-Progress	869.60	4,591.41	-	-
Others	203.70	503.71	429.77	520.97
	<b>6,299.26</b>	<b>5,531.61</b>	<b>1,498.44</b>	<b>1,067.41</b>

## Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2020

₹ in lakhs

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Revenue by geographical market</b>		
India	40,216.62	37,743.95
Outside India	17,259.24	14,877.77
	57,475.86	52,621.72
<b>Segment Assets</b>		
India	78,372.30	67,694.08
Outside India	-	-
<b>Capital Expenditure</b>		
India	6,299.26	5,531.61
Outside India	-	-

- a) The management has identified following main business segments:  
Manufacturing - comprising of manufacturing glass bottles, Trading, Business Support Service, Consultancy, Commission and Property development.
- b) Segment Revenue in each of the above domestic business segments primarily include Sales & service, commission income in respect segments.  
Segment Revenue comprises of:  
- Sales, Commission, Property Development, Property Rent and other Operating Income  
- Other income excluding income from investments
- c) The Segment revenue in the geographical segments considered for the disclosure are as follows:  
- Domestic - comprising of sales to customers located within India and earnings in India.  
- International - comprising of sales to customers located outside India and Business support services, consultancy and commission.
- d) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**Note 47:** The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Inventories, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these standalone financial statements has used internal and external sources of information. As on current date, the Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

**Note 48:** Exceptional item of Rs. 628.44 Lakhs for the year represents amount paid for Indirect taxes under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 on account of application made by the Company to end the pending litigations of Indirect taxes.

Summary of Significant Accounting Policies

Notes to Financial Statements

The notes are an integral part of the Financial Statements.

As per our report of even date

for A. T. JAIN & CO.  
Chartered Accountants  
FRN 103886W

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

**UMA R. MALHOTRA** (DIN: 06848613)  
**RAJBIR SINGH** (DIN: 00826402)  
**C. P. SHAH** (DIN: 00450394)  
**SUBODH CHANDRA** (DIN: 02076844)  
**GEETANJALI R NAIDU** (DIN:08713727)

Chairman  
Vice Chairman & Managing Director  
Joint Managing Director

Directors

Place : Mumbai  
Date : June 29, 2020

**S. C. NANDA**  
Mumbai, June 29, 2020

Director Finance & Company Secretary

