



ANNUAL REPORT 2008-09

EMPIRE INDUSTRIES LIMITED

DIRECTORS :

S.C. MALHOTRA	<i>Chairman</i>
RANJIT MALHOTRA	<i>Vice-Chairman</i>
DILEEP MALHOTRA	<i>Jt. Managing Director</i>
R.A. MASKATI	} <i>Directors</i>
J.N. GUZDER (Resigned w.e.f. 25.06.2009)	
K.C. KHANNA	
RAJBIR SINGH	
C.P. SHAH (Appointed w.e.f. 01.09.2008)	
B.C. GANDHI (Appointed w.e.f. 25.06.2009)	

REGISTERED OFFICE :

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

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

PLANT :

Vitrum Glass

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

DIRECTOR FINANCE & COMPANY SECRETARY :

S.K. GULATI

AUDITORS :

D.P. GHEVARIA & CO.

ADVOCATES & SOLICITORS :

DSK LEGAL

BANKERS :

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

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NOTICE

The ONE HUNDRED AND EIGHTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Thursday, August 27, 2009 at 4:00 P.M. at Hall of Culture, Ground Floor, Nehru Centre, Worli, Mumbai - 400 018 to transact the following business:

A G E N D A

1. To adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2009, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2009.
3. To appoint a Director in place of MR. RASHEED A. MASKATI, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of MR. K. C. KHANNA, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration, and to pass, with or without modification, the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Messrs D. P. Ghevaria & Co., Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting up to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors plus applicable Taxes plus reimbursement of travelling and actual out-of-pocket expenses."

Special Business

6. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:
 "RESOLVED that Mr. Chandrakant Poonamchand Shah, who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 1, 2008 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."
7. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Bipinchandra Chimanlal Gandhi, who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 25, 2009 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 and 311 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII (as amended from time to time) to the said Act, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Dileep Malhotra as Joint Managing Director of the Company for a period of five years with effect from 1st October, 2009 on the following remuneration and terms and conditions set out in the draft agreement submitted to this Meeting and for identification initiated by Mr. Rasheed A Maskati, a Director of the Company."

- (A) **Salary:** Rs.2,50,000 per month in the scale of Rs.2,50,000/- - Rs.4,50,000/-. The Annual increments, which will be effective 1st April each year will be decided by the Board of Directors.
- (B) **Perquisites:** Joint Managing Director shall be entitled to the perquisites as classified into three categories "A", "B" and "C" as follows:

Category "A"

- (i) **Residential Accommodation:**
 Fully furnished residential accommodation, if no accommodation is provided by the Company, a suitable House Rent Allowance for a fully furnished residential accommodation or what the Board of Directors may determine will be paid to him.
- (ii) The expenditure incurred by the Company on providing gas, electricity and water at the residential accommodation shall be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling



of 10% of the salary of Mr. Dileep Malhotra.

- (iii) **Medical Reimbursement:** Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iv) **Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules specified by the Company.
- (v) **Club Fees:** Fees of clubs subject to maximum of two Clubs. This will not include admission and life membership fees.
- (vi) **Personal Accident Insurance:** Premium not to exceed Rs.4,000/- p.a.

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

Category "B"

- (i) Contribution to Provident Fund as per rules of the Company. This will not be included in the computation of ceiling on perquisites to the extent this either singly or put together are not taxable under the Income Tax Act.
- (ii) Gratuity payable shall not exceed half month's salary for each completed year of service. This will not be included in the computation of the ceiling on perquisites.

Category "C"

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

- (C) **Commission:** 1% of the net profits of the Company for each financial year or part thereof as laid down under Section 309(5) of the Companies Act, 1956.
- (D) **Leave:** Leave on full pay and allowance as per rules of the Company. Leave accumulated and not availed of may be encashed as per rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

- (E) The Joint Managing Director will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.
- (F) The Joint Managing Director shall be entitled to the reimbursement of all expenses including traveling and entertainment expenses actually and properly incurred by him in the course of business of the Company.
- (G) In case the Joint Managing Director suffers permanent total disablement due to sickness or accident or shall die during the course of his employment hereunder, the Company shall pay full salary for the then current calendar month and for six calendar months thereafter, to him or his heirs as the case may be.
- (H) In case of premature death during the currency of this agreement, his nominee as disclosed by him in the Superannuation Scheme, will be paid 50% of the Salary for the balance period of the full term of this agreement.
- (I) Subject to the provisions of Section 201 of the Companies Act, 1956 the Company agrees to indemnify the Joint Managing Director for any costs, losses, penalty, fine expenses which he may incur or become liable to by reasons of any contract entered into or act or thing done by him in any way in the discharge of his duties as a Joint Managing Director.

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

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

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

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

"RESOLVED THAT the consent of the company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, for jointly mortgaging and/or charging by the Board of Directors of the Company of all the Fixed Assets of Vitrum Glass Division including land admeasuring 3,59,130 Sq. Ft. at its Plant at Vikhroli in Maharashtra State in favour of Indian Bank for Rs.8.00 Crore (subject to the prior charge in favour of the Company's bankers over moveable assets and specific fixed assets hypothecated to the Company's bankers) to secure financial assistance by way of Rupee Loan aggregating to Rs.8.00 Crore sanctioned during February 2009, for installation of imported Eight Section Triple Gob Machine on line No.1 in place of existing Eight Section Double Gob Machine in Vitrum Glass factory at Vikhroli together with interest at the respective agreed rate of interest and/or compound interest and/or additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the aforesaid bank in terms of their Loan Agreements/Hypothecation Agreements/Letters of Sanction/ Memorandum of terms and conditions, entered into/to be entered into by the Company, in respect of the said loan."

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

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

"RESOLVED THAT the consent of the company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and/or charging by the Board of Directors of the Company the entire 1st Floor admeasuring 26200 sq. ft. (Carpet area) of 'Empire Plaza', situated at Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai 400083 on a plot of land bearing Survey No.CTS No.9, Village - Hariali Division, Vikhroli with the jurisdiction of Sub-Registrar of Assurances, Kurla in favour of

Axis Bank Limited for Rs.16.10 Crore to secure financial assistance by way of Rupee Loans aggregating to Rs.16.10 Crore sanctioned in October 2008 (Rs.5.40 Crore) and January 2009 (Rs.10.70 Crore), for paying premium for additional F.S.I. at Vikhroli together with interest at the respective agreed rate of interest and/or compound interest and/or additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the aforesaid bank in terms of their Loan Agreements / Hypothecation Agreements / Letters of Sanction/ Memorandum of terms and conditions, entered into/ to be entered into by the Company, in respect of the said loan."

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

By Order of the Board
For EMPIRE INDUSTRIES LIMITED

S.K. GULATI
Director Finance &
Company Secretary

Registered Office:

414, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
Place : Mumbai
Date : June 25, 2009.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 6 to 10 as set out above is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Company has already notified closure of Register of Members and Transfer Books thereof from Saturday, the 18th July, 2009 to Friday, the 24th



July, 2009 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares.

5. The Dividend on Equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after August 27, 2009 to those Members whose names shall appear on the Company's Register of Members on July 17, 2009. In respect of shares held in dematerialised form, the dividend will be paid to Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
8. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants:
 - (i) Name of the Sole/First joint holder and the Folio Number.
 - (ii) Particulars of Bank Account, viz.
 - (a) Name of Bank
 - (b) Name of Branch
 - (c) Complete address of the Bank with PIN Code Number.
 - (d) Account Type, whether Savings Account (SA) or Current Account (CA)
 - (e) Bank Account Number.
 - (f) MICR Number.

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

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

9. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through your Depository Participants.
10. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., for consolidation into a single folio.
11. SEBI vide its circular dated April 27, 2007 and June 25, 2007 has made it mandatory effective July 2, 2007 for every participant in the securities / capital market to furnish Income Tax Permanent Account Number (PAN). Therefore members holding shares in physical mode are requested to furnish their PAN along with photocopy of PAN Card.

EMPIRE INDUSTRIES LIMITED**ANNUAL REPORT 2008-09****ANNEXURE TO NOTICE**

As required by Section 173 of the Companies Act, 1956 the following Explanatory statement set out all material facts relating to the business mentioned under Item Nos. 6 to 10 of the accompanying Notice dated June 25, 2009.

ITEM NO.6

Mr. Chandrakant Poonamchand Shah was appointed as Additional Director of the Company w.e.f. 1st September, 2008 by the Board of Directors under Section 260 of the Companies Act, 1956 read with Article 136 and he would hold office upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Chandrakant Poonamchand Shah as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting.

Brief resume of Mr. Chandrakant Poonamchand Shah, nature of his expertise in specific functional areas and names of Companies in which he holds directorships, memberships /chairmanships of Board Committees and their shareholding in the Company are provided in the Annexure to Directors' Report.

Your Directors recommend the appointment of Mr. Chandrakant Poonamchand Shah as Director of the Company.

None of the Directors is anyway concerned or interested in the resolution except Mr. Chandrakant Poonamchand Shah to the extent of his appointment.

ITEM NO.7

Mr. Bipinchandra Chimanlal Gandhi was appointed as Additional Director of the Company by the Board of Directors at their meeting held on June 25, 2009 under Section 260 of the Companies Act, 1956 read with Article 136 and he would hold office upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Bipinchandra Chimanlal Gandhi as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting.

Brief resume of Mr. Bipinchandra Chimanlal Gandhi, nature of his expertise in specific functional areas and names of Companies in which he holds directorships, memberships /chairmanships of Board Committees and their shareholding in the Company are provided in the Annexure to Directors' Report.

Your Directors recommend the appointment of Mr. Bipinchandra Chimanlal Gandhi as Director of the Company.

None of the Directors is anyway concerned or interested in the resolution except Mr. Bipinchandra Chimanlal Gandhi to the extent of his appointment.

ITEM NO.8

Mr. Dileep Malhotra's tenure of appointment as Joint Managing Director of the Company expires on 30th September, 2009. The Board of Directors at its Meeting held on 25th June, 2009, have re-appointed Mr. Dileep Malhotra as Joint Managing Director subject to the approval of the Members of the Company, for a period of five years with effect from 1st October, 2009, on such remuneration and terms & conditions as set out in the Resolution. Mr. Dileep Malhotra satisfies all the conditions set out in Part-I of Schedule XIII to the Companies Act, 1956 for being eligible for the re-appointment.

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

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

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

ITEM NO.9

The Company has approached the Indian Bank for financial assistance of Rs.8.00 Crores for installation of imported Eight Section Triple Gob Machine on line No.1 in place of existing Eight Section Double Gob Machine in Vitrum Glass Factory at Vikhroli as mentioned in Resolution No.9.

The said financial assistance from Indian Bank is to be secured by a first mortgage of all the Fixed Assets of Vitrum Glass Division including land admeasuring 3,59,130 Sq. Ft. at its plant at Vikhroli in Maharashtra State.

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



Since a mortgage and charge by the Company are required to be created on its immovable properties as required in favour of Indian Bank, the same may be deemed to be disposal of the Company's property/undertaking of the Company at its Glass Unit, Vikhroli in Maharashtra, within the meaning of Section 293(1)(a) of the Companies Act, 1956, the sanction of the shareholders is therefore being sought in accordance with Resolution No.9. Copies of the Head of Agreements entered into by the Company with Indian Bank in respect of the aforesaid financial assistance and copies of the sanction letters are open for inspection at the Registered Office of the Company on any working day of the Company between 10.00 a.m. and 1.00 p.m.

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

ITEM NO.10

The Company has approached the Axis Bank Limited for financial assistance of Rs.16.10 Crore for paying premium for additional F.S.I. at Vikhroli as mentioned in Resolution No.10. However, the Company has availed the financial assistance of Rs.10.75 Crore.

The said financial assistance from Axis Bank Limited is to be secured by a first mortgage of the entire 1st floor admeasuring 26200 sq. ft. (Carpet area) of 'Empire Plaza', situated at Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai 400083 on a plot of land bearing Survey No.CTS No.9, Village-Hariali Division, Vikhroli with the jurisdiction of Sub-Registrar of Assurances, Kurla in the State of Maharashtra.

Section 293(1)(a) of the Companies Act, 1956 provides inter alia that the Board of Directors of a Public Company shall not, without the consent of the Members of such

Public company in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Since a mortgage and charge by the Company are required to be created on its immovable properties as required in favour of Axis Bank Limited, the same may be deemed to be disposal of the Company's property/undertaking of the Company at Vikhroli in Maharashtra, within the meaning of Section 293(1)(a) of the Companies Act, 1956, the sanction of the shareholders is therefore being sought in accordance with Resolution No.10. Copies of the Head of Agreements entered into by the Company with Axis Bank Limited in respect of the aforesaid financial assistance and copies of the sanction letters are open for inspection at the Registered Office of the Company on any working day of the Company between 10.00 a.m. and 1.00 p.m.

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

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

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

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

Registered Office:

414, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.
Place : Mumbai
Date : June 25, 2009.

EMPIRE INDUSTRIES LIMITED

ANNUAL REPORT 2008-09

DIRECTORS' REPORT

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2009.

FINANCIAL RESULTS:

Particulars	Year ended 31.03.2009 Rupees	Year ended 31.03.2008 Rupees
Income:		
Sales & Commission	1,30,93,19,126	1,15,93,67,847
Other Income	44,60,23,664	27,28,01,650
	<u>1,75,53,42,790</u>	<u>1,43,21,69,497</u>
Less: Operating Expenses	1,50,27,76,784	1,28,90,36,432
Profit Before Tax	25,25,66,006	14,31,33,065
Less: Provision for Current		
Taxation	6,13,00,000	3,67,50,000
Provision for Fringe Benefit Tax	88,25,000	73,50,000
Provision for Deferred Tax	1,00,97,000	65,74,000
Amount available for appropriation	<u>17,23,44,006</u>	<u>9,24,59,065</u>
Appropriated as under:		
Dividend proposed	5,99,99,980	4,79,99,984
Tax on Proposed Dividend	1,01,96,997	81,57,598
General Reserve	10,21,47,029	3,63,01,483
Total amount appropriated	<u>17,23,44,006</u>	<u>9,24,59,065</u>

DIVIDEND:

The Directors are pleased to recommend, for your consideration, payment of Dividend @ 100% (Rs.10/- per Equity Share of the face value of Rs.10/- Tax Free) for the financial year 2008-09. The total amount of the Dividend outgo will be Rs.5,99,99,980/- as against Rs.4,79,99,984/- for the previous financial year. The tax on distributed profits, payable by the Company would amount to Rs.1,01,96,997/- as against Rs.81,57,598/- for the previous financial year.

OPERATIONS:**Vitrum Glass:**

The Division manufactures Amber Glass Bottles of international quality for the Pharmaceutical Industry. Over one million bottles are manufactured every day on four fully automatic production lines. During the year under review the Division achieved 22% higher turnover at Rs.69.16 Crore and direct export substantially increased from Rs.3.47 Crore to Rs.9.36 Crore. To be able to meet

the demand of small bottles and also increase the glass draw from the furnace, the Division installed imported Eight Section Triple Gob Machine on line No.1 in place of existing Eight Section Double Gob Machine. This will increase the production by 40 to 45% on line No.1 and glass draw from the furnace will go up by 10 to 15 tons per day. The machine was installed in end March 2009. The Division is expected to do well in the coming years.

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

The Division is engaged in agency business covering sales, project execution and service support of hi-tech machines in Metal Forming, Metrology, Assembly and Testing Lines, Welding, Melting, Heat Treatment and Process consultancy. The year under review has been challenging due to recession in the automobile industry that affected investments and order inflow. Cash flow problems of customers also affected shipments in time. Though there are now signs of some revival in this sector, the division has identified major investment areas of Power Generation including Solar and Nuclear, Steel Plants and Aerospace as main thrust areas in the coming year. New products and suppliers have been sourced for these sectors. Tie up with new partners that are willing to respond according to customer expectations in this market and have strong financial background and good payment behavior are aspects that are drawing attention of the division in this process of changeover especially to countries like Russia, Korea, China and Canada. The Division expects to improve its performance in the current year.

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

Order inflow in the Division is affected mainly due to recessionary trends and also due to global economic meltdown. In respect of Automobile sector the recession has been severe. The Division has done very well in terms of shipments on orders received. However, since the Division is focusing mainly on power generation and aerospace where there are ample opportunities and enquiries from clients, the Division expects to do better in terms of order booking in the current year. As regards shipments, the Division has enough pending orders and expects to do good business in the current year.

Empire Industrial Equipment:

This Division continues to do well. Order Booking Revenues have gone up considerably, with the Division procuring more and more high value orders. In spite of an overall slowdown