



ANNUAL REPORT 2011-12

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>
K.C. KHANNA Expired on 22.11.2011		
RAJBIR SINGH		
C.P. SHAH		
B.C. GANDHI		
SUBODH CHANDRA Appointed w.e.f. 30.04.2012		

DIRECTOR FINANCE & COMPANY SECRETARY:

S.K. GULATI

AUDITORS:

D.P. GHEVARIA & CO.

ADVOCATES & SOLICITORS:

DSK LEGAL

BANKERS:

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

REGISTERED OFFICE:

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

PLANT:

Vitrum Glass

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

REGISTRARS & TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.,

E-2 Ansa Industrial Estate,
Sakivihar Road,
Saki Naka, Andheri (E)
Mumbai - 400 072.
Tel. : +91 22 2847 0652 / 4043 0200
Fax : +91 22 2847 5207
E-mail : info@bigshareonline.com
Website : www.bigshareonline.com

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NOTICE

The ONE HUNDRED AND ELEVENTH ANNUAL GENERAL MEETING of the Members of EMPIRE INDUSTRIES LIMITED will be held on Tuesday, August 28, 2012 at 3:00 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, 2012, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2012.
3. To appoint a Director in place of Mr. Chandrakant Poonamchand Shah, who retires by rotation, and being eligible, seeks re-appointment.
4. To appoint a Director in place of Mr. Bipinchandra Chimanlal Gandhi, who retires by rotation, and being eligible, seeks re-appointment.
5. To appoint Auditors and fix their remuneration, and to pass, with or without modification, the following resolution as an Ordinary Resolution:

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

Special Business

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

"RESOLVED that Mr. Subodh Chandra, who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 30, 2012 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."

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 22, 2012.

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 No.6 as set out above is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. In terms of Article 152 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Chandrakant Poonamchand Shah and Mr. Bipinchandra Chimanlal Gandhi, Directors, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommends their respective re-appointments.
5. Brief resume of all Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the BSE Limited, are provided in the Report on Corporate Governance forming part of the Annual Report.

6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
 7. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
 8. The Company has already notified closure of Register of Members and Transfer Books thereof from Saturday, the 18th August, 2012 to Tuesday, the 28th August, 2012 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
 9. The Dividend on Equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid between August 29, 2012 and September 4, 2012 to those members whose names shall appear in the Register of Members of the Company on August 17, 2012 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
 10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members, holdings shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
 11. Members who hold shares in physical form 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.
 12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/ Registrars and Transfer Agents, M/s. Bigshare Services Private Limited.
 13. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through their Depository Participants.
 14. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., for consolidation into a single folio.
 15. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial year 2003-04 to the Investor Education and Protection Fund (IEPF) established by the Central Government.
- No dividend has been declared for the years ended 31.03.1991 to 31.03.2003.
- The Company has declared dividend in subsequent years as shown below:
- | Sr. No. | Year | Description | Date of Declaration | Last Date for claiming unpaid Dividend |
|---------|---------|-----------------|---------------------|--|
| 1. | 2003-04 | Dividend @ 10% | 21.09.2004 | Transferred to IEPF |
| 2. | 2004-05 | Dividend @ 20% | 26.08.2005 | 25.08.2012 |
| 3 | 2005-06 | Dividend @ 40% | 25.08.2006 | 24.08.2013 |
| 4. | 2006-07 | Dividend @ 60% | 28.08.2007 | 27.08.2014 |
| 5 | 2007-08 | Dividend @ 80% | 27.08.2008 | 26.08.2015 |
| 6 | 2008-09 | Dividend @ 100% | 27.08.2009 | 26.08.2016 |
| 7 | 2009-10 | Dividend @ 200% | 27.08.2010 | 26.08.2017 |
| 8 | 2010-11 | Dividend @ 220% | 26.08.2011 | 25.08.2018 |

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

16. The Securities and Exchange Board of India (SEBI) has made it mandatory the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Bighare Services Private Limited.
17. The Ministry of Corporate affairs has taken a "Green Initiative in the Corporate governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent through e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Bigshare Services Private Limited.

ANNEXURE TO NOTICE:

As required by Section 173 of the Companies Act, 1956 the following Explanatory statement set out all material facts relating to the business mentioned under Item No. 6 of the accompanying Notice dated June 22, 2012.

ITEM NO.6

Mr. Subodh Chandra was appointed as Additional Director of the Company w.e.f. 30th April, 2012 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. Subodh Chandra as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting.

Mr. Subodh Chandra is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Companies Act, 1956.

Brief resume of Mr. Subodh Chandra, 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. Subodh Chandra as Director of the Company.

None of the Directors is anyway concerned or interested in the resolution except Mr. Subodh Chandra to the extent of his appointment.

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 22, 2012.

DIRECTORS' REPORT

The Directors hereby present their Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2012.

FINANCIAL RESULTS:

Particulars	Year ended 31.03.2012 ₹ in Lakhs	Year ended 31.03.2011 ₹ in Lakhs
Income:		
Revenue from Operations	24,273.88	21,608.04
Other Income	461.95	502.05
Total Revenue	24,735.83	22,110.09
Expenditure		
Cost of Materials Consumed	3,707.18	3,101.00
Purchase of Stock-in-Trade	2,542.58	2,654.39
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	(548.13)	185.51
Employee Benefits Expense	5,725.85	5,274.08
Finance Costs	644.73	514.68
Depreciation and Amortization Expense	729.30	617.71
Other Expenses	6,977.31	5,746.59
Total Expenses	19,778.82	18,093.96
Profit Before Tax	4,957.01	4,016.13
Tax Expense		
(1) Current Tax	1,300.00	1,227.83
(2) Deferred Tax	(42.68)	(65.00)
Profit for the year	3,699.69	2,853.30
Appropriated as under:		
Dividend proposed	1,440.00	1,320.00
Tax on Proposed Dividend	233.60	214.13
General Reserve	2,026.09	1,319.17
Total amount appropriated	3,699.69	2,853.30
Earning per Equity Share of the face value of ₹ 10		
Each Basic and Diluted (in ₹)	61.66	47.55

DIVIDEND:

The Directors are pleased to recommend, for your consideration, payment of Dividend @240% (₹ 24 per Equity Share of the face value of ₹ 10 Tax Free) for the financial year 2011-12, (Previous Year 220%). The total

amount of the Dividend outgo will be ₹ 1440.00 Lakhs as against ₹ 1320.00 Lakhs for the previous financial year. The tax on distributed profits, payable by the Company would amount to ₹ 233.60 Lakhs as against ₹ 214.13 Lakhs for the previous financial year.

OPERATIONS:

Vitrum Glass:

The Division manufactures Amber Glass Bottles of international quality for the Pharmaceutical Industry. Over 14 Lakh bottles are manufactured every day on 4 fully automatic production lines. During the year under review demand for pharmaceutical bottles was good and the Division achieved 21% higher turnover at ₹ 10955.16 Lakhs. Exports have also increased from ₹ 989.21 Lakhs to ₹ 1892.64 Lakhs i.e. 91% increase in export. The Division has installed 2nd New eight Section Triple Gob new machine on line No.4 in July 2011 and the results are good. The Division is expected to do well in the current year.

EMPIRE MACHINE TOOLS – MFTM

(Metal Forming, Testing & Metrology):

This Division is engaged in agency business covering sales and service support of hi-tech machines in Metal Forming, Metrology, Assembly and Testing Lines, Welding, Melting, Heat Treatment and Rapid Prototyping. Involvement in turnkey execution of big orders has become increasingly important and necessary. During the year under review, there has been some recovery from the previous year in terms of inflow of orders. Shipments were below expectations with a lower backlog carried forward from previous year. However carry forward for next year is healthier. With the renewal of investment trend in Railways and Defense sectors, we expect better results this year both in terms of incoming orders and shipments. Discussions have also started on major investments in Power Generation sector. The division is expected to improve its performance in the current year.

EMPIRE MACHINE TOOLS - MCAT

(Metal Cutting & Allied Technologies):

Order in-flow in MCAT Division has been affected adversely mainly due to recessionary trends, heavy competition and global economic meltdown. Competition has been severe due to manufacturers from Europe and Japan offering huge concessions for their survival. Cheaper machine tools from China and Romania are

also posing a big threat. However, the Division has done well in terms of shipments. The Division is focusing mainly on Power Generation, Defence, Railways and Aerospace where there are ample opportunities. Diversification in other fields of trading on engineering goods is envisaged. The Division expects to do better in terms of order booking in the current year.

Empire Industrial Equipment:

Refinery and petrochemicals Sector Orders continue to dominate the Division's activity. Steel Plant sector orders have now shown positive sign of improving. Ports & Shipyard sector gave the Division their normal quota of business. Looking at the year ahead the investment climate continues to be good in their traditional markets mentioned above. The Division expects Steel Plant orders to further go up. The Division has made good progress in the Power Plant sector, with some good tie-ups made with Equipment and Engineering, Procuring and Commissioning (EPC) Companies. Water Management (Industrial and Municipal Sectors) holds promise and the division has developed partnerships with some good Companies abroad. This Sector should yield good gains during the year ahead. Things should change in the year ahead. Overall, the Division expects to see significant improvement in Order Booking in the Oil & Gas, Steel Plant, Power and Water segments during the year ahead.

Empire Vending (GRABBIT)

Grabbit Vending Services are a respected name in Corporate Offices for supply of Snacks and Beverages. The division operates with Branches in five cities i.e. Mumbai, Delhi, Bangalore, Hyderabad and Pune. The division is expected to improve its performance in the future by installing more machines in Factories, BPO's, Corporates, Multiplexes, Airports and by introducing its own range of Snacks.

Empire Foods

The division has done very well in terms of developing our business during the year under review. The revenues increased more than 100% for the second consecutive year. Apart from having Branches at New Delhi and Chennai, the Division added more Branches at Kolkata, Chandigarh and Pune. Empire Foods is now a well known National Level player in supplying Hotels, Restaurants and Caterers with frozen food products. In the current financial year, the division is planning its own private bonded warehouses to store its products. The Division is planning further expansion with addition of one more Branch at Bangalore this year. We expect to continue with high growth trend in the current year too.

EMPIRE SEZ

The Company has not made any progress in establishing SEZ. We are still in the process of finding and appointing a Co-Developer for effective use of this land.

CAPITAL EXPENDITURE:

The major Capital Expenditure is on account of Buildings & Flats (₹ 3052.71 Lakhs), Plant & Machinery (₹ 1232.98 Lakhs) and Vehicles (₹ 241.38 Lakhs).

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the Annual Accounts of the Company on a going concern basis.

CORPORATE GOVERNANCE:

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

FIXED DEPOSITS:

As on March 31, 2012, 104 depositors had not claimed their matured deposits amounting to ₹ 14,92,500. Since then 10 depositors have claimed/renewed their deposits amounting to ₹ 88,000. As of date, all deposit claims have been met, except unclaimed deposits amounting to ₹ 14,04,500. The Company has complied with the provisions of Section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

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

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

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

DIRECTORS:

Mr. K. C. Khanna passed away on November 22, 2011. The Board has placed on record its high sense of appreciation for the valuable services rendered by Mr. K. C. Khanna during the period of his association with the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company, Mr. Subodh Chandra has been appointed as Additional Director on the Board with effect from April 30, 2012. As per the provisions of Section 260 of the Companies Act, 1956, this Director holds office only up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notice under Section 257 of the Act in respect of the above person, proposing his appointment as Director of the Company, along with the requisite deposit. Resolution seeking approval of the shareholders for his appointment has been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details of the candidate.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the

Company, Mr. Chandrakant Poonamchand Shah and Mr. Bipinchandra Chimanlal Gandhi, retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF

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

ACKNOWLEDGEMENT:

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

AUDITORS:

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

COST AUDITORS

The Central Government has approved the appointment of M/s. Vinay Mulay & Company, Cost Accountants, to conduct the audit of the Cost Accounts of the Company in respect of its Vitrum Glass Division situated at L.B.S. Marg, Vikhroli, Mumbai 400 083 for the financial year 2011-12.

On Behalf of the Board of Directors

Place : Mumbai
Date : June 22, 2012

S. C. MALHOTRA
Chairman