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## **ANNUAL REPORT 2013-14**



# EMPIRE INDUSTRIES LIMITED

## CIN: L17120MH1900PLC000176

### BOARD OF DIRECTORS:

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

R.A. MASKATI	}	<i>Directors</i>
RAJBIR SINGH		
C.P. SHAH		
B.C. GANDHI		
SUBODH CHANDRA		

### DIRECTOR FINANCE & COMPANY SECRETARY:

S. K. Gulati

### AUDITORS:

D. P. Ghevaria & Co.

### ADVOCATES & SOLICITORS:

DSK Legal

### BANKERS:

INDIAN BANK

ALLAHABAD BANK

BANK OF INDIA

BANK OF BARODA

CENTRAL BANK OF INDIA

### REGISTERED OFFICE:

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

### PLANT:

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

### REGISTRARS & TRANSFER AGENTS:

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

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## NOTICE

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

### AGENDA

#### Ordinary Business:

1. To adopt the Directors' Report and the Audited Balance Sheet as at March 31, 2014, and the Profit & Loss Account for the year ended on that date.
2. To declare a Dividend for the year ended March 31, 2014.
3. To appoint Auditors and fix their remuneration, and to pass, with or without modification, the following resolution as an Ordinary Resolution:

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

#### Special Business:

4. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Rasheed A. Maskati, who retires by rotation as a Director of the Company and who fulfils the conditions specified in the Act and the rules made thereunder, and who was appointed as Independent Director by the Board of Directors for a period of two years from the conclusion of this 113th Annual General Meeting to the conclusion of 115th Annual General Meeting as per provisions of Section 149 of the Companies Act, 2013 be and is hereby approved."
5. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Chandrakant Poonamchand Shah, who retires by rotation as a Director of the

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

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

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

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

"RESOLVED THAT pursuant to provisions of Section 197 and 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V (as amended from time to time) to the said Act, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Dileep Malhotra as Joint Managing Director of the Company for a period of five years with effect from 1st October 2014 on the following remuneration and terms and conditions set out in the draft agreement submitted to this Meeting and for identification initialed by Mr. R.A. Maskati, a Director of the Company."

- (A) **Salary:** ₹ 4,50,000 per month in the scale of ₹ 4,50,000/- - ₹ 6,50,000/-. The Annual increments, which will be effective 1st April each year will be decided by the Board of Directors.
- (B) **Perquisites:** Joint Managing Director shall be entitled to the perquisites as applicable u/s 17(2) of Income Tax Act 1961 as follows:

#### (i) Residential Accommodation:

Fully furnished residential accommodation, if no accommodation is provided by

the Company, a suitable House Rent Allowance for a fully furnished residential accommodation or what the Board of Directors may determine will be paid to him.

- (ii) The expenditure incurred by the Company on providing gas, electricity and water at the residential accommodation shall be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of Mr. Dileep Malhotra.
- (iii) Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iv) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules specified by the Company.
- (v) Club Fees: Fees of clubs subject to maximum of two Clubs. This will not include admission and life membership fees.
- (vi) Personal Accident Insurance: Premium not to exceed ₹ 4,000/- p.a.

**Explanation:** Family means the spouse, the dependent children and dependent parents.

- (vii) Contribution to Provident Fund as per rules of the Company. This will not be included in the computation of ceiling on perquisites to the extent this either singly or put together are not taxable under the Income Tax Act.
- (viii) Gratuity payable shall not exceed half month's salary for each completed year of service. This will not be included in the computation of the ceiling on perquisites.
- (C) Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Dileep Malhotra.
- (D) Leave: Leave on full pay and allowance as per rules of the Company. Leave accumulated and not availed of may be encashed as per rules

of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

- (E) The Joint Managing Director will not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.
- (F) The Joint Managing Director shall be entitled to the reimbursement of all expenses including traveling and entertainment expenses actually and properly incurred by him in the course of business of the Company.
- (G) In case the Joint Managing Director suffers permanent total disablement due to sickness or accident or shall die during the course of his employment hereunder, the Company shall pay full salary for the then current calendar month and for six calendar months thereafter, to him or his heirs as the case may be.
- (H) In case of premature death during the currency of this agreement, his nominee as disclosed by him in the Superannuation Scheme, will be paid 50% of the Salary for the balance period of the full term of this agreement.
- (I) Subject to the provisions of Section 197 of the Companies Act, 2013 the Company agrees to indemnify the Joint Managing Director for any costs, losses, penalty, fine expenses which he may incur or become liable to by reasons of any contract entered into or act or thing done by him in any way in the discharge of his duties as a Joint Managing Director.

"RESOLVED FURTHER THAT in the event of loss or absence or inadequacy of profits in any financial year of the Company subject to the provisions of the Companies Act, 2013 the salary and perquisites payable and allowed to Mr. Dileep Malhotra shall be as specified in Schedule V of the Companies Act, 2013 as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary, alter, increase, expand, enhance, enlarge or widen the scope of the remuneration and perquisites, including the monetary value thereof specified in Schedule V to the Companies Act, 2013, as amended from time to time."

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

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

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

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

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

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

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

“RESOLVED THAT in modification of the resolution passed by the Shareholders of the Company at the 112th Annual General Meeting held on 26th July, 2013, and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, and other applicable provisions, if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, to borrow from time to time any sum or sums of money for the purpose of the business of the Company on such terms and conditions, with or without security, as the Board of Directors may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;

provided that the total amount up to which monies may be so borrowed by the Board of Directors shall not at any time exceed ₹ 200,00,00,000/- (Rupees Two Hundred crores only).”

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

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

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

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

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

**Registered Office:**

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

Place : Mumbai

Date : May 29, 2014.

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 4 to 11 as set out above is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Brief resume of all Directors, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the BSE Limited, are provided in the Report on Corporate Governance forming part of the Annual Report.
5. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. The Company has already notified closure of Register of Members and Transfer Books thereof from Friday, the 18th July, 2014 to Thursday, the 24th July, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
8. The Dividend on Equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid between July 25, 2014 and July 31, 2014 to those members whose names shall appear in the Register of Members of the Company on July 17, 2014 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members, holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. Members who hold shares in physical form and who have not yet submitted Bank Details are requested to intimate the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants mandatorily as per SEBI guidelines:
  - (i) Name of the Sole/First joint holder and the Folio Number.
  - (ii) Particulars of Bank Account, viz.
    - (a) Name of Bank
    - (b) Name of Branch
    - (c) Complete address of the Bank with PIN Code Number.
    - (d) Account Type, whether Savings Account (SA) or Current Account (CA)
    - (e) Bank Account Number.
    - (f) MICR Number.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/Registrars and Transfer Agents, M/s. Bigshare Services Private Limited.
12. Shareholders who have not yet dematerialised their shares and wish to dematerialise the same are requested to apply for dematerialization through their Depository Participants.
13. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., for consolidation into a single folio.
14. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 read with Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend for the financial year 2005-06 to the Investor Education and Protection Fund (IEPF) established by the Central Government.



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

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

S. No.	Year	Description	Date of Declaration	Last Date for claiming unpaid Dividend
1.	2003-04	Dividend @ 10%	21.09.2004	Transferred to IEPF
2.	2004-05	Dividend @ 20%	26.08.2005	Transferred to IEPF
3.	2005-06	Dividend @ 40%	25.08.2006	Transferred to IEPF
4.	2006-07	Dividend @ 60%	28.08.2007	27.08.2014
5.	2007-08	Dividend @ 80%	27.08.2008	26.08.2015
6.	2008-09	Dividend @ 100%	27.08.2009	26.08.2016
7.	2009-10	Dividend @ 200%	27.08.2010	26.08.2017
8.	2010-11	Dividend @ 220%	26.08.2011	25.08.2018
9.	2011-12	Dividend @ 240%	28.08.2012	27.08.2019
10.	2012-13	Dividend @ 240%	26.07.2013	25.07.2020

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

15. The Securities and Exchange Board of India (SEBI) has made it mandatory the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Bigshare Services Private Limited.
16. The Ministry of Corporate affairs has taken a "Green Initiative in the Corporate governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent through e-mail to its members. To support this green initiative of Government in full measure, members who have not registered their e-mail addresses are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Bigshare Services Private Limited.
17. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 20th June, 2014 are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of

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

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

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

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

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

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

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

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

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

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

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

## **ANNEXURE TO NOTICE:**

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

### **ITEM NO.4**

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