



## Empire Industries Limited

SEC:SHR:2017-2018(0522)

May 24, 2017

BSE Limited  
Phiroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai - 400 023.

Company Scrip Code: 509525

Dear Sir,

Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose Form A and Audited Financial Results for the year ended March 31, 2017 together with Auditor's Report, which have been approved by the Board of Directors at its Meeting held today.

Thanking you,

**Yours faithfully,**  
**For EMPIRE INDUSTRIES LIMITED**

**S. C. NANDA**  
**Director-Finance & Company Secretary**

Encls:

CIN: L17120MH1900PLC000176

**Regd. Office:** Empire Complex, 414, Senapati Bapat Marg,  
Lower Parel, Mumbai 400 013, India.

Tel.: 66555453 • Fax : 24939143

E-mail: [email@empiresecretarial.com](mailto:email@empiresecretarial.com) • Web : [www.empiremumbai.com](http://www.empiremumbai.com)

**Divisions**

Empire Machine Tools MFTM • Empire Machine Tools MCAT • Vitrum Glass  
Empire Industrial Equipment • Empire Vending (GRABBIT) • Empire Foods  
The Empire Business Centre • Empire Industrial Centrum

FORM A (for audit report with unmodified opinion)

1. Name of the Company : EMPIRE INDUSTRIES LIMITED
2. Annual financial statements for the year ended : 31<sup>st</sup> March, 2017.
3. Type of Audit Report : Un-modified
4. Frequency of observation : Not Applicable

5. CEO / MANAGING DIRECTOR:

  
SATISH CHANDRA MALHOTRA

CFO:

  
SUHAS CHANDRA NANDA

AUDITOR:

  
D. P. GHEVARIA

AUDIT COMMITTEE CHAIRMAN:

  
RAJBIR SINGH



**D. P. GHEVARIA & CO.**  
**CHARTERED ACCOUNTANTS**

**DEEPAK P. GHEVARIA**  
B. Com (Hons.), F. C. A.

---

**OFFICE** : 47, Perin Nariman Street, 1st Floor, Fort, Mumbai - 400 001. • Tel. : 2266 5882  
**RESIDENCE** : Hastiraj, A/15, 4th Floor, Bapubhai Vashi Road, Vile Parle (W), Mumbai - 400 056. • Tel. : 2671 6669

---

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF EMPIRE INDUSTRIES LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **EMPIRE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

**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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the stand alone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and cash flows for the year ended on that date.

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

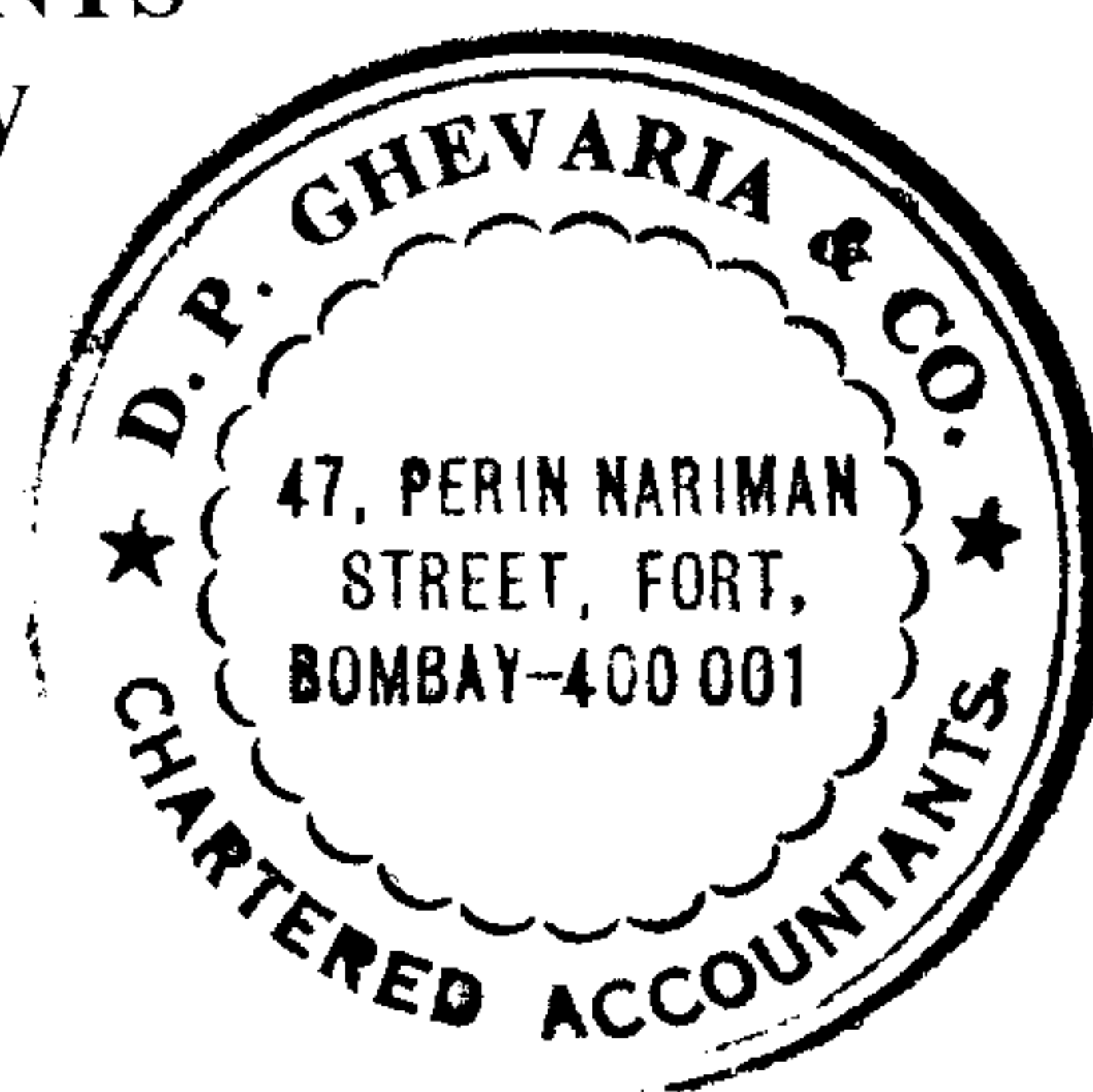
1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the 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 purposes 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 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 Accounting Standards 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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'; and
- g) 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, 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, if any, of pending litigations as at March 31, 2017 on its financial position in its financial statements.
  - ii. The Company did 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 during the year ended March 31, 2017.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings and as well as dealings in Specified Bank Notes (SBNs) during the period from 8th November, 2016 to 30th December, 2016. In view of multiple locations of cash holdings held by the company across India, it was not practically possible for us to physically verify cash transactions in respects SBNs during the reporting period. However, the Company has provided appropriate disclosures in its financial statements as to holdings as well as dealings in SBNs during the said period.

Based on the certified Cash Balances as at those dates furnished by the Company, the requisite information provided in its Management Representation and based on our audit procedures, we report that the disclosures are in accordance with Books of Account maintained by the Company and as produced to us by the management.

**For D. P. GHEVARIA & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN. NO. : 103176W**

  
**(D. P. GHEVARIA)**  
**PROPRIETOR**  
**MEMBERSHIP NO. 032431**



PLACE : MUMBAI  
DATED : MAY 23, 2017.

## **‘ANNEXURE A’ TO THE INDEPENDENT AUDITOR’S REPORT**

Referred to in Paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report of even date on the standalone financial statements of the Company for the year ended March 31, 2017 :

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies reported on such verification were not material and have been properly dealt with in the books of account. In respect of inventories lying with third parties, written confirmations have been obtained.  
  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
  
(c) On the basis of our examination of the inventory records, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification of inventory as compared to book records were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
- 3) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable to the Company for the current year.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 5) The Company has accepted deposits from the public. The directives issued by The Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed thereunder, where applicable, have been complied with.
- 6) According to the information and explanations given to us, the maintenance of cost records has been prescribed by the Central Government under section 148 (1) of the Act, for the

Construction activity of the Company. We have broadly reviewed the books of account maintained by the Company in respect of its construction activity and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

- 7) (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other statutory dues with the appropriate authorities.

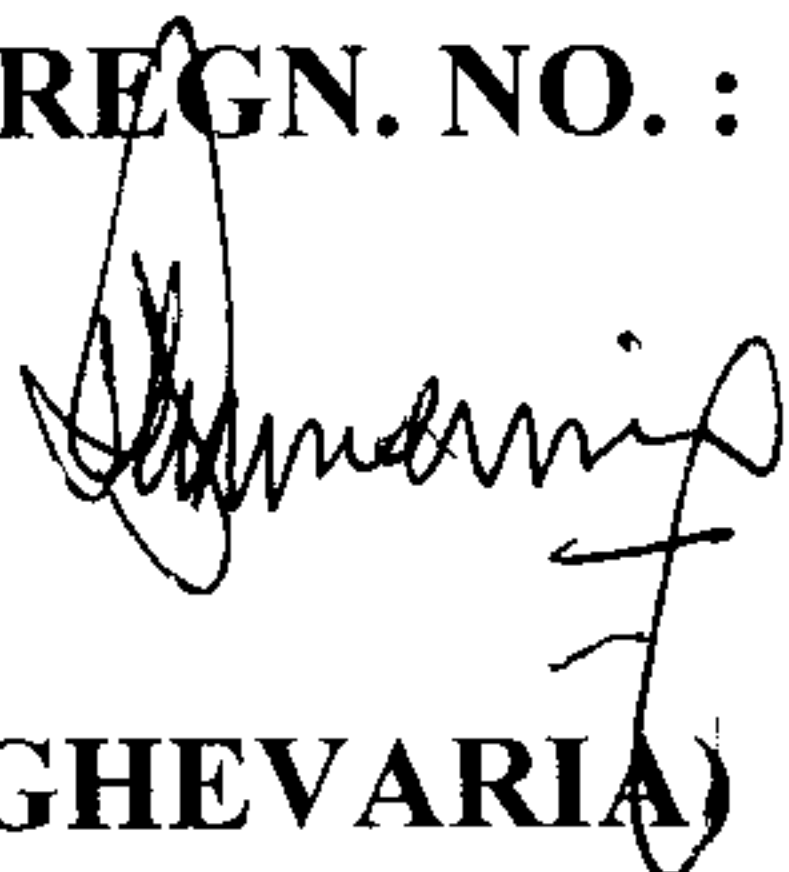
According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at March 31, 2017 for a period of more than six months from the date on which they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of books of account and record, the details of aforesaid statutory dues as at March 31, 2017 which have not been deposited with the appropriate authorities on account of any dispute, are given below :

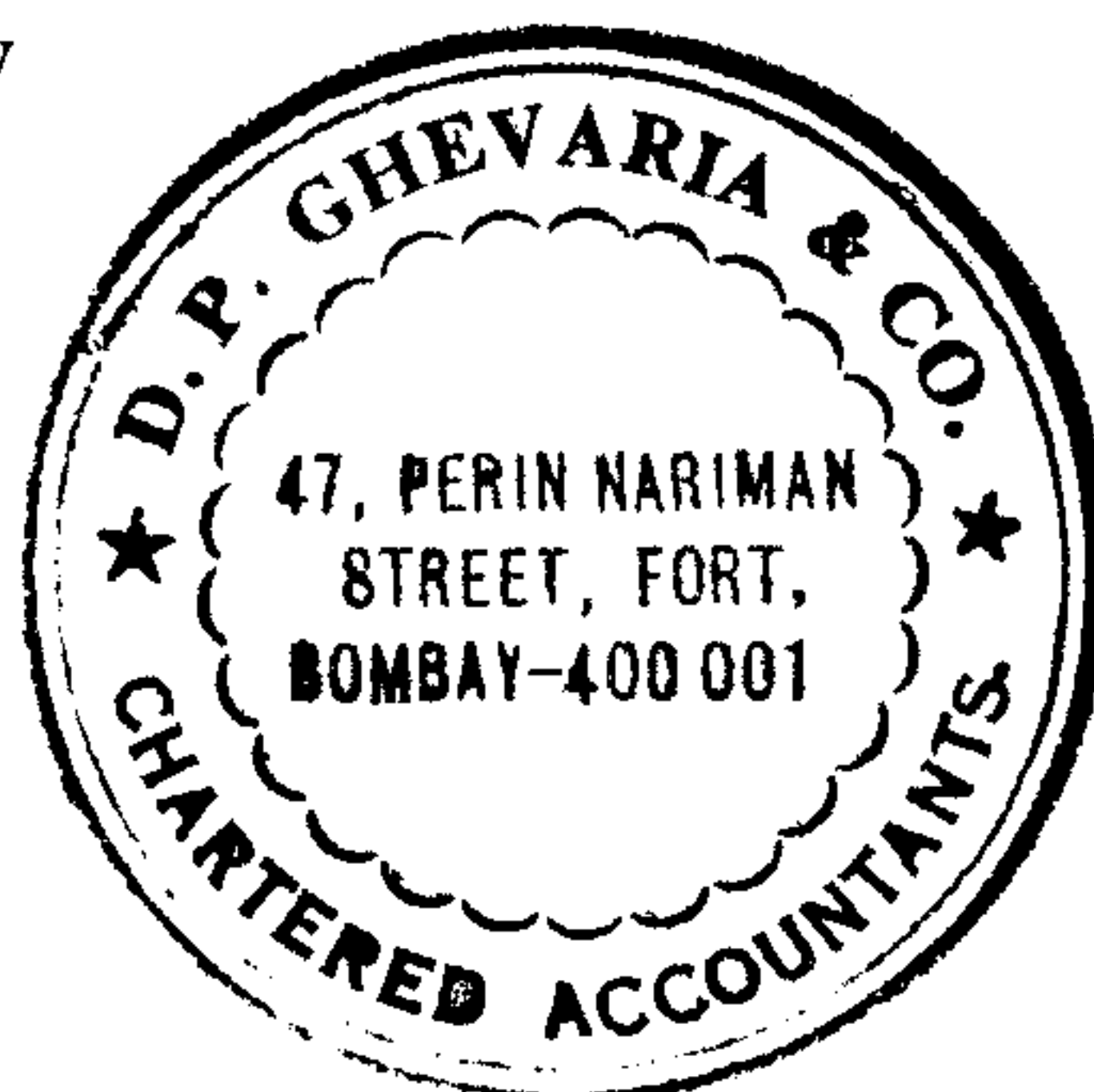
	Name of The Statute	Particulars	Amount	Period to which the amount relates	Forum where dispute is pending
1	The Finance Act, 1994	Service Tax	2,10,573	F.Y. 2011-2012	Commissioner of Central Excise
2	I. Tax Act, 1962	I. Tax Demand	54,10,120	A.Y. 2009-2010	I.T.A.T. Mumbai
	-----do-----	I. Tax Demand	86,38,560	A.Y. 2011-2012	CIT (Appeal)
	-----do-----	I. Tax Demand	1,10,05,710	A.Y. 2012-2013	CIT (Appeal)
	-----do-----	I. Tax Demand	1,18,90,420	A.Y. 2013-2014	CIT (Appeal)
3	MVAT Act, 2002	VAT / CST dues	83,50,719	F.Y. 2009-2010	Jt. Commissioner Of Sales Tax (A)
	-----do-----	-----do-----	9,11,303	F.Y. 2010-2011	-----do-----
	-----do-----	-----do-----	1,59,29,670	F.Y. 2011-2012	-----do-----

- 8) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks. The Company does not have dues to financial institutions, Government or debenture holders.
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable. According to the information and explanations given to us and based on the documents and records examined by us, on an overall basis, the moneys raised by way of Term Loans have been applied for the purpose for which the loans were raised.
- 10) Based upon the audit procedures performed and the information and explanations given to us by the management, we report that no material fraud on or by the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanations give to us and based on our 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 information and 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 sections 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 accounting standards.
- 14) According to the information and explanations give 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 convertible debentures during the year.
- 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 D. P. GHEVARIA & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN. NO. : 103176W**



**(D. P. GHEVARIA)**  
**PROPRIETOR**  
**MEMBERSHIP NO. 032431**



PLACE : MUMBAI  
DATED: MAY 23, 2017



## **ANNEXURE 'B' TO INDEPENDENT AUDITOR'S REPORT**

**Referred in paragraph 10(f) of the Independent Auditor's Report of even date to the members of EMPIRE INDUSTRIES LIMITED on the standalone financial statements for the year ended March 31, 2017.**

### **Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of Section 143 of the Act**

1. We have audited the Internal financial controls over financial reporting of EMPIRE INDUSTRIES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

2. 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 Accountant of India (ICAI). 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 deflection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.

4. 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.
5. 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**

6. 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.**

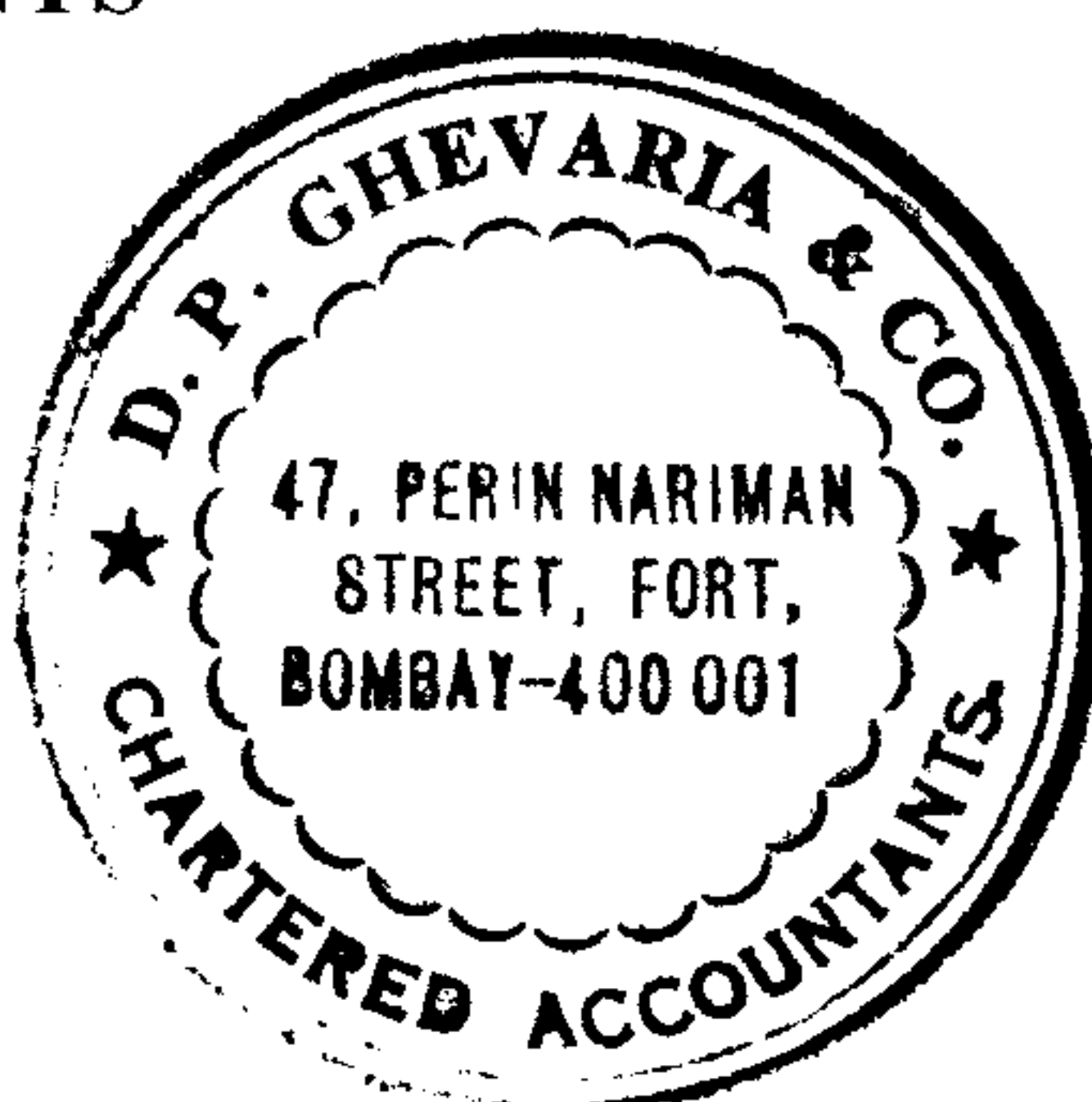
7. Because of the Inherent Limitations of Internal Financial Controls Over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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**

8. In our opinion, 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, 2017, 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 D. P. GHEVARIA & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN. NO. : 103176W**

  
**(D. P. GHEVARIA)**  
**PROPRIETOR**  
**MEMBERSHIP NO. 032431**



PLACE : MUMBAI  
DATED : MAY 23, 2017.



**D. P. GHEVARIA & CO.**  
**CHARTERED ACCOUNTANTS**

**DEEPAK P. GHEVARIA**  
B. Com (Hons.), F. C. A.

**OFFICE** : 47, Perin Nariman Street, 1st Floor, Fort, Mumbai - 400 001. • Tel. : 2266 5882  
**RESIDENCE** : Hastiraj, A/15, 4th Floor, Bapubhai Vashi Road, Vile Parle (W), Mumbai - 400 056. • Tel. : 2671 6669

**AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

**To the members of Empire Industries Limited**

We have examined the compliance of the conditions of Corporate governance by Empire Industries Limited, for the year ended March 31, 2017 as stipulated in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulations (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 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

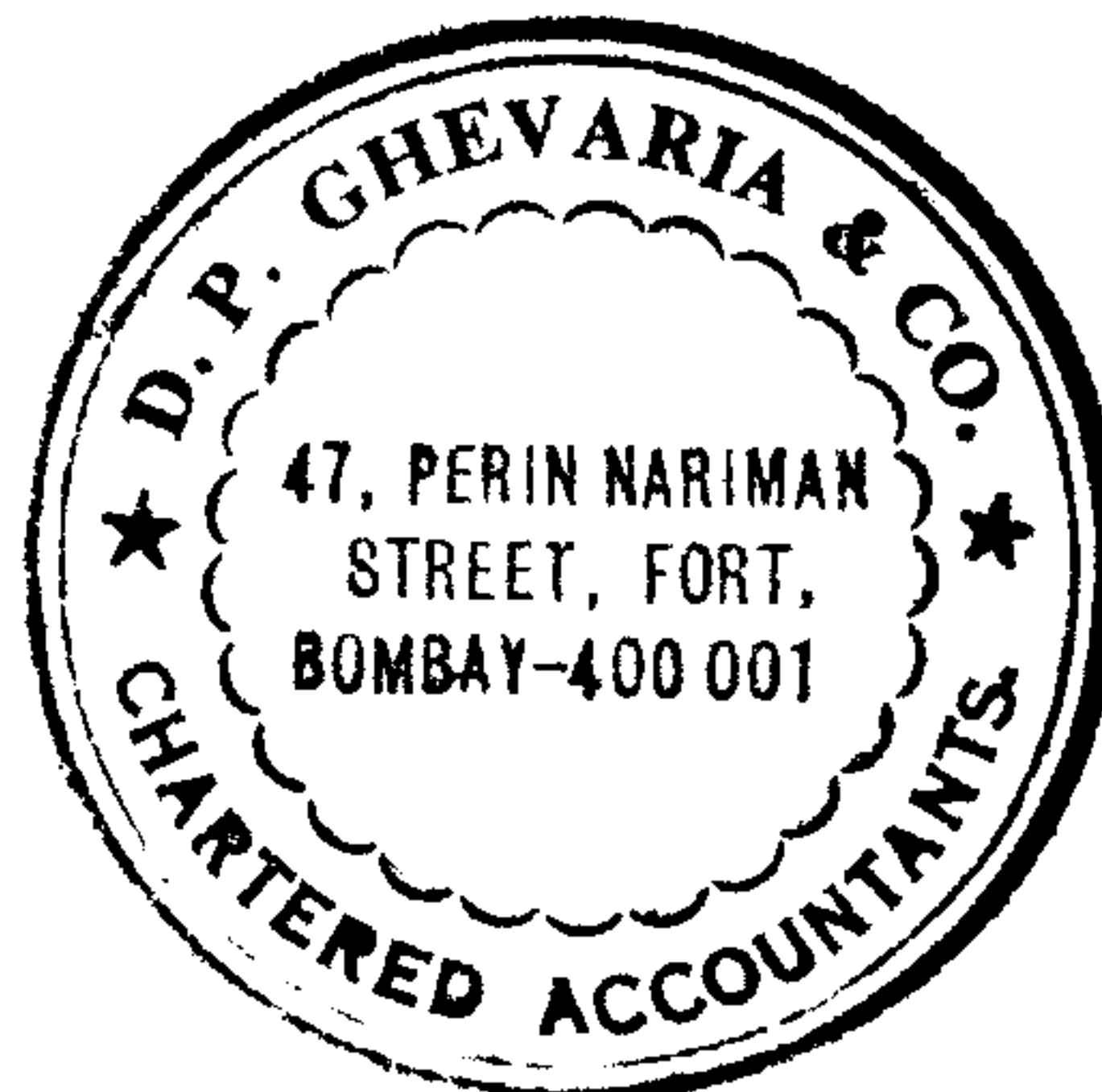
In our opinion and to the best of our information and according to the explanations given to us:

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

**For D. P. Ghevaria & Co.**  
**Chartered Accountants**  
**Firm Regn. No. 103176W**

**D. P. Ghevaria**  
**Proprietor**  
**Membership No. : 032431**



**Place: Mumbai**

**Date : May 23, 2017**

**EMPIRE  
INDUSTRIES  
LIMITED**

**ANNUAL ACCOUNTS**

**2016-2017**

**EMPIRE INDUSTRIES LIMITED**

**Balance Sheet as at 31st March, 2017**

	Note	As at 31st March, 2017	(Rs. In lakhs) As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	600.00	600.00
Reserves and Surplus	2	17,646.23	14,382.24
		18,246.23	14,982.24
<b>Non-current Liabilities</b>			
Long Term Borrowings	3	5,744.65	6,602.87
Deferred Tax Liabilities (Net)	4	734.56	538.13
Other Long Term Liabilities	5	11,997.14	7,007.80
Long Term Provisions	6	1,810.87	1,502.01
		20,287.22	15,650.81
<b>Current Liabilities</b>			
Short Term Borrowings	7	7,331.06	7,320.44
Trade Payables	8	3,195.03	5,481.28
Other Current Liabilities	9	3,054.83	4,654.76
Short Term Provisions	10	2,337.37	2,501.61
		15,918.29	19,958.09
<b>TOTAL</b>		<b>54,451.74</b>	<b>50,591.14</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed assets</b>			
Tangible Assets	11	21,460.45	21,603.18
Intangible Assets	11	52.74	113.39
Capital Work-in-Progress	11	7.84	0.17
Non-Current Investments	12	0.03	0.03
Long Term Loans and Advances	13	183.03	297.25
Other Non-Current Assets	14	529.55	536.63
		22,233.64	22,550.65
<b>Current Assets</b>			
Inventories	15	12,684.84	10,454.08
Trade Receivables	16	7,565.50	7,855.46
Cash and Cash Equivalents	17	9,888.09	7,746.67
Short Term Loans and Advances	18	931.20	658.82
Other Current Assets	19	1,148.47	1,325.46
		32,218.10	28,040.49
<b>TOTAL</b>		<b>54,451.74</b>	<b>50,591.14</b>

**Significant Accounting Policies  
Notes on Financial Statements**

1 to 39

As per our Report attached

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

Firm Regn. No. 103176W

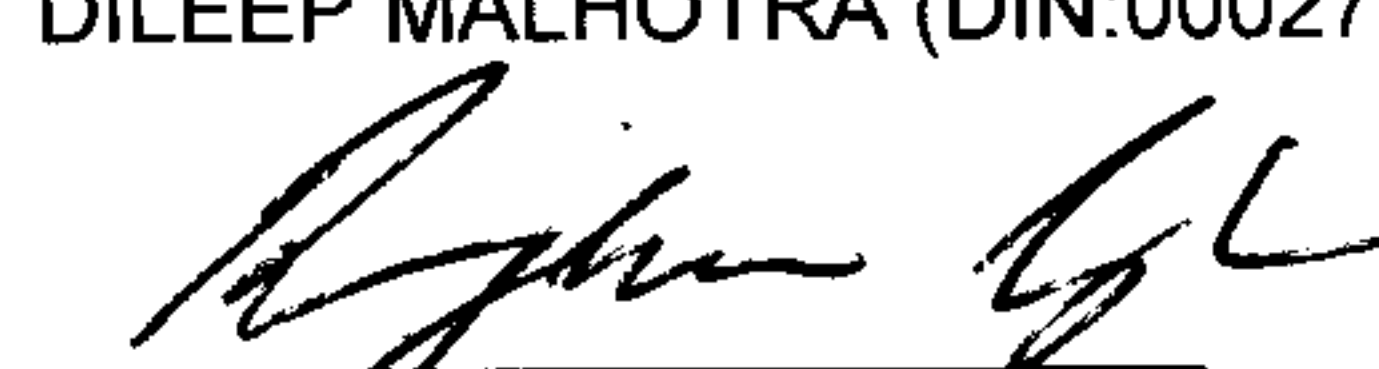


**D. P. GHEVARIA**  
Proprietor  
Membership No. 032431

Mumbai, May 23, 2017

  
S. C. MALHOTRA (DIN: 00026704)

  
DILEEP MALHOTRA (DIN: 00027168)

  
RAJBIR SINGH (DIN: 00826402)

  
B. C. GANDHI (DIN: 00780094)

  
S. C. NANDA

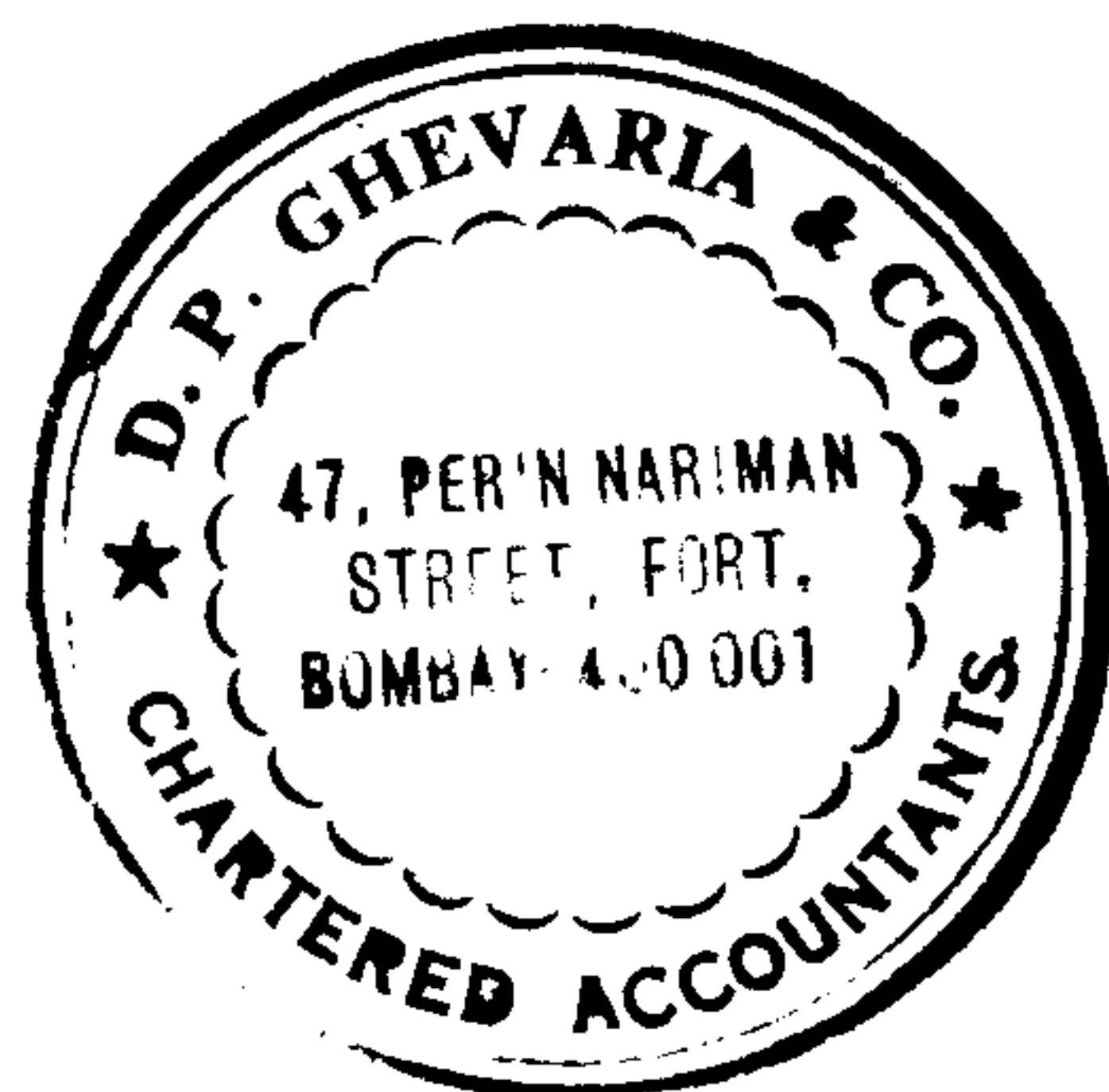
  
RANJIT MALHOTRA (DIN: 00026933)

  
UMA R. MALHOTRA (DIN: 06848613)

  
C. P. SHAH (DIN: 00450394)

  
SUBODH CHANDRA (DIN: 02076844)

Mumbai, May 23, 2017



**EMPIRE INDUSTRIES LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2017**

		(Rs. In lakhs)	
		Year ended 31st March, 2017	Year ended 31st March, 2016
<b>INCOME</b>	<b>Note</b>		
Revenue from Operations	20	40,158.66	38,512.99
Other Income	21	567.89	496.06
<b>Total Revenue</b>		<b>40,726.55</b>	<b>39,009.05</b>
<b>EXPENDITURE:</b>			
Cost of Materials Consumed	22	4,948.37	4,944.08
Purchases of Stock-in-Trade		10,446.73	10,770.30
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	23	397.42	245.93
Employee Benefits Expense	24	7,431.20	6,688.33
Finance Costs	25	906.29	966.90
Depreciation and Amortization Expense	11	896.09	968.79
Other Expenses	26	10,808.03	9,757.88
<b>Total Expenses</b>		<b>35,834.13</b>	<b>34,342.21</b>
Profit Before Tax		4,892.42	4,666.84
<b>Tax Expense</b>			
(1) Current Tax		1,432.00	1,430.00
(2) Deferred Tax		196.43	171.98
<b>Profit for the year</b>		<b>3,263.99</b>	<b>3,064.86</b>
Earning per equity share of face value of Rs.10 each Basic and Diluted (in Rs.)		<b>54.40</b>	51.08

Significant Accounting Policies  
Notes on Financial Statements

1 to 39

As per our Report attached

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

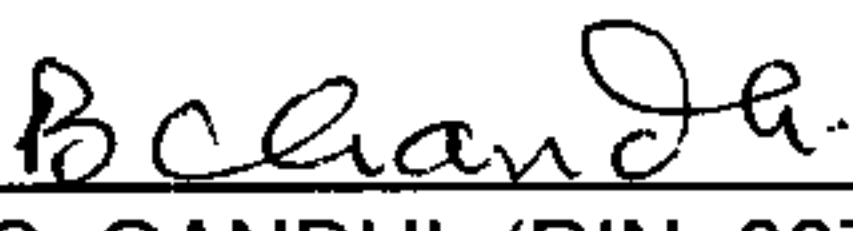
**D. P. GHEVARIA**  
Proprietor  
Membership No.032431

Mumbai, May 23, 2017

  
S. C. MALHOTRA (DIN: 00026704)

  
DILEEP MALHOTRA (DIN:00027168)


  
RAJBIR SINGH (DIN: 00826402)

  
B. C. GANDHI (DIN: 00780094)

  
S. C. NANDA

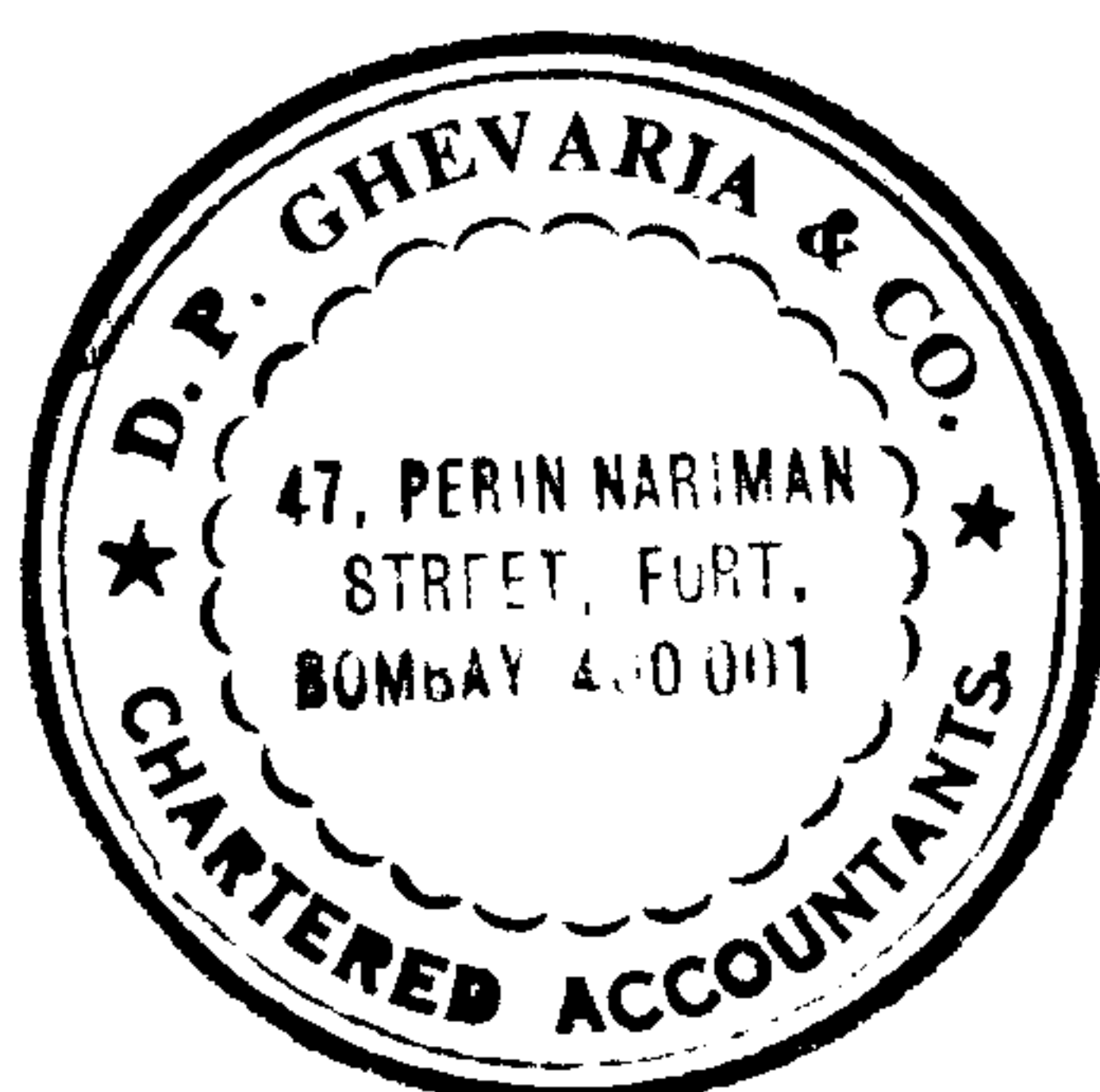
  
RANJIT MALHOTRA (DIN: 00026933)

  
UMA R. MALHOTRA (DIN: 06848613)

  
C. P. SHAH (DIN: 00450394)

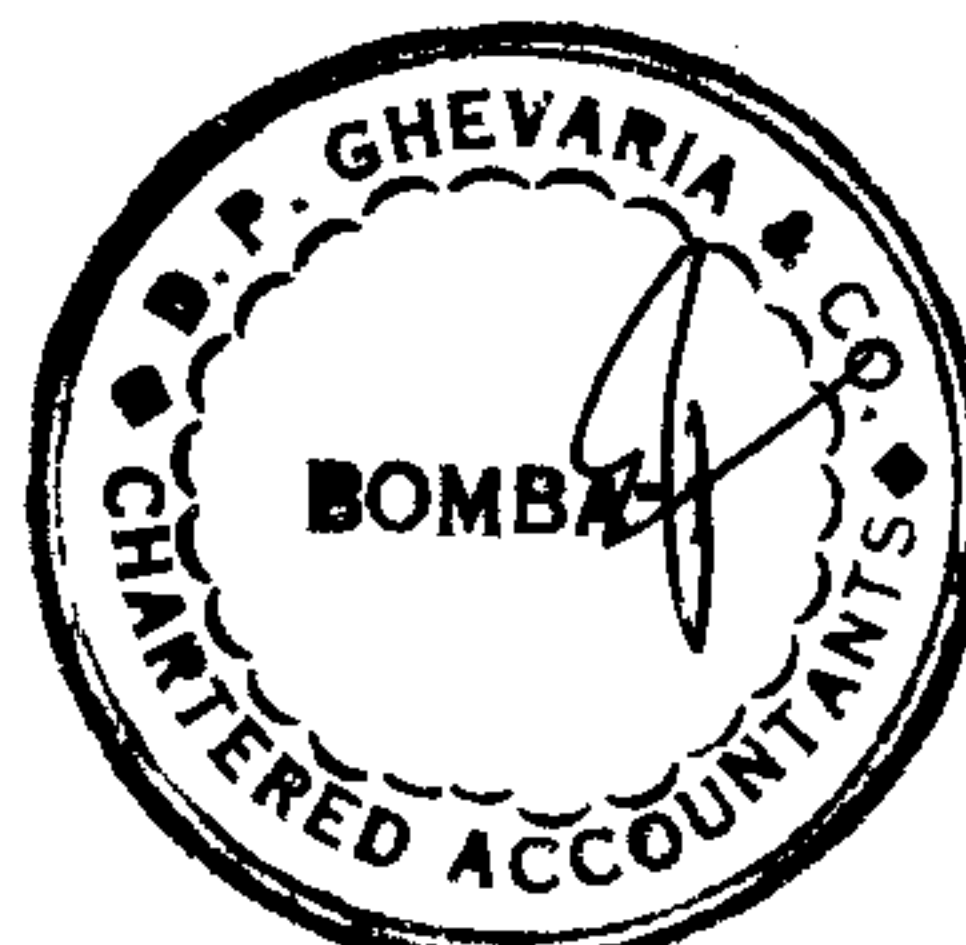
  
SUBODH CHANDRA (DIN: 02076844)

Mumbai, May 23, 2017



**Notes on Financial Statements for the Year ended 31st March, 2017**

		(Rs. In lakhs)			
		As at 31st March,2017	As at 31st March,2016		
<b>1</b>	<b>SHARE CAPITAL</b>				
	<b>Authorised</b>				
	1,50,00,000 Equity Shares of Rs.10 each	1,500.00	1,500.00		
	(Previous Year 1,50,00,000 Equity Shares of Rs.10 each)				
	50,000 Cumulative Redeemable Preference Shares of Rs.100 each	50.00	50.00		
	(Previous Year 50,000 Cumulative Redeemable Preference Shares of Rs.100 each)				
		1,550.00	1,550.00		
	<b>Issued and Subscribed</b>				
	59,99,998 Equity Shares of Rs.10 each	600.00	600.00		
	(Previous Year 59,99,998 Equity Shares of Rs.10 each)				
	Out of the Issued and Subscribed Capital:				
1.1	9,27,000 Fully paid-up Equity Shares allotted by way of Bonus Shares by capitalisation of Reserves.				
1.2	1,65,000 Equity Shares allotted without payment being received in cash pursuant to the Scheme of Amalgamation of Garlick & Company Private Limited with the Company.				
1.3	3,99,999 Fully paid-up Equity Shares allotted to Debenture Holders pursuant to conversion option exercised by them.	600.00	600.00		
1.4	Details of Shareholders holding more than 5% shares:				
		<b>As at 31st March,2017</b>	<b>As at 31st March,2016</b>		
	<b>Name of the Shareholder</b>	<b>No.of Shares</b>	<b>% held</b>	<b>No.of Shares</b>	<b>% held</b>
	Dileep Malhotra	14,75,975	24.60	14,75,975	24.60
	Ranjit Malhotra	9,68,403	16.14	9,68,403	16.14
	Life Insurance Corporation of India	7,89,741	13.16	7,89,741	13.16
	Arjun Transport Company Private Limited	7,84,978	13.08	7,84,978	13.08
	Empire International Private Limited	3,27,012	5.45	3,27,012	5.45
1.5	<b>The reconciliation of the number of shares outstanding:</b>	<b>As at 31st March,2017</b>		<b>As at 31st March,2016</b>	
		<b>No.of Shares</b>		<b>No.of Shares</b>	
	Equity Shares at the beginning of the year	59,99,998		59,99,998	
	Add : Shares issued during the year	Nil		Nil	
	Equity Shares at the end of the year	59,99,998		59,99,998	
1.6	<b>Terms / rights attached to equity shares</b>				
	The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.				
1.7	The Board of Directors in its meeting held on 23rd, May 2017 has proposed a dividend of Rs.25/- per Equity Share for the Financial Year 31st, March 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 27th, July 2017. The total dividend for the year ended 31st, March 2017 when appropriated, shall amount to Rs.18,05,36,410/- (including corporate Dividend Tax of Rs.3,05,36,460/-).				



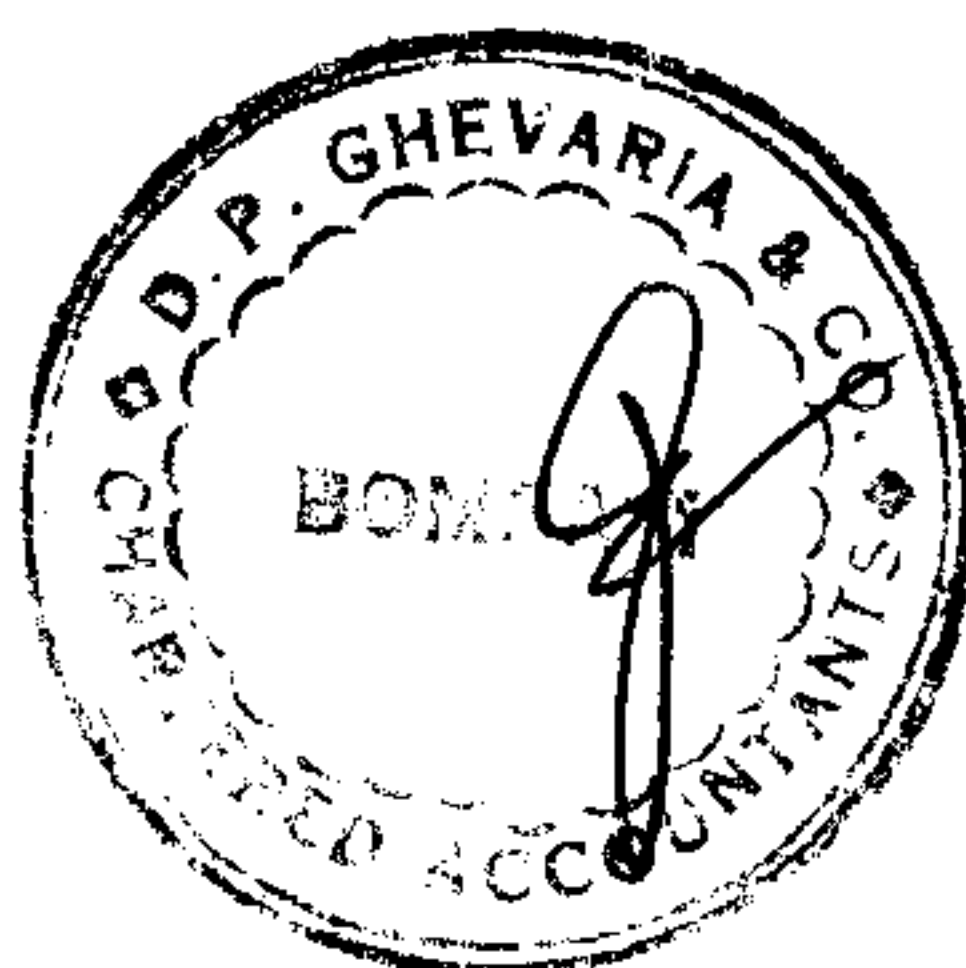


**Notes on Financial Statements for the Year ended 31st March, 2017**

2

**RESERVE AND SURPLUS**

	As at 31st March,2017	(Rs. In lakhs) As at 31st March,2016
<b>Capital Reserve:</b>		
Balance as per last account	65.97	65.97
<b>Share Premium Account:</b>		
Balance as per last account	13.33	13.33
<b>General Reserve:</b>		
Balance as per last account	14,288.44	12,956.73
Add: Transferred from Retained Earnings Reserve	14.50	
Add: Transferred from Profit and Loss Account	<u>3,263.99</u>	<u>1,331.71</u>
	17,566.93	14,288.44
<b>Retained Earning Reserve</b>		
Balance as per last account	14.50	14.50
Transferred to General Reserve	<u>14.50</u>	-
<b>Profit and Loss Account</b>		
Profit for the year	3,263.99	3,064.86
Less: Appropriations		
Interim Dividend on Equity Shares	-	1,200.00
Final Proposed Dividend on Equity Shares	-	240.00
Tax on Dividend	-	293.15
Transferred to General Reserve	<u>3,263.99</u>	<u>1,331.71</u>
	-	-
	<u>17,646.23</u>	<u>14,382.24</u>
	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>
<b>3 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loan from a Bank	2,588.61	3,868.75
Motor Car Loan from a Bank	38.15	49.05
<b>Unsecured</b>		
Fixed Deposits	<u>3,117.89</u>	<u>2,685.07</u>
	<u>5,744.65</u>	<u>6,602.87</u>
<b>4 DEFERRED TAX LIABILITIES (Net)</b>		
<b>Deferred Tax Liabilities</b>		
Related to Fixed Assets	2,142.29	1,812.23
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act 1961.	<u>1,407.73</u>	<u>1,274.10</u>
	<u>734.56</u>	<u>538.13</u>
<b>5 OTHER LONG-TERM LIABILITIES</b>		
Security Deposits	7,245.96	4,193.89
Advance from Customers	4,486.79	2,556.32
Trade Payables	41.09	
Others	<u>223.30</u>	<u>257.59</u>
	<u>11,997.14</u>	<u>7,007.80</u>
<b>6 LONG-TERM PROVISIONS</b>		
Employee Benefits	<u>1,810.87</u>	<u>1,502.01</u>



**SHORT-TERM BORROWINGS****Secured**

	As at 31st March,2017	(Rs. In lakhs) As at 31st March,2016
Term Loan from Bank	1,309.17	1,148.93
Cash Credit	989.33	588.83
Packing Credit Facility	353.40	287.83

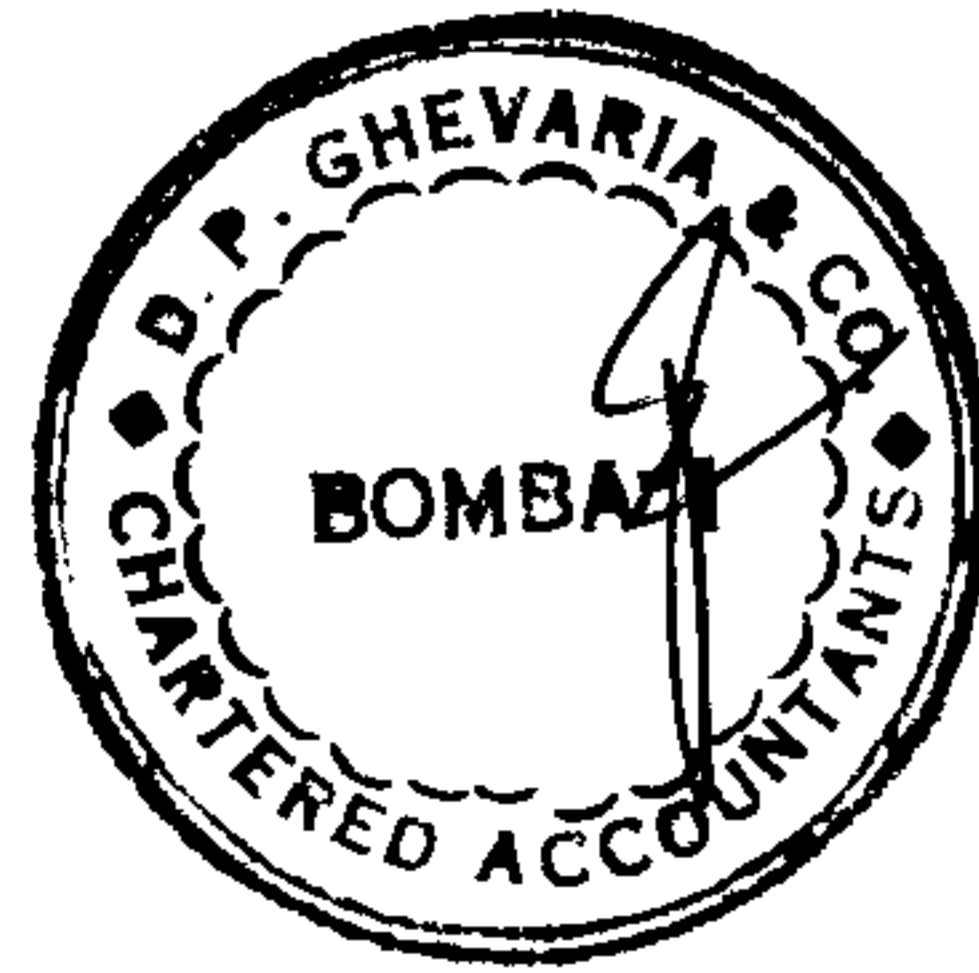
**Unsecured**

Fixed Deposits	2,047.05	1,904.78
Fixed Deposits from Directors	250.00	1,696.00
Inter-corporate Deposits from related parties	-	1,458.07
Inter-corporate Deposits from others	492.90	236.00
Buyer's Line of Credit	1,889.21	
	<u>7,331.06</u>	<u>7,320.44</u>

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.

The term loan from IndusInd Bank is secured by assignment of lease rentals receivable 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 TCS at Empire Plaza, Vikhroli.

Motor Car Loan from a bank is secured by hypothecation of specific vehicles purchased under the scheme.



**Notes on Financial Statements for the Year ended 31st March, 2017.**

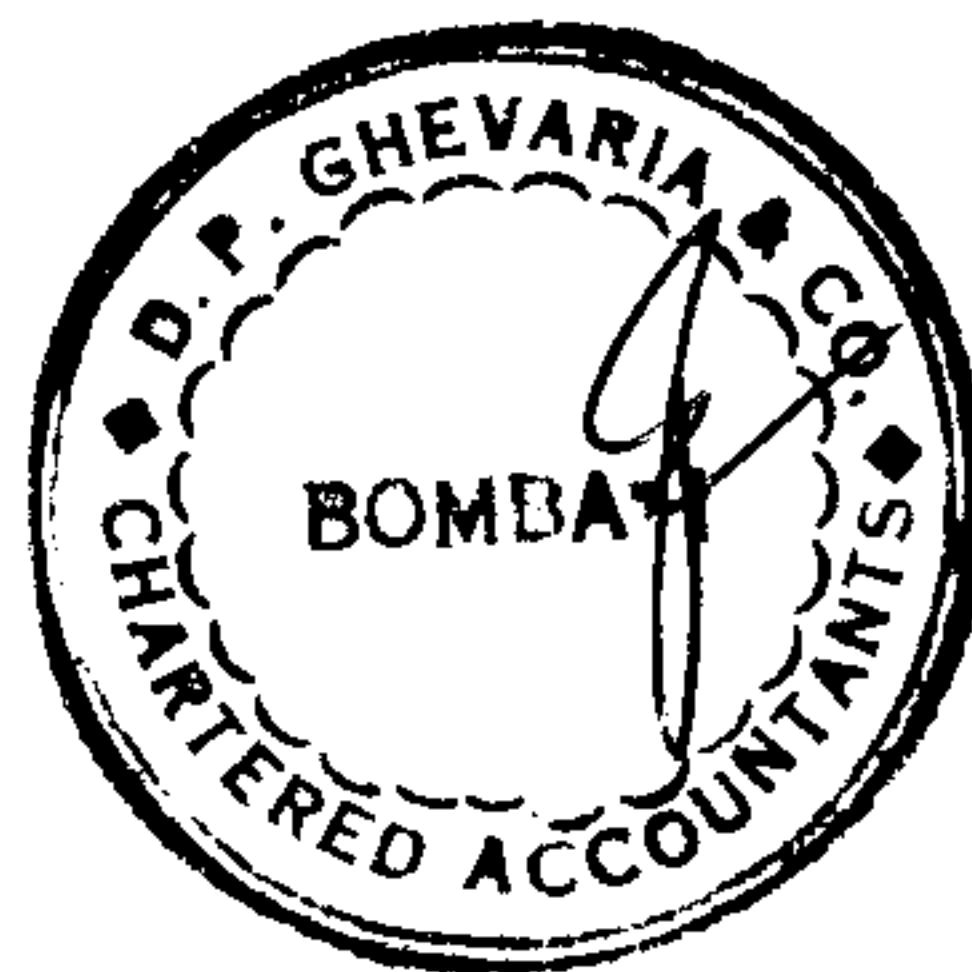
		(Rs. In lakhs)	
		As at 31st March, 2017	As at 31st March, 2016
8	<b>TRADE PAYABLES</b>		
	Trade Payables	2,492.92	4,869.15
	Others	702.11	612.13
		3,195.03	5,481.28

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, 2017. 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.

		As at 31st March, 2017	As at 31st March, 2016
	<b>OTHER CURRENT LIABILITIES</b>		
	Other Payable - Employees	430.69	453.85
	Trade Deposits & Advances	1,949.23	3,481.63
	Sales Tax & withholding taxes payable	266.57	379.10
	Interest Accrued but not due	289.32	246.43
	Unpaid matured deposits	38.19	22.35
	Unpaid/unclaimed Dividends	80.83	71.40
		3,054.83	4,654.76

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

		As at 31st March, 2017	As at 31st March, 2016
10	<b>SHORT-TERM PROVISIONS</b>		
	Proposed Final Dividend	-	240.00
	Tax on Dividend	-	48.86
	Employee Benefits	2,337.37	2,212.75
		2,337.37	2,501.61

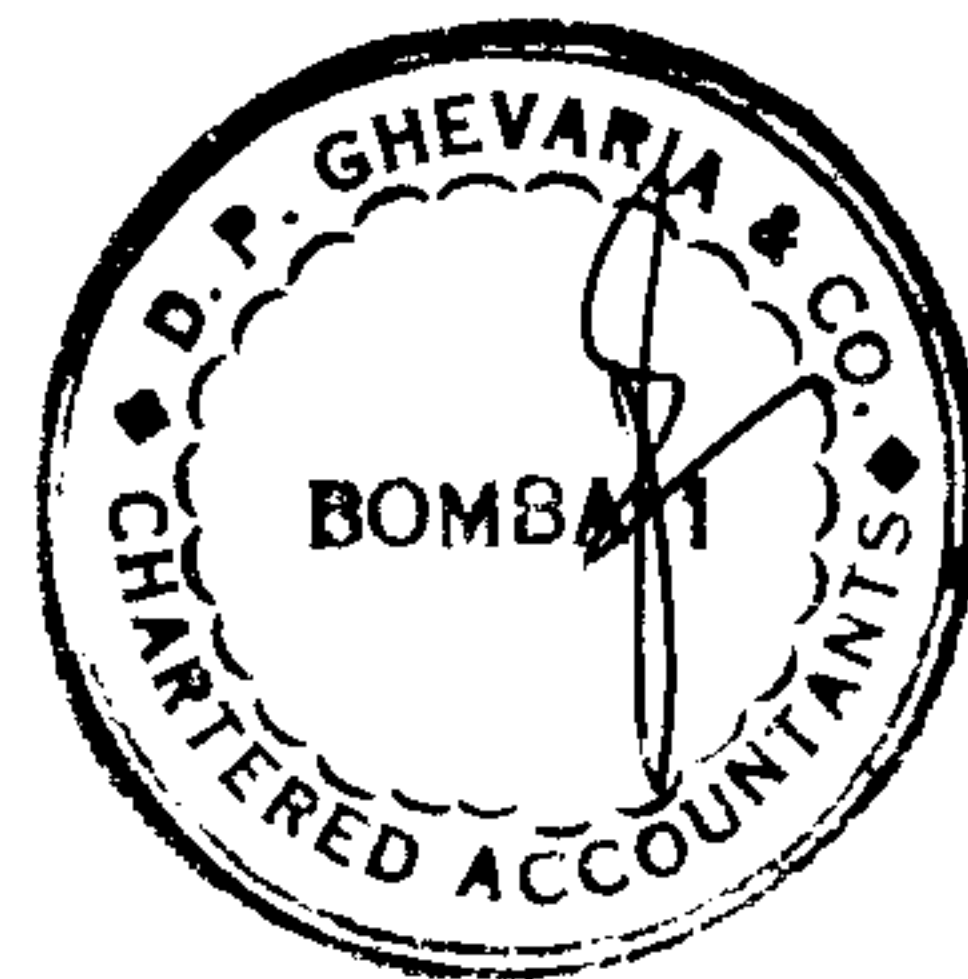


**Notes on Financial Statements for the Year ended 31st March, 2017.**

**FIXED ASSETS**

(Rs.in lakhs)

Description	GROSS BLOCK - COST/BOOK VALUE					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 1st April, 2016	Additions/ adjustments during the year	Deductions/ adjustments during the year	Impairment/ (Reversal) during the year	Total As at 31st March, 2017	As at 1st April, 2016	Provided during the year	Deductions/ adjustments during the year	Transfer to Asset Retained Reserve	Total As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
<b>TANGIBLE ASSETS</b>												
Freehold Land	18.97				18.97	-				-	18.97	18.97
Buildings	19,474.19	281.09			19,755.28	1,899.94	303.77			2,203.71	17,551.57	17,574.25
Plant & Machinery	5,493.66	202.36	0.76		5,695.26	2,702.92	171.39	0.19		2,874.12	2,821.14	2,790.74
Furnaces	1,220.61				1,220.61	1,099.69	0.61			1,100.30	120.31	120.92
Vehicles	1,064.31	173.31	160.31		1,077.31	683.19	136.87	109.85		710.21	367.10	381.12
Furniture & Fixtures	1,519.48	8.83	12.72		1,515.59	1,067.39	112.90	12.07		1,168.22	347.37	452.09
Office Equipments :	1,749.95	92.57	42.37		1,800.15	1,484.86	121.13	39.83		1,566.16	233.99	265.09
Moulds & Castings	2.80				2.80	2.80				2.80	-	-
Total Tangible Assets	30,543.97	758.16	216.16	-	31,085.97	8,940.79	846.67	161.94	-	9,625.52	21,460.45	21,603.18
<b>INTANGIBLE ASSETS</b>												
Software	285.24	10.77	-		296.01	171.85	71.42			243.27	52.74	113.39
Total Intangible Assets	285.24	10.77	-	-	296.01	171.85	71.42	-	-	243.27	52.74	113.39
Total Fixed Assets	30,829.21	768.93	216.16	-	31,381.98	9,112.64	918.09	161.94	-	9,868.79	21,513.19	21,716.57
Less: Transferred to WIP (EIC)							22.01					
	30,829.21	768.93	216.16	-	31,381.98	9,112.64	896.08	161.94	-	9,868.79	21,513.19	21,716.57
Previous Year	21,742.99	9,179.65	93.36	0.07	30,829.21	8,206.72	968.79	98.10	-	9,112.64	21,716.57	13,536.27
Capital Work-in-Progress	0.17	7.84	0.17		7.84					-	7.84	0.17



**Notes on Financial Statements for the Year ended 31st March, 2017.**

12

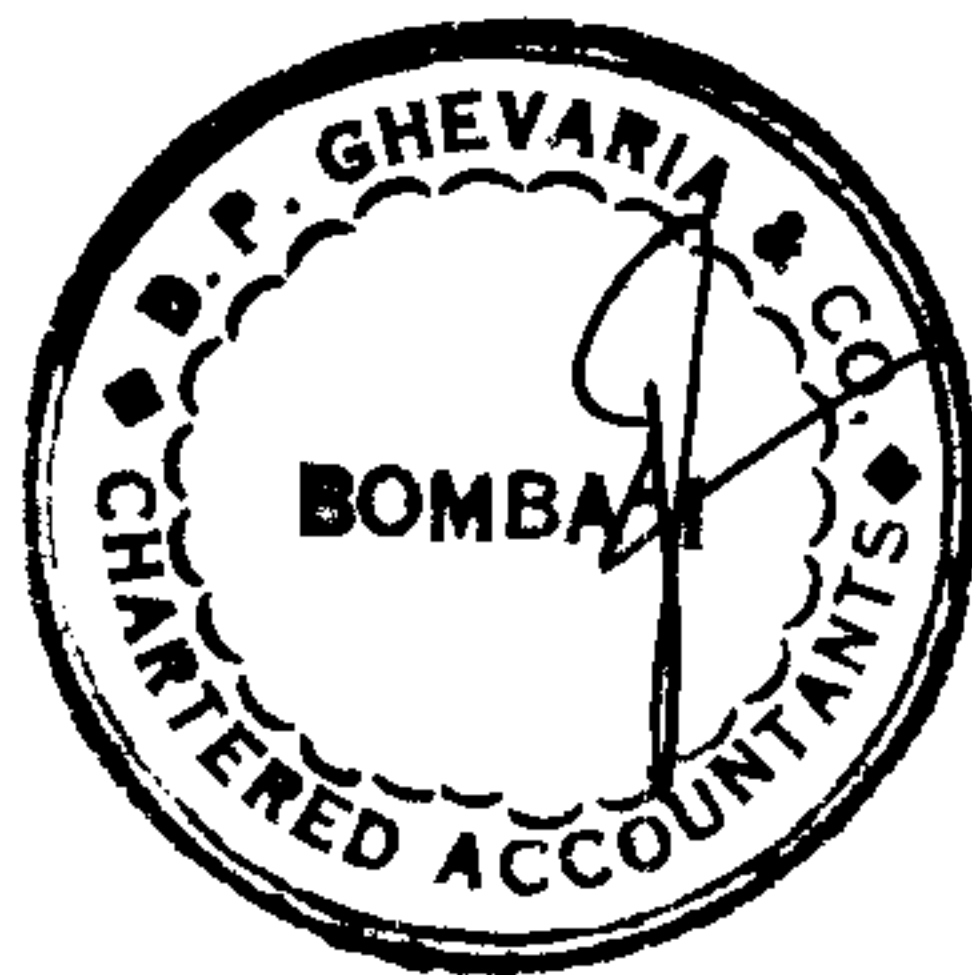
**NON-CURRENT INVESTMENTS**  
(Long Term Investments)

(Rs. In lakhs)

Particulars	Number	Face Value per unit Rupees	As at 31st March, 2017	As at 31st March, 2016
Fully paid Shares in Co-operative Housing Societies* :	5	50	-	-
Arabian Sea-View Co-operative Housing Society Ltd.	(5)			
Chitrakoot Co-operative Housing Society Ltd.	10	50	0.01	0.01
	(10)			
Tahnee Heights Co-operative Housing Society Ltd.	5	50	-	-
	(5)			
West Nandanvan Co-operative Housing Society Ltd.	10	50	0.01	0.01
	(10)			
Vipul Co-operative Housing Society Ltd.	20	50	0.01	0.01
	(20)			
Tara Apartments Co-operative Housing Society Ltd.	5	50	-	-
	(5)			
			<u>0.03</u>	<u>0.03</u>

Figures in brackets are for the previous year.

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



**Notes on Financial Statements for the Year ended 31st March, 2017.**

(Rs. In lakhs)

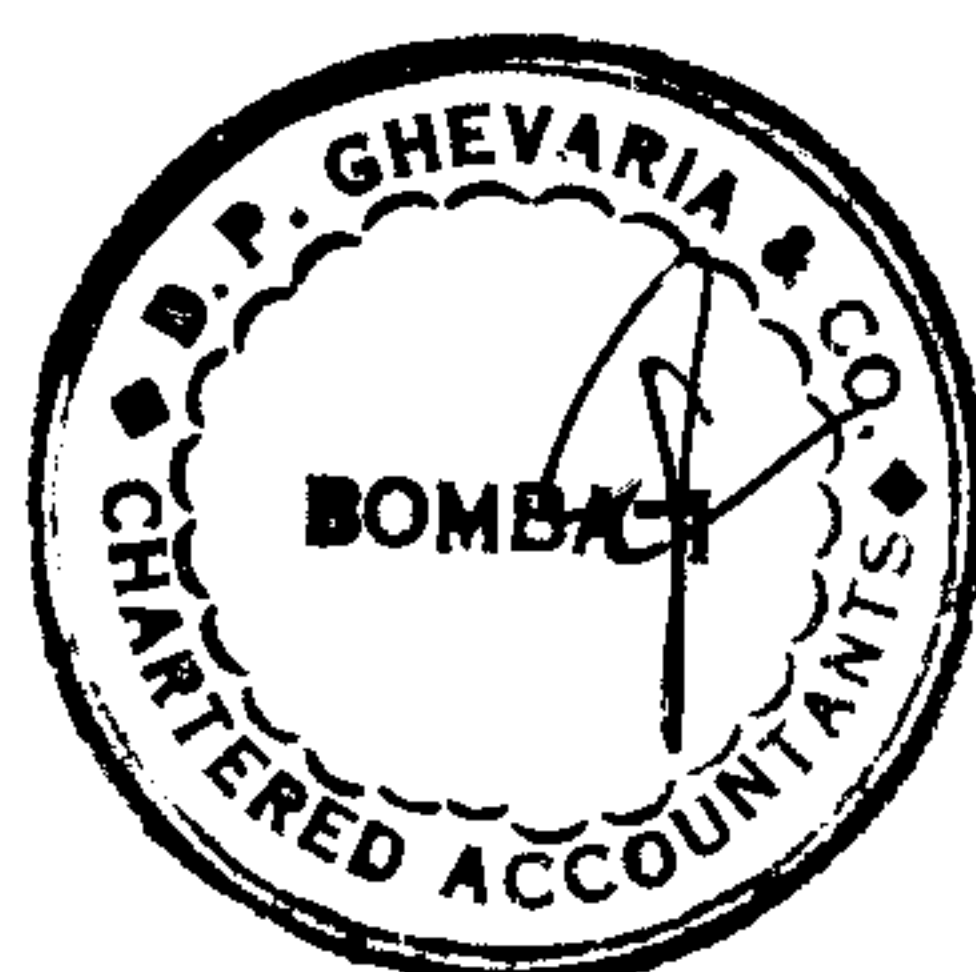
	As at 31st March, 2017	As at 31st March, 2016
<b>13 LONG-TERM LOANS AND ADVANCES</b>		
Employee Loans & Advances	22.26	17.57
Other Loans and Advances	160.77	279.68
	<u>183.03</u>	<u>297.25</u>
<b>14 OTHER NON-CURRENT ASSETS</b>		
Security Deposits	51.98	51.32
Other Long-term Receivables	13.54	19.92
Trade Receivables	464.03	465.39
	<u>529.55</u>	<u>536.63</u>
<b>15 INVENTORIES</b>		
Raw Materials	124.22	174.28
Stores, Spare parts & Packing Materials	585.00	547.90
Liquid Fuel & Petrol	45.37	43.06
Stock-in-trade	1,253.10	1,742.27
Finished Goods	1,069.52	977.78
Building Work-In-Progress (for sale)	9,607.63	6,968.79
	<u>12,684.84</u>	<u>10,454.08</u>
<b>16 TRADE RECEIVABLES</b>		
<b>Unsecured (Considered good)</b>		
Over Six Months	852.35	1,096.16
Other Debts	6,713.15	6,759.30
	<u>7,565.50</u>	<u>7,855.46</u>
<b>17 CASH AND CASH EQUIVALENTS</b>		
Cash in hand	21.24	31.86
Cheques in hand	50.00	21.62
Balances with banks*	2,017.89	2,179.61
Fixed Deposits with banks#	7,798.96	5,513.58
	<u>9,888.09</u>	<u>7,746.67</u>

\* Balances with Banks include Unclaimed Dividend of Rs.80.83 lakhs(Previous year Rs.71.40 lakhs)

# Fixed Deposits with Banks include Deposits against Bank Guarantees issued by banks of Rs.92.74 lakhs (Previous year Rs.66.36 lakhs) with maturity of more than 12 months.

(Rs. In lakhs)

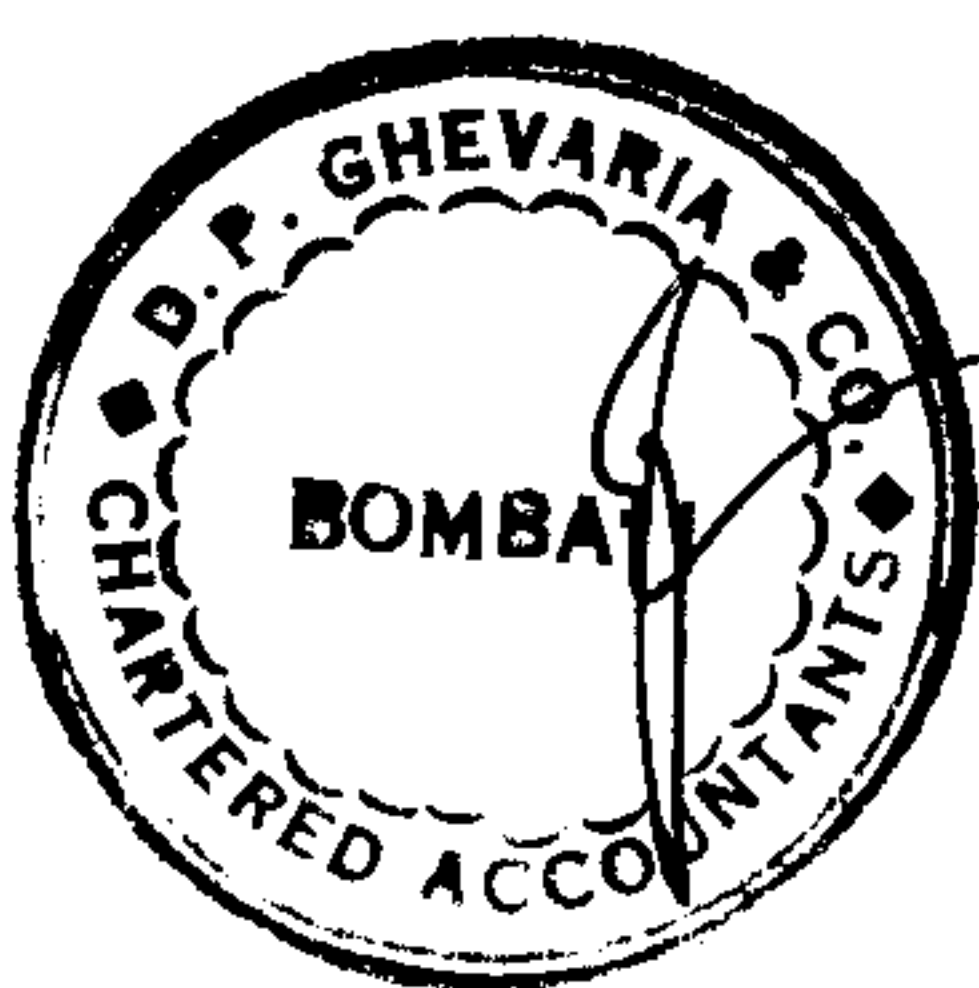
	As at 31st March, 2017	As at 31st March, 2016
<b>18 SHORT-TERM LOANS AND ADVANCES</b>		
Loans and advances to Employees	84.74	23.84
Deposit against Insurance Premium	56.78	59.59
Deposit/Balances with Central Excise/Sales tax authorities	0.19	25.35
Advance Payment of Income tax(including TDS) and Wealth tax(Net of Provisions)	789.49	550.04
	<u>931.20</u>	<u>658.82</u>
<b>19 OTHER CURRENT ASSETS</b>		
Advance to suppliers	319.40	256.22
Interest accrued but not due on Fixed Deposits	73.85	52.70
Other Current Assets	755.22	1,016.54
	<u>1,148.47</u>	<u>1,325.46</u>



**Notes on Financial Statements for the Year ended 31st March, 2017.**

(Rs. In lakhs)

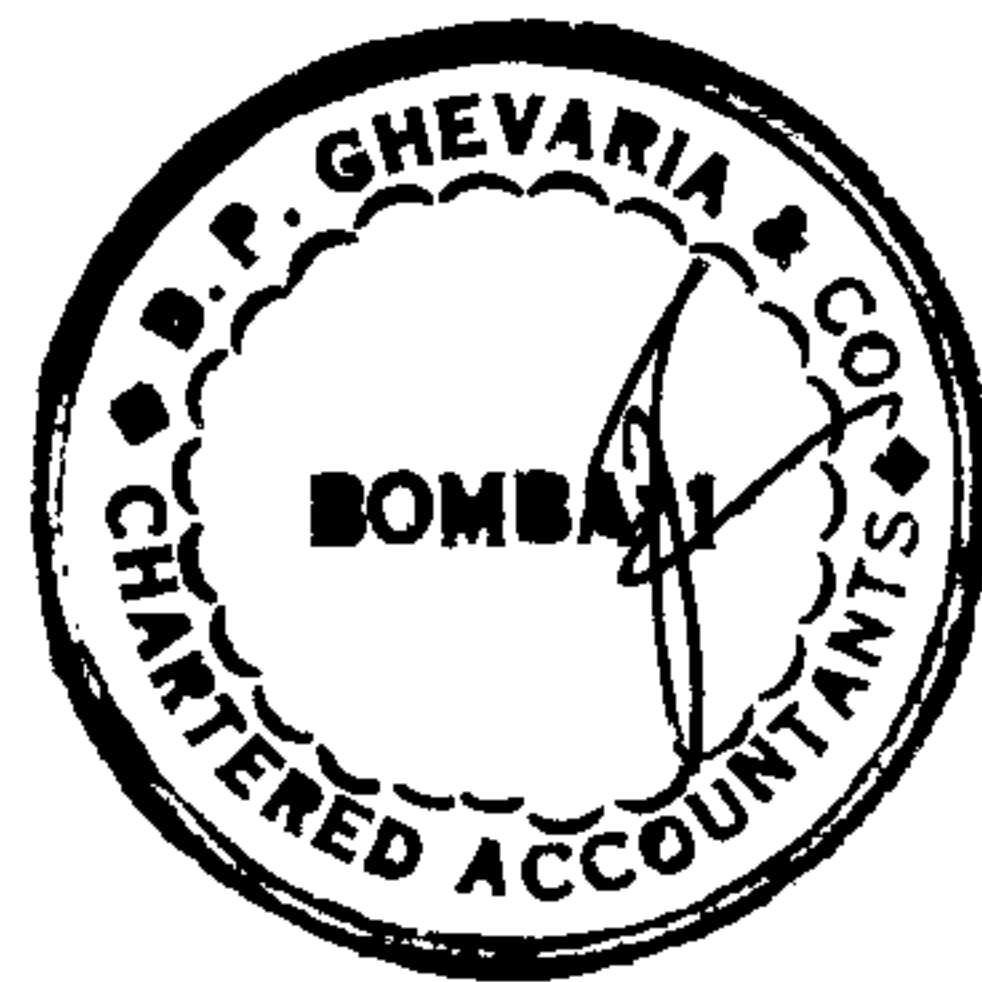
	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>20 REVENUE FROM OPERATIONS</b>		
Sales of Products	25,351.24	25,054.41
Sales of Services	3,694.48	2,582.94
	<u>29,045.72</u>	<u>27,637.35</u>
Less: Excise Duty	1,115.53	1,136.56
Sales of Products and Services (Net)	<u>27,930.19</u>	<u>26,500.79</u>
Other Operating Revenues	12,228.47	12,012.20
	<u>40,158.66</u>	<u>38,512.99</u>
<b>20.1 Particulars of Sale of Products :</b>		
<b>Manufactured Goods</b>		
Glass Bottles	13,959.04	13,606.42
<b>Traded Goods</b>		
Food Products	10,307.50	9,843.08
Machine Tools and Industrial Equipments	1,084.70	1,604.91
	<u>11,392.20</u>	<u>11,447.99</u>
	<u>25,351.24</u>	<u>25,054.41</u>
<b>20.2 Particulars of other Operating Revenues :</b>		
Business Support Service, Consultancy and Commission	3,203.75	3,741.47
Property Rent	7,340.24	6,403.31
Advertising, Branding and Operating Income	722.52	767.54
Business Centre Services	755.47	609.45
Others	206.49	490.43
	<u>12,228.47</u>	<u>12,012.20</u>
<b>21 OTHER INCOME</b>		
Credit balances Written back	2.56	2.84
Insurance Claims	1.66	4.67
Interest Income	401.30	311.59
Profit on Sale of assets	11.88	13.21
Foreign Exchange Rate Difference	112.55	138.70
Miscellaneous Income	37.94	25.05
	<u>567.89</u>	<u>496.06</u>



**Notes on Financial Statements for the Year ended 31st March, 2017.**

(Rs. In lakhs)

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>22 COST OF MATERIAL CONSUMED</b>		
Raw Materials Consumed	3,840.04	3,910.26
Stores & Spares, Packing Materials, Refractories & Moulds and Castings Consumed	1,108.33	1,033.82
	<u>4,948.37</u>	<u>4,944.08</u>
<b>22.1 Particulars of Material Consumed</b>		
<b>Raw Materials</b>	%	%
Imported	411.15	10.71
Indigenous	3,428.88	89.29
	<u>3,840.03</u>	<u>100.00</u>
Chemicals	1,370.72	1,423.13
Silica Sand	209.91	175.93
Cullets	2,259.41	2,311.20
	<u>3,840.04</u>	<u>3,910.26</u>
	%	%
<b>22.2 Components and Spare parts</b>		
Imported	71.71	6.47
Indigenous	1,036.62	93.53
	<u>1,108.33</u>	<u>100.00</u>
<b>23 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE</b>		
Stock at close - Finished Goods	1,069.53	977.78
Stock at commencement - Finished Goods	<u>977.78</u>	<u>847.91</u>
	(91.75)	(129.87)
Stock at close - Traded Goods	1,253.10	1,742.27
Stock at commencement - Traded Goods	<u>1,742.27</u>	<u>1,908.07</u>
	489.17	165.80
Stock at close - Licences	-	-
Stock at commencement - Licences	<u>-</u>	<u>210.00</u>
		210.00
	<u>397.42</u>	<u>245.93</u>

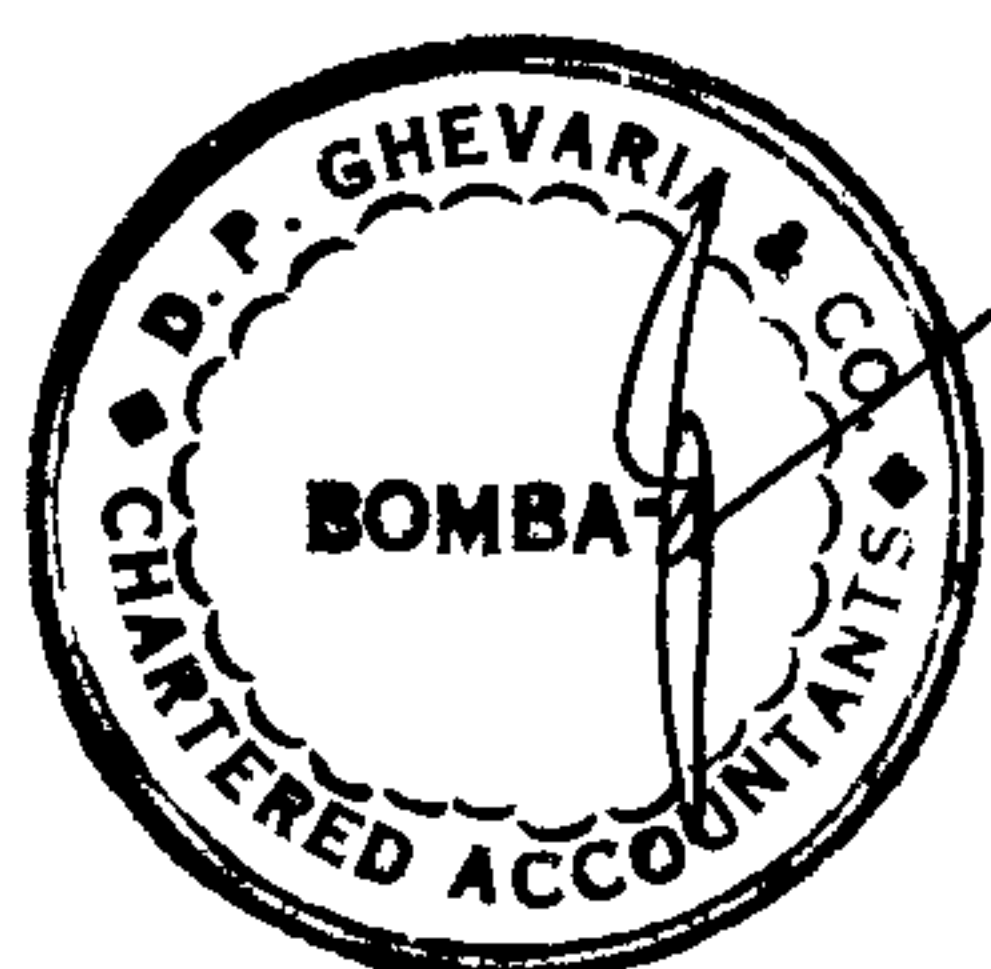




**Notes on Financial Statements for the Year ended 31st March, 2017.**

(Rs. In lakhs)

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>24 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages, Bonus, Gratuity & Allowances	6,260.20	5,616.20
Contribution to Provident & Superannuation Fund	568.08	524.47
Staff Welfare Expenses	602.92	547.66
	<u>7,431.20</u>	<u>6,688.33</u>
<b>25 FINANCE COST</b>		
Interest Expense on Overdrafts & other Borrowings	725.14	782.46
Other Borrowing Cost	181.15	184.44
	<u>906.29</u>	<u>966.90</u>
<b>26 OTHER EXPENSES</b>		
Repairs to Machinery	112.76	92.12
Repairs to Buildings	388.04	132.07
Other Repairs	352.75	316.03
Power & Fuel	2,574.13	2,848.27
Rent	134.09	129.73
Rates & Taxes	481.47	520.30
Insurance	75.68	69.09
Discount, Commission and Brokerage	1,064.96	366.96
Conducting Charges	55.82	-
Electricity charges	250.80	295.11
Vehicle Expenses	378.64	351.04
Carriage Outward and Steamer Freight	1,294.57	1,181.84
Professional and Legal charges	546.68	722.80
Travelling Expenses	416.96	455.27
Telephone and other Communication Expenses	146.10	148.52
Expenditure on Corporate Social Responsibility(CSR) activities	96.00	93.74
Miscellaneous Expenses	2,438.58	2,034.99
	<u>10,808.03</u>	<u>9,757.88</u>



**Notes on Financial Statements for the Year ended 31st March, 2017.**

(Rs. In lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>27</b>		
<b>Contingent liabilities not provided for :</b>		
a) Guarantees given by the Banks	2,019.57	1,472.14
b) Letters of Credits/Buyers Credit	784.31	3,404.96
c) Claims against the Company not acknowledged as debts	-	17.41
d) Estimated amount of contracts remaining to be executed on Capital Account (Net of advances)	2.60	41.50
e) Service tax demand disputed by the Company.	2.11	26.75
f) Income Tax matters in respect of which appeals are pending	198.55	405.68
g) Sales tax demand disputed by the Company.	251.92	427.60

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 was asked to pay Rs.86.81 lakhs for the period from April, 2012 to November, 2015. The Company made or account part payment of Rs.44.97 lakhs against the said amount and has decided to contest the full amount at appropriate forum.

**CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE**

Gross amount spent by the company during the year is Rs.96 lakhs (Previous year Rs.93.74 lakhs)

<b>28</b>	<b>Payment to Auditors as :</b>		
	a) Statutory Audit Fees	7.00	7.00
	b) Tax Audit Fees	2.00	2.00
	c) Certification and Consultation Fees	0.78	2.05
	d) Others	3.67	0.49
	e) Reimbursement of expenses	0.67	0.58
	f) Cost Audit Fees	1.00	1.00
		15.12	13.12

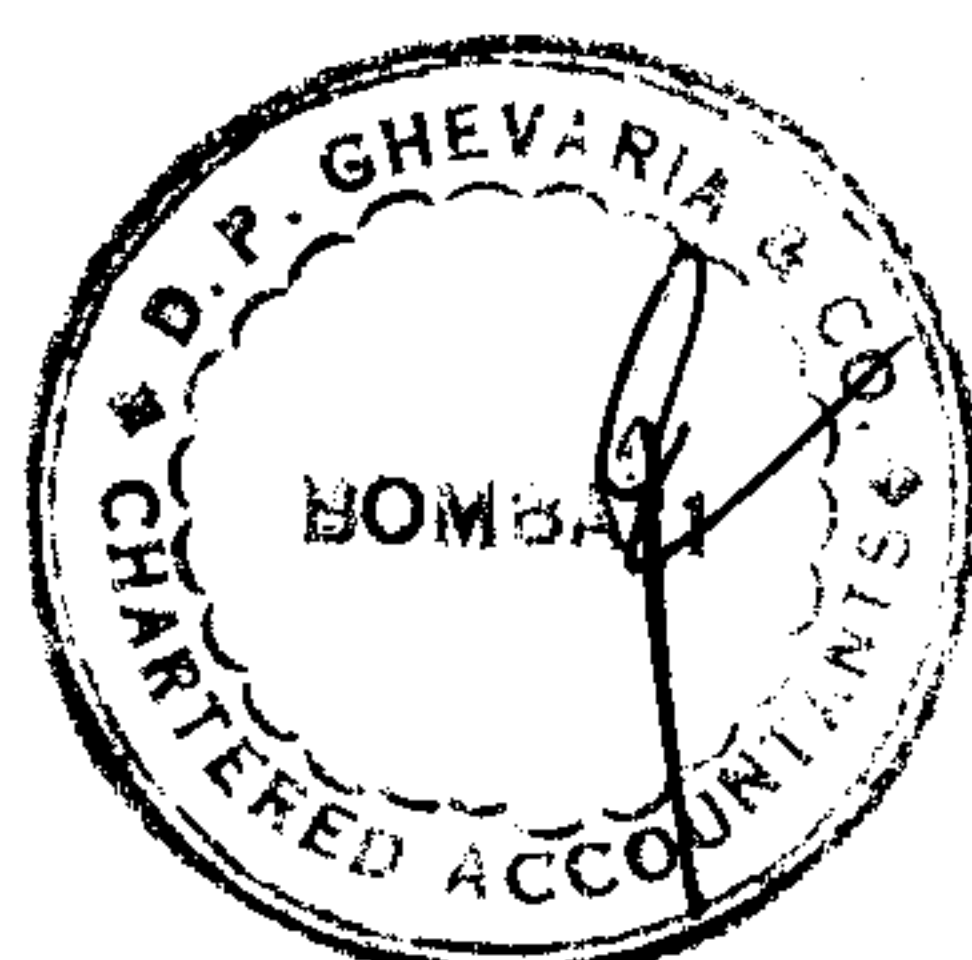
**29** The value of stocks include all taxes and duties. Cenvat is credited to statement of Profit & Loss on consumption basis. Cenvat related to year-end stock is carried forward in Balance Sheet under the head 'Other Liabilities'.

**30** Excise duty liability on Finished Goods stock has not been provided and also not included in the valuation of Finished Goods stock. However, it has no impact on Statement of Profit & Loss.

**31** The previous year's figures have been regrouped / reclassified wherever necessary.

	2016-17	2015-16
<b>32</b>		
<b>Earning per Share</b>		
Net Profit (Rs. In lakhs)	3,263.98	3,064.85
Weighted average number of Equity Shares outstanding	59,99,998	59,99,998
Earning per share - Basic and Diluted. ( Rs.)	53.93	51.08
Face value of share ( Rs.)	10.00	10.00

<b>33</b>	<b>Value of Imports on C.I.F. basis in respect of</b>		
	Raw Materials	382.64	373.79
	Components and Spare parts	62.07	60.04
	Capital Goods	0.37	77.88
	Traded Goods	5,415.33	5,656.81



**Notes on Financial Statements for the Year ended 31st March, 2017**

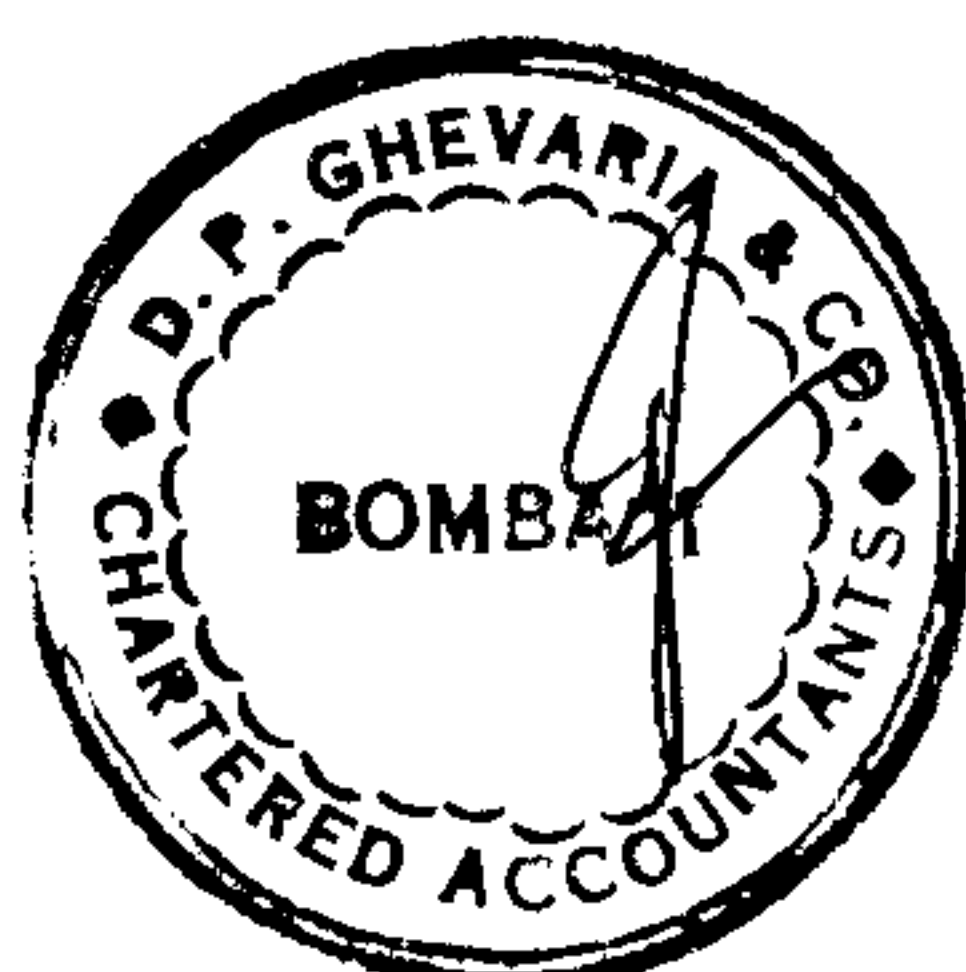
(Rs. In lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>34 Expenditure in Foreign Currency in respect of :</b>		
Technical and Professional services	117.33	105.41
Travelling	52.15	70.01
Commission	36.96	17.31
Others	28.82	4.59
<b>35 Earnings in foreign exchange in respect of</b>		
(i) Export of goods on F.O.B. Basis(on accrual basis)	2,405.90	1,861.18
(ii) Commission	4,588.53	3,712.59
(iii) Others	87.55	88.47
	<b>2016-17</b>	<b>2015-16</b>
<b>36 Remittances in foreign exchange on account of dividend</b>		
(i) Number of non-resident shareholders	35	33
(ii) Number of shares held by them	8976	9845
(iii) Dividends remitted	Nil	Nil
(iv) Year to which dividend relates	2015-16	2014-15 & 2015-16

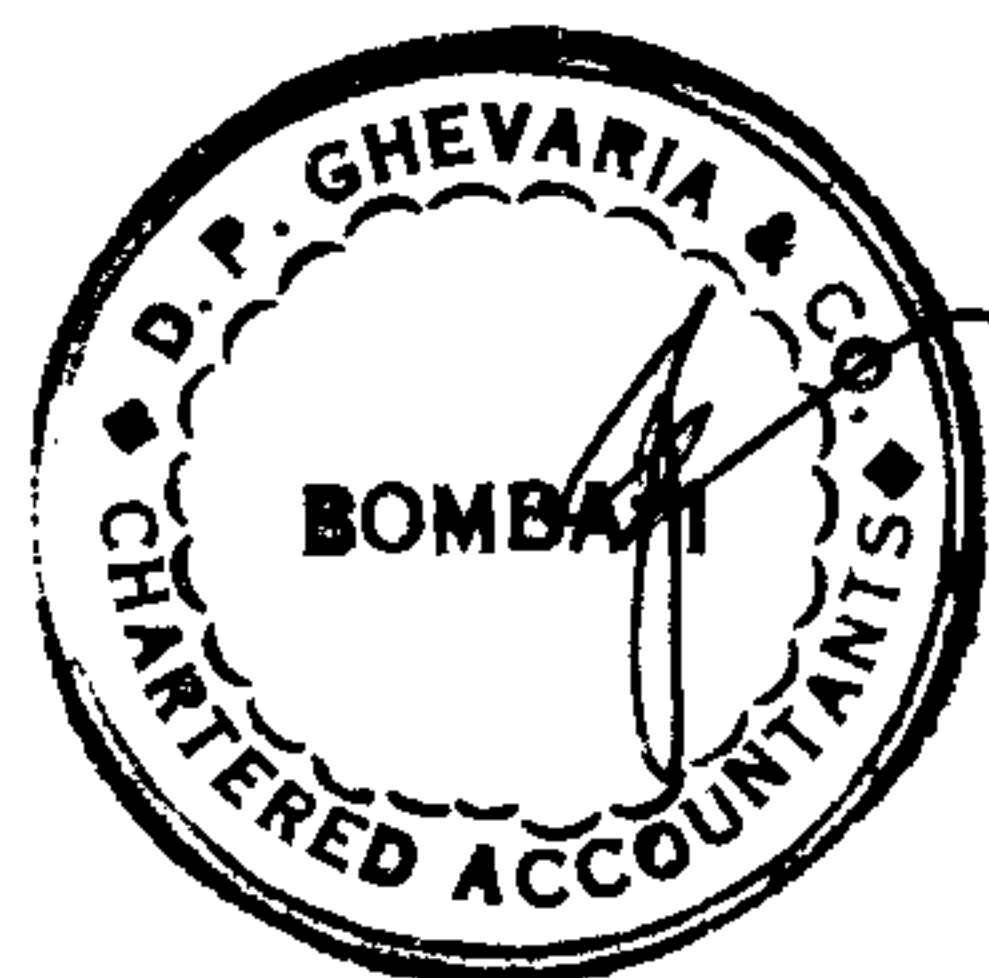
[Dividend / Interim Dividend to non-resident shareholders amounting to Rs.2.33 lakhs (Previous year Rs.4.19 lakhs) has been paid to their Bankers/Agents in India]

**37 Disclosures as required by Accounting Standard (AS15) Employee Benefits**  
Defined Benefit Plans as per Actuarial Valuation are as under:

	Gratuity		Leave Encashment	
	2016-2017 (Unfunded)	2015-2016 (Unfunded)	2016-2017 (Unfunded)	2015-2016 (Unfunded)
<b>A. Change in obligation during the year</b>				
Liability at the beginning of the year	2297.08	2046.85	1411.05	1220.75
Interest Cost	165.07	156.32	100.61	94.85
Current Service Cost	170.40	150.62	167.78	167.78
Benefits Paid	(168.76)	(70.08)	-	-
Actuarial (Gain)/ Loss on obligation	105.98	13.37	(107.59)	(72.33)
Liability at the end of the year	2569.77	2297.08	1571.85	1411.05
<b>B. Change in fair value of plan assets</b>				
Fair Value of Plan Assets at the begin of the year	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	168.76	70.08	-	-
Benefits Paid	(168.76)	(70.08)	-	-
Actuarial (Gain)/ Loss on plan assets	-	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-
<b>C. Fair value of plan assets</b>				
Fair Value of Plan Assets at the beginning of the year	-	-	-	-
Actual Return on Plan Assets	-	-	-	-
Contributions	168.76	70.08	-	-
Benefits Paid	(168.76)	(70.08)	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-
<b>D. Liability recognised in the Balance Sheet</b>				
Liability at the end of the year	2569.76	2297.08	1,571.85	1411.05
Funded status	-	-	-	-
Liability recognised in th balance sheet	2569.76	2297.08	1571.85	1411.05



	Gratuity		Leave Encashment	
	2016-2017 (Unfunded)	2015-2016 (Unfunded)	2016-2017 (Unfunded)	2015-2016 (Unfunded)
<b>E. Liability recognised in the Statement of Profit and Loss</b>				
Current Service Cost	170.40	150.62	167.78	167.78
Interest Cost	165.06	156.32	100.61	94.85
Net Actuarial (Gain)/Loss	105.98	13.37	(107.59)	(72.33)
Expenses recognised in the Statement of Profit and Loss	441.44	320.31	160.80	190.30
<b>F. Movements in Liability recognised in the Balance Sheet</b>				
Opening Net Liability	2297.08	2046.85	1411.05	1220.75
Expenses as above	441.44	320.31	160.80	190.30
Contribution Paid	(168.76)	(70.08)	-	-
Closing Net Liability	2569.76	2297.08	1571.85	1411.05
<b>G. Actuarial assumptions</b>				
Discount Rate	7%	8%	7%	8%
Salary escalation	7%	7%	7%	7%
Mortality rate	IALM(2006-08) Ultimate table	IALM(2006-08) Ultimate table	IALM(2006-08) Ultimate table	IALM(2006-08) Ultimate table



## Notes on Financial Statements for the Year ended 31st March, 2017.

### 38 Segment wise information for the year ended 31st March, 2017 :

Segments have been identified in line with the "Accounting standard on segment reporting" (AS-17), taking into account, the nature of products and services, the organization and internal reporting structure as well as differential risk of these segments.

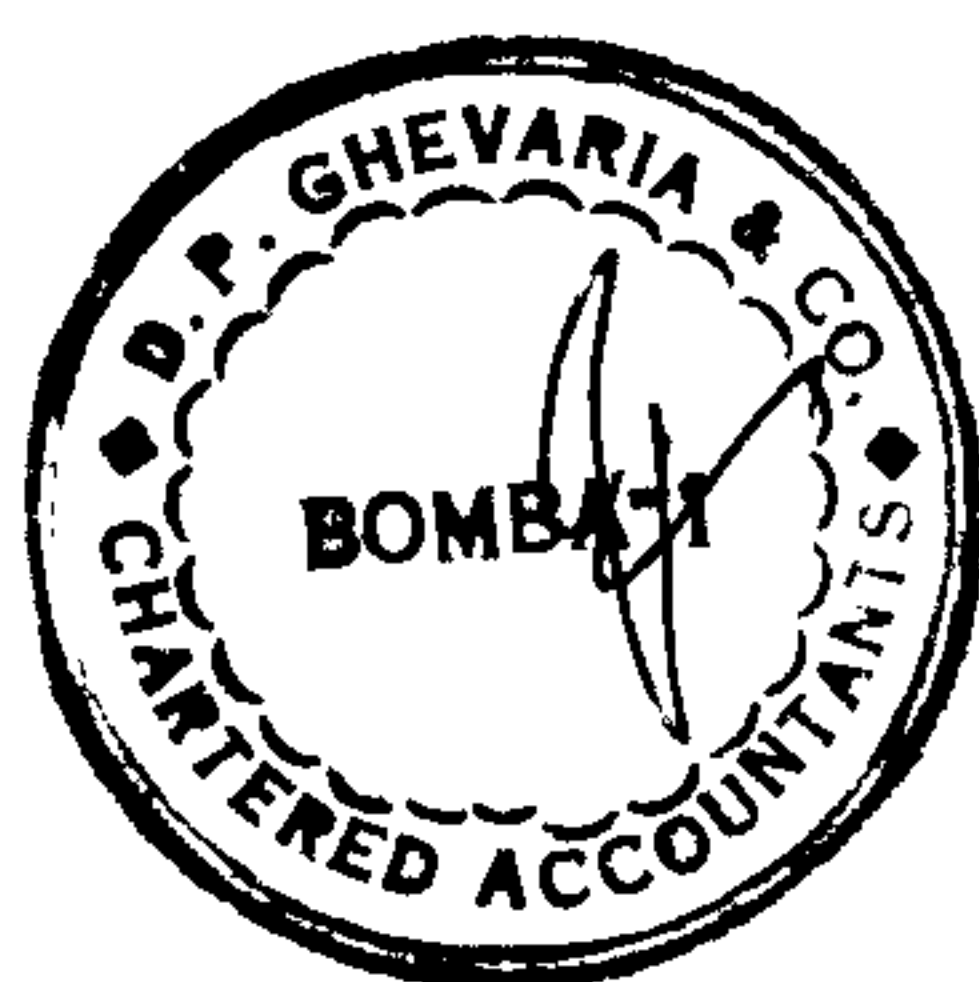
#### (i) Information about Primary Business Segments

	2016-2017 (Rs. In Lakhs)			2015-2016 (Rs. In Lakhs)		
	External	Inter-Segment	Total	External	Inter-Segment	Total
<b>REVENUE</b>						
Manufacturing	13,053.34	-	13,053.34	12,961.29	-	12,961.29
Trading, Business Support Service, Consultancy and commission	19,788.99	-	19,788.99	19,178.65	-	19,178.65
Others	7,370.40	-	7,370.40	6,418.82	-	6,418.82
<b>Total Revenue</b>	<b>40,212.73</b>	<b>-</b>	<b>40,212.73</b>	<b>38,558.76</b>	<b>-</b>	<b>38,558.76</b>
<b>RESULT</b>						
Segment Result						
Manufacturing	1,007.74	-	1,007.74	894.26	-	894.26
Trading, Business Support Service, Consultancy and commission	270.46	-	270.46	45.56	-	45.56
Others	4,686.21	-	4,686.21	4,949.32	-	4,949.32
<b>Total Result</b>	<b>5,964.41</b>	<b>-</b>	<b>5,964.41</b>	<b>5,889.14</b>	<b>-</b>	<b>5,889.14</b>
Un-allocated Expenditure						
Net of un-allocated Income			567.00			567.00
Finance Cost			906.29			966.90
Interest Income			401.29			311.59
Profit before Taxation			4,892.41			4,666.83
Provision for Taxation			1,628.43			1,601.98
<b>Net Profit</b>			<b>3,263.98</b>			<b>3,064.85</b>
Other Information						
			<b>Segment Assets</b>			<b>Segment Liabilities</b>
			<b>2016-17</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2015-16</b>
Manufacturing			6,563.04	6,671.84	2,144.07	1,729.53
Trading, Business Support Service, Consultancy and commission			9,685.01	10,183.61	6,619.68	6,903.21
Others			38,203.70	33,735.69	27,441.78	26,976.15
			<b>54,451.75</b>	<b>50,591.14</b>	<b>36,205.53</b>	<b>35,608.89</b>
			<b>Capital Expenditure</b>		<b>Depreciation</b>	
			<b>2016-17</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2015-16</b>
Manufacturing			5.13	32.50	137.07	162.05
Trading, Business Support Service, Consultancy and commission			226.19	389.70	299.93	214.33
Others			537.62	8,757.45	459.08	592.41
			<b>768.94</b>	<b>9,179.65</b>	<b>896.08</b>	<b>968.79</b>

Non-Cash expenses other than depreciation

#### (ii) Information about Secondary Business Segments

	2016-17	2015-16
	Rs. In Lakhs	Rs. In Lakhs
Revenue by Geographical Market		
India	34,096.06	32,430.55
Outside India	6,116.67	6,128.21
	<b>40,212.73</b>	<b>38,558.76</b>
Segment Assets	54,451.75	50,591.14
India	-	-
Outside India	<b>54,451.75</b>	<b>50,591.14</b>
Capital Expenditure	768.94	9,179.65
India	-	-
Outside India	<b>768.94</b>	<b>9,179.65</b>



**Notes on Financial Statements for the Year ended 31st March, 2017.**

	As at	As at
	31st March,	31st March,
	2017	2016
	Rs. In lakhs	Rs. In lakhs

(iii) **Notes :**

- (a) The management has identified following main business segments:  
 Manufacturing - comprising of manufacturing glass bottles, Trading, Business Support Service, Consultancy and Commission.
- (b) Segment Revenue in each of the above domestic business segments primarily includes Sales & service, commission income in respective segments.

Segment Revenue comprises of :

Sales, Commission Property Rent and other Operating Income  
 Other income excluding income from investments

40,158.67	38,512.98
54.06	45.78
40,212.73	38,558.76

- (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 Laibilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**39 Related Party disclosures**

**A. Related party**

**Relationship**

Empire International Pvt. Ltd.

Randil Trading Co. Pvt. Ltd.

Arjun Transport Co. Pvt. Ltd.

Empire Technical Services Pvt. Ltd.

Some of the Directors of the Company are also Directors in the said Pvt. Ltd. Companies

Mr. S. C. Malhotra - Chairman

Mr. Ranjit Malhotra - Vice-Chairman

Mr. Dileep Malhotra - Jt. Mg. Director

Mr. S. C. Nanda - Director Finance & Company Secretary

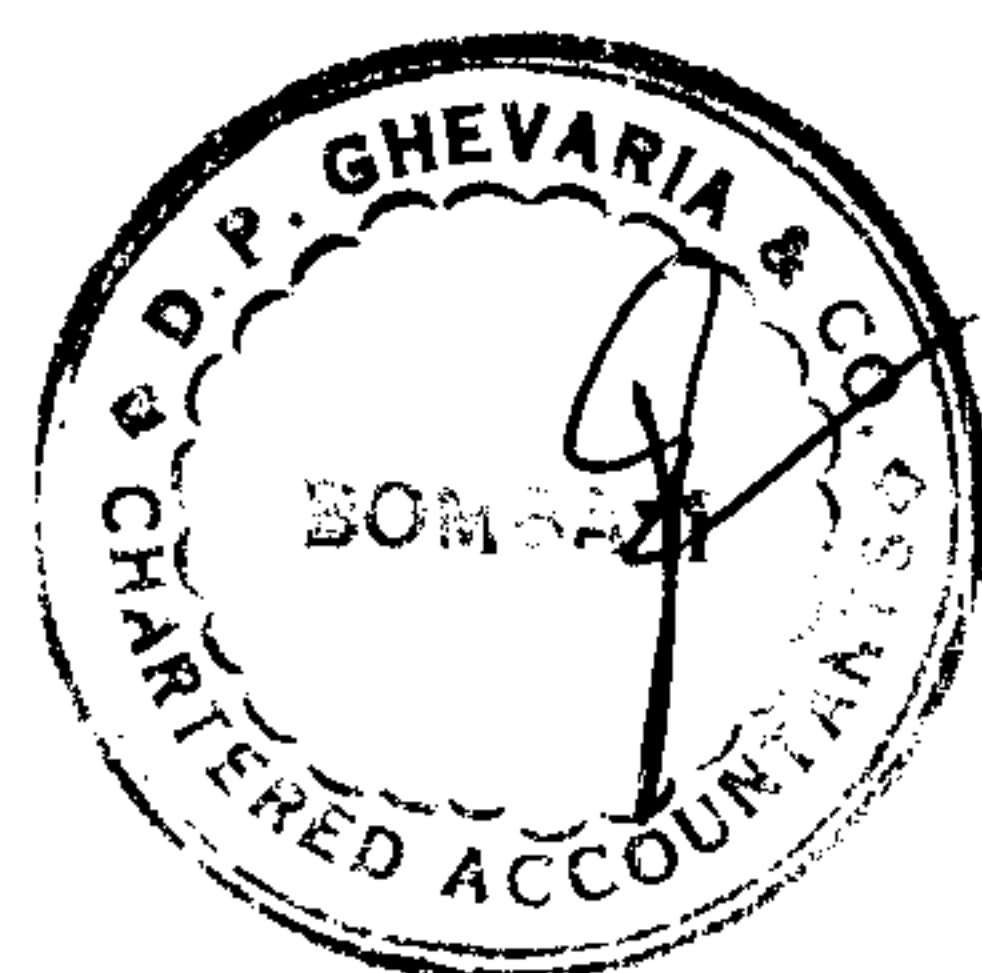
Key Managerial Personnel

Mr. Kabir Malhotra

Mrs. Uma Malhotra

Ms. Anjali Malhotra

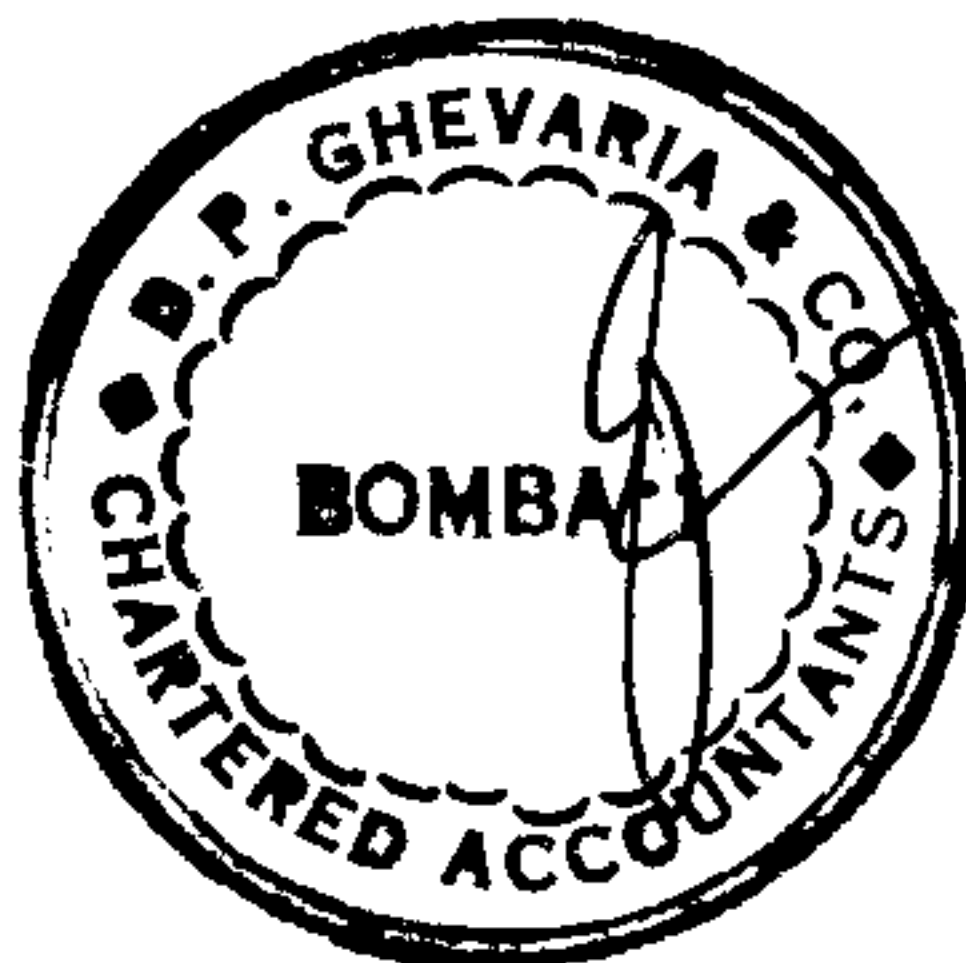
Relatives of Key Manegarial Personnel



		Rs. In lakhs	
B. Disclosure of related party transactions		Year ended <u>31.03.2017</u>	Year ended <u>31.03.2016</u>
<b>Nature of transactions</b>			
<b>Income</b>			
<b>Rent received</b>			
Empire International Pvt. Ltd.		0.49	0.49
Randil Trading Co. Pvt. Ltd.		0.48	0.48
Arjun Transport Co. Pvt. Ltd.		1.20	1.20
Empire Technical Services Pvt. Ltd.		11.02	11.02
<b>Interest on Inter-corporate Deposits</b>			
Empire International Pvt. Ltd.		13.87	57.97
Randil Trading Co. Pvt. Ltd.		7.50	12.60
Arjun Transport Co. Pvt. Ltd.		19.00	63.13
Empire Technical Services Pvt. Ltd.		23.02	5.39
<b>Interest on Fixed Deposits</b>			
Mr. S. C. Malhotra		18.01	53.49
Mr. Ranjit Malhotra		13.26	10.34
Mr. Dileep Malhotra		1.96	21.33
Mrs. Uma Malhotra		1.23	2.65
<b>Remuneration to Key Managerial Personnel</b>			
Mr. S. C. Malhotra		73.51	65.03
Mr. Ranjit Malhotra		95.73	82.62
Mr. Dileep Malhotra		73.60	65.44
Mr. S. K. Gulati*		111.84	185.60
Mr. S. C. Nanda*		28.86	-
<b>Salary to relatives of Key Managerial Personnel</b>			
Mr. Kabir Malhotra		30.25	30.00
Ms. Anjali Malhotra*		4.89	-
<b>Fixed Deposits</b>			
Mr. S. C. Malhotra		190.00	1,010.00
Mr. Ranjit Malhotra		50.00	235.00
Mr. Dileep Malhotra		10.00	390.00
Mrs. Uma Malhotra		-	61.00
<b>Inter-corporate Deposits</b>			
Empire International Pvt. Ltd.		-	314.00
Randil Trading Co. Pvt. Ltd.		-	147.00
Arjun Transport Co. Pvt. Ltd.		-	457.67
Empire Technical Services Pvt. Ltd.		-	539.40

**Note :**

1. Related party relationship is as identified by the Company and relied upon by the Auditors.
2. \* - Employed for part of the year.



Details of specified Bank Notes (SBN) held and transacted during the period from 8th, November 2016 to 30th, December 2016 :

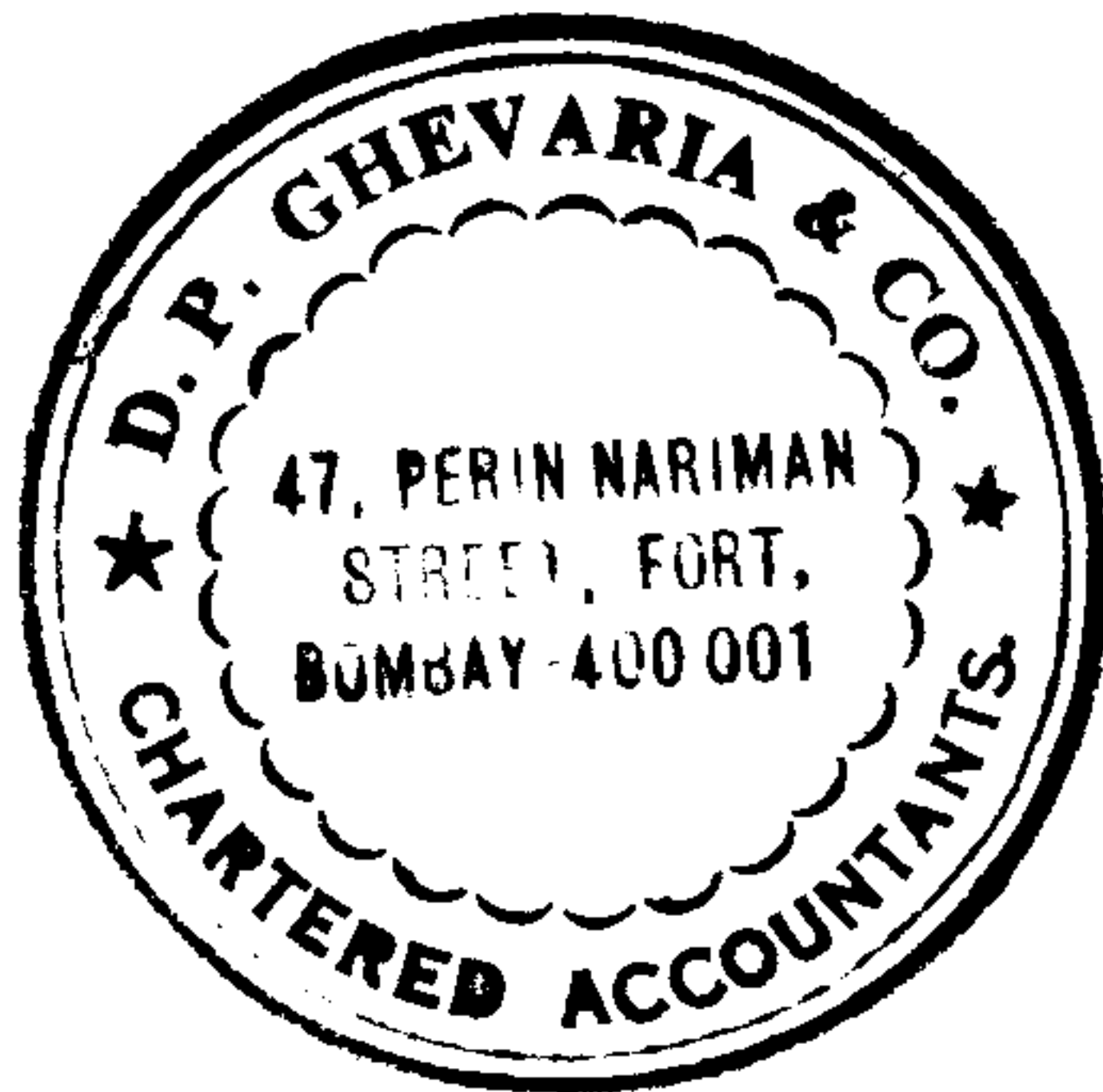
Particulars	Specified Bank Notes	Other Denomination Notes	Total (Amount in INR)
Closing cash in hand as on 08.11.2016	92.62	18.48	111.10
Add: Permitted Receipts	-	235.26	235.26
Less: Permitted Payments	4.52	85.74	90.26
Less: Amount Deposited in Bank	88.10	157.88	245.98
Closing cash in hand as on 30.12.2016		10.13	10.13

Notes referred to above form an integral part of the Balance Sheet and Statement of Profit and Loss.

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

D. P. GHEVARIA  
Proprietor  
Membership No.032431

Mumbai, May 23, 2017



S. C. MALHOTRA (DIN: 00026704)

DILEEP MALHOTRA (DIN:00027168)

RAJBIR SINGH (DIN: 00826402)

B. C. GANDHI (DIN: 00780094)

S. C. NANDA

Mumbai, May 23, 2017

RANJIT MALHOTRA (DIN: 00026933)

UMA R. MALHOTRA (DIN: 06848613)

C. P. SHAH (DIN: 00450394)

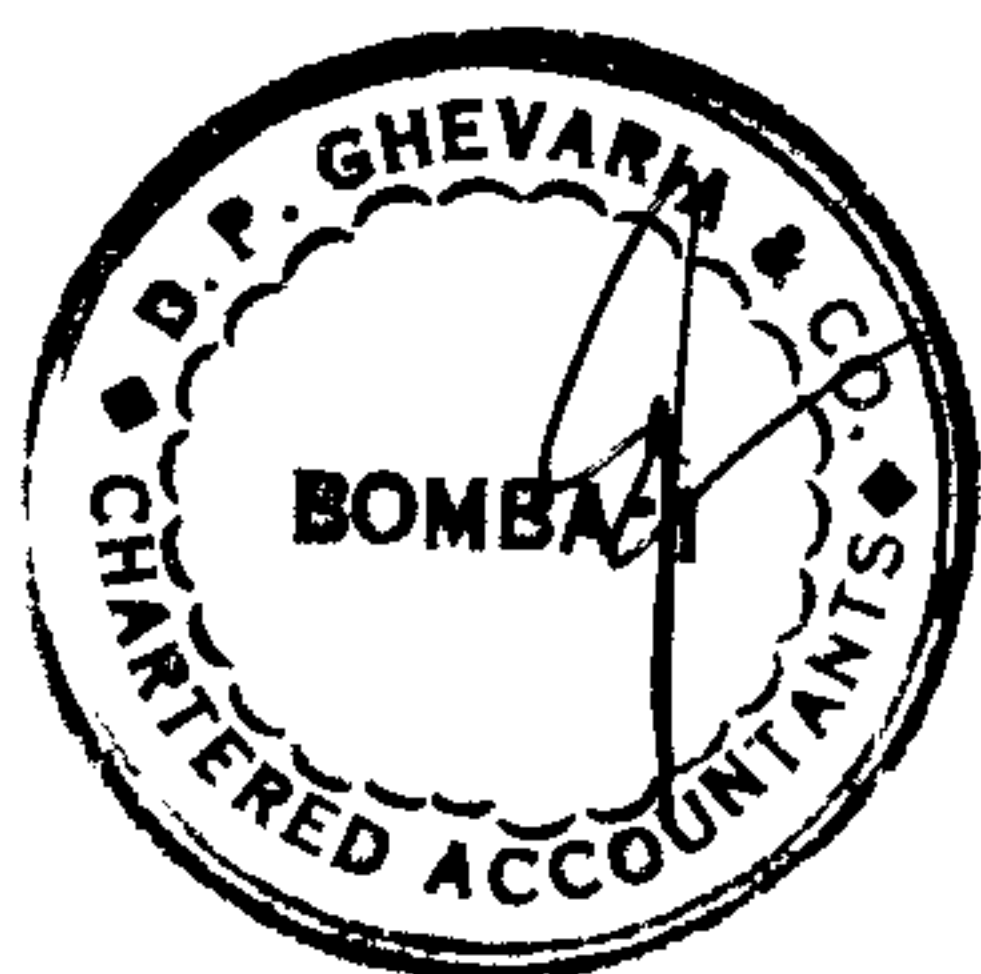
SUBODH CHANDRA (DIN: 02076844)




## EMPIRE INDUSTRIES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017


	<u>2016-17</u>	<u>2015-16</u>
	Rs. Lakhs	Rs. Lakhs
<b>A. Cash Flow from Operating Activities :</b>		
a) Net Profit before Tax & Extra Ordinary items	4,892.41	4,666.66
Adjustments for :		
Depreciation	896.08	968.79
Finance cost	906.29	966.90
Interest & Dividend earned	(401.29)	(311.59)
Profit/Loss on sale of Fixed Assets (Net)	(9.83)	(12.40)
Provision for Gratuity/Leave encashment on actuarial basis	433.47	440.53
	<hr/>	<hr/>
b) Operating Profit before working capital changes	6,717.13	6,718.89
Adjustments for :		
Trade & other Receivables	419.70	(2,281.37)
Inventories	(2,230.77)	(2,406.05)
Increase/(Decrease) in Trade Payables	1,174.71	3,626.06
	<hr/>	<hr/>
c) Cash generated from operations	6,080.77	5,657.53
Finance cost paid	(863.41)	(942.45)
Direct Taxes paid (net of refunds)	(1,630.21)	(1,278.99)
	<hr/>	<hr/>
Net Cash flow from Operating Activities	3,587.15	3,436.09
	<hr/>	<hr/>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(776.76)	(668.19)
Proceeds from Sale of Fixed Assets	45.78	24.69
Proceeds from Sale of Investments		
Interest received	385.87	299.79
Dividend received	-	-
	<hr/>	<hr/>
Net Cash from Investing Activities	(345.11)	(343.71)
	<hr/>	<hr/>
<b>C. Cash Flow from Financing Activities :</b>		
Dividend Paid (Including tax on Dividend)	(288.85)	(3,177.44)
Proceeds from borrowings	2,930.38	4,125.12
Repayment of borrowings	(3,777.97)	378.93
	<hr/>	<hr/>
Net Cash flow from Financing Activities	(1,136.44)	1,326.61
	<hr/>	<hr/>

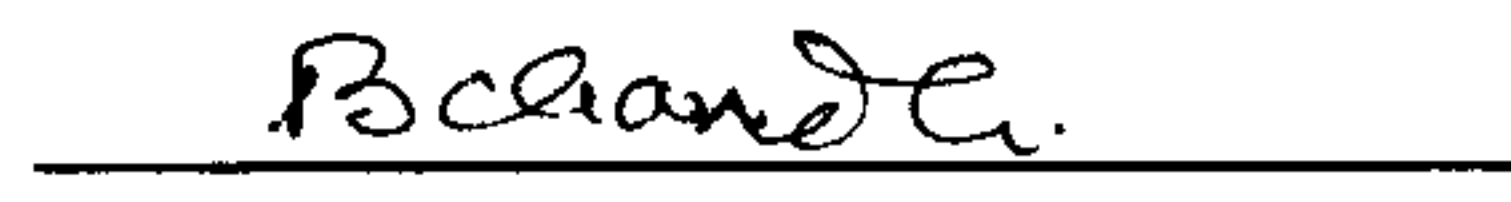


	<u>2016-17</u>	<u>2015-16</u>
	Rs. Lakhs	Rs. Lakhs
<b>D. Net increase/(decrease) in cash and cash equivalent</b>	<b>2,105.60</b>	<b>4,418.99</b>
Cash and cash equivalents at beginning of the year	7,608.91	3,189.92
Cash and cash equivalents at the end of the year	9,714.51	7,608.91

  
S. C. MALHOTRA (DIN: 00026704)

  
DILEEP MALHOTRA (DIN:00027168)

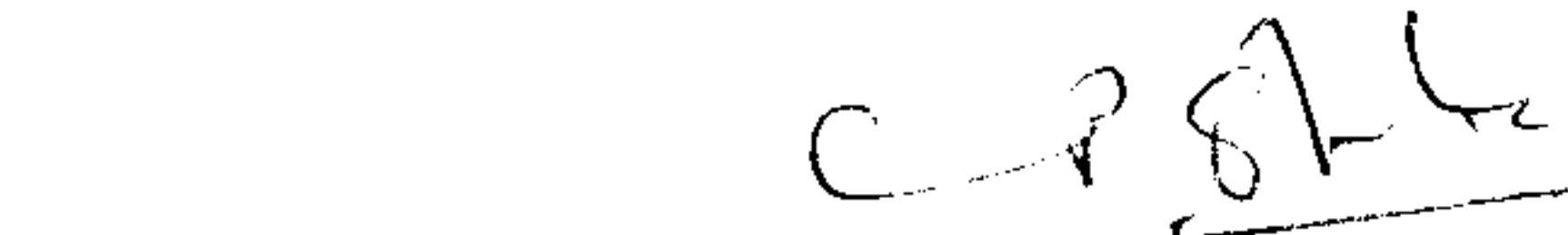
  
RAJBIR SINGH (DIN: 00826402)

  
B. C. GANDHI (DIN: 00780094)

  
SUHASCHANDRA NANDA

  
RANJIT MALHOTRA (DIN: 00026933)

  
UMA R. MALHOTRA (DIN: 06848613)


  
C. P. SHAH (DIN: 00450394)

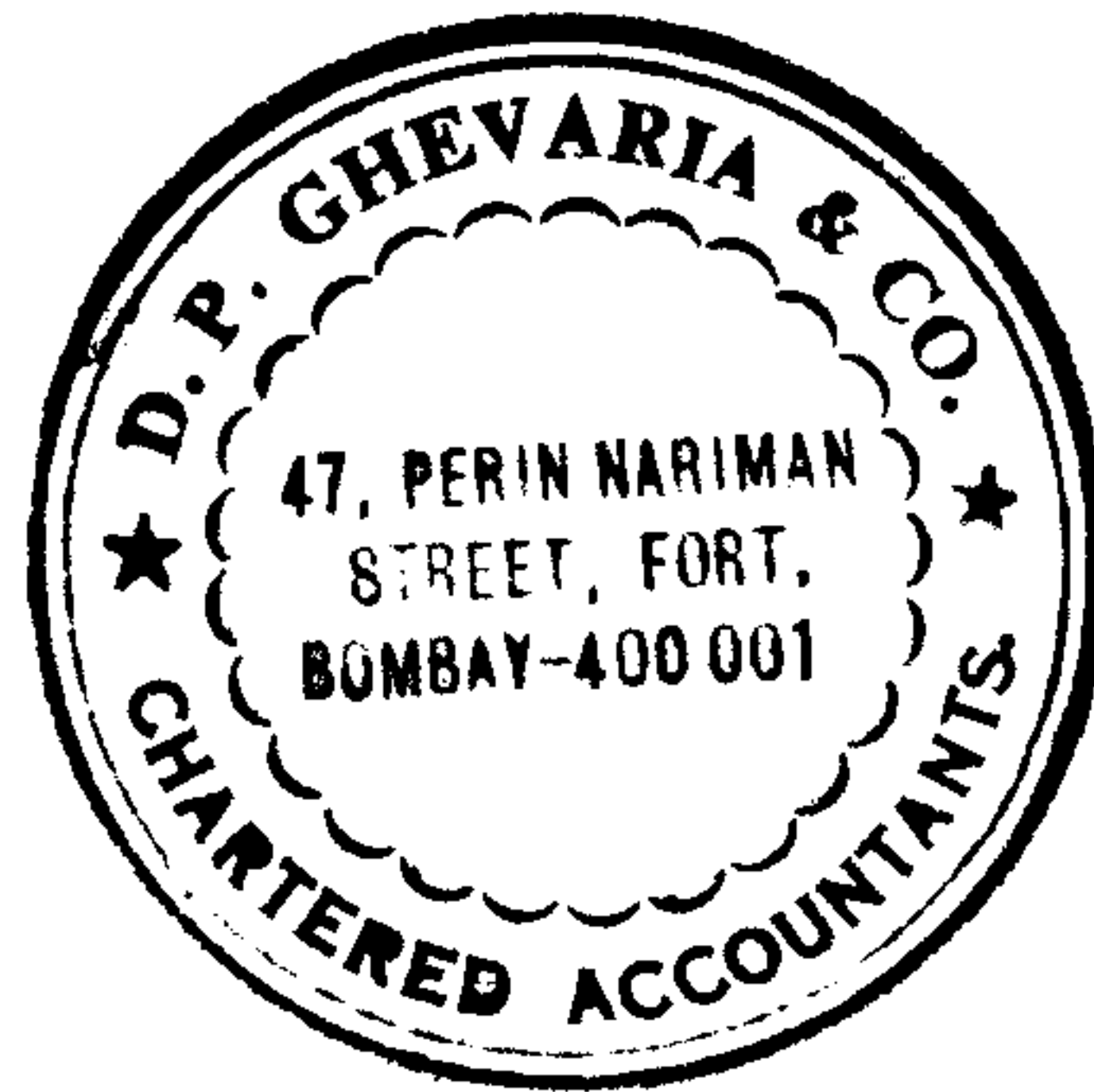
  
SUBODH CHANDRA (DIN: 02076844)

Mumbai, 23rd May 2017

As Per Our Report of even date

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

  
D. P. GHEVARIA  
Proprietor  
Membership No.032431



Mumbai, 23rd May, 2017.

## SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of preparation of Financial Statements

The financial statements of the Company have been prepared on accrual basis under the historical cost convention & ongoing concern basis in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ('the Act') / the Companies Act, 1956, as applicable.

### 2. Use of Estimates

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles ( GAAP ) in India requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and the disclosures relating to contingent liabilities as at the date of Financial Statements. Changes and estimates are recognised in the year they arise.

### 3. Fixed Assets

#### (a) Tangible Assets

Tangible fixed Assets are carried at cost less accumulated depreciation and impairment, if any. Cost comprises the purchase price or construction cost including any attributable cost of bringing the asset to its working condition for its intended use.

#### (b) Intangible Assets

Intangible fixed assets are carried at cost less accumulated amortisation and impairment, if any. Cost comprises the purchase consideration paid for softwares and such other items and any attributable cost of bringing internally generated asset to its working condition for its intended use.

#### (c) Capital Work in Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/ acquisition and pending commissioning. Projects under which tangible fixed assets are not ready for their 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.

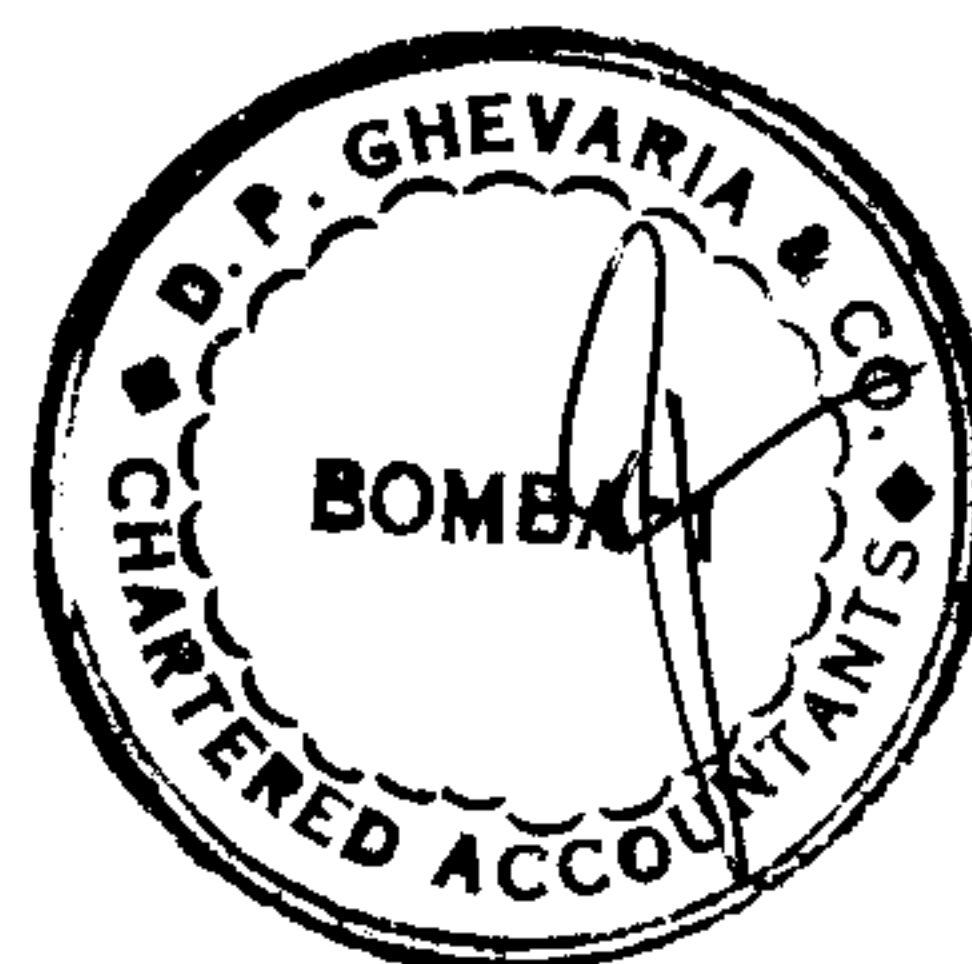
## Depreciation and Amortization

### a) Tangible Assets

Depreciation has been provided under the Straight Line Method on Buildings & Flats, Plants & Machinery and Furnace and on other assets under the Written Down Value Method at the rates specified as per Schedule II of the Companies Act, 2013. Depreciation on Additions to assets or where any asset has been sold or discarded, is calculated on a prorata basis from the date of such addition or upto the date of such sale or discard as the case may be,

### b) Intangible Assets

Software is amortised over a period of three years from the date of its purchase or acquisition.



**c) Leasehold Land**

Premium on leasehold land is amortised over the balance period of lease.

**d) Impairment of Assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

**4. Current / Non - Current Classification**

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

An asset is classified as current when it satisfies any of the following criteria :

- i) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is expected to be realized within twelve months after the balance sheet date;
- iv) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

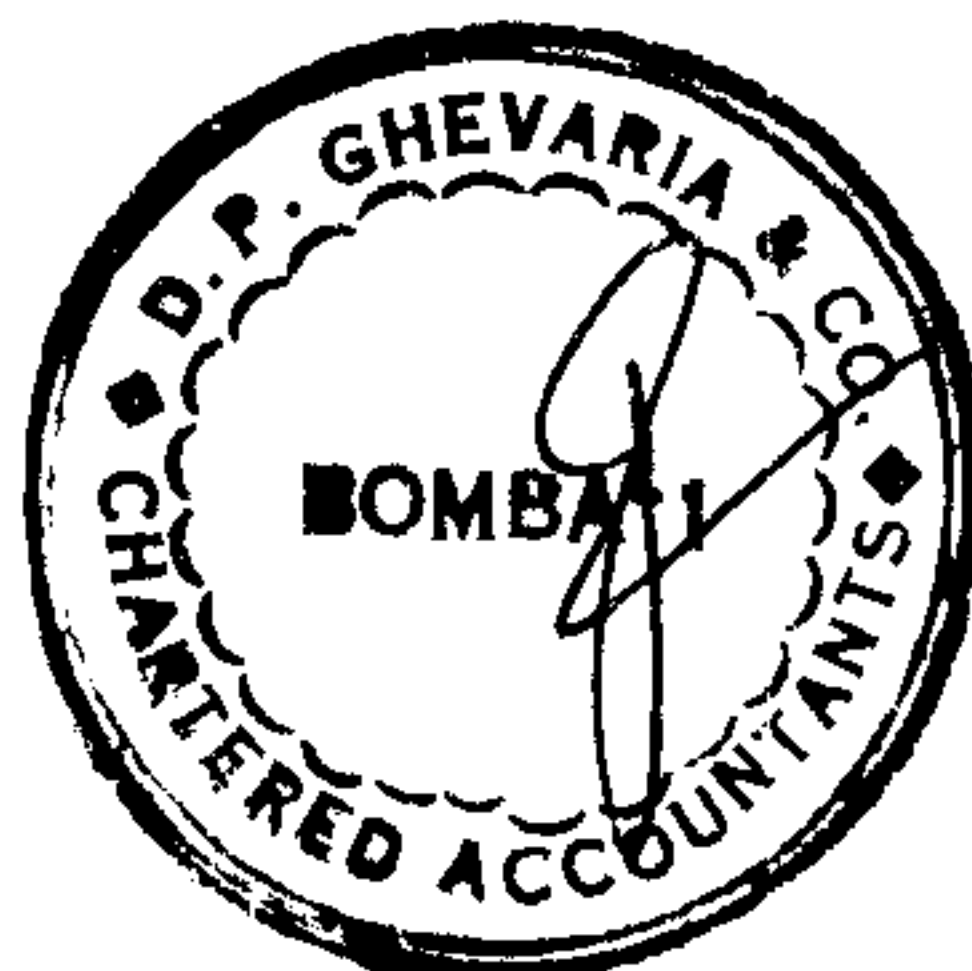
A liability is classified as current when it satisfies any of the following criteria :

- i) it is expected to be settled in the entity's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is due to be settled within twelve months after the balance sheet date;
- iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the revised Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycles as ranging from 12 months to 36 months depending upon each activity for the purpose of current and non-current classification of assets and liabilities.



## 5. Valuation of Stock

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.

## 6. Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.

All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

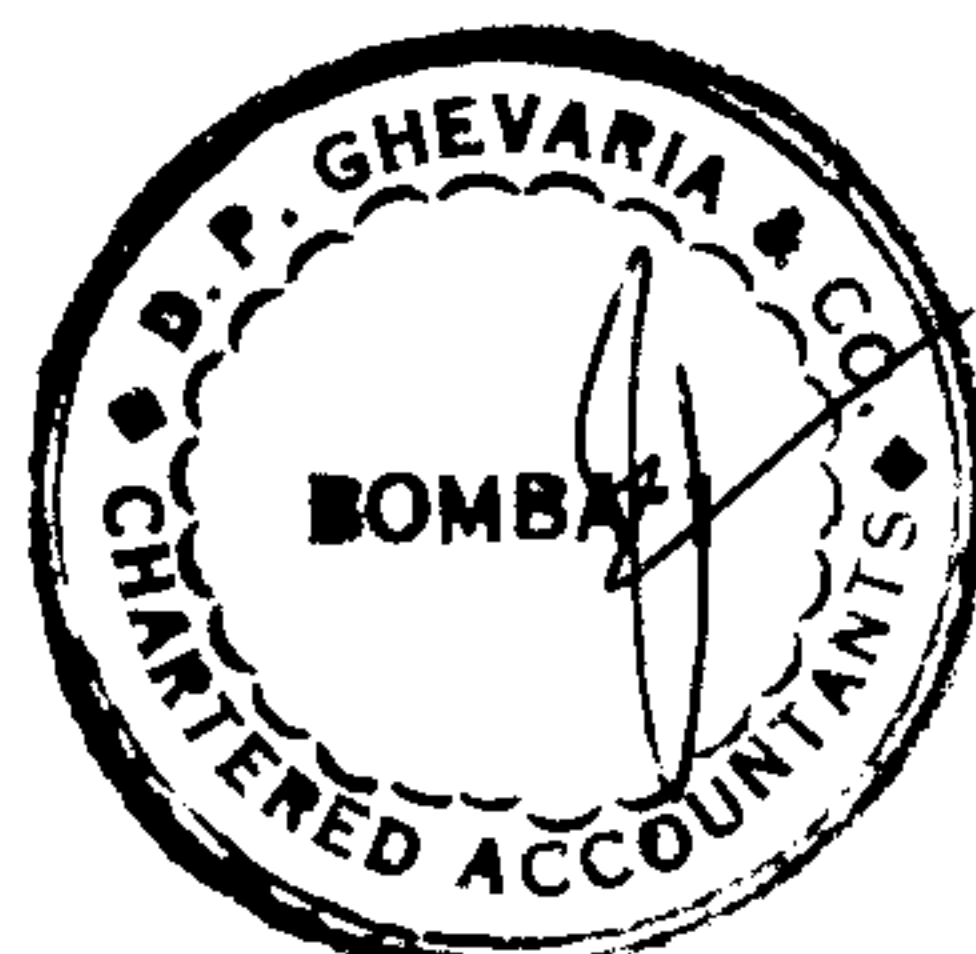
## 7. Lease accounting

### a) Where the company is lessee

Leases which effectively transfer to the company, substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower.

Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.



**b) Where the company is lessor**

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

**8. Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**9. Provisions and Contingencies**

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

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

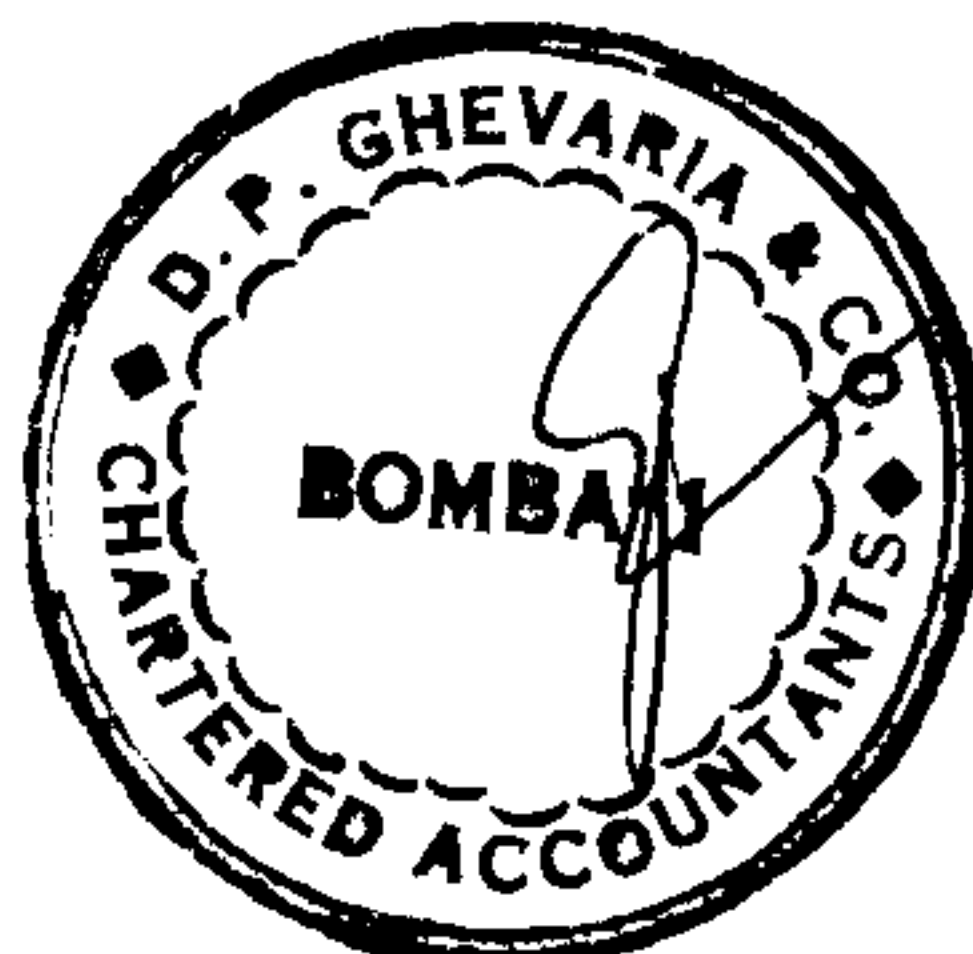
**10. Revenue Recognition**

- a) Revenues from sales and services are recognised 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.
- b) Foreign commission is recognised on shipment of goods by foreign principals. Local commission is accounted on accrual basis.
- c) Rent, Interest, export benefits and other income are accounted on accrual basis.
- d) Dividend income is accounted as and when right to receive dividend is established.

**11. Staff Retirement Benefits**

**Defined benefit plan :**

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



## 12. Taxes on Income

Current tax provision is determined as amount of tax payable in respect of taxable income for the current accounting year in accordance with the Income Tax Act.

The Deferred tax for all timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

## 13. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

## 14. Earnings Per Share :

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion and potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity share holders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

