



<b>Board of Directors</b>	Mr. M. P. Purushothaman Ms. Nisha Purushothaman Mr. Shaji Purushothaman Mr. M. P. Mehrotra Mr. T. S. Raghavan Mr. M. K. Mohan Ms. Sheena Purushothaman Mr. Sheeju Purushothaman	Chairman Joint Managing Director Director Independent Director Independent Director Independent Director Director (w.e.f. 23.5.2015) Director (w.e.f. 23.5.2015)
<b>Chief Financial Officer</b>	Mr.V.Srinivasan	
<b>Company Secretary &amp; Compliance Officer</b>	Mr.K.Murali	
<b>Audit Committee</b>	Mr.T.S.Raghavan Mr.M.P.Mehrotra Ms.Nisha Purushothaman	
<b>Stakeholders Relationship Committee</b>	Mr.M.K.Mohan T.S.Raghavan Ms.Nisha Purushothaman	
<b>Nomination and Remuneration Committee</b>	Mr.M.K.Mohan Mr.T.S.Raghavan Ms.Nisha Purushothaman	
<b>Corporate social Responsibility Committee</b>	Mr.T.S.Raghavan Mr.M.P.Mehrotra Ms.Nisha Purushothaman	
<b>Statutory Auditors</b>	M/s.Venkatesh & Co., Chartered Accountants 'Sri Ranga, New No.151, Mambalam High Road, T.Nagar, Chennai – 600 017.	
<b>Bankers</b>	Andhra Bank Union Bank of India	
<b>Registered Office</b>	Empee Tower, No. 59, Harris Road, Pudupet, Chennai – 600 002. Phone : 044 – 2853 1111	
<b>Registrars and Share Transfer Agents:</b>	M/s.Cameo Corporate Services Ltd No.1, Subramaniam Building, Club House Road, Chennai – 600 002 Phone : 044-28460390, email : investor@cameoindia.com	
<b>Stock Exchanges where the share are Listed:</b>	1. National Stock Exchange of India Ltd, Mumbai. 2. Bombay Stock Exchange Ltd, Mumbai.	



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<b>Factories</b>	<b>IMFL:</b>	<b>1. Tamilnadu Unit :</b>	<b>2. Kerala Unit :</b>	<b>3. Karnataka Unit :</b>
		Mevalooruppam Village, Sriperumpudur Taluk, Kancheepuram District, Tamil Nadu.	NIDA, Menonpara Road, Kanjikode Post Palakkad District, Kerala.	Arabikothanur Village, Kolar District, Karnataka.
		<b>4. Power Plant :</b> Kottadivayal Village, Aranthangi Taluk, Pudukottai District, Tamil Nadu.	<b>5. Grain Based Alcohol Plant:</b> Choutkur Village, Pulkal Mandal, Medak District, Andhra Pradesh.	

### **Important Communication to Members**

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 by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses in respect of their holdings in demat form through their concerned Depository Participants. Members who hold shares in physical form are requested to fill in and forward the e-mail address Registration Form given in this Annual Report to M/s.Cameo Corporate Services Ltd, No.1, Subramaniam Building, Club House Road, Chennai – 600 002 (or) email: investor@cameoindia.com.



## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the 30<sup>th</sup> Annual General Meeting of Empee Distilleries Limited (CIN:L15511TN1983PLC010313) will be held on Thursday, the 25<sup>th</sup> June, 2015 at 11.00 a.m. at Sri P.Obul Reddy Hall, Vani Mahal, T.Nagar, Chennai - 600 017, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the period ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the period ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.
2. To appoint a Director in place of Mr. Shaji Purushothaman who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139,141 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s. Venkatesh & Co, Chartered Accountants, (Firm Registration No. 004636S) be and are hereby appointed as Auditors of the Company for 5 years from financial year 2014-15 to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 34<sup>th</sup> AGM of the Company, subject to ratification of their appointment at every Annual General Meeting, at such remuneration plus service tax as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS:

#### 4. Ratification of Remuneration payable to Cost Auditor

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

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to Mr. G. Sundaresan, Cost Accountant (Reg. No. 11733) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial period 2013-15 (18 months), amounting to Rs.30,000/- (Rupees Thirty thousand only) as also the payment of service tax as applicable and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### 5. Appointment of Mr. M.K.Mohan as an Independent Director.

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



**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr.M.K.Mohan, (DIN 01260838) a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria to be an Independent Director as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Mr. M.K.Mohan as a candidate for the office of director along with the deposit of one lakh rupees which shall be refunded *if he gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution*, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a period of 5 years with effect from 26<sup>th</sup> May, 2014.”

**6. Appointment of Mr.T.S.Raghavan as an Independent Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr.T.S.Raghavan, (DIN 00446651) a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria to be an independent Directorship as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Mr. T.S.Raghavan as a candidate for the office of director along with the deposit of one lakh rupees which shall be refunded *if he gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution*, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a period of 5 years with effect from 26<sup>th</sup>May, 2014.”

**7. Appointment of Mr. M.P.Mehrotra as an Independent Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr.M.P.Mehrotra, (DIN 00016768) a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria to be an independent Directorship as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Mr. M.P.Mehrotra as a candidate for the office of director along with the deposit of one lakh rupees which shall be refunded *if he gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution*, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a period of 5 years with effect from 26<sup>th</sup>May, 2014.”

**8. Approval for Related Parties transaction.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:



“**RESOLVED THAT** pursuant to the provisions of Section 188 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, and all other applicable provisions if any of the Companies Act, 2013, consent of the members of the Company, be and is hereby accorded to enter into transactions for the financial year 2015-16 as per details given below.

Particulars	Amount (Rs. in lakhs)
Business & Auxiliary Services – M/s.Empee Holdings Ltd	356.71
Rent payable for Head Office – M/s.Aruna Constructions	52.92

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, as may be necessary in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, agreements, applications and documents that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.”

“**RESOLVED FURTHER THAT** the board of directors of the Company be and is hereby authorized to determine the actual sums to be involved in the proposed transaction from time to time within the overall limits stated above and the terms and conditions related thereto and all other matters arising out of or incidental to the proposed transaction.”

**9. Appointment of Ms.Sheena Purushothaman as Ordinary Director.**

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

“**RESOLVED THAT** Ms. Sheena Purushothaman, (DIN: 00044914), who was appointed as an Additional Director of the Company with effect from 23<sup>rd</sup> May, 2015 by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 (“the Act”) and who holds office as such up to the date of this Annual General Meeting and who has submitted a declaration that she is eligible for appointment and in respect of whom the Company has received a notice in writing and deposit of Rs.1 lac under Section 160 of the Act, from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**10. Appointment of Mr.Sheeju Purushothaman as Ordinary Director.**

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

“**RESOLVED THAT** Mr. SheejuPurushothaman, (DIN:00044934), who was appointed as an Additional Director of the Company with effect from 23<sup>rd</sup> May, 2015 by the Board of Directors pursuant to Section 161 of the Companies Act, 2013 (“the Act”) and who holds office as such up to the date of this Annual General Meeting and who has submitted a declaration that he is eligible for appointment and in respect of whom the Company has received a notice in writing and deposit of Rs.1 lac under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**By Order of the Board  
For Empee Distilleries Limited**

**Place : Chennai  
Date : 23.05.2015**

**M.P.Purushothaman  
Chairman**

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of members and share transfer books of the company will be closed from 20.06.2015 to 25.06.2015 (Both days inclusive).
5. Members/proxies should bring the attendance slip duly filed along with copy of Annual report for attending the meeting.
6. Members are requested to intimate changes if any, in their address to the Registrar and share transfer Agents, M/s. Cameo Corporate Services Limited, "Subramanian Building", V Floor, 1, Club House Road, Chennai - 600 002.
7. The Company's equity shares are listed on The National Stock Exchange of India Ltd.(NSE) and BSE Limited(BSE) and the Company have paid listing fees upto date.
8. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of Directors seeking appointment/re-appointment are provided in the annexure..
9. The Company has transferred the unclaimed IPO amount of Rs.29,400/- to IEPF during the year. The unclaimed dividend amount of Rs.2,00,151/- pertaining to interim dividend declared for the Financial Year 2007-08 needs to be transferred to Investor Education and Protection Fund (IEPF) on 30<sup>th</sup>May, 2015.
10. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended till date and Clause 35B of the Listing Agreement, Company is providing facility for voting by electronic means (remote e-voting) and the business may be transacted through such voting. Further, the facility for voting through ballot or polling paper shall also be made available at the venue of meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Board of Directors has appointed Mr. N. Ramanathan, Partner, M/s. S Dhanapal & Associates, Practising Company Secretaries, Chennai, as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities enabling the members to cast their vote in a secured manner. The e-voting facility will be available at the link [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
11. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
12. The procedure and instructions for remote e-voting is furnished in this notice.
13. The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of the ballot/ poll/ e-voting will be announced by the Company on its website – [www.empeegroup.com](http://www.empeegroup.com) within three days of the Annual General Meeting.





**The instructions for shareholders voting electronically (remote e-voting) are as under:**

- (i) The remote voting period begins on Saturday, 20.06.2015 at 10.00 A.M. and ends on Wednesday, 24.06.2015 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which has been fixed as 19.06.2015, may cast their vote electronically.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. (Sequence number has been provided as Serial Number (SL NO.) in the Address Label)</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>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.</p>
Divident Bank Details	<p>Enter the Divident Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Divident Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Divident Bank details field as mentioned in instruction (v).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company 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. 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.



- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xiii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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).

#### General Instructions:

- (i) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the Cut Off date i.e 19.06.2015 may obtain the login ID and password by sending a request in writing at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evotingindia.com](http://www.evotingindia.com).
- (ii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting/voting at the AGM through ballot paper.
- (iii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” / “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (iv) The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (v) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 19.06.2015.
- (vi) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.empeegroup.co.in](http://www.empeegroup.co.in) and on the website of the CDSL within two days of the passing of the resolutions at the Annual General Meeting of the Company, and communicated to National Stock Exchange of India Limited and BSE Ltd.





**Annexure to the Notice  
Explanatory Statement under Section 102 of the Companies Act, 2013**

**Item No.3**

M/s.D.Sampathkumar &Co., (Regn. No.003556S) Chartered Accountant, Chennai has since resigned as Statutory Auditors of the Company during the current financial year, M/s.Venkatesh & Co., (Registration No.004636S) Chartered Accountants, Chennai were appointed as the Statutory Auditors of the Company for financial period 1<sup>st</sup> October, 2013 to 31<sup>st</sup> March, 2015 (18 months) through Postal ballot of the Company held on 6<sup>th</sup> July 2014. Accordingly, the audit of the Company for financial period 1<sup>st</sup> October, 2013 to 31<sup>st</sup> March, 2015(18 months) was conducted by them.

In view of the above, M/s.Venkatesh & Co., being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 9<sup>th</sup> August 2014, proposed the appointment of M/s.Venkatesh & Co., as the statutory auditors of the Company for a period of five years to hold office from the conclusion of this AGM till the conclusion of the 34<sup>th</sup> AGM of the Company (subject to ratification of their appointment at every AGM).

None of the Directors and Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No.3 of the accompanying Notice.

The Board of Directors recommends the Resolution at Item No. 3 as set out in the Notice for the approval of the Members.

**Item No.4**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of Mr.G.Sundaresan., Cost Accountant, to conduct the audit of the cost records of the Company for the financial period ended 31.3.2015 (18 months). In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor during the financial period 2013- 15 (18 months) as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution.

The Board of Directors recommends the Ordinary Resolution for approval by the Members.

**Item No. 5, 6& 7**

The Independent Directors as mentioned in the respective resolutions 5, 6& 7 of the Notice were appointed in compliance of the Listing Agreement, whose period of office were liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

Section 149(10) of the Companies Act, 2013 provides that an independent director shall hold office for a term of up to five consecutive years from the date of appointment. Further, section 149(13) of the Companies Act, 2013 states that the provisions relating to retirement of directors by rotation shall not apply to the appointment of independent directors.

Hence, the Company proposes to comply with the provisions of the Companies Act, 2013 and the Notification issued by MCA.



The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 along with a deposit of Rs. 1,00,000/- each, from members proposing their candidature for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Board considers that their continued association with the Company would be of immense benefit to the Company. Further, the Company has received from them the required consent letter and also intimations and disclosures required under Section 164 and 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and also a declaration to the effect that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, all Directors mentioned in the respective resolution(s) fulfill the conditions specified in the Act for appointment as Independent Directors of the Company. Details in respect of each of the Directors, who are proposed to be appointed as Independent Directors, are furnished in the Report on Corporate Governance forming part of the Annual report.

In view thereof, your Board has recommended them to be appointed as Independent Directors.

Concerned Directors are interested in their respective resolutions being related to their own appointments. Other than the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested or otherwise in the respective Resolutions as set out. None of the said Directors are related inter se to each other.

#### Item No.8

The Company proposes to enter into transactions with the related parties in the financial year 2015-16 as mentioned in the resolution which requires the approval of the shareholders by means of special resolution. The details regarding the transaction as required under the Act are given below:

Name of the related parties	1. M/s.Empee Holdings Ltd 2. M/s. Aruna Constructions
Name of the Director or Key Managerial Personnel who is related, if any	Ms. Nisha Purushothaman M.P.Purushothaman Mr. Shaji Purushothaman
Nature of Relationship	Director/ Partner
Nature, Material Terms, Monetary Value and Particulars of the Contract or arrangement	Business &Auxiliary services : Rs.356.71 lakhs Office Rent : Rs.52.92 lakhs
Duration of Contract Or arrangement	1. Business auxiliary services yearly basis on actual as per agreement. 2. Rent for Head Office as per agreement.

The Directors/KMPs of the respective companies as mentioned above are concerned / interested in the resolution being Directors/KMPs and/or shareholders to the extent of their shareholding in the company.

The Directors recommend the resolution as set out in the Notice for the approval by the members as a Special Resolution.

#### Item No.9

Ms. Sheena Purushothaman, aged about 40 years was appointed as an Additional Director of the Company in the Board meeting held on 23<sup>rd</sup> May 2015. Her term of office will conclude on the date of the ensuing Annual General Meeting. The Company has received a Notice in writing along with a deposit of Rs. 1 lac, under Section 160 of the Act, from a Member of the Company, who has nominated her as a Director on the Board of the Company, proposing her candidature for the said office, liable to retire by rotation.



She is a Post-Graduate in English and also did M.Sc - Psychology and has experienced in Educational and Hotel Management over a decade.

She has submitted a declaration that she is not disqualified to become a Director as provided in Section 152(5) of the Act and that she is eligible for appointment.

The Board recommends the Resolution as set out at Item No. 9 for approval by the Members to be passed as an Ordinary Resolution.

None of the Directors, Manager or any other key managerial personnel except Mr. M P Purushothaman, Ms. Nisha Purushothaman, Mr. Shaji Purushothaman and Mr. Sheeju Purushothaman who are relatives of him are concerned or interested in the resolution at Sl. No: 9 of the attached notice.

**Item No.10**

Mr. Sheeju Purushothaman, aged about 37 years was appointed as an Additional Director of the Company in the Board meeting held on 23 May, 2015. His term of office will conclude on the date of the ensuing Annual General Meeting. The Company has received a Notice in writing along with a deposit of Rs. 1 lac, under Section 160 of the Act, from a Member of the Company, who has nominated him as a Director on the Board of the Company, proposing his candidature for the said office, liable to retire by rotation.

He is a B.B.A and has experience in hotel management.

He has submitted a declaration that he is not disqualified to become a Director as provided in Section 152(5) of the Act and that he is eligible for appointment.

The Board recommends the Resolution as set out at Item No.10 for approval by the Members to be passed as an Ordinary Resolution.

None of the Directors, Manager or any other key managerial personnel except Mr. M P Purushothaman, Ms. Nisha Purushothaman, Mr. Shaji Purushothaman and Ms. Sheena Purushothaman is concerned or interested in the resolution at sl. no: 10 of the attached notice.

**By Order of the Board  
For Empee Distilleries Limited**

**Place : Chennai  
Date : 23.05.2015**

**M.P.Purushothaman  
Chairman**



**Details of Director(s) seeking appointment / re-appointment at the Annual General Meeting**

Name	<b>Mr. Shaji Purushothaman</b>	<b>Mr. M.K.Mohan</b>
Date of Birth	09-05-1974	13-5-1954
Date of Appointment	25.07.2007	11.01.2007
Qualifications	B.A.	Matriculation
Expertise in specific functional areas	He has been actively associated with the Company for the last 20 years and has rich administrative experience.	He has been engaged for over 30 years in the field of finance, transportation services, construction and manufacture of bricks.
Directorship held in other Public Limited Companies	1.Empee International Hotels & Resorts Ltd 2.Empee Holdings Limited 3.Appollo Alchobev Limited 4.Empee Power Company (India) Ltd 5.Aruna Constructions (India) Ltd 6.Empee Marine Products Ltd 7.Empee Hotels Ltd 8.Empee Communication Ltd 9.Empee Construction Company Ltd.	Empee Sugars and Chemicals Ltd
Membership /Chairmanship of Committees of all Public Companies	Audit Committee: 1.Empee International Hotels & Resorts Ltd 2.Empee Holdings Limited 3.Empee Power Company (India) Ltd	Shareholders Relationship Committee Empee Sugars and Chemicals Ltd Remuneration Committee: Empee Sugars and Chemicals Ltd
No. of shares held in the company.	610	Nil
Relationship with any Directors of the company.	Mr. M.P.Purushothaman - Father Ms. Nisha Purushothaman - Sister	-

# EMPEE DISTILLERIES LIMITED

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## Details of Director(s) seeking appointment / re-appointment at the Annual General Meeting

Name	Mr. T.S.Raghavan	Mr. M.P.Mehrotra
Date of Birth	30-4-1940	26-09-1940
Date of Appointment	11.01.2007	31.01.2009
Qualifications	M.A., CAIIB	Chartered Accountant
Expertise in specific functional areas	He has wide experience in Finance & Banking sectors.	Senior Practicing Chartered Accountant
Directorship held in other Public Limited Companies	1. Empee Sugars & Chemicals Ltd 2. Leather Crafts India Pvt Ltd 3. Giri Digital Solutions Pvt Ltd 4. Giri Trading Agencies Pvt Ltd 5. Tanfac Industries Ltd 6. Indus Finance Ltd 7. Hindustan Safe Deposit Lockers Ltd 8. Indowind Energy Ltd	1.Empee Sugars and Chemicals Ltd 2.Baroda Pioneer AMC Ltd 3.SBICAP Securities Ltd 4.Dhampur Sugar Mills Ltd. 5.Delton Cables Ltd. 6.Gol Offshore Ltd.
Membership /Chairmanship of Committees of all Public Companies	Chairman -Audit Committee Empee Sugars and Chemicals Ltd Shareholders Relationship Committee: Empee Sugars and Chemicals Ltd Remuneration Committee: Empee Sugars and Chemicals Ltd	Audit Committee: 1.Empee Sugars and Chemicals Ltd 2.Baroda Pioneer AMC Ltd 3..SBICAP Securities Ltd 4.Dhampur Sugar Mills Ltd. 5.Delton Cables Ltd. 6.Gol Offshore Ltd. CSR Committee: SBICAP Securities Ltd Remuneration Committee: 1.Empee Sugars and Chemicals Ltd 2.Baroda Pioneer AMC Ltd 3.Dhampur Sugar Mills Ltd.
No. of shares held in the company.	Nil	Nil
Relationship with any Directors of the company.	-	-

Name	Ms. Sheena Purushothaman	Mr. Sheeju Purushothaman
Date of Birth	16-10-1975	30-5-1977
Date of Appointment	23.05.2015	23.05.2015
Qualifications	M.A.	B.A.
Expertise in specific functional areas	She has experienced in Educational and Hotel Management over a decade.	He has experienced in Hotel management over a decade.
Directorship held in other Public Limited Companies	1.Empee International Hotels & Resorts Ltd 2.Empee Holdings Limited 3.Appollo Alchobev Limited 4.EDL Properties Ltd 5.Aruna Constructions (India) Ltd 6.Empee Marine Products Ltd 7.Empee Hotels Ltd 8. Empee Construction Company Ltd	1.Empee Sugars and Chemicals Ltd 2.Empee International Hotels & Resorts Ltd 3.Empee Holdings Limited 4.Appollo Alchobev Limited 5.Empee Power Company (India) Ltd 6.Aruna Constructions (India) Ltd 7.Empee Marine Products Ltd 8.Empee Hotels Ltd 9.Empee Construction Company Ltd.
Membership /Chairmanship of Committees of all Public Companies	Nil	Nil
No. of shares held in the company.	10,02,044	10,02,000
Relationship with any Directors of the company.	Mr. M.P.Purushothaman - Father Ms. Nisha Purushothaman - Sister Mr. Shaji Purushothaman - Brother	Mr. M.P.Purushothaman - Father Ms. Nisha Purushothaman - Sister Mr. Shaji Purushothaman - Brother



## BOARD'S REPORT

To the Members,

Your Directors take pleasure in presenting their Report together with the audited Accounts for the period ended 31<sup>st</sup> March 2015 (18 months).

### Financial Results

(₹. in lacs)

Particulars	2013-15 (For the period ended 31.03.2015) (18 months)	2012-13 (For the year ended 30.09.2013) (12 months)
Total Income	91510.40	58382.34
Operating Profit before Interest and Depreciation	4921.91	3901.68
Less Interest	3510.56	2360.00
Depreciation	1178.23	968.01
Profit /Loss before Tax	(233.12)	573.67
Provision for Taxation	121.43	119.81
Provision for Deferred Tax	(79.24)	69.79
Earlier Tax provision reversed	-	-724.57
Profit /Loss After Tax	(275.31)	1108.64
Profit brought forward	7249.69	6361.97
Add: Prior period income – Depreciation	1118.15	-
Transfer of profit to General Reserve	-	-
Proposed Dividend	-	190.09
Dividend tax on proposed dividend	-	30.84
Profit carried forward	8092.50	7249.69

### PERFORMANCE REVIEW

#### Overall performance

Your Company achieved a total income of Rs.915.10crs and Net Loss after tax of Rs.2.75 crs for the period ended 31<sup>st</sup> March 2015 (18 months) as against the total income of Rs.583.82 crs and Net Profit after tax of Rs.11.09 crs during the previous financial year 2012-13 (12 months).

#### Power Division

The revenue from the Power Division was Rs.67.49 crs with a net profit of Rs.12.14crs during the financial period 2013-15 (18 months) as against the revenue of Rs.34.71 crs and net profit of Rs.0.44 crs during the previous financial year 2012-13 (12 months).

#### Grain Based Alcohol Unit

During the year 2013-15 (18 months) the new 60 KLPD Grain Based Alcohol unit at Chotkur, Andhra Pradesh commissioned its operation and earned a revenue of Rs.132.48 crs resulting in a net loss of Rs.6.58 crs.

### REVIEW OF OPERATIONS

The Company's performance was adversely impacted during the period under review, due to the long delay in price revision of IMFL prices by the Tamil Nadu Government since 2007 and the price-hike for IMFL has been given effect from 1<sup>st</sup> November 2014. The price revision could not reflect much contribution during the period under review, due to spin off effect of short duration of November 2014 to March 2015.

The two factories at Mevalooruppam, Tamilnadu and Palakkad, Kerala produced 57,40,178 cases of IMFL for the period ended 31.3.2015 (18 months) under review as against 46,53,443 cases of IMFL in the previous year ended 31.3.2013 (12 months).





The 60 KLPD Grain Based Alcohol plant at Choutkur, Madak District, is presently operating at 90% of its installed capacity. During the period under review a drier unit has been installed to improve the viability and performance of this plant in June 2014 and full fledged operation is achieved.

### **FUTURE OUTLOOK**

During the period under review, the Company has introduced a number of brands in the premium category such as Chevalier De Paris-XL Premium Brandy and Carte Royale-XO etc. These brands have been well accepted in the market and we expect significant contribution from these brands. The IMFL plant at Kolar is now at full fledged production level and has made trial consignment of sales to Singapore, Telangana and Andhra Pradesh. The Company is expected to enlarge its horizon by way of export of IMFL to South Asia, Middle East Countries and to other States in India.

### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There is no change in the nature of the business during the year.

### **DIVIDEND**

Considering the performance of the Company for the year under review, the Board of Directors regret to recommend any dividend for the financial period ended 31.03.2015 (18 months).

### **TRANSFER TO RESERVES**

Due to losses of the Company for the period ended 31.3.2015, your Directors have not proposed any amount to be transferred to the General Reserves of the company.

### **SHARE CAPITAL**

The paid-up share capital of the company is 19008893 equity shares of Rs.10/- each. There is no change in the Authorised, Issued, Subscribed and Paid-up share capital of the company during the period under review.

### **DEPOSITS**

Your Company has not invited or accepted any fixed deposits either from the public or from the shareholders of the Company, during the period under review.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The particulars of loans, guarantees and investments u/s 186 of the Companies Act, 2013 is annexed herewith as **Annexure-A**.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report is annexed herewith as **Annexure-B**.

### **DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR**

As per the Companies Act, 2013, Mr.M.K.Mohan, Mr.T.S.Raghavan and Mr.M.P.Mehrotrawere appointed as Independent Directors of the Company at the Board meeting held on 26/05/2014 for a term of five years. As per the provisions of the Companies Act, 2013 the above independent directors appointments are proposed to appointed for a term of five years from 26/05/2014 and accordingly resolutions are set out in the notice of the AGM for the approval of Directors.

**COMPANY SECRETARY**

Since Mrs. Sangeetha Sekar, Company Secretary resigned w.e.f 5<sup>th</sup> November 2014, Mr. K. Murali (FCS No.F4124) has been appointed as the Company Secretary.

**DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors namely, Mr.M.K.Mohan, Mr.T.S.Raghavan and Mr.M.P.Mehrotra have given declarations that they meet the criteria required under section 149(6) of the Companies Act, 2013.

**NUMBER OF BOARD MEETINGS HELD DURING THE YEAR 2014-2015**

The Company has duly complied with the provisions of the Companies Act, 2013 in holding Board meetings and the details of the meetings are furnished in the Corporate Governance Report.

**DETAILS OF POLICIES****(i) Nomination and Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's Remuneration Policy is available on the Company's website [www.empeegroup.co.in](http://www.empeegroup.co.in) and the same is attached herewith as **Annexure - C**.

**(ii) Corporate Social Responsibility Policy (CSR)**

The Board has, on the recommendation of the CSR Committee, approved the CSR Policy. The Company's CSR Policy is available on the Company's website [www.empeegroup.co.in](http://www.empeegroup.co.in) and is attached herewith as **Annexure-D**.

Annual Report on CSR as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is also attached herewith as **Annexure-E**.

**(iii) Risk Management Policy**

Business Risk Evaluation and Management is an ongoing process within the Organization. Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Board has framed a Risk Management Policy for the Company. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

At present the company has not identified any element of risk which may threaten the business (or) existence of the company.

**(iv) Whistle Blower Policy – Vigil Mechanism**

Your Company has formulated a Vigil Mechanism Policy with a view to provide a mechanism for employees and directors of the Company to approach the Chairman of the Audit Committee to ensure adequate safeguards against victimisation. This policy would help to create an environment wherein individuals feel free and secure to raise an alarm, whenever any fraudulent activity takes place or is likely to take place. It will also ensure that complainant(s) are protected from retribution, whether within or outside the organization. The Board has elected Mr.T.S.Raghavan, Chairman of the Audit Committee as the Ethics Counsellor under the vigil mechanism policy. The details of establishment of the Vigil Mechanism Policy as per **Annexure – F** is displayed on the website of the Company [www.empeegroup.co.in](http://www.empeegroup.co.in).



## CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report and the Auditor's Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report.

## BOARD COMMITTEES

Name of the Committee	Composition	Details of Meetings held during the period 2013-15
Audit Committee	Mr.T.S.Raghavan- Chairman Ms.Nisha Purushothaman Mr.M.P.Mehrotra	11.11.2013, 12.02.2014 14.5.2014, 26.5.2014 9.8.2014, 25.10.2014 & 11.02.2015
Nomination & Remuneration Committee	Mr.M.K.Mohan Mr.T.S.Raghavan Ms.Nisha Purushothaman	11.2.2015
CSR Committee	Mr.T.S.Raghavan Ms.Nisha Purushothaman Mr.M.P.Mehrotra	11.2.2015
Stakeholders' Relationship Committee	Mr.M.K.Mohan Mr.T.S.Raghavan Ms.Nisha Purushothaman	11.2.2015

## DETAILS OF RECOMMENDATIONS OF AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS

The same is not applicable as the Audit Committee's recommendations were accepted and implemented by the Board.

## NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR – Not applicable

### Subsidiaries

The consolidated accounts of the company includes the audited accounts of subsidiaries namely EDL Properties Ltd and M/s.Appollo Distilleries and Breweries Pvt Ltd. and the associated company M/s.Empee Hotels Ltd. The accounts of the subsidiaries can be made available to the members upon request. Due to the fact that M/s.Empee Sugars and Chemicals Ltd has been referred to BIFR under the provisions of Sick Industries Companies Act, 1985 and in pursuance of AS-21 of Accounting Standard the consolidated accounts of Empee Sugars and Chemicals Ltd are not required to be given for the year under review and hence has not been included.

A statement containing salient features of the subsidiaries in form AOC 1 is annexed herewith marked as **Annexure -G** and forms part of this report.

**AUDITORS****a. Statutory Auditors**

Since M/s.D.Sampathkumar& Co., Chartered Accountants, the Auditors of the company have resigned on 14.5.2014 and the Board has appointed M/s. Venkatesh& Co, Chartered Accountants, as Statutory Auditors for five years in terms of Sec. 139,141 of the Companies Act, 2013 to hold office from the conclusion of this AGM till the conclusion of the 34<sup>th</sup> AGM of the Company to be held in the year 2019, however subject to ratification of their appointment at every AGM.

The Company has received a letter from the Statutory Auditors of the Company, Venkatesh& Co, (ICAI Firm Registration Number: 0046365) Chartered Accountants, to the effect that their appointment, if made, will be as per the requirements laid down under Section 139 and 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014. The Statutory Auditors have expressed their intention to hold office from the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company, upto the conclusion of the 34<sup>th</sup> Annual General Meeting to be held in the year 2019, pursuant to the provisions of the said sections, subject to approval of the Members and ratification of the appointment at every Annual General Meeting.

Accordingly, a resolution is being submitted to the Members for their approval as given in the AGM notice.

**b. Secretarial Auditors**

M/s. S Dhanapal & Associates, a firm of Practising Company Secretaries, Chennai has been appointed as Secretarial Auditors of the Company for the FY ended 31.03.2015 vide Board resolution dated 11.2.2015.

The Secretarial audit report received from the Secretarial Auditors is annexed to this report marked as **Annexure - H** and forms part of this report.

**c. Cost Auditors**

Since Mr. Sundaresan, Cost Auditor of the Company has resigned, the Board has appointed M/s.e2d Professional Services Pvt Ltd., as cost auditors of the Company in terms of Section 148 of the Companies Act, 2013 for the financial year 2015-16 in the Board meeting held on 23.5.2015. A resolution to ratify the payment of remuneration to Mr.G.Sundaresan, Cost Auditor for the financial period 2013-15 (18 months) is set out in the notice convening the AGM.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO**

Information regarding conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo is given as **Annexure -I** and forms part of this Report.

**STATUS ON AMALGAMATION**

As already intimated to the Stock Exchanges, the Scheme of Amalgamation of your company with Empee Sugars and Chemicals Ltd., has been withdrawn. However the Hon'ble High Court, Andhra Pradesh, has yet to pass orders in this regard.

**RELATED PARTY TRANSACTIONS**

The details of Related Party Transactions during the period ending 31.03.2015 (18 months), being arm's length transactions have been reported in the Financial statements and forms part of this report.

**MANAGERIAL REMUNERATION**

The details of employees/managerial persons remuneration as required to be given u/s 197 of the Companies Act, 2013 read along with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 as applicable is attached herewith as **Annexure - J**.

**DETAILS OF PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE INDEPENDENT DIRECTORS VIS-À-VIS THE COMPANY**

There is no pecuniary relationship or transactions of the Non-Executive Independent Directors vis-à-vis the company for the period ended 31.3.2015.

**BOARD'S EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

While independent directors in their separate meeting have carried out to assess the performance of Chairman, JMD and other Directors of the Board more particularly about their business acumen and contribution to the Company, the performance evaluation of the Independent Directors was carried out by the entire Board.

The Independent Directors expressed their satisfaction with the evaluation process, functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of duties, obligations, responsibilities and governance.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly.

The Internal Audit/Control is exercised through an external auditor namely, M/s.Ramesh Subramaniam & Co., Chartered Accountants, Chennai. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal audit/control system.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

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

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure- K**.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the financial period ended 31.03.2015 (18 months).



## INDUSTRIAL RELATIONS

The Industrial relations continued to remain congenial during the year.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- c. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The directors have prepared the annual accounts on a going concern basis.
- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## ACKNOWLEDGEMENT

Your Directors wish to express their gratitude for the continuous assistance and support extended by the Banks, Financial Institutions, Customers and Government authorities and also to the shareholders for their forbearance and their confidence in the management. Further, your Directors also place on record their deep sense of appreciation for the contributions made by employees at all levels to the growth and success of the company.

## DISCLAIMER

The Ministry of Corporate Affairs vide its Circular No. 08/2014 dated April 4, 2014 clarified that the financial statements and the documents required to be attached thereto, the Auditor's and Boards' Report in respect of the financial year under reference shall continue to be governed by the relevant provisions of the Companies Act, 1956 since the financial year has commenced from 01.10.2013. Accordingly, whilst the financial statements and the Auditor's Report as aforesaid are prepared as per the requirements of the Companies Act, 1956 and 2013, the Company as per its commitment to transparency and good governance, has to the extent possible provided the information in the Board's Report, Corporate Governance Report and financial statements as per the Companies Act, 2013.

**For and on behalf of the Board of Directors**

**Place: Chennai**

**Date: 23.5.2015**

**M.P.Purushothaman  
Chairman**

## Annexure -A

### LOANS, INVESTMENTS & GUARANTEES U/S. 186 OF THE COMPANIES ACT

(Rs. in lacs)

SI No.	Particulars	Loans	Investments	Guarantees
1	EMPEE SUGARS & CHEMICALS LTD	(414.02)	—	—
2	EMPEE HOTELS LTD	—	—	—
3	APPOLLO DISTILLERIES LTD	(896.02)	—	—
4	EDL PROPERTIES LTD	51.11	—	—



**Annexure - B****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****i. Industry Over view.**

The Indian liquor market is a growth oriented industry which is comprised of 4 major categories: IMFL (Indian-made foreign liquor), imported liquor, beer and country -made liquor. There are many challenges which affect the Indian liquor market which range from production, pricing, distribution and advertising. Raw material prices also have a huge impact on the sustainability of the industry. Rising income levels in India and changing mindsets which are more open to the consumption of alcoholic beverages make the growth of the Indian liquor market inevitable. In addition, changing consumer preference towards premium varieties of IMFL is likely to result in sales- mix gradually improve in favor of premium brands. Rising acceptance of social drinking, innovative marketing concepts, flavoured alcohol, and innovative packaging shall give further boost to the industry. Indian Alcoholic Industry is currently pegged at approx. INR \$1000 billion is stated to grow at a CAGR of 29% every year. The alcoholic beverages industry is assumed to be recession -proof. With a rising and promising GDP, the economic status of India is robust. Rising social acceptability, rapid urbanization, consumer acceptance coupled with high disposable income of the globalized consumer is pushing the industry to newer heights.

**ii. Opportunities and Threats.**

The company has introduced new premium brands namely Chevalier De Paris - XL Premium Brandy and Carte Royale – XO Premium Brandy in Tamilnadu. With the introduction of these new brands , the sales in terms of revenue has increased. The Company has planned to utilize the Karnataka manufacturing facility for exports to South East Asia, Middle East markets especially Singapore where there is significant presence of Tamil population.

With the breaking up of Andhra Pradesh into Telangana and Andhra Pradesh, there is good scope for the Company to expand its manufacturing facilities at its Grain Based Alcohol Plant and enhance sales to higher levels in the coming years.

Fierce competition from other Companies and in the event of ban likely to be introduced on prohibition policies by State Governments the Company may suffer in manufacturing and selling the alcoholic beverages. The cost of all the inputs like bottles, caps, labels, transport charges etc, will impact the overall profitability of the company.

**iii. Segment-wise or product-wise performance.**

During the year ended 31.03.2015 (18 months), the Company produced 57,40,178 cases of IMFL as against the production of 46,53,443cases during the period ended on 30.9.2013 (12 months). The sales was 57,05,863 cases of IMFL for the year ended 31.03.2015 (18 months) as against 46,77,190 cases sold in the previous period ended 30.09.2013 (12 months).

The power division produced 7,90,47,420 units during the year ended 31.03.2015 and generated a sales revenue of Rs 67.49 crs and profit before tax of Rs.12.14 crs as against production of 5,14,72,740 units, sales revenue of Rs.34.71 crs and profit before tax of Rs.0.44 crs during the previous period ended 30.09.2013 (12 months).

**iv. Financial performance and Outlook**

The financial performance and outlook is furnished in the Directors' Report.

**v. Risks and concerns.**

The liquor industry in India is highly Government regulated in terms of constraints on manufacturing, storage as well as distribution. The industry faces threats of prohibition, high excise duties, exorbitant import duty, restrictions on advertisement, restrictions on inter-state movement, besides there are barriers on control over distribution and monopoly status of the State Government which is the sole purchaser of the product.

The existing distilleries use molasses based spirit as their basic raw material. Considering the impetus given to ethanol blending program by the Central Government, a demand-supply mismatch may push up cost and high supply of the raw material which will impact the Sales and profits of the Company.

**vi. Internal control systems and their adequacy.**

The company has an internal control system commensurate with the size and business operations of the Company. Authorization guidelines and internal procedures, are in place. Independent external/internal auditors are periodically reviewing and making continuous assessment of the adequacy and effectiveness of the internal control and systems. The Audit Committee and the Board review the findings of the Internal Auditors Report to enable the Company to take immediate appropriate action wherever necessary.

**Cautionary Statement:**

Statements in the Management discussion and analysis report outlining the Company's estimates, perceptions and expectations may be forward looking statements within the meaning of applicable laws and regulations. The Actual results may differ materially from those expressed hereinabove due to certain factors which may be beyond the control of the Company.

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**Annexure –C****Nomination and Remuneration Policy****INTRODUCTION**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the stock exchanges (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration/Compensation Committee ("NRC") and approved by the Board of Directors of the Company.

**CONSTITUTION OF COMMITTEE**

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee (NRC) consisting of three non-executive independent directors. The Chairman of the Committee is an Independent Director.

**OBJECTIVE**

The Nomination and Remuneration/Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:



- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- Formulate the criteria for determining qualifications, positive attributes of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

#### APPLICABILITY

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

#### DEFINITIONS

“**Act**” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Directors**” mean Directors of the Company.

“**Key Managerial Personnel**” means

- i. Managing Director, or Chief Executive Officer or Manager and in their
- ii. absence, a Whole-time Director;
- iii. Chief Financial Officer;
- iv. Company Secretary; and
- v. such other officer as may be prescribed.

“**Senior Management**” means Senior Management means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

##### 1. Appointment Criteria and Qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.



## **2. Term / Tenure**

### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

## **3. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **4. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL****1. Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**2. Remuneration to Non- Executive / Independent Director:**

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**DUTIES IN RELATION TO NOMINATION MATTERS**

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

**DUTIES IN RELATION TO REMUNERATION MATTERS**

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Considering any other matters as may be requested by the Board.

**REVIEW AND AMENDMENT**

- i) The NRC or the Board may review the Policy as and when it deems necessary.
- ii) The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii) This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

**Annexure –D****CSR Policy**

**Our aim** is – “to actively contribute to the social and economic development of the downtrodden communities and promote education among under privileged class. By doing so, we anticipate a sustainable way of life for them.”

**Implementation process:**

The socio-economic development of the downtrodden people, ST/SC communities and their welfare are promoted through government sponsored projects. We are involved in the upliftment of social status of ST/SC people through contribution to the Chief Minister’s fund of state governments for socio-economic development and relief fund for the welfare of ST/SCs other backward classes, minorities and women .

This apart, the focus areas that have emerged are Education and Infrastructure development for school children thus espousing social causes. The school projects are carried out under the aegis of Empee Educational and Charitable Trust (EET). EET is running a school called “National Matriculation Higher Secondary School over the years for under privileged to impart quality education from Pre-KG till 12<sup>th</sup> Standard. This school has been in operation since 1982 and had provided knowledge to thousand of students who have passed out successfully over the years. EET has been carrying out a systematic improvement in the infrastructural facilities of the school. It has identified certain key area where fresh infrastructure facilities are required to be provided :

1. Renovation of existing class rooms
2. Construction of additional class rooms
3. Updation of Computer lab
4. Furnishing of furniture and equipments
5. Updating the library facilities etc.

In Infrastructure Development we endeavour to contribute to the Government sponsored schemes such as :

1. Basic infrastructure facilities
2. Drinking water
3. Sanitation & hygiene etc.

**Organisational mechanism:**

The Empee Educational and Charitable Trust (Registered) provides the vision under the leadership of its Chairman Mr. M P Purushothaman. . This vision underlines all CSR activities to promote education. The successful and time bound implementation of the projects of promoting education and socio-economic development are dependent on quality education, students development and socio-economic development policies of Governments. The chairman reviews the progress of such projects frequently and takes effective steps to further improve the CSR activities.

**Budgets**

A specific budget is allocated for CSR activities.

**Information dissemination**

The Company’s engagement in this domain is disseminated on its website, annual reports.

**Management Commitment**

Our Board of Directors and the Management subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterised by a willingness to build a society which is vital for socio-economic development.

Our Corporate Social Responsibility policy conforms to the Corporate Social Responsibility Guidelines issued by the Ministry of Corporate Affairs, Government of India .





**Annexure – E**

**ANNUAL REPORT ON CSR ACTIVITIES**

1. Brief outline of the Company’s CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs. : CSR Policy is available at website [www.empeegroup.co.in](http://www.empeegroup.co.in)
2. Composition of the CSR Committee : Mr.T.S.Raghavan, Chairman, Mr.M.P.Mehrotra and Ms.NishaPurushothaman.
3. Average net profit of the Company for the last three financial years : Rs.1339.89 lakhs.
4. Prescribed CSR expenditure (2% of the average net profit of the company for the last 3 financial years) : Rs.26.79 lakhs.
5. Details of CSR spent during the financial year.
  - a) Total amount to be spent for the financial year : NIL
  - b) Amount unspent, if any, : Nil
  - c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2. Specify the State and District where projects or programs were undertaken	Amount outlay (Budget project or programs wise)	Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency (give details of implementing agency)
1	The company is promoting school education for economically weaker sections thro’ Empee Educational Charitable Trust	Promoting Education			Rs.16,79,000/-		
2	The company has contributed to Andhra Pradesh Chief Minister’s Socio-Economic Dev. Fund for the welfare of the ST/SC and other backward classes.	Socio Economic Development of backward classes/ ST&SC.			10,00,000/-		

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount. : N.A.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSP Policy, is in compliance with CSR objectives and Policy of the Company. : Yes.

**Annexure – F****Whistleblower Policy****Introduction**

Empee Distilleries Limited (EDL) is firmly committed to conducting its business and relationships with all stakeholders including employees, customers, suppliers, shareholders and business associates in a manner that is lawful and ethically responsible and at all times, in a way that reflects the Company's values. It will not tolerate attitudes or activities that constitute a breach of law or trust or infringe collective or individual liberties in any way. This approach is described in the Company's Code of Conduct & Ethics.

The Whistleblower policy formalises EDL's commitment to enabling employees and business associates to make fair and prompt disclosure of circumstances where it is genuinely believed that a part of EDL's business is engaged in inappropriate practices and that the Code of Conduct & Ethics is being violated. The policy sets out arrangements that encourage individuals to report concerns about unethical behaviour, actual or suspected fraud or violations of the Code of Conduct & Ethics, knowing that in so doing, they are acting in the best interests of all EDL stakeholders. This policy also ensures that the whistleblower will be protected from retaliation and reprisal.

Normally any such concern about a workplace situation should be raised with the employee's immediate line manager or if identified by a business associate, raised with the appropriate member of the EDL Management Team. However, it is recognised that because of the seriousness and sensitivity of some issues, together with the knowledge of who the employee or business associate thinks may be involved in wrongdoing, this may be difficult or even impossible.

**Scope of Policy**

This policy is intended to cover any concerns which are in the public interest. These might include:

- Breach of any internal controls or Company policy relating to financial malpractice or fraud
- Failure to comply with a legal obligation
- Dangers to health and safety of the environment
- Criminal activity
- Miscarriage of justice
- Violation of the Company's Code of Conduct & Ethics
- Attempts to conceal any of the above

This is not intended to be a complete list and any matter raised under this policy will be considered seriously. However, matters of purely operational nature should not be raised under this policy. Instead such matters should be raised through the usual organisational channels.

**Safeguards****Protection**

This policy is designed to offer protection to those employees or business associates who disclose such concerns provided the disclosure is made in:

- i. Accordance with the procedures laid down,
- ii. Good faith, and
- iii. The reasonable belief of the individual making the disclosure that malpractice has taken place.

**Confidentiality**

The Company will treat all such disclosures in a sensitive manner and will endeavour to keep the identity of an individual making an allegation confidential. However, the investigation process may inevitably reveal the source of the information and the individual, making the disclosure may need to provide a statement which cannot be kept confidential if legal proceedings arise.

**Anonymous Allegations**

This policy encourages individuals to put their name to any disclosures they make.

**Untrue/Malicious/Vexatious Allegations**

If an individual makes an allegation, which is not confirmed by subsequent investigation and then it shows that an individual has made malicious or vexatious allegations for personal leverage and particularly if he or she persists with making them, disciplinary action may be taken against the concerned individual.

**Procedure for Making a Disclosure**

Employees are entitled to make their disclosure in the first instance through their line manager or if they feel it would be more appropriate to approach directly the Compliance Officer, the Managing Director, the Audit Committee Chairman or the Chairman of the Board.

Contact should be made by phone, email or in writing and should include as much detail and evidence as possible. Upon receipt of the disclosure the matter will be investigated immediately to ascertain all the facts and a recommendation will be made to the Board. The recommendation will include a revision of Company policies and procedures to reduce the risk of re-occurrence.

**Protection Against Retaliation**

EDL commits to ensure that no retaliatory action, of any sort, will take place against any employee or business associate making a disclosure in good faith.

**Reporting**

The Compliance Officer, the Managing Director, the Chairman of the Audit Committee or the Chairman of the Board will be responsible for reporting any whistleblowing disclosures to the Audit Committee.

**Contacts**

The relevant contacts are :

<b>Person</b>	<b>Position</b>	<b>Email Address</b>
Mr.T.S.Raghavan	Chairman - Audit Committee	cs@empeegroup.co.in
Ms.Nisha Purushothaman	Joint Managing Director	nishapurushothaman@empeegroup.co.in
Mr.M.P.Purushothaman	Chairman of the Board	mppurushothaman@empeegroup.co.in



## Annexure – G

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries  
/associate companies/joint ventures**

## Part “A”: Subsidiaries

Rs. in lacs

Sl.No.	Particulars			
1	Sl. No.	1	2	3
2	Name of the subsidiary	Empee Sugars and Chemicals Ltd	EDL Properties Ltd	Appollo Distilleries & Breweries Pvt Ltd
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.4.2014 To 31.3.2015	01.4.2014 To 31.3.2015	01.4.2014 To 31.3.2015
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.
5	Share capital (Rs.)	41,97,29,000	1,00,00,000	45,72,65,000
6	Reserves & surplus	(45380.93)	-	17.14
7	Total assets	52217.10	758.07	15431.11
8	Total Liabilities	11033.46	748.07	10841.32
9	Investments	-	-	-
10	Turnover	14717.06	-	25247.22
11	Profit before taxation	(25062.42)	-	(104.10)
12	Provision for taxation	4771.15	-	-
13	Profit for taxation	(29833.57)	-	(104.10)
14	Proposed Dividend	-	-	-
15	% of shareholding	63.43	75.00	91.51

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations : M/s. EDL Properties Ltd.
- Names of subsidiaries which have been liquidated or sold during the year : Nil



## Part "B": Associates and Joint Ventures

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<b>Name of Associates/Joint Ventures</b>	Empee Hotels Limited
<b>Latest audited Balance Sheet Date</b>	31.03.2015
<b>1. Shares of Associate /Joint Ventures held by the company on the year end</b>	
2. No. of shares	19512997
3. Amount of Investment in Associates /Joint Venture	Rs.195129970
4. Extend of Holding %	39.05
<b>5. Description of how there is significant influence</b>	Associate
<b>6. Reason why the associate /joint venture is not consolidated</b>	Consolidated
<b>7. Net-worth attributable to Shareholding as per latest audited Balance Sheet</b>	(3072.53)
<b>Profit / Loss for the year</b>	
i. Considered in Consolidation	(4232.07)
i. Not Considered in Consolidation	-

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

Annexure - H

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

To  
The Members,  
**EMPEE DISTILLERIES LIMITED,**  
Chennai

- We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Empee Distilleries Limited**, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
- Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company has, during the audit period covering the financial year ended on March 31, 2015, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.



We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2015 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The following Regulations and Guidelines prescribed under the Securities and exchange Board of India Act, 1992('SEBI ACT'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- v) Related Laws governing manufacturing and sale of Spirit and Liquors and the rules made thereunder

and we have examined the systems and processes in place to ensure compliance with general laws like labour laws, competition law, environmental laws etc., considering and relying upon representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under these laws and other applicable sector specific Acts, Laws and Regulations applicable to the Company and its observance by them.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with National Stock Exchange Limited and BSE Limited.

During the period under review, the Company has generally complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to few lapses under the Companies Act, 2013 and Listing Agreement relating to Dividend, Loans and advances to group Companies, filing of e-forms, appointment of Key Managerial Personnel, related party transactions, newspaper publications and quorum for audit committee meeting.

We further report that the related documents that we have come across depict, that the Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

and

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

and

majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there appear to be adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.





We further report that during the audit period the Company has sought the approval of its members for:

- Borrowing money, where the money to be borrowed together with the money already borrowed may exceed the paid up capital and free reserves of the company but shall not exceed Rs. 1000 Crores under Section 180(1)(c) of the Companies Act, 2013;
- Creating / modifying any mortgage, hypothecation or other charge or encumbrance over the whole or substantially the whole of the Company's undertaking and properties and assets of the Company which borrowings and facilities together with the existing ones shall not exceed an aggregate limit of Rs. 1000 Crores under Section 180(1)(a) of the Companies Act, 2013.
- Alteration of Memorandum and Articles of Association of the Company.
- Appointment of Auditor M/s. Venkatesh & Co. as Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s. D. Sampathkumar & Co.
- Making Investment, giving Loan or guarantee together with the amounts already invested/ loans made or guarantees provided by the Company upto a limit of Rs. 1500 Crores under Section 186 of the Companies Act, 2013;
- Approval for sale of 1,33,67,000 equity shares of Rs. 10 each held in M/s Empee Power and Infrastructure Private Limited under Section 180(1)(a) of the Companies Act, 2013.

Further, during the period under audit the Company has withdrawn its proposed scheme of amalgamation with M/s. Empee Sugars and Chemicals Limited, which was pending for approval before the Honourable High court of Andhra Pradesh. During our review, we also came across a number of legal proceedings pending against the Company, which the management of the Company informed is being taken care of at their end.

We further report that our Audit is subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

Place: Chennai  
Date: 23.05.2015

**For S Dhanapal & Associates**

**S. Dhanapal  
(Partner)**

**FCS 6881; CP No. 7028**

This Report is to be read with our testimony of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure A**

**To**

The Members,

**EMPEE DISTILLERIES LIMITED**

Our report of even date is to be read along with this supplementary testimony.

- a. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes we were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- e. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

Place: Chennai  
Date: 23.05.2015

**For S Dhanapal & Associates**

**S. Dhanapal  
(Partner)**

**FCS 6881; CP No. 7028**

**Annexure – I****Conservation of energy, technology absorption, foreign exchange earnings and outgo**

## (A) Conservation of energy:

- i. Steps taken or impact on conservation of energy : Nil
- ii. Steps taken by the company for utilising alternate sources of energy : Nil
- iii. Capital investment on energy conservation equipments : Nil

## (B) Technology absorption:

- i. Efforts made towards technology absorption : Nil
- ii. Benefits derived like product improvement, cost reduction, product development, import substitution : Nil
- iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following:
  - (a) Details of technology imported : Nil
  - (b) Year of import. : Nil
  - (c) Whether the technology been fully absorbed : Nil
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefor.
- iv. Expenditure incurred on Research and Development : Nil

## (C) Foreign exchange earnings and Outgo : Nil

**Annexure – J****Remuneration of Directors and Key Managerial Personnel****Remuneration paid to Joint Managing Director for the period ended 31.3.2015 (18 months)**

Sl. No.	Name of MD/WTD/Manager	Particulars of Remuneration	Qualification	Experience	Amount. Rs
1.	Ms.Nisha Purushothaman	Gross Salary Provident Fund	B.Com.,M.B.A.	Experienced in the field of finance, administration and human resource management for more than a decade.	90,00,000 10,80,000
			Total		100,80,000



## Annexure – K

## Form No. MGT-9

**Extract of Annual Return** as on the financial period ended on 31<sup>st</sup> March 2015.  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L15511TN1983PLC010313
2.	Registration Date	15.09.1983
3.	Name of the Company	EMPEE DISTILLERIES LIMITED
4.	Category /Sub-Category of the Company	Public Company limited by shares
5.	Whether listed Company	Yes
6.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s.Cameo Corporate Services Limited No.1, Subramaniam Building Club House Road, Chennai – 600 002 Telephone: 044-28460390 Email id: investor@cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1.	IMFL	220810	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the company	CIN/GIN	Holding/Subsidiary of the company	% of shares held	Applicable section
1	Empee Sugars and Chemicals Ltd	L24110AP1988PLC009291	Subsidiary	63.43	2(87)
2	Appollo Distilleries and Breweries Pvt Ltd	U85110KA1995PTC019074	Subsidiary	91.51	2(87)
3	EDL Properties Limited	U70102TN2007PTC064136	Subsidiary	75.00	2(87)



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

## i. Category-wise Share Holding.

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual/HUF	2057954	-	2057954	10.83	2077954	-	2077954	10.93	0.10
b. Central Govt.									
c. State Govt.									
d. Bodies Corp.	6351163	-	6351163	33.41	4864375	-	4864375	25.59	-7.82
e. Bank/FI									
f. Any other Directors & Relatives	4816054	-	4816054	25.34	4816054	-	4816054	25.34	-
<b>Sub-Total A(1)</b>	<b>13225171</b>	<b>-</b>	<b>13225171</b>	<b>69.57</b>	<b>11758383</b>	<b>-</b>	<b>11758383</b>	<b>61.86</b>	<b>-7.72</b>
<b>2. Foreign</b>									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank/FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total – A(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Share holder of Promoters (1+2)</b>	<b>13225171</b>	<b>-</b>	<b>13225171</b>	<b>69.57</b>	<b>11758383</b>	<b>-</b>	<b>11758383</b>	<b>61.86</b>	<b>-7.72</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/FI	13623	-	13623	0.072	13623	-	13623	0.072	-
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Ven.Capital Fund	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total-B(1)</b>	<b>13623</b>	<b>-</b>	<b>13623</b>	<b>0.072</b>	<b>13623</b>	<b>-</b>	<b>13623</b>	<b>0.072</b>	<b>-</b>
<b>1. Non-Institution</b>									
a. Body Corp.	956088	400	956488	5.03	1001326	400	1001726	5.27	0.24
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs.1 lakh	3548634	919	3549553	18.67	4343313	919	4344232	22.85	4.18
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	574973	240000	814973	4.29	920765	240000	1160765	6.11	1.82
<b>C. Others</b>									
(i) NRI (Rep)	163167	-	163167	0.86	218611	-	218611	1.15	0.29
(ii) NRI (Non-Rep)	-	-	-	-	-	-	-	-	-
(iii) Foreign National	-	-	-	-	-	-	-	-	-
(iv) Hindu undivided family	279674	1	279675	1.47	480826	1	480827	2.53	1.06
(v) Trust	650	-	650	0.01	781	-	781	0.01	-
(vi) In Transit	5593	-	5593	0.03	29945	-	29945	0.16	0.13
<b>Sub-Total-B(2)</b>	<b>5528779</b>	<b>241320</b>	<b>5770099</b>	<b>30.35</b>	<b>6995567</b>	<b>241320</b>	<b>7236887</b>	<b>38.07</b>	<b>7.72</b>
<b>Net Total (1+2)</b>	<b>5542402</b>	<b>241320</b>	<b>5783722</b>	<b>30.43</b>	<b>7009190</b>	<b>241320</b>	<b>7236887</b>	<b>38.14</b>	<b>7.71</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>18767573</b>	<b>241320</b>	<b>19008893</b>	<b>100</b>	<b>18767573</b>	<b>241320</b>	<b>19008893</b>	<b>100</b>	<b>14.97</b>



## ii. Shareholding of Promoters:

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total share of the company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total share of the company	% of shares Pledged/ encumbered to total shares	
1	Empee Holdings Ltd	6351163	33.41	27.97	4864375	25.59	10.68	-7.82
2	M P Purushothaman	2057954	10.83	4.11	2077954	10.93	-	0.10
3	A K Aruna	1800000	9.47	-	1800000	9.47	-	-
4	Nisha Purushothaman	1002000	5.27	-	1002000	5.27	-	-
5	Shaji Purushothaman	610	-	-	610	-	-	-
6	Sheena Purushothaman	1002044	5.27	-	1002044	5.27	-	-
7	Sheeju Purushothaman	1002000	5.27	-	1002000	5.27	-	-
8	A K Sajeevan	9400	0.05	-	9400	0.05	-	-
	<b>Total</b>	<b>13225171</b>	<b>69.57</b>	<b>32.08</b>	<b>11758383</b>	<b>61.85</b>	<b>10.68</b>	<b>-7.72</b>

iii. Change in Promoters' Shareholding : -1466788 shares

iv. Shareholding Patten of top ten shareholders. (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year - 1 <sup>st</sup> October 2013		Shareholding at the end of the year -31 <sup>st</sup> March, 2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DINESH KUMAR SINGHI	192818	1.01	192818	1.01
2	ANITA RAKESHKUMAR RANKA	100000	0.53	-	-
3	JAYSHREE FINVEST LTD	66807	0.35	66807	0.35
4	JOSEPH ITTIACHEN	50000	0.26	50000	0.26
5	LEON ITTIACHEN	50000	0.26	50000	0.26
6	SABESTIAN ITTIACHEN	50000	0.26	50000	0.26
7	XAVIER ITTIACHEN	50000	0.26	50000	0.26
8	INDIANIVESH SECURITIES PRIVATE LIMITED	49999	0.26	-	-
9	NIRSHILP SECURITIES PVT. LTD.	46701	0.25	-	-
10	BONANZA PORTFOLIO LTD	40358	0.21	-	-

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year - 1 <sup>st</sup> October 2013		Shareholding at the end of the year -31 <sup>st</sup> March, 2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Nil				



## V. INDEBTEDNESS

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

Rs. in lacs

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01.10.2013</b>				
1. Principal amount	6179.85	1956.22	-	8136.07
2. Interest due but not paid	288.88	-	-	288.88
3. Interest accrued but not due	-	-	-	-
<b>Total (1+2+3)</b>	<b>6468.73</b>	<b>1956.22</b>	-	<b>8424.95</b>
Change in Indebtedness during the financial year				
+Addition	420.00	-	-	420.00
-Reduction	2867.41	1028.75	-	3896.16
Net change	4021.32	927.47	-	4948.79
<b>Indebtedness at the end of the financial year 31.3.2015</b>				
1. Principal amount	3870.34	903.32	-	4773.66
2. Interest due but not paid	150.98	24.15	-	175.13
3. Interest accrued but not due	-	-	-	-
<b>Total (1+2+3)</b>	<b>4021.32</b>	<b>927.47</b>	-	<b>4948.79</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Total Amount (Rs. in lacs)
1.	Name of MD/WTD/Manager : <b>Ms. Nisha Purushothaman</b> Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act. b) Value of perquisites u/s 17(2) Income Tax Act, 1961 c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	90.00 - -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - As % of Profit - Others, specify	-
5.	Others, please specify - Provident Fund & other funds Performance Bonus	10.80
	<b>Total (A)</b>	<b>100.80</b>
	Ceiling as per the Act	

**B. Remuneration of other Directors:**

## I. Independent Directors:

Particulars of Remuneration	Name of Directors			Total Amount (Rs. in lacs)
	Mr.M.K.Mohan	Mr.T.S.Raghavan	Mr.M.P.Mehrotra	
Fee for attending Board /Committee meeting	120000	300000	260000	680000
Commission	Nil	Nil	Nil	-
Others	Nil	Nil	Nil	-
Total(1)	120000	300000	260000	680000

## II. Other Non-Executive Directors:

Other Non-Executive Directors	Mr.M.P.Purushothaman	Mr.Shaji Purushothaman	Total Amount (Rs. in lacs)
Fee for attending Board / Committee meeting	140000	60000	200000
Commission	Nil	Nil	-
Others	Nil	Nil	-
Total(2)	140000	60000	200000
Ceiling as per Act 1% of the Net profits of the company			

**C. Remuneration to Key managerial Personnel other than MD/Manager/WTD:**

Sr. No.	Particulars of Remuneration	Total Amount (Rs. in lacs)	Total Amount (Rs. in lacs)
	<b>Name of the KMP :</b>	<b>Mr.V.Srinivasan</b>	<b>Ms.S.Sangeetha</b>
		<b>Chief Financial Officer</b>	<b>Company Secretary</b>
1.	Gross Salary	01.06.2014 to 31.03.2015	01.06.2014 to 05.11.2014
	a) Salary as per provision contained in sec 17(1) of the IT Act.	20.00	1.83
	b) Value of perquisites u/s 17(2) IT Act 1961	-	-
	c) Profits in lieu of salary u/s 17(3) of IT Act 1961.	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - As % of Profit	-	-
5.	Others, please specify - Contribution of Provident fund	-	-
6.	Performance Bonus	-	-
	<b>Total (C)</b>	<b>20.00</b>	<b>1.83</b>

**VII. Penalties /Punishment/ Compounding of offences (Under the Companies Act) : None**





## Report on Corporate Governance in terms of Clause 49 of the Listing Agreement

### 1. Company's Philosophy on Corporate Governance

The Company firmly believes that good corporate governance is the foundation of corporate excellence. A sound governance process consists of a combination of business practices which result in enhancement of shareholder value and enable the Company to fulfill its obligations to customers, employees, financiers and to the society in general. The Company aims to increase and sustain its corporate value through growth and innovation. Your Company has been observing the key principles of the code and is committed to take adequate measures towards achieving full compliance of the Corporate Governance code. The areas where the Company is observing the recommendation of SEBI code are given below:

### 2. Board of Directors

Board of Directors of the Company consists of an Executive Director and five Non-Executive Directors. Three Non-Executive Directors are independent and they have no pecuniary relationship with the Company in their capacity as Director. During the period ended 31.03.2015, the Board met seven times and the maximum gap between two meetings was not more than 120 days. The above composition of the Board meets the requirements of the Listing Agreement and the Companies Act, 2013.

### Board and Committee Memberships

As mandated by the revised Clause 49 which has become applicable to the Company with effect from 1 October, 2014, none of the Directors on the Board is a Member of more than ten (10) Committees and none is a Chairman of more than five (5) Committees across all the Indian Public Limited Companies in which they are Directors. All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies. The table below gives the details of Directorships, Committee Memberships and Chairmanships in Indian Companies as on 31<sup>st</sup> March 2015. It excludes Directorships of Private Limited Companies, Foreign Companies and Section 8 Companies. For the purpose of reckoning the limit, the Chairmanship / Membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered.

During the period, Board Meetings were held on 11.11.2013, 12.2.2014, 14.5.2014, 26.5.2014, 09.8.2014, 25.10.2014 and 11.02.2015.

Name of Director	Category	No. of Board meetings attended	Whether attended last AGM	Number of Directorships in other Indian Public Companies	No. of Committee positions held in other Public Companies	No. of Committee Chairmanship held in other Public Companies
Mr.M.P.Purushothaman	Promoter – Non-Executive	7	Yes	9	3	3
Ms.NishaPurushothaman	Promoter – Executive	7	Yes	7	5	-
Mr.ShajiPurushothaman	Promoter – Non-Executive	3	-	9	3	-
Mr.T.S.Raghavan	Independent Non-Executive	7	Yes	9	2	1
Mr.M.K.Mohan	Independent Non-Executive	6	Yes	1	1	1
Mr.M.P.Mehrotra	Independent Non-Executive	6	-	6	7	3

**Inter-se relationship of Directors :**

1. Mr. M.P. Purushothaman, Mr. ShajiPurushothaman and Ms. NishaPurushothaman are relatives as per the provisions of the Companies Act.
2. Mr. TS Raghavan, Mr. M K Mohan and Mr. M P Mehrotra are not relatives under the provisions of the Companies Act.

**3. Audit Committee**

The Audit Committee of the Company comprises of the following Directors as members of the Committee.

Mr.T.S.Raghavan	Independent Non-Executive (Chairman)
Mr.M.P.Mehrotra	Independent Non-Executive (Member)
Ms.NishaPurushothaman	Promoter - Executive (Member)

The terms of reference of the audit committee cover the matters specified under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors from time to time.

Meeting and the attendance during the period were as follows:

SI. No.	Name of Member	No. of meetings Held	No. of meetings attended
1	Mr.T.S.Raghavan	7	7
2	Ms.Nisha Purushothaman	7	7
3	Mr.M.P.Mehrotra	7	6

**4. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee, comprising of Mr.M.K.Mohan, Mr.T.S.Ragavan and Ms.Nisha Purushothaman, has been constituted under the Chairmanship of Mr.M.K.Mohan to determine the quantum and components of the remuneration to be paid to the Whole-time Directors/KMPs.

In the meeting held on 11.02.2015, The Nomination and Remuneration Committee formulated a policy on remuneration to be paid to the Whole time Directors/KMPs.The Non-Executive/independent Directors of the Company are paid sitting fees for attending Board/Committee meetings and reimbursement of expenses towards travel, and miscellaneous expenses.

The terms of reference of the Nomination and Remuneration Committee cover the matters specified under Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors from time to time.

Nomination and Remuneration Policy of the Company is annexed to the Board's Report as an annexure.

Details of the remuneration of Executive Directors and Non-Executive Directors for the period ended 31<sup>st</sup> March 2015 are as follows:

**Executive Directors/ Whole Time Directors**

Name	Designation	(₹. in lakhs)
Ms. Nisha Purushothaman	Joint Managing Director	100.80*

\*Includes Salary and Provident fund.



### Non-Executive Directors

Name of the Director	Sitting Fee (₹.)
1. Mr.M.P.Purushothaman	1,40,000
2. Mr.Shaji Purushothaman	60,000
3. Mr.M.K.Mohan	1,20,000
4. Mr.T.S.Raghavan	3,00,000
5. Mr.M.P.Mehrotra	2,60,000

### 5. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of the following:

- |                            |                           |
|----------------------------|---------------------------|
| i) Mr. M.K.Mohan           | Chairman of the Committee |
| ii) Mr.T.S.Raghavan        | Member                    |
| iii) Ms.NishaPurushothaman | Member                    |

The Committee, inter alia, approves share transfers, transmissions and also requests for issue of duplicate certificates, split/consolidation of shares etc and oversees all matters connected with securities transfers and other processes and meetings are held frequently. The Committee also looks into redressal of shareholders' complaints related to share transfers, non receipt of balance sheets, non-receipt of dividend etc. The committee oversees the performance of the RTA and recommends overall improvement of the quality of investor services. A meeting of this Committee was held on 11.02.2015 during the period under review. During the period 2013-15, no complaints were received and no investor complaint was pending as on 31.03.2015. Mr.K.Murali Company Secretary & Compliance Officer acts as the Compliance Officer.

### 6. CSR Committee

The CSR Committee, comprising of Mr.T.S.Ragavan, Ms.NishaPurushothaman and Mr.M.P.Mehrotra has been constituted under the Chairmanship of Mr.T.S.Raghavan. A meeting of this Committee was held on 11.02.2015 during the period under review.

### 7. General Body Meetings

The last three Annual General Meetings were held as under:

Year	Location	Date	Time	Whether special resolutions passed
2012-13	Hall II, IMAGE Auditorium, R.A.Puram, Chennai – 600 028.	30/12/2013	11.30 A.M.	No
2011-12	Hall II, IMAGE Auditorium, R.A.Puram, Chennai – 600 028.	28/12/2012	3.00 P.M.	Yes
2010-11	Hall II, IMAGE Auditorium, R.A.Puram, Chennai – 600 028.	29/09/2011	3.00 P.M.	Yes



Details of directors who have attended the last three general meetings held by the Company:

Sl . No.	Name	Designation	Held on 30-12-2013	Held on 28-12-2012	Held on 29-09-2011
1	Mr.M.P.Purushothaman	Chairman	Attended	Attended	Attended
2	Ms.Nisha Purushothaman	JMD	Attended	Attended	Attended
3	Mr.Shaji Purushothaman	Director	-	-	-
4	Mr.M.K.Mohan	Director	Attended	-	Attended
5	Mr.M.P.Mehrotra	Director	-	-	-
6	Mr.T.S.Raghavan	Director	Attended	Attended	Attended

### Postal Ballot / Extra Ordinary General Meetings

During the year nine resolutions were passed through Postal Ballot on 6<sup>th</sup> July 2014 and a single resolution was passed on 28<sup>th</sup> March 2015 through Postal Ballot, the details are given in the website at [www.empeegroup.co.in](http://www.empeegroup.co.in).

### 8. Composite Scheme of Arrangement

Subsequent to the withdrawal of Composite Scheme of amalgamation of the company with Empee Sugars and Chemicals Ltd, necessary applications were made before the Hon'ble High Court of Andhra Pradesh and the same is pending for Orders.

### 9. Code of Conduct

In consonance with the requirements of the amended Clause 49 of the listing agreement, Board of Directors has laid down a code of conduct for the Board members and senior management of the Company. The said code of conduct has also been posted on the Website of the company, [www.empeegroup.co.in](http://www.empeegroup.co.in). The directors and senior management are committed to strict adherence of the code and to conduct the business in an ethical and transparent manner.

### 10. Risk Management

The company has laid down procedures to inform board members about the risk assessment and minimization procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation process being taken up.

### 11. Prevention of Insider Trading

The company has framed a code of conduct for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all directors/officers/designated employees. The code ensures the prevention of dealing in company's shares by persons having access to unpublished price sensitive information.

### 12. Disclosures

- i. There were no materially significant related party transactions that may have potential conflict with the interests of company at large.
- ii. There are no non-compliances by the Company on any matter related to capital markets, during the last three years. There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- iii. The Company has a Whistle Blower policy. No personnel has been denied access to the audit committee.
- iv. The Company has complied with all the mandatory requirements of this clause. With regard to adoption of nonmandatory requirements, the non-Executive Chairman has been provided with a Chairman's



office at the Company's expense. A remuneration committee has been formed to determine the remuneration of executive directors.

- v. Investor complaints of non-receipt of dividends, non-receipt of annual report etc., forwarded by SEBI are periodically resolved and updated into SCORES (SEBI Complaints Redress System) website and no complaints is pending during the year under review.
- vi. Performance Evaluation of Directors, Board and Committees are given in the Directors report.
- vii. policy on dealing with Related Party Transactions has been disclosed on the website of the Company, which can be accessed at the weblinkwww.empeegroup.co.in.
- viii. Pecuniary relationship or transactions of the non-executive directors vis-à-vis the company.- Nil
- ix. Number of shares and convertible instruments held by non-executive directors - Nil

### 13. Subsidiary Companies

The minutes of the board meetings of the subsidiary companies namely M/s.Empee Sugars and Chemicals Ltd, M/s.Empee Power Company (India) Ltd., M/s.Appollo Wind Energy Pvt Ltd., M/s.EDL Properties Ltd and M/s.Appollo Distilleries and Breweries Pvt Ltd is placed before the Board of Directors of the Company for their review.

### 14. Compliance with Corporate Governance Norms

The Company has complied with the mandatory requirements of the code of corporate governance as stipulated in clause 49 and 54 of the listing agreement with the stock exchanges. The certificate from statutory auditors is annexed to the Directors' Report.

### 15. Means of communication

The Company is publishing quarterly unaudited / annual audited financial results in the Business Standard and MakkalKural (vernacular language). The Company has posted the quarterly/ annual results in the Company's website www.empeegroup.co.in. No presentations were made to institutional investors or to the analysts during the period.

### 16. General Shareholder Information:

i. AGM Date, time and venue	25 <sup>th</sup> June 2015, 11.00 a.m. Sri P. Obul Reddy Hall, Vani Mahal, T.Nagar, Chennai – 600 017.
ii. Financial year	2013 - 15 (18 Months)
ii. For the year ended 2015-16 First quarter result Second quarter result Third quarter results Fourth quarter results	Before 14 <sup>th</sup> August, 2015 Before 14 <sup>th</sup> November, 2015 Before 14 <sup>th</sup> February, 2016 Before 14 <sup>th</sup> May, 2016
iii. Date of Book closure	20 <sup>th</sup> June 2015 to 25 <sup>th</sup> June 2015 (both days inclusive)
iv. Listing on Stock Exchanges	National Stock Exchange of India Limited Bombay Stock Exchange Limited
v. Stock Code National Stock Exchange of India Limited Bombay Stock Exchange Limited	: EDL : 532920

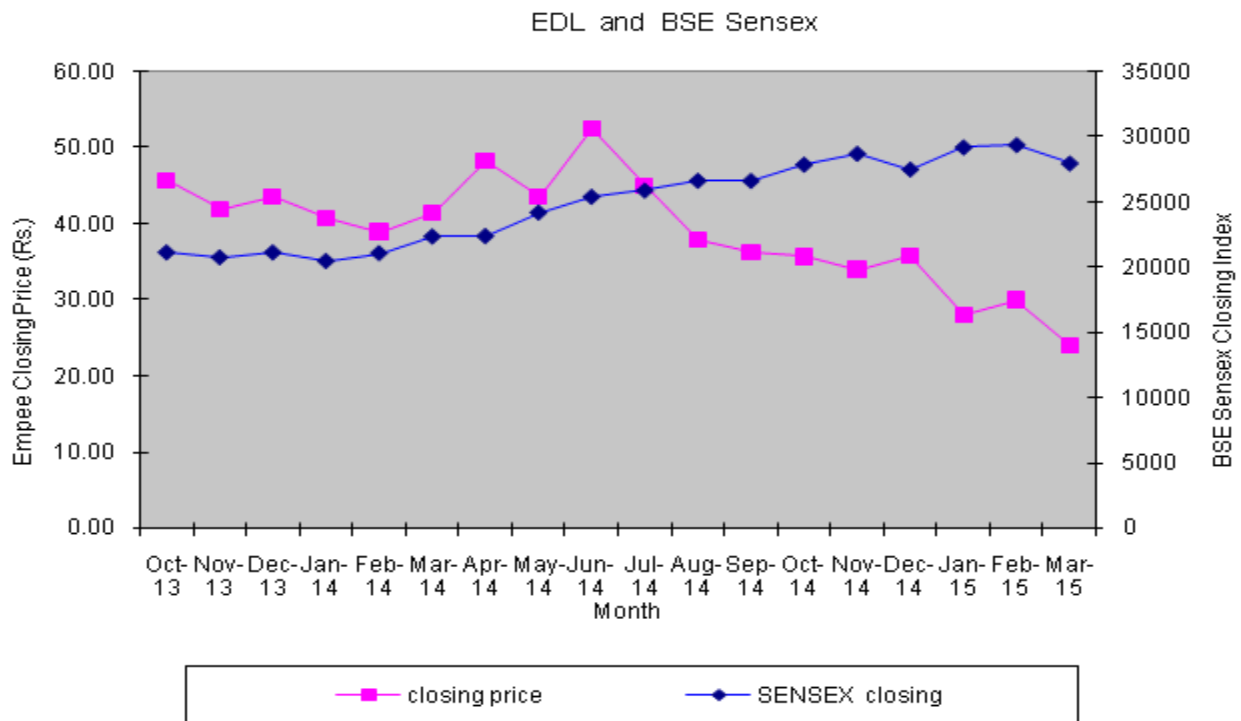


vi. Stock Market Data

BSE Ltd (BSE) & National Stock Exchange of India Ltd (NSE); (Face value of ₹.10/-each)

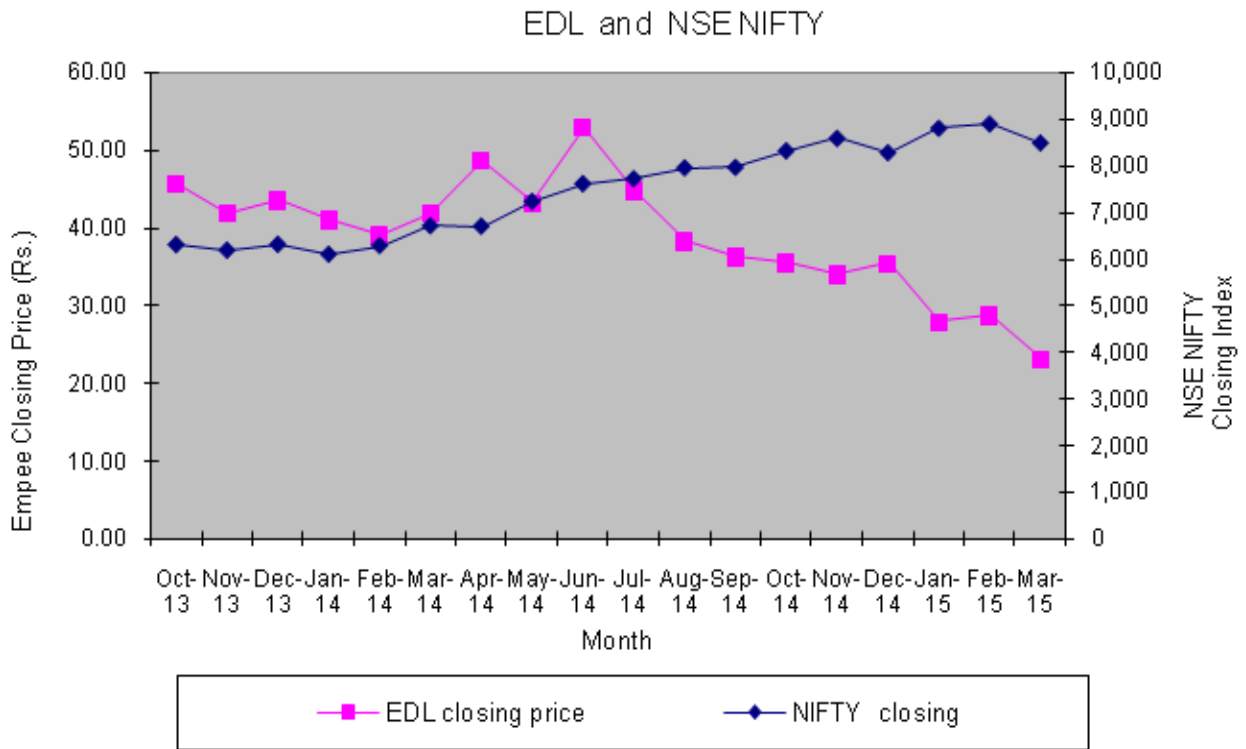
Months	NSE			BSE		
	High Price	Low Price	Closing Price	High Price	Low Price	Closing Price
	(₹.)	(₹.)	(₹.)	(₹.)	(₹.)	(₹.)
Oct-13	46.05	38.45	45.65	46.25	38.50	45.75
Nov-13	48.80	41.10	41.90	47.10	41.20	41.90
Dec-13	46.05	38.40	43.55	45.35	38.50	43.55
Jan-14	52.90	38.05	41.00	52.70	39.30	40.80
Feb-14	42.85	36.65	39.00	42.20	38.05	38.95
Mar-14	48.80	37.20	41.85	48.75	38.30	41.45
Apr-14	52.00	42.00	48.65	51.40	42.30	48.35
May-14	52.00	40.50	43.20	51.55	39.70	43.55
Jun-14	60.00	42.40	52.85	60.00	42.05	52.55
Jul-14	55.00	43.90	44.80	54.50	44.00	44.95
Aug-14	47.90	37.50	38.28	47.80	37.50	38.00
Sep-14	44.50	33.75	36.25	44.40	33.90	36.25
Oct-14	39.40	32.00	35.50	37.45	32.00	35.70
Nov-14	40.60	29.10	34.00	37.85	33.00	34.00
Dec-14	37.40	31.25	35.45	37.25	31.15	35.75
Jan-15	39.55	24.75	27.95	39.50	27.30	28.00
Feb-15	32.45	25.75	28.75	31.50	26.00	30.00
Mar-15	30.70	22.55	23.20	30.95	22.05	24.00

vii. Stock Price performance in comparison to BSE Sensex :





Stock Price performance in comparison to NSE Nifty :



viii. Registrars and Share Transfer Agents

M/s.Cameo Corporate Services Limited  
No.1, Subramaniam Building,  
Club House Road, Chennai – 600 002

ix. Share Transfer system

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects, by the Committee which meets every week.

x. Distribution of shareholding as on 31<sup>st</sup> March 2015

No. of equity shares held	No. of folios	No. of shares held	% of share-holding
1 to 500	27414	1962752	10.3254
501 to 1000	913	725425	3.8162
1001 to 2000	498	737349	3.8789
2001 to 3000	154	390106	2.0522
3001 to 4000	94	333279	1.7532
4001 to 5000	65	300034	1.5783
5001 to 10000	111	791353	4.1630
10001 and above	94	13768595	72.4323
<b>Total</b>	<b>29343</b>	<b>19008893</b>	<b>100.0000</b>



xi. Shareholding pattern as on 31<sup>st</sup> March 2015

No. of equity shares held	No. of folios	No. of shares held	% of share-holding
Promoters	4	6942329	36.5213
Directors and their relatives	6	4816054	25.3359
FIs/ Banks	1	13623	0.0716
Private Corporate Bodies	359	1001726	5.2697
Indian Public	28750	6016550	31.6515
NRIs and OCBs	223	218611	1.1500
<b>Total</b>	<b>29343</b>	<b>19008893</b>	<b>100.0000</b>

xii. Dematerialisation of shareholding and liquidity 98.73% of total equity share capital is held in dematerialized form with NSDL and CDSL.

xiii. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity Nil

xiv. Plant locations

- 1. Tamilnadu Unit :**  
Mevaloorkuppam, Sriperumpudur, Kancheepuram, Tamil Nadu.
- 2. Kerala Unit :**  
NIDA. Menonpara Road  
Kanjikode, Palakad District, Kerala.
- 3. Karnataka Unit :**  
Arabikothanur Village,  
Kolar District, Karnataka.
- 4. Power Plant:**  
Kottadivayal Village, Aranthangi Taluk,  
Pudukkottai District, Tamilnadu.
- 5. Grain Based Alcohol Plant:**  
Choutkur Village, Pulkal Mandal,  
Medak District Andhra Pradesh.

xv. Address for correspondence 'Empee Tower', No.59, Harris Road  
Pudupet, Chennai – 600 002  
E-mail ID: cs@empeegroup.co.in

xvi The following are the details of dividends declared by the Company and the respective due dates for transfer of unclaimed / unpaid dividend to the Investor Education and Protection Fund (IEPF).

Date of declaration of dividend	Dividend for the financial year	Due date of credit to the Central Government	Due date of transfer to the Central Government
29-04-2008	2007-08 (Interim)	30-04-2015	30-05-2015
08-12-2008	2007-08 (Final)	07-12-2015	07-01-2016
29-09-2009	2008-09	28-09-2016	28-10-2016
29-09-2010	2009-10	28-09-2017	28-10-2017
29-09-2011	2010-11	03-10-2018	03-11-2018
28-12-2012	2011-12	03-01-2019	03-02-2019



It may be noted that no claim of the shareholders will be entertained for the unclaimed / unpaid dividends after their credit to the Investors Education & Protection Fund.

In view of the above, the shareholders are advised to send their unencashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for credit to the IEPF.

### **Board's Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

While independent directors in their separate meeting have carried out to assess the performance of Chairman, JMD and other Directors of the Board more particularly about their business acumen and contribution to the Company, the performance evaluation of the Independent Directors was carried out by the entire Board.

The Independent Directors expressed their satisfaction with the evaluation process, functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of duties, obligations, responsibilities and governance.

### **Chief Executive Officer and Chief Financial Officer Certificate**

Ms.Nisha Purushothaman, Joint Managing Director and Mr.V.Srinivasan, CFO have submitted to the Board of Directors the certification as per clause 49(V) of the Listing Agreement, pertaining to CEO/CFO Certification for the financial period ended 31<sup>st</sup> March 2015.

**Declaration under Clause 49 of the Listing Agreement is attached separately, hereunder;**

**Place : Chennai**  
**Date : 23.5.2015**

**M.P.Purushothaman**  
**Chairman**

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### **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

As required by Clause 49 II(E)(2) of the Listing Agreement with the Stock Exchanges, this is to confirm that the Company has adopted a Code of Conduct and Ethics for all Board Members and Senior Management of the Company. The Code is available on the Company's website.

I further confirm that the Company has in respect of the financial period ended 31<sup>st</sup> March, 2015, received from all the Board Members and Senior Management of the Company, a declaration of compliance with the Code, as applicable to them.

For the purpose of this declaration, Senior Management Team shall mean heads of the various functions of the Company.

**For Empee Distilleries Limited**

Place: Chennai  
Date : 23.5.2015

**Nisha Purushothaman**  
**Joint Managing Director**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To The Members of Empee Distilleries Limited

We have examined the compliance of conditions of Corporate Governance by Empee Distilleries Limited (“the Company”) for the period ended 31<sup>st</sup> March 2015 (18 months) as stipulated in Clause 49 of the Listing Agreements of the said Company with the relevant Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further 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 Venkatesh & Co.,  
Chartered Accountants**

**CA Dasaraty V  
Partner  
Membership No.026336**

Place: Chennai  
Date : 23.5.2015

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**CERTIFICATION BY JOINT MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

We hereby certify that we have reviewed the Financial Statements and the Cash Flow Statement for the financial period ended 31<sup>st</sup> March, 2015 (18 months) and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company’s affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the aforesaid period which are fraudulent, illegal or violative of the Company’s Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal control systems, if any, of which we are aware, and that we have taken the required steps to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee that:
  - (a) there have been no significant changes in internal control over financial reporting during the year.
  - (b) there have been no significant changes in accounting policies during the year.
  - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

**For Empee Distilleries Ltd**

Place: Chennai.  
Date: 23.5.2015

**Nisha Purushothaman  
Joint Managing Director**

**V.Srinivasan  
Chief Financial Officer**



## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
Empee Distilleries Limited

### Report on Financial Statements

We have audited the accompanying financial statements of Empee Distilleries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss for the period from 01.10.2013 to 31.03.2015 along with the Cash Flow statement annexed thereto, and a summary of 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 reference to the preparation of the standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 there under. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 standalone financial statements.



### **Basis for Qualified 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, 2015, and its profit and its cash flow for the period from 01.10.2013 to 31.03.2015 except:-*

- a. *The company has made an investment of Rs.1.59 Crores and given share application money of Rs.140.36 Crores to its subsidiary Empee Sugars and Chemicals Limited towards promoters share. The subsidiary company Empee Sugars and Chemicals Limited is incurring losses and has been registered under BIFR as a sick company. This may result in diminution in the value of investments for which no provision is considered. Refer Note No.2(12.1) to the Balance Sheet.*
- b. *The Board of Directors at their meeting held on 25.10.2014 has withdrawn the Composite scheme of Arrangement among the company and Empee Sugars and Chemicals Limited and Apollo Wind Energy Private Limited and their respective shareholders with effect from April 01, 2011. As per the provisions of Hon'ble High court of Madras no application is required to be filed to withdraw the company petition. However the company has filed an application before Hon'ble High Court of Andhra Pradesh, which is pending for orders to withdraw the said amalgamation. Hence, no effect is given for scheme of amalgamation in the accounts.*

### **Qualified Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company for the 18 months period ended as at March 31, 2015;
- b) in the case of the Profit and Loss Account, of the **Loss** for the 18 months period ended on that date; and
- c) In the case of the cash flow statement, of the cash flows for the 18 months period ended on the date

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) Except for the effects / possible effects of the matters described in the Basis of Qualified Opinion, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section (2) of section 164 of the Companies Act, 2013.
- f) With respect to the other matters to be included in the Auditors 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 does not have any pending litigations which would impact its financial position except as stated in the basis of opinion paragraph;
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. A sum of Rs.29,400/- required to be transferred to the Investor Education and Protection fund by the company has been transferred during the year;

**For Venkatesh & Co.,  
Chartered Accountants  
F.R.No.004636S**

**CA Dasaraty V  
M.No.026336  
Partner**

**Place:- Chennai  
Date:- 23/05/2015**



## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date)

As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government in terms of section 143 (11) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us during the course of the audit, we report that,

1.
  - a) The Company has maintained proper records showing full particulars, including quantitative detail and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
2.
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.
3.
  - a) The company has taken interest free loan from its Subsidiary Companies amounting to 24.89 Crores without stipulation as to the repayment of principal and interest.
  - b) In the light of (a) we do not comment on the principal amount and interest or other conditions or security of loans.
  - c) In the light of (a) we do not comment on the reasonable steps have been taken by the company for recovery of the principal and interest.
4. In our opinion and according to the explanations given to us the internal control procedure of the Company are commensurate with the size of the company and the nature of its business with regards to Fixed Assets other assets and with regard to the sale of Services. No instance of continuing failure to correct major weakness in internal control was noticed.
5. The Company has not accepted any deposits from the public. Therefore the provisions of section 73 to Section 76 of the Companies Act 1956 and rules framed there under are not applicable.
6. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.





7. a) According to the records of the company, there have been no delay in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service tax, Cess and other statutory dues except in respect of Dividend Distribution tax amounting to Rs.25.84 Lakhs, Income tax of Rs.8.28 crore for the FY 2011-2012, Rs.1.77 crore for the FY 12-13 with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the company examined by us, except the following there are no dues of Income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except as stated here under:-

S No	Name of the Statute	Nature of Dues	Amount in Lacs	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act 1961	Income Tax	190.00	2005-06	Income Tax Appellate Tribunal
2	Income Tax Act 1961	Income Tax	24.49	2008-09	Commissioner of Income Tax (Appeals)
3	Income Tax Act 1961	Income Tax	346.09	2009-10	Commissioner of Income Tax (Appeals)
4	Income Tax Act 1961	Income Tax	154.10	2010-11	Commissioner of Income Tax (Appeals)
5	Income Tax Act 1961	Income Tax	496.25	2012-13	Commissioner of Income Tax (Appeals)

- c) The company is required to transfer amount of Rs.29,400/- to investor education and protection fund as per the relevant provisions of the **Companies Act, 1956** (1 of 1956) and rules made there under has been transferred.
8. The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
9. Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions and banks after restructuring of the loans.
10. The company has not given guarantee for loans taken by others. In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
11. According to the records of the company, the company has obtained a fresh term loan of Rs.4.20 Crore during the financial year and the same has been utilised for the stated purpose.
12. According to information and explanations furnished to us no fraud on or by the company has been noticed or reported during the year.

For Venkatesh & Co.,  
Chartered Accountants  
F.R.No.004636S

Place: Chennai  
Date: 23/05/2015

CA Dasaraty V  
M.No.026336  
Partner



## BALANCE SHEET AS AT MARCH 31, 2015

(Currency: Indian Rupees ₹.in Lakhs)

Particulars	Note No.	As at Mar 31, 2015	As at Sept. 30, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2 (1)	1,900.89	1,900.89
(b) Reserves and surplus	2 (2)	28,416.98	27,593.93
		<b>30,317.87</b>	<b>29,494.82</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	2 (3)	3,791.29	4,145.13
(b) Deferred tax liabilities (Net)	2 (4)	1,067.81	1,147.05
(c) Other long term liabilities	2 (5)	5,338.32	3,276.42
(d) Long-term provisions	2 (6)	91.34	96.89
		<b>10,288.77</b>	<b>8,665.49</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	2 (7)	8,381.32	7,011.08
(b) Trade payables	2 (8)	6,951.93	3,883.32
(c) Other current liabilities	2 (9)	1,024.52	3,715.79
(d) Short-term provisions	2 (10)	5,918.46	5,973.22
		<b>22,276.24</b>	<b>20,583.41</b>
<b>TOTAL</b>		<b>62,882.87</b>	<b>58,743.72</b>



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	As at Mar. 30, 2015	As at Sept. 30, 2013
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	2 (11)		
(i) Tangible assets		19,239.82	18,491.51
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		0.00	382.29
(iv) Intangible assets under development		-	-
		<b>19,239.82</b>	<b>18,873.80</b>
(a) Non-current investments	2 (12)	27,997.15	27,997.15
(b) Long-term loans and advances	2 (13)	313.49	313.14
(c) Other non-current assets	2 (14)	768.12	593.18
		<b>48,318.59</b>	<b>47,777.27</b>
<b>(2) Current Assets</b>			
(a) Inventories	2 (15)	4,934.26	3,703.16
(b) Trade receivables	2 (16)	5,335.30	4,539.28
(c) Cash and cash equivalents	2 (17)	143.85	176.51
(d) Short-term loans and advances	2 (18)	-	-
(e) Other Current assets	2 (19)	4,150.88	2,547.50
		<b>14,564.29</b>	<b>10,966.45</b>
<b>TOTAL</b>		<b>62,882.87</b>	<b>58,743.72</b>

As per our report of even date  
for Venkatesh & Co.,  
Chartered Accountants  
Firm Registration No.04636S

CA Dasaraty V  
Partner  
Membership No.026336  
Place : Chennai  
Date : 23.05.2015

For and on behalf of the Board of Directors of

**EMPEE DISTILLERIES LTD**

M.P.Purushothaman  
Chairman

K. Murali  
Company Secretary

Nisha Purushothaman  
Joint Managing Director

V. Srinivasan  
Chief Financial Officer



**STATEMENT OF PROFIT AND LOSS  
FOR THE PERIOD ENDED MARCH 31, 2015**

(Currency: Indian Rupees ₹.in Lakhs)

Particulars	Note No.	Period ended Mar. 31, 2015 (18 Months)	Year ended Sept. 30, 2013 (12 Months)
I. Revenue from operations	3 (1)	90,664.19	57,823.18
II. Other income	3 (2)	846.21	559.16
<b>III. Total Revenue (I + II)</b>		<b>91,510.40</b>	<b>58,382.34</b>
IV. Expenses:			
Cost of materials consumed	3 (3)	36,415.05	17,904.76
Changes in inventories of finished goods, work-in-progress	3 (4)	(690.03)	(209.86)
Employee benefits expense	3 (5)	2,959.36	1,616.27
Finance costs	3 (6)	3,510.56	2,360.00
Depreciation and amortization expense	2 (11)	1,178.23	968.01
Other expenses	3 (7)	48,370.35	35,169.49
<b>Total Expenses</b>		<b>91,743.51</b>	<b>57,808.67</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>(233.12)</b>	<b>573.67</b>
VI. Extraordinary items		-	-
VII. Profit before tax (VII - VIII)		<b>(233.12)</b>	<b>573.67</b>
VIII. Tax Expenses:			
(1) Current Tax		-	119.81
(2) Earlier tax provision		121.43	(724.57)
(2) Deferred Tax	2 (4)	(79.24)	69.79
IX. Profit/(Loss) for the year (XI + XIV)		<b>(275.31)</b>	<b>1,108.64</b>
XIV. Earnings per equity share of face value of Rs.10 Each Basic & Diluted		(1.45)	5.83

As per our report of even date  
for Venkatesh & Co.,  
Chartered Accountants  
Firm Registration No.04636S

CA Dasaraty V  
Partner  
Membership No.026336  
Place : Chennai  
Date : 23.05.2015

For and on behalf of the Board of Directors of  
**EMPEE DISTILLERIES LTD**

M.P.Purushothaman  
Chairman

K. Murali  
Company Secretary

Nisha Purushothaman  
Joint Managing Director

V. Srinivasan  
Chief Financial Officer



## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Period ended Mar. 31, 2015	Year ended Sept. 30, 2013
<b><u>A. Cash Flow from Operating Activities</u></b>		
Net Profit before taxation	(233.12)	573.67
<u>Adjustments for:</u>		
Depreciation on fixed assets	1,198.01	968.01
Loss on sale of fixed assets	-	-
Interest expense	3,477.31	2,348.48
Preliminary expenses written off	-	-
Profit on sale of fixed assets	-	-
Dividend Income	(0.01)	(0.05)
Interest income	(13.56)	(2.46)
<b>Operating Profit before Working Capital changes</b>	<b>4,428.64</b>	<b>3,887.64</b>
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	(1,231.10)	(1,017.10)
(Increase) / Decrease in trade receivables	(796.02)	834.69
(Increase) / Decrease in loans and advances	(1,778.68)	2,978.32
Increase/(Decrease) in liabilities	2,359.81	1,757.99
Increase/(Decrease) in provisions	(54.76)	1,524.37
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2,927.89</b>	<b>9,965.91</b>
Income tax Paid	-	(119.81)
Income tax Reversal	(121.43)	-
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>2,806.46</b>	<b>9,846.10</b>
<b><u>B. Cash Flow from Investing Activities</u></b>		
(Purchase) of investments	-	(5,107.80)
Purchase of fixed assets (including CWIP)	(445.88)	(1,083.40)
Sale Proceeds from fixed assets	-	-
Interest received	13.56	2.46
Margin money deposit	32.73	0.85
Dividend received	0.01	0.05
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>(399.60)</b>	<b>(6,187.83)</b>



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Period ended Mar. 31, 2015	Year ended Sept. 30, 2013
<b>C. Cash Flow from Financing Activities</b>		
Increase in Working Capital Loan	1,370.24	798.80
Increase in Term Loan	(353.84)	(2,009.84)
Interest paid	(3,477.31)	(2,348.48)
Dividend paid	-	(190.09)
Dividend distribution tax paid	-	(30.84)
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>(2,460.91)</b>	<b>(3,780.44)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(54.05)</b>	<b>(122.17)</b>
<b>Opening Cash and Cash Equivalents</b>		
Cash in hand	66.72	89.79
Bank balances	91.66	190.77
	<b>158.38</b>	<b>280.56</b>
<b>Closing Cash and Cash Equivalents</b>		
Cash in hand	21.49	66.72
Bank balances	82.84	91.66
	<b>104.33</b>	<b>158.38</b>

As per our report of even date  
for Venkatesh & Co.,  
Chartered Accountants  
Firm Registration No.04636S

CA Dasaraty V  
Partner  
Membership No.026336  
Place : Chennai  
Date : 23.05.2015

For and on behalf of the Board of Directors of  
**EMPEE DISTILLERIES LTD**

M.P.Purushothaman  
Chairman

K. Murali  
Company Secretary

Nisha Purushothaman  
Joint Managing Director

V. Srinivasan  
Chief Financial Officer



## Notes forming part of financial statements for the period ended March 31, 2015

### Note 1: SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Accounting:

The financial statements have been prepared under historical cost convention and following the accrual method of accounting in accordance with the applicable mandatory accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 2013. The accounting is on the basis of going concern concept. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 1.2 Current and Non Current Classification:

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 in the Revised Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current-non current classification of assets and liabilities.

#### 1.3 Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting year. Differences between the actual results and the estimates are recognized in the year in which the results are known/materialized.

#### 1.4 Revenue Recognition

Revenue is recognized only when it can be readily measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, sales tax, service tax and excise duty adjusted for discounts(net) and Value added tax. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion taking into account the amount outstanding and rate applicable.

#### 1.5 Fixed Assets and Depreciation/Amortization

Fixed assets are stated at cost less accumulated depreciation /amortization. Direct costs are capitalized until fixed assets are ready for use. These costs include freight, installation costs, duties and taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.

Depreciation on fixed assets is provided using the straight-line method at the rates specified in Schedule II to the Companies Act, 2013 as per the new provisions and the prior period depreciation effect due to change in depreciation method as per new companies act, 2103 amounting to Rs 1118.15 lacs is adjusted against ' Reserves and Surplus' account.

Depreciation is calculated on a pro-rata basis for assets purchased / sold during the year with reference to the month in which the fixed assets are put to use or commissioned.

Capital Work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Capital work-in progress is stated at cost.





### **1.6 Borrowing cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

### **1.7 Impairment of Fixed Assets**

As asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **1.8 Cash flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

### **1.9 Investments**

Current investments are carried at lower of cost and quoted/fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is only if such a decline is other than temporary.

### **1.10 Inventories**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares are determined on first-in-first-out basis while finished goods are determined on weighted average basis.

### **1.11 Foreign Currency Transaction**

a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction.

b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

c) Non monetary foreign currency items are carried at cost.

d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**1.12 Prior Period and Extra Ordinary Items**

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed, wherever applicable. There is no major deviation in the accounting policy during the current year.

**1.13 Provision for Current Tax and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

**1.14 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**1.15 Earnings per Share**

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard-20. Basic earnings per equity share have been computed dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings during the year adjusted for effects of all dilutive potential equity shares per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For Basic and diluted earnings before extra-ordinary items, the amount of extra-ordinary items and tax thereon are excluded for computation.

**1.16 Employee Benefits**

a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Post-employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

**1.17 Segment Reporting**

As per the Accounting Standard (AS-17) on “Segment Reporting”, segment information has been furnished under the note to Consolidated Financial Statements.



**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2015**

(Currency: Indian Rupees in Lakhs)

NOTE 2 : Notes to the Balance Sheet

**1 - SHARE CAPITAL****a. Details of authorized, issued and subscribed share capital**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
<b>Authorized Capital</b> 3,00,00,000 Equity Shares of Rs10/- each	3,000.00	3,000.00
<b>Issued ,Subscribed and fully paid Share Capital</b> 1,90,08,893 Equity Shares of Rs10/- each	1,900.89	1,900.89
	1,900.89	1,900.89

**b. Information on shareholders**

Name of Shareholder	Relationship	As at March 31, 2015		As at September 30, 2013	
		No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mr.M.P.Purushothaman	Promoter	2077954	10.93%	2057954	10.83%
Mrs.Aruna Purushothaman	Promoter	1800000	9.47%	1800000	9.47%
Mrs.Nisha Purushothaman	Promoter	1002000	5.27%	1002000	5.27%
Mr.Shaji Purushothaman	Promoter	610	-	610	-
Mr.Sheeku Purushothaman	Promoter	1002000	5.27%	1002000	5.27%
Mrs.Sheena Purushothaman	Promoter	1002044	5.27%	1002044	5.27%
M/s.Empee Holding Ltd	Promoter	4864375	25.59%	6351163	33.41%

**c. Reconciliation of number of shares**

Particulars	As at March 31, 2015		As at September 30, 2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	19008893	1900.89	19008893	1900.89
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	19008893	1900.89	19008893	1900.89

**d. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back**

Particulars	Year				
	March 31, 2010	March 31, 2011	March 31, 2012	Sept. 30, 2013	March 31, 2015
Fully paid up pursuant to contract's without payment being received in cash	---	---	---	---	---
Fully paid up by way of bonus shares	---	---	---	---	---
Shares bought back	---	---	---	---	---

**2 - RESERVES AND SURPLUS**

Particulars	As at March 31, 2015	As at Sept.30, 2013
<b>a. Securities Premium Account</b>		
Opening Balance	17,414.59	17,414.59
<b>Closing Balance</b>	<b>17,414.59</b>	<b>17,414.59</b>
<b>b. Revaluation Reserve</b>		
Opening Balance	1,632.50	1,652.28
(-) Written Back in Current Year	19.78	19.78
<b>Closing Balance</b>	<b>1,612.72</b>	<b>1,632.50</b>
<b>c. General Reserve</b>		
Opening Balance	1,297.16	1,297.16
<b>Closing Balance</b>	<b>1,297.16</b>	<b>1,297.16</b>
<b>d. Surplus in the statement of profit and loss</b>		
Opening balance	7,249.68	6,361.97
(+) Net Profit For the current year	(275.31)	1,108.64
	6,974.37	7,470.61
(-) Appropriations		
(+) Prior Period Income (Depreciation)	1,118.15	-
(-) Proposed Dividends on Equity shares (Re.1 per share)	-	190.09
(-) Tax on Proposed Dividends	-	30.84
<b>Closing Balance</b>	<b>8,092.51</b>	<b>7,249.68</b>
<b>GRAND TOTAL</b>	<b>28,416.98</b>	<b>27,593.93</b>

\*Depreciation on fixed assets is provided using the straight line method at the rates specified in Schedule II to the Companies Act, 2013.

As per the new provisions of the Companies Act 2013, prior period depreciation effect due to change in depreciation method amounting to Rs 1118.15 lacs is adjusted against 'Reserves and Surplus' account.

**3 - LONG-TERM BORROWINGS**

Particulars	As at March 31, 2015	As at Sept.30, 2013
<b>SECURED BORROWINGS</b>		
<b>From Banks</b>		
<b>(a) Term loans *</b>		
<b>Power Project in Aranthangi, Trichy (Refer Note 3.1 (i))</b>		
Andhra Bank	-	282.92
<b>60 klpd project in Chotkur, Andhrapradesh (Refer Note 3.1 (ii))</b>		
Andhra Bank	2,656.98	2,145.22
Union Bank of India	768.99	1,446.35
<b>Corporate Loan (Refer Note 3.1 (iii))</b>		
Andhra Bank	-	185.10
<b>UNSECURED</b>		
<b>(a) Others *</b>		
<b>SBI factors</b>	365.33	85.54
<b>TOTAL</b>	<b>3,791.29</b>	<b>4,145.13</b>

\*Principal amounts due within next one year has been reclassified under other current liabilities.

**3.1 Security & Other Terms**

(i) Paripassu first charge on fixed assets including plant and machineries of Aranthangi Division and by personal guarantee of three Directors. The term loans are repayable on quarterly installments.

(ii) Secured by way of first charge on pari-passu basis on the fixed assets including plant and machineries of grain based division at Sangareddy, Andhrapradesh. Second paripassu charge on current assets and by personal guarantee of three directors. The term loans are repayable in quarterly installments.

(iii) Secured by collateral security of Vacant land in Survey no.262/10A 265/9,266/2 of Mevalooruppam & Kattagaram village, Sriperumbudur taluk, Kanchipuram Dist.of 12.665 acres and by hypothecation of 55.47 acres of wind mill land situated at Periyakumarapalayalam Dharapuram Taluk and by personal guarantee of three directors. Corporate loan is repayable in monthly equal installments.

**4 - DEFERRED TAX LIABILITY (Net)**

The major components of deferred tax liability / asset as recognized in the financial statement is as follows:

(₹. in Lakhs)

Particulars	As at March 31, 2015	As at Sept. 30, 2013
<b>Deferred Tax Liability</b>		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	1,147.05	1,077.26
	1,147.05	1,077.26
<b>Deferred Tax Asset</b>		
Provision for gratuity	-	(3.28)
Leave Encashment	-	(2.36)
Depreciation	79.24	(64.15)
Bonus		
	79.24	(69.79)
Net	1,067.81	1,147.05
Deferred Tax Charge / (Credit) for the year	(79.24)	69.79

**5 - OTHER LONG-TERM LIABILITIES**

Particulars	As at March 31, 2015	As at Sept 30, 2013
Trade Payables	832.22	716.14
Other Payables	1,988.93	-
Payable to related parties	2,517.17	2,560.28
Total	5,338.32	3,276.42

**6 - LONG-TERM PROVISIONS**

Particulars	As at March 31, 2015	As at Sept.30, 2013
Provision for Employee Benefits:		
Gratuity payable	84.56	78.76
Unpaid dividends	6.79	18.13
Total	91.34	96.89

**7 - SHORT-TERM BORROWINGS**

Particulars	As at March 31, 2015	As at Sept.30, 2013
<b>SECURED</b>		
<b>(a) Loans repayable on demand</b>		
From Banks		
Cash Credit Loan	7,384.04	5,051.44
(Cash Credit facilities are secured by hypothecation of current assets located at Mevalurkuppam, Palakkad, Aranthangi and Chotkur and second charge on the fixed assets including plant and machineries of respective locations and also by personal guarantee of three of the directors.)		
<b>(d) Other loans and advances</b>	69.81	3.42
Secured by hypothecation of vehicles		
<b>UNSECURED</b>		
Factoring facility - NBFCs	927.47	1,956.22
GRAND TOTAL	8,381.32	7,011.08

**8 - TRADE PAYABLES**

(₹. in Lakhs)

Particulars	As at March 31, 2015	As at Sept.30, 2013
Trade Payables	6,951.93	3,883.32
	<b>6,951.93</b>	<b>3,883.32</b>

The vendors of the company are yet to submit their status under Micro, Small and Medium Enterprises; hence the relevant information is not available with the company. Therefore, no disclosure relating to Micro, Small and Medium Enterprises have been made in accounts.

**9 - OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2015	As at Sept.30, 2013
Current maturities of long-term debt	934.32	2,409.14
Income received in advance	90.20	1,306.65
Total	1,024.52	3,715.79

**10 - SHORT-TERM PROVISIONS**

Particulars	As at March 31, 2015	As at Sept.30, 2013
<b>Provision for employee benefits:</b>		
Salary & wages payable	57.17	77.80
Bonus payable	30.40	30.31
<b>Others:</b>		
Provision for taxation (net of advance tax) (F.Y 12-13 & 11-12)	1,060.36	872.91
Proposed dividend (Re.1 per share)	-	190.09
Tax on proposed dividend	25.84	30.84
PF payable	8.13	3.45
Sales tax payable	3,964.96	4,532.15
Service Tax payable	19.17	25.68
Tds payable	52.75	20.53
Provisions for expenses	692.47	184.68
Provision for audit fees	7.21	4.78
Total	5,918.46	5,973.21



## 11 - FIXED ASSETS

(₹. in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	As at Oct. 1, 2015	Additions (Deletions) during the Year	Deductions/ adjustments	As at Mar.31, 2015	As at Oct.1, 2013	Accumulated depreciation due to change in method	Depreciation charge for the year	Deductions/ adjustments	As at Mar.31, 2015	As at Mar.31, 2015	As at Sept.30, 2013
<b>Tangible Assets</b>											
Freehold Land	3,073.52	8.49	-	3,082.01	-			-	-	3,082.01	3,073.52
Factory Building	5,833.91	8.75	-	5,842.66	789.52	623.57	252.26		418.21	5,424.45	5,044.39
Plant & Machinery	13,905.70	581.44	-	14,487.14	3,813.62	482.40	755.89		4,087.11	10,400.03	10,092.08
Furniture & Fittings	36.56	0.72	-	37.28	22.77	(0.05)	2.42		25.24	12.04	13.79
Vehicles	544.50	216.72	-	761.22	383.10	(68.00)	24.47		475.57	285.65	161.40
Office Equipment	116.70	8.78	-	125.48	48.44	(9.11)	32.31		89.86	35.62	68.26
Computers	264.60	3.27	-	267.87	226.52	89.34	130.66		267.84	0.03	38.08
<b>Total</b>	<b>23,775.49</b>	<b>828.17</b>	<b>-</b>	<b>24,603.66</b>	<b>5,283.97</b>	<b>1,118.15</b>	<b>1,198.01</b>	<b>-</b>	<b>5,363.83</b>	<b>19,239.82</b>	<b>18,491.51</b>
<b>Previous Year</b>	<b>14,709.33</b>	<b>9,066.16</b>	<b>-</b>	<b>23,775.49</b>	<b>4,296.18</b>	<b>-</b>	<b>987.79</b>	<b>-</b>	<b>5,283.97</b>	<b>18,491.51</b>	<b>10,413.13</b>

\*Prior period Depreciation effect due to change in depreciation method as per new Companies Act , 2013 amounting to Rs.1118.15 lacs is adjusted against Reserves and Surplus account.

\*\*Depreciation for the year amounting to Rs.19.78 lacs is charged to fixed asset revaluation reserve

**Capital Work in Progress:**

Particulars	As on 31.03.2015	As on 30.09.2013
60KLPD Project, AP	0.00	72.25
Brewery Project, AP	0.00	255.35
Land Development expenses	0.00	54.69
<b>Total</b>	<b>-</b>	<b>382.29</b>





## 12 - NON-CURRENT INVESTMENTS

(₹. in Lakhs)

Particulars	Face Value	No. of Shares	As at March 31, 2015	As at Sept.30, 2013
<b>A. Trade Investments (Refer A below)</b>				
(a) Investment in Equity instruments				
Quoted : Empee Sugars & Chemicals Ltd	Rs.10	26622102	159.73	159.73
Quoted : Andhra Bank	Rs.10	1000	0.96	0.96
Unquoted: Empee Hotels Ltd	Rs.10	19512997	9,532.80	9,532.80
Unquoted: EDL Properties Ltd	Rs.10	750000	75.00	75.00
Unquoted: Appollo Distilleries Pvt Ltd	Rs.10	14089400	4,184.65	4,184.65
(b) Investments in preference shares				
Ceat Finance Ltd	Rs.10	25000	2.50	2.50
(c) Investments in Mutual Funds				
Union KBC Asset Management Pvt Ltd			5.00	5.00
			13,960.64	13,960.64
<b>B. Other Investments (Refer B below)</b>				
(a) Other non-current investments				
<b>Share Application money in Subsidiaries</b>				
Appollo Distilleries Pvt Ltd			0.01	0.01
Empee Sugars & Chemicals Ltd			14,036.50	14,036.50
			<b>14,036.51</b>	<b>14,036.50</b>
<b>TOTAL (A+B)</b>			<b>27,997.15</b>	<b>27,997.15</b>

Particulars	As at March 31, 2015	As at Sept.30, 2013
Aggregate amount of quoted investments		
- Cost	160.69	160.69
- Market Value	843.92	1,331.11
Aggregate amount of unquoted investments	<b>13,799.95</b>	<b>13,799.95</b>

12.1 The company has made share application money for allotment of 0% convertible preference shares of Rs.10 each at a premium of Rs.140 each from 7th July, 2008 to 30th September, 2012. The allotment could not be made as necessary approvals are yet to be received.

## 13 - LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015	As at Sept.30, 2013
<b>a. Capital Advances</b>	313.49	313.14
	<b>313.49</b>	<b>313.14</b>

## 14 - OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2015	As at Sept.30, 2013
<b>a) Trade receivables</b> Unsecured, considered good	328.01	328.01
<b>b. Others</b> Deposits - with government departments	364.76	190.02
<b>c. Other Deposits</b>	75.35	75.15
	<b>768.12</b>	<b>593.18</b>

## 15 - INVENTORIES

Particulars	As at March 31, 2015	As at Sept.30, 2013
a. Raw Materials	3,165.07	2,624.00
b. Work-in-progress	900.74	774.57
c. Finished goods	868.45	304.59
<b>TOTAL</b>	<b>4,934.26</b>	<b>3,703.15</b>

## 16 - TRADE RECEIVABLES

Particulars	As at March 31, 2015	As at Sept.30, 2013
<b>Trade receivables outstanding for a period less than six months</b> Unsecured, considered good	5,187.44	4,420.76
<b>Trade receivables outstanding for a period exceeding six months</b> Unsecured, considered good	147.86	118.52
<b>TOTAL</b>	<b>5,335.30</b>	<b>4,539.28</b>

## 17 - CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2015	As at Sept.30, 2013
<b>Cash and Cash Equivalent:</b>		
a. Balances with banks	82.84	91.66
b. Cash on hand	21.49	66.72
	104.33	158.38
<b>Other Bank Balance:</b>		
a. Margin Money deposit with Andhra Bank	32.73	0.00
b. Balances lying in unpaid dividend account	6.79	18.13
	39.52	18.13
<b>Total</b>	<b>143.85</b>	<b>176.51</b>

**18 - SHORT-TERM LOANS AND ADVANCES**

(₹. in Lakhs)

Particulars	As at March 31, 2015	As at Sept.30, 2013
a. Loans and advances to related parties	-	-
	-	-

**19 - OTHER CURRENT ASSETS**

Particulars	As at March 31, 2015	As at Sept.30, 2013
Prepaid Expenses	40.72	9.15
Deposits - Others	409.28	304.47
Other loans & advances	3700.89	2233.88
	4,150.88	2,547.49

**Accompanying notes to the financial statements**

(Currency: Indian Rupees in Lakhs)

NOTE 3: Notes to the Statement of Profit and Loss

**1 - REVENUE FROM OPERATIONS**

Particulars	Period ended March 31, 2015	Year ended Sept. 30, 2013
Sale of Products (Gross)	127,462.17	87,638.90
Less: Excise Duty	39,815.14	30,186.35
	87,647.03	57,452.55
Other operating Revenues	3,017.16	370.63
	90,664.19	57,823.19

**2 - OTHER INCOME**

Particulars	Period ended March 31, 2015	Year ended Sept. 30, 2013
Dividend Received	0.01	0.05
Scrap Sales	40.34	36.36
Miscellaneous Income	805.85	522.75
	846.21	559.16

**3 - COST OF MATERIAL CONSUMED****(₹. in Lakhs)**

Particulars	Period ended March 31, 2015	Year ended Sept. 30, 2013
Opening Stock of Raw Materials	2,624.00	1,816.77
Add: Purchases of Raw Materials	36,956.12	18,711.99
Less: Closing Stock of Raw Materials	3,165.07	2,624.00
	36,415.05	17,904.76

**4 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS**

Particulars	Period ended March 31, 2015	Year ended Sept. 30, 2013
Opening Inventory		
Finished Goods	304.59	280.46
Work-In-Progress	774.57	588.83
	1,079.16	869.29
Closing Inventory		
Finished Goods	868.45	304.59
Work-In-Progress	900.74	774.57
	1,769.20	1,079.16
	(690.03)	(209.86)

**5 - EMPLOYEE BENEFIT EXPENSES**

Particulars	Period ended March 31, 2015	Year ended Sept. 30, 2013
Salaries and incentives	2,677.65	1,478.73
Contributions to -		
Provident fund & ESI	121.90	51.31
Gratuity fund contributions	10.69	18.27
Staff welfare expenses	149.13	67.96
	2,959.36	1,616.28

**6 - FINANCE COST**

Particulars	Period ended March 31, 2015	Year ended Sept. 30, 2013
Bank Charges	33.23	11.52
Interest Expenses	3,477.31	2,348.48
	3,510.56	2,360.00



## 7 - OTHER EXPENSES

(₹. in Lakhs)

Particulars	Period ended March 31, 2015	Year ended Sept. 30, 2013
Manufacturing expenses	3,260.99	1,613.59
Excise Label	513.57	444.03
VAT	38,927.89	29,771.05
Label Registration /Approval fee	17.19	3.53
Rent	130.35	99.87
Rates & Taxes	886.56	406.14
Audit Fees	8.81	5.62
Postage & Telegram	8.27	10.45
Printing and Stationery	25.57	12.76
Repairs and Maintenance	77.52	35.59
Donations	7.09	13.13
Sitting Fee	8.42	5.10
Telephone Expenses	44.51	25.31
Managerial Remuneration*	100.80	107.87
Consulting Charges	68.88	42.75
Travelling Expenses	54.09	29.80
Travelling Expenses - Directors	14.27	6.55
Miscellaneous Expenses	666.03	287.43
Discounting Charges -Tasmac	673.41	411.19
Advertisement & Publicity	31.87	7.97
Travelling Expenses - Marketing	38.72	18.06
Freight & Handling Charges	571.47	355.82
Loading & Unloading charges	274.14	157.86
Sales Promotion expenses	2.54	0.96
Cash Discount	841.23	637.04
Other Selling expenses	1,116.15	660.02
	<b>48,370.35</b>	<b>35,169.49</b>

## 8 - EARNINGS PER EQUITY SHARE

Particulars	Period ended March 31, 2015	Year ended Sept. 30, 2013
<b>Basic Earnings per Share</b>		
Profit/(Loss) attributable to Equity shareholders	(275.31)	1,108.64
Weighted average number of equity shares	19,008,893	19,008,893
<b>Basic Earnings Per Share</b>	(1.45)	5.83
<b>Face value per Share</b>	10.00	10.00
Weighted average number of potential equity shares	19008893	19008893
<b>Diluted Earnings Per Share</b>	(1.45)	5.83
<b>Face value per Share</b>	10.00	10.00



#### 4. NOTES ON ACCOUNTS

The Company has closed the accounting year on 31.03.2015 for 18 months period from 01.10.2013 to 31.03.2015.

##### 4.1 Contingent Liabilities, Guarantees & Capital commitments

###### A. Contingent Liabilities

(₹. in Lakhs)

Particulars	31.03.2015	30.09.2013
a) Claims against the company not acknowledged as debts	—	—
b) Disputed Income tax demand	714.68	714.68

###### B. Capital Commitments

(₹. in Lakhs)

Particulars	31.03.2015	30.09.2013
Estimated amount of capital contracts remaining	-	654.96

##### 4.2 Employee Benefits

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

- a) **Defined Contribution Plans:** Contribution to defined contribution plan, recognized as expenses for the year is amount to Rs. 132.59 Lakhs (previous year Rs.69.58 Lakhs) pertaining to employers' contribution to provident fund, Employees State Insurance Funds, Gratuity fund.

- b) **Defined Benefit Plans:**

**Leave encashment:**

The company has dispensed off the leave encashment policy during the current period; hence no provision had been recognized in the books of accounts for the period.

**Gratuity:**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefit vests after five years of continuous service.

- (i) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹. in Lakhs)

Particulars	As at 31 March 2015	As at 30 Sept 2013
1 Present value of obligation at the beginning of the year	84.98	80.92
2 Interest cost	11.43	6.43
3 Current service cost	14.57	21.04
4 Benefits paid	(11.11)	(14.21)
5 Actuarial (gain) / loss on obligation	(15.32)	(9.20)
6 Present value of obligation at the end of year	84.56	84.98



(ii) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

(₹. in Lakhs)

Particulars	As at 31 March 2015	As at 30 Sept 2013
1 Fair value of plan assets at the beginning of the year	14.87	13.77
2 Expected return on plan assets	2.28	1.10
3 Contributions	11.11	14.21
4 Benefits paid	(11.11)	(14.21)
5 Actuarial gain / (loss) on plan assets	1.72	(0.28)
6 Fair value of plan assets at the end of year	18.87	14.60

(iii) Actuarial gain / loss recognized as follows:

(₹. in Lakhs)

Particulars	As at 31 March 2015	As at 30 Sept 2013
1 Actuarial gain / (loss) for the year – obligation	(15.32)	9.20
2 Actuarial gain / (loss) for the year – plan assets	1.73	(0.28)
3 Total gain / (loss) for the year	(17.04)	8.93
4 Actuarial gain / (loss) recognized in the year	(17.04)	8.93
5 Unrecognized actuarial gains (losses) at the end of year	-	-

(iv) The amounts recognized in Balance Sheet are as follows:

(₹. in Lakhs)

Particulars	As at 31 March 2015	As at 30 Sept 2013
1 Present value of obligation as at the end of the year	(84.56)	(84.98)
2 Fair value of plan assets as at the end of the year	(14.87)	(14.60)
3 Funded / (unfunded) status	(65.69)	(70.38)
4 Excess of actual over estimated	-	-
5 Net assets / (liability) recognized in balance sheet	(65.69)	(70.38)

(v) The amounts recognized in Profit and Loss Account are as follows:

(₹. in Lakhs)

Particulars	As at 31 March 2015	As at 30 Sept 2013
1 Current service cost	14.57	21.04
2 Past service cost		
3 Interest cost	11.43	6.43
4 Expected return on plan assets	(2.28)	-1.1
5 Net actuarial (gain)/loss recognized in the year	(17.04)	(8.93)
6 Expenses recognized in the statement of profit and losses	6.69	17.44





(vi) Principal actuarial assumptions at the balance sheet date are as follows:

#### A. Economic Assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2015	As at 30 September 2013
1. Discount rate	8.00%	8.71%
2. Salary growth rate	6%	6%

#### B. Demographic Assumption

1. Retirement Age	58 Years	
2. Mortality table	LIC (1994-96) duly modified	
3. Withdrawal Rates	Ages	Withdrawal Rate (%)
	Up to 30 Years	5%
	Up to 44 Years	5%
	Above 44 Years	5%

4.3 Sundry Creditors and Debtors balances are subject to confirmation by the parties concerned

4.4 Trade Deposits and advance from customer includes Rs.90.20 lakhs (Previous year Rs.1306.65 lakhs) received during 2013-15.

#### 4.5 Related party transactions

##### Related Parties

##### Subsidiary Company

Empee Sugars & Chemicals Limited  
EDL Properties Limited  
Appollo Distilleries Private Limited

##### Fellow Subsidiary Company

Empee Power Company (India) Limited  
Appollo Wind Energy Pvt. Ltd

##### Key Management Personnel

Mr.M.P.Purushothaman Chairman  
Ms.Nisha Purushothaman Jt.Mg. Director & Vice Chair Person  
Mr.Shaji Purushothaman Director

Relatives of Key Management Personnel

Ms.Sheena.Purushothaman


**Other related parties**

Empee Holdings Limited  
 Empee International Hotels & Resorts Limited  
 South (India) Hotels Pvt Ltd  
 Appollo Alchobev Limited  
 Aruna Exports Pvt Ltd  
 Empee Hotels Limited  
 Aruna Constructions (India) Limited  
 Empee Agro Farm Products Pvt Ltd  
 Empee Marine Products Limited  
 Appollo Beers Pvt Ltd  
 Empee Leasing & Finance Limited  
 Empee Communication Limited  
 Universal Spirits Ltd  
 Empee Construction Company Ltd  
 Empee Power & Infrastructure Pvt Ltd  
 Empee Packaging Industries  
 Aruna Constructions  
 Empee Hospitality Pvt. Ltd

**Transactions with Related parties**

(₹. in Lakhs)

Particulars	Subsidiary Companies	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	For the period ended 31.03.15
Remuneration	Nil (-)	100.80 (107.87)	Nil (-)	Nil (-)	100.80 (107.87)
Receiving of Services	Nil (-)	Nil (-)	Nil (-)	465.44 (198.26)	465.44 (198.26)
Interest Paid	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil
Interest Received	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil
Sale of assets	Nil (-)	Nil (-)	Nil (-)	Nil Nil	Nil Nil
Purchase of investments	Nil (-)	Nil (-)	Nil (-)	Nil (5107.80)	Nil (5107.80)
Purchase of goods	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil
Rent paid	Nil (-)	Nil Nil	39.60 (12.00)	79.38 (52.92)	118.98 (64.92)
Balance Outstanding	Nil	Nil	Nil	2517.17	2517.17



4.6 .Quantum of Excise Duty included in closing stock of finished goods is ₹.270.83 Lakhs.

4.7 Payment to auditors

(₹. in Lakhs)

Particulars	Period ended 31 March 2015	Year ended 30 September 2015
Statutory audit fee	7.13	4.00
Limited Review Fees	1.68	1.00

4.8 Figures for the previous year have been regrouped / reclassified wherever necessary.

for Venkatesh & Co.,  
Chartered Accountants  
Firm Registration No.04636S

CA Dasaraty V  
Partner  
Membership No.026336  
Place : Chennai  
Date : 23.05.2015

For and on behalf of the Board of Directors of  
**EMPEE DISTILLERIES LTD**

M.P.Purushothaman  
Chairman

K. Murali  
Company Secretary

Nisha Purushothaman  
Joint Managing Director

V. Srinivasan  
Chief Financial Officer



## Independent Auditors' Report

To  
The Members of Empee Distilleries Limited

### Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Empee Distilleries Limited ("the Company") and its subsidiaries (collectively referred to as "the group") its associates, which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated statement of Profit and Loss for the period from 01.10.2013 to 31.03.2015 along with the Consolidated Cash Flow statement annexed thereto, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated financial statements")

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates 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. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the companies Act 2013. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

### Basis for Qualified Opinion

*In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, 2015, and its profit and its cash flow for the period from 01.10.2013 to 31.03.2015 except:-*

- a. *The Holding Company has made an investment of Rs. 1.59 Crores and given share application money of Rs. 140.36 Crores to its subsidiary M/s. Empee Sugars and Chemicals Limited towards promoters share. The subsidiary company Empee Sugars and Chemicals Limited is incurring losses and has been registered under BIFR as a sick company. This may result in diminution in the value of investments for which no provision is considered. Refer Note No. 2 (12.1) to the Balance Sheet.*
- b. *The Board of Directors of Holding Company at their meeting held on 25.10.2014 has withdrawn the Composite scheme of Arrangement among the company and M/s. Empee Sugars and Chemicals Limited and M/s. Apollo Wind Energy Private Limited and their respective shareholders with effect from April 01, 2011. As per the provisions of Hon'ble High court of Madras no application is required to be filed to*



*withdrawn the company petition. However the company has filed an application before Hon'ble High Court of Andhra Pradesh, which is pending for orders to withdraw the said amalgamation. Hence, no effect is given for scheme of amalgamation in the accounts.*

**Other Matters:**

Consolidation of Financial statements consists of M/s.Empee Distilleries Limited, M/s.Apollo Distilleries Limited, M/s. EDL Properties Limited& M/s. Empee Hotels Limited. Financial statements of M/s.Empee Sugars & Chemicals Limited and its subsidiaries have not been considered for the purpose of consolidation of accounts for the 18 months period ended as at 31<sup>st</sup> March 2015 on account of which the consolidated net worth is higher by Rs.41,183.64/- lakhs.

We did not audit the financial statements of subsidiaries M/s.EDL Properties Limited whose financial statements reflect total assets(net) of Rs.7.58 Crore as at 31<sup>st</sup> March,2015, total revenue (net) of Rs.Nil and net cash flow amounting to Rs.Nil for the year ended on that date. The Financial statements and other financial information have been audited by other Auditor for the year ended 31<sup>st</sup> March 2015 and whose report have been furnished to us, and our opinion is based solely on the reports of the other Auditor. Significant adjustments which were made by the management after the close of the balance sheet were not audited and we relied on the management certified information.

**Report on Other Legal and Regulatory Requirements:-**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies, none of the directors of the Group companies, its associate companies is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. There were no pending litigations which would impact the consolidated financial position of the Group, its associates except with regard to the subsidiary company M/s. Empee sugars and chemicals limited which has made an application to the BIFR on becoming a sick company.
- ii. The Group, its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. A sum of Rs.29,400/- required to be transferred to the Investor Education and Protection Fund by the Holding Company, has been transferred during the year.

**For Venkatesh & Co.,  
Chartered Accountants  
F.R.No.004636S**

**Place:- Chennai  
Date:- 23/05/2015**

**CA Dasaraty V  
M.No.026336  
Partner**



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	As at March 31, 2015	As at Sept. 30, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2 (1)	1,900.89	1,900.89
(b) Reserves and surplus	2 (2)	38,547.79	19,260.42
		<b>40,448.68</b>	<b>21,161.31</b>
<b>(2) Share application money pending allotment</b>		<b>5.00</b>	<b>231.51</b>
<b>Minority Interest</b>		<b>404.17</b>	<b>343.30</b>
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	2 (3)	39,624.66	58,118.36
(b) Deferred tax liabilities (Net)	2 (4)	-	-
(b) Other long term liabilities	2 (4)	4,275.82	2,108.14
(c) Long-term provisions	2 (5)	120.84	221.60
		<b>44,021.32</b>	<b>60,448.09</b>
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	2 (6)	9,946.56	23,387.41
(b) Trade payables	2 (7)	9,091.28	17,256.62
(c) Other current liabilities	2 (8)	6,666.40	5,874.98
(d) Short-term provisions	2 (9)	6,021.06	5,898.51
		<b>31,725.30</b>	<b>52,417.52</b>
<b>TOTAL</b>		<b>116,604.47</b>	<b>134,601.73</b>



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	As at March 31, 2015	As at Sept. 30, 2013
<b>I. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	2 (10)		
(i) Tangible assets		50,368.12	72,953.04
(ii) Intangible assets		22,710.17	-
(iii) Capital work-in-progress		694.59	2,176.12
		<b>73,772.89</b>	<b>75,129.16</b>
(a) Non-current investments	2 (11)	14,278.23	9,541.27
(b) Deferred tax assets (Net)		6,312.07	3,276.49
(b) Long-term loans and advances	2 (12)	509.17	903.14
(c) Other non-current assets	2 (13)	768.12	593.18
		<b>95,640.48</b>	<b>89,443.23</b>
<b>(2) Current Assets</b>			
(a) Inventories	2 (14)	6,542.47	15,316.40
(b) Trade receivables	2 (15)	6,220.45	22,866.80
(c) Cash and cash equivalents	2 (16)	990.33	1,310.20
(d) Short-term loans and advances	2 (17)	1,971.64	1,667.94
(e) Other Current assets	2 (18)	5,239.09	3,997.16
		<b>20,963.98</b>	<b>45,158.50</b>
<b>TOTAL</b>		<b>116,604.47</b>	<b>134,601.74</b>
Significant Accounting Policies	1		
Notes to the Balance Sheet	2		
Other Notes	4		

As per our report of even date  
for Venkatesh & Co.,  
Chartered Accountants  
Firm Registration No.04636S

CA Dasaraty V  
Partner  
Membership No.026336  
Place : Chennai  
Date : 23.05.2015

For and on behalf of the Board of Directors of

**EMPEE DISTILLERIES LTD**

M.P.Purushothaman  
Chairman

K. Murali  
Company Secretary

Nisha Purushothaman  
Joint Managing Director

V. Srinivasan  
Chief Financial Officer





**CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED MARCH 31, 2015**

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	Period ended March 31, 2013 (18 Months)	Year ended Sept 30, 2013 (12 Months)
I. Revenue from operations	3 (1)	125,644.59	108,330.30
II. Other income	3 (2)	1,287.32	657.34
<b>III. Total Revenue (I + II)</b>		<b>126,931.92</b>	<b>108,987.64</b>
IV. Expenses:			
Cost of materials consumed	3 (3)	46,939.60	45,501.84
Changes in inventories of finished goods, work-in-progress	3 (4)	(720.50)	3,378.85
Employee benefits expense	3 (5)	5,209.30	2,950.51
Finance costs	3 (6)	11,146.63	10,066.78
Depreciation and amortization expense	2 (10)	6,259.71	4,081.96
Other expenses	3 (7)	65,350.98	44,899.27
<b>Total Expenses</b>		<b>134,185.74</b>	<b>110,879.20</b>
V. Profit before exceptional and extraordinary items and tax	(III-IV)	<b>(7,253.82)</b>	<b>(1,891.56)</b>
VI Extraordinary items			
VII Profit before tax (VII - VIII)	3 (8)	<b>(7,253.82)</b>	<b>(1,891.56)</b>
VIII Tax Expenses:			
(1) Current Tax		-	490.82
(2) Earlier tax provision		121.43	(724.57)
(2) Deferred Tax	2 (4)	(2,763.78)	(538.60)
IX Profit/(Loss) for the year (XI + XIV)		<b>(4,611.48)</b>	<b>(1,119.21)</b>
Minority Interest		-	<b>29.07</b>
Net Profit / (Loss) for the year		<b>(4,611.48)</b>	<b>(1,148.28)</b>
XIV Earnings per equity share of face value of Rs. 10 Each			
Basic and Diluted		(24.26)	(6.04)
Significant Accounting Policies	1		
Notes to the Statement of Profit and Loss	3		
Other Notes	4		

As per our report of even date  
for Venkatesh & Co.,  
Chartered Accountants  
Firm Registration No.04636S

CA Dasaraty V  
Partner  
Membership No.026336  
Place : Chennai  
Date : 23.05.2015

For and on behalf of the Board of Directors of  
**EMPEE DISTILLERIES LTD**

M.P.Purushothaman  
Chairman

K. Murali  
Company Secretary

Nisha Purushothaman  
Joint Managing Director

V. Srinivasan  
Chief Financial Officer



**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2015**

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Period ended March 31, 2015 (18 Months)	Year ended Sept 30, 2013 (12 Months)
<b><u>A. Cash Flow from Operating Activities</u></b>		
Net Profit before taxation	(7,253.82)	(1,891.56)
<u>Adjustments for:</u>		
Depreciation on fixed assets	6,259.71	4,081.96
Interest expense	11,146.63	10,066.79
Prior Period Items	-	33.07
Dividend Income	(0.01)	(0.05)
Interest income	(76.47)	(2.46)
<b>Operating Profit before Working Capital changes</b>	<b>10,076.04</b>	<b>12,287.75</b>
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	8,773.93	(12.62)
(Increase) / Decrease in trade receivables	16,646.35	(1,249.74)
(Increase) / Decrease in loans and advances	(4,362.19)	5,030.07
Increase/(Decrease) in liabilities	(5,306.99)	1,373.59
Increase/(Decrease) in provisions	122.56	114.92
<b>CASH GENERATED FROM OPERATIONS</b>	<b>25,949.69</b>	<b>17,543.96</b>
Income tax Paid	-	(490.82)
Income tax Reversal	(121.43)	724.57
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>25,828.26</b>	<b>17,777.71</b>
<b><u>B. Cash Flow from Investing Activities</u></b>		
(Purchase) of investments	(4,736.96)	(5,107.81)
Purchase of fixed assets (including CWIP)	7,783.55	(2,390.76)
Share Application pending Allotment	14,036.50	-
Interest received	76.47	2.46
Margin money deposit	1,011.63	(567.18)
Dividend received	0.01	0.05
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>18,171.19</b>	<b>(8,063.23)</b>



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Period ended March 31, 2015 (18 Months)	Year ended Sept 30, 2013 (12 Months)
<b><u>C. Cash Flow from Financing Activities</u></b>		
Increase in Working Capital Loan	(13,440.85)	740.92
Increase in Term Loan	(18,493.70)	(291.11)
Share Application money received	(226.51)	146.50
Interest paid	(11,146.63)	(10,066.79)
Dividend paid	-	(190.09)
Dividend distribution tax paid	-	(188.71)
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>(43,307.68)</b>	<b>(9,849.27)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>691.76</b>	<b>(134.80)</b>
<b>Opening Cash and Cash Equivalents</b>		
Cash in hand	75.83	99.92
Bank balances	183.22	293.93
	<b>259.05</b>	<b>393.85</b>
<b>Closing Cash and Cash Equivalents</b>		
Cash in hand	64.27	75.83
Bank balances	886.54	183.22
	<b>950.81</b>	<b>259.05</b>

As per our report of even date  
for Venkatesh & Co.,  
Chartered Accountants  
Firm Registration No.04636S

CA Dasaraty V  
Partner  
Membership No.026336  
Place : Chennai  
Date : 23.05.2015

For and on behalf of the Board of Directors of  
**EMPEE DISTILLERIES LTD**

M.P.Purushothaman  
Chairman

K. Murali  
Company Secretary

Nisha Purushothaman  
Joint Managing Director

V. Srinivasan  
Chief Financial Officer



## Notes forming part of financial statements for the period ended March 31, 2015

### Note 1: SIGNIFICANT ACCOUNTING POLICIES

#### A. Principles of consolidation

The consolidated statements relate to Empee Distilleries Limited (“the company”) and its subsidiary companies viz EDL Properties Limited, Apollo Distilleries Private Limited and Empee Hotels Limited .The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses as per the respective financial statements duly certified by the management of the respective companies, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - “ Consolidated Financial Statements”
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiary companies is recognized as Goodwill or Capital Reserve as the case may be.
- c) Minority Interest’s share of net profit of consolidated subsidiary companies for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.
- d) Minority Interest’s share of net assets of consolidated subsidiary companies is identified and presented in the consolidated balance sheet separate from liabilities and equities of the company’s shareholders.
- e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s separate financial statements.

**B.** Investments other than in subsidiary companies have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investments”.

#### C. Other significant accounting policies

These are set out under “Significant Accounting Policies” as given in the company’s separate financial statements.

#### The subsidiary companies considered in the consolidated financial statements are:

Name of the company	Proportion of ownership Interest
Empee Hotels Limited	39.05% (Direct)
EDL Properties Limited	75.00% (Direct)
Apollo Distilleries Private Limited	91.51% (Direct)



**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2013**

NOTE 2 : Notes to the Balance Sheet

**1 - SHARE CAPITAL****a. Details of authorized, issued and subscribed share capital**

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
<b>Authorized Capital</b> 3,00,00,000 Equity Shares of Rs10/- each	3,000.00	3,000.00
<b>Issued ,Subscribed and fully paid Share Capital</b> 1,90,08,893 Equity Shares of Rs10/- each	1,900.89	1,900.89
	<b>1,900.89</b>	<b>1,900.89</b>

**2 - SHARE APPLICATION MONEY PENDING ALLOTMENT**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
0% Convertible Preference Share Application Money	5.00	231.51
	<b>5.00</b>	<b>231.51</b>

**b. Information on shareholders**

Name of Shareholder	Relationship	As at March 31, 2015		As at September 30, 2013	
		No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mr.M.P.Purushothaman	Promoter	2077954	10.93%	2057954	10.83%
Mrs.Aruna Purushothaman	Promoter	1800000	9.47%	1800000	9.47%
Mrs.Nisha Purushothaman	Promoter	1002000	5.27%	1002000	5.27%
Mr.Shaji Purushothaman	Promoter	610	-	610	-
Mr.Sheeju Purushothaman	Promoter	1002000	5.27%	1002000	5.27%
Mrs.Sheena Purushothaman	Promoter	1002044	5.27%	1002044	5.27%
M/s.Empee Holding Ltd	Promoter	4864375	25.59%	6351163	33.41%

**c. Reconciliation of number of shares**

Particulars	As at March 31, 2015		As at September 30, 2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	19008893	1900.89	19008893	1900.89
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	19008893	1900.89	19008893	1900.89

**d. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back**

Particulars	Year				
	March 31, 2010	March 31, 2011	March 31, 2012	Sept. 30, 2013	March 31, 2015
Fully paid up pursuant to contract's without payment being received in cash	---	---	---	---	---
Fully paid up by way of bonus shares	---	---	---	---	---
Shares bought back	---	---	---	---	---

**2 - RESERVES AND SURPLUS**

Particulars	As at Mar 31, 2015	As at Sept 30, 2013
<b>a. Securities Premium Account</b>		
Opening Balance	27,424.17	17,414.59
Add : Securities premium credited on Share issue	-	0
Less : Premium Utilized for various reasons		
Premium on Redemption of Debentures	-	0
For Issuing Bonus Shares	-	0
Closing Balance	27,424.17	17,414.59
<b>b. Revaluation Reserve</b>		
Opening Balance	1,632.50	1,652.28
(+) Current Year Transfer	-	0
(-) Written Back in Current Year	19.78	19.78
Closing Balance	1,612.72	1,632.50
<b>c. General Reserve</b>		
Opening Balance	1,297.16	1,297.16
(+) Current Year Transfer from Profit & loss Account	-	0
Closing Balance	1,297.16	1,297.16
<b>d. Capital Reserve</b>		
Opening Balance	-	296.35
(-/+ ) Adjustments		
Closing Balance	-	296.35
<b>e. Discount on issue of Shares</b>		
Balance at the beginning of the year	-	-
(-) Written off in Current Year	-	-
Balance at the end of the year	-	-
<b>f. Surplus in the statement of profit and loss</b>		
Opening balance	(4,732.45)	(44.03)
(+) Net Profit / (Loss) For the current year	13,571.43	(1,148.29)
	8,838.98	(1,192.32)
(-) Appropriations	-	-
(-) Prior Period Expenses (Depreciation)	(625.24)	(33.07)
(-) Proposed Dividends	-	190.09
(-) Tax on Proposed Dividends	-	30.84
Closing Balance	8,213.74	(1,380.18)
<b>GRAND TOTAL</b>	<b>38,547.79</b>	<b>19,260.42</b>

\*Depreciation on fixed assets is provided using the straight line method at the rates specified in Schedule II to the Companies Act, 2013.

As per the new provisions of the Companies Act 2013, prior period depreciation effect due to change in depreciation method amounting to Rs 625.24 lacs is adjusted against ' Reserves and Surplus' account.



## 3 - LONG-TERM BORROWINGS

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
<b>SECURED BORROWINGS</b>		
<b>From Banks</b>		
<b>(a) Term loans *</b>	24,880.83	
<b>Power Project in Aranthangi, Trichy (Refer Note 3.1 (i) )</b>		
Andhra Bank	-	282.92
<b>60 klpd project in Chotkur, Andhrapradesh (Refer Note 3.1 (ii) )</b>		
Andhra Bank	2,656.98	2,145.22
Union Bank of India	768.99	1,446.35
<b>Empee Sugars &amp; Chemicals Limited</b>		
<b>Ambasamudram (Refer Note 3.1 (iii) )</b>		
Andhra Bank	-	6,054.01
Bank of India	-	6,747.27
Indian Overseas Bank	-	3,253.10
Punjab National Bank	-	5,326.52
Indian Bank	-	2,562.92
Oriental Bank of Commerce	-	5,029.53
Union Bank of India	-	2,424.37
<b>Naidupet (Refer Note 3.1 (iv) )</b>		
Indian Bank	-	332.17
Union Bank of India	-	192.16
Bank of Maharashtra	-	117.78
Federal Bank	-	77.50
<b>Funded Interest on Term Loan - Ambasamudram (Refer Note 3.1 (v) )</b>		
Andhra Bank	-	1,092.77
Bank of India	-	1,353.26
Indian Overseas Bank	-	559.26
Punjab National Bank	-	978.02
Indian Bank	-	423.12
Oriental Bank of Commerce	-	1,005.81
Union Bank of India	-	557.36
<b>Empee Sugars &amp; Chemicals Limited - Power Division</b>		
Indian Overseas Bank	-	799.49
<b>Corporate Loan (Refer Note 3.1 (vi) )</b>		
Andhra Bank	-	185.10
<b>Appollo Distilleries Pvt Limited (Refer Note 3.1 (vii) )</b>		
Punjab National Bank	-	5,922.42
<b>From Others</b>	5,593.95	
Sugar Development Fund Loan ( Refer Note 5.1 (iii) )	-	4,715.02
Power Finance Corporation	-	2,798.09
<b>UNSECURED</b>		
<b>(b) Others *</b>		
From NBFC	-	539.12
Others	5,723.91	1,197.70
<b>TOTAL</b>	<b>39,624.66</b>	<b>58,118.36</b>

\*Principal amounts due with in next one year has been reclassified under other current liabilities





### 3.1 Security & Other Terms

- (i) Paripassu first charge on fixed assets including plant and machineries of Aranthangi Division and by personal guarantee of three Directors. The term loans are repayable on quarterly installments .
- (ii) Secured by way of first charge on pari-pass basis on the fixed assets including plant and machineries of grain based division at Sangareddy, Andhrapradesh. Second paripassu charge on current assets and by personal guarantee of three directors. The term loans are repayable in quarterly installments.
- (iii) Pari passu first charges on fixed assets of the Ambasamudram unit of the company with other members of the consortium. Second paripassu charge on the current assets of the Ambasamudram unit and Naidupet unit of the company with other members of the consortium. Second paripassu charge on the fixed assets for naidupet unit of the company with other members of the consortium and also personal guarantee of the three directors and pledge of 51% of the promoters shareholding in the company. The repayment of all the term loan are as per the package mentioned in CDR Scheme.
- (iv) Pari passu first charge on the fixed assets of the Naidupet unit of the company with other members of the consortium financed for this project. Second paripassu charge on the current assets of the naidupet unit of the company with other members and personal guarantee of three directors. The term loans are repayable in quarterly installments.
- (v) Paripassu first charge by way of a hypothecation of all moveable assets (except book debts) including moveable machinery, machinery spares, tools and accessories both present and future pertaining to bagasse based cogeneration power plant at idaikkal village, Ambasamudram Taluk, Tirunelveli Dist, Tamilnadu. The term loan is repayable in quaterly installments.
- (vi) Secured by collateral security of Vacant land in Survey no.262/10A 265/9,266/2 of Mevalooruppam & Kattagaram village, Sriperumbudur taluk, Kanchipuram Dist.of 12.665 acres and by hypothecation of 55.47 acres of wind mill land situated at Periyakumarapalayalam Dharapuram Taluk and by personal guarantee of three directors. Corporate loan is repayable in monthly equal installments.
- (vii) Secured by way of first charge on entire immovable and monvable project assets including mortgage/charge om land & building, Plant & Machineries of Brewery unit at Gummidipoony.

### 4 - DEFERRED TAX LIABILITY (Net)

The major components of deferred tax liability / asset as recognized in the financial statement is as follows:

Particulars	As at Mar.31, 2015	As at Sept.30, 2013
<b>Deferred Tax Liability</b>		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	1,147.05	1,093.75
<b>Deferred Tax Asset</b>		
Provision for gratuity	-	3.63
Leave Encashment	-	2.82
Depreciation	7,459.12	4,353.75
Bonus		10.04
	7,459.12	4,370.24
Net	(6,312.07)	(3,276.49)

Deferred Tax Charge / (Credit) for the year

### 4 - OTHER LONG-TERM LIABILITIES

Particulars	As at Mar.31, 2015	As at Sept.30, 2013
Trade Payables	870.39	716.14
Payable to related parties	1,080.07	1,392.00
Other Long term liabilities	2,325.36	-
Total	4,275.82	2,108.14

**5 - LONG-TERM PROVISIONS**

Particulars	As at Mar.31, 2015	As at Sept.30, 2013
Provision for Employee Benefits:		
Gratuity payable	114.06	163.22
Compensated Absences	-	40.25
Unpaid dividends	6.79	18.13
Total	120.84	221.61

**6 - SHORT-TERM BORROWINGS**

Particulars	As at Mar.31, 2015	As at Sept.30, 2013
<b>SECURED</b>		
<b>(a) Loans repayable on demand</b>		
From Banks	69.76	-
Cash Credit Loan	8,879.53	20,624.95
Letter of Credit	-	502.82
Bill discounting from banks	-	300.00
Factoring facility - NBFCs	927.47	1,956.22
(Cash Credit facilities are secured by hypothecation of current assets located at Mevalurkuppam, Palakkad, Aranthangi, Chotkur and Gummidipoondi and second charge on the fixed assets including plant and machineries of respective locations and also by personal guarantee of three of the directors.)		
(Cash credit from banks availed at Naidupet and Ambasamudram Plant are secured by floating Charge on assets under hypothecation and other current assets at respective locations)		
<b>(b) Other loans and advances</b>		
Secured by hypothecation of vehicles	69.81	3.42
GRAND TOTAL	9,946.56	23,387.41

**7 - TRADE PAYABLES**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
Trade Payables	9,091.28	17,256.62
	<b>9,091.28</b>	<b>17,256.62</b>

The vendors of the Company are yet to submit their status under Micro, Small and Medium Enterprises; hence the relevant information is not available with the company. Accordingly no disclosures relating to Micro, Small and Medium Enterprises have been made in the Accounts.

**8 - OTHER CURRENT LIABILITIES**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
Current maturities of long-term debt	934.32	2,656.21
Statutory dues	-	25.65
Liabilities for Expenses	532.33	970.17
Purchase Tax Payable	-	399.17
Other Liabilities	4,599.55	508.61
Unpaid dividends	-	8.52
Income received in advance	600.20	1,306.65
Share Application Money pending for allotment	-	-
<b>Total</b>	<b>6,666.40</b>	<b>5,874.98</b>

**9 - SHORT-TERM PROVISIONS**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
<b>Provision for employee benefits:</b>		
Salary & wages payable	159.77	183.32
Gratuity Payable	-	6.23
Bonus payable	30.40	30.31
		-
<b>Others:</b>		
Provision for taxation (net of advance tax)	1,060.36	686.44
Proposed dividend (Re.1 per share)	-	190.09
Tax on proposed dividend	25.84	30.84
PF payable	8.13	3.45
Sales tax payable	3,964.96	4,532.15
Service Tax payable	19.17	25.68
Tds/TCS payable	52.75	20.53
Provisions for expenses	692.47	184.69
Provision for audit fees	7.21	4.78
<b>Total</b>	<b>6,021.06</b>	<b>5,898.51</b>



## 11 - FIXED ASSETS

(₹. in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	As at Oct. 1, 2015	Additions (Deletions) during the Year	Deductions/ adjustments	As at Mar.31, 2015	As at Oct.1, 2013	Accumulated depreciation due to change in method	Depreciation charge for the year	Deductions/ adjustments	As at Mar.31, 2015	As at Mar.31, 2015	As at Sept.30, 2013
<b>Tangible Assets</b>											
Freehold Land	7,388.69	8.49	-	7,397.18				-	-	7,397.18	7,388.69
Factory Building	27,355.87	17.05	-	27,372.92	6,025.88	851.52	2,472.47		7,646.83	19,726.09	21,329.99
Plant & Machinery	33,393.41	605.57	-	33,998.98	8,512.61	(512.37)	3,021.89		12,046.87	21,952.11	24,880.80
Furniture & Fittings	3,266.33	0.72	-	3,267.05	1,508.70	(722.46)	515.95		2,747.11	519.94	1,757.63
Vehicles	877.03	376.43	-	1,253.46	479.71	(73.15)	35.47		588.33	665.13	397.32
Office Equipment	620.17	17.36	-	637.53	234.62	(245.60)	95.94		576.16	61.37	385.55
Computers	409.74	3.52	-	413.26	306.01	76.82	137.77		366.96	46.30	103.73
<b>Total</b>	<b>73,311.24</b>	<b>1,029.14</b>	<b>-</b>	<b>74,340.38</b>	<b>17,067.53</b>	<b>(625.24)</b>	<b>6,279.49</b>	<b>-</b>	<b>23,972.26</b>	<b>50,368.12</b>	<b>56,243.71</b>
<b>Previous Year</b>	<b>81,381.10</b>	<b>9,073.48</b>	<b>6.04</b>	<b>90,448.54</b>	<b>13,395.16</b>			<b>1.39</b>	<b>17,495.52</b>	<b>72,953.02</b>	<b>67,985.94</b>

\*Prior period Depreciation effect due to change in depreciation method as per new Companies Act , 2013 amounting to Rs.625.24 lacs is adjusted against Reserves and Surplus account.

\*\*Depreciation for the year amounting to Rs.19.78 lacs is charged to fixed asset revaluation reserve

**Capital Work in Progress:**

Particulars	As on 31.03.2015	As on 30.09.2013
60KLPD Project, andhra	0.00	72.25
Breweri Project, andhra	0.00	255.35
Land Development expenses	0.00	54.69
EDP Properties- Pre-Operative Expenses	694.59	640.25
Empee Sugars- Ambai	0.00	1,153.60
<b>Total</b>	<b>694.59</b>	<b>2,176.14</b>



## 11 - NON-CURRENT INVESTMENTS

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
<b>A. Trade Investments (Refer A below)</b>		
(a) Investment in Equity instruments		
Quoted : Empee Sugars & Chemicals Ltd (26622102 equity shares of Rs.10/- each)	159.73	0.00
Quoted : Andhra Bank (1000 equity shares)	0.96	0.96
Unquoted: Empee Hotels Ltd (1,95,12,997 shares)	(0.00)	9,532.80
Unquoted: EDL Properties Ltd (7,50,000 shares of Rs.10/-each)	-	-
Unquoted: Appollo Distilleries Pvt Ltd (1,40,89,400 shares of Rs.10/-each)	-	-
(b) Investments in preference shares	2.50	2.50
Union KBC Asset Management Pvt Ltd	5.00	5.00
	168.19	9,541.26
<b>B. Other Investments (Refer B below)</b>		
(a) Other non-current investments	73.54	-
<b>Share Application money in Subsidiaries</b>		
Appollo Distilleries Pvt Ltd	(0.00)	-
<b>Share Application money in other companies</b>		
Empee Power & Infrastructure Pvt Ltd	-	-
Empee Hotels Ltd	-	-
Appollo Alchobev Ltd	-	-
Empee Power Company Ltd	-	-
Empee Marine Products Ltd	-	-
Empee Sugars & Chemicals Ltd	14,036.50	-
	<b>14110.04</b>	-
TOTAL (A+B)	14,278.23	9,541.27
Less : Provision for dimunition in the value of Investments		
	14,278.23	9,541.27

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
Aggregate amount of quoted investments		
- Cost	8.46	8.46
- Market Value	8.02	8.03
Aggregate amount of unquoted investments	0.00	9,532.80

## 12 - LONG-TERM LOANS AND ADVANCES

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
Capital Advances	313.49	313.14
Rent Advance	0.00	96.49
Electricity and other deposits	0.00	119.38
Advance Tax Net Off Provision	0.00	0.00
Other Deposits	195.68	374.13
Loans and Advances to related parties	0.00	0.00
	<b>509.17</b>	<b>903.14</b>

**13 - OTHER NON-CURRENT ASSETS**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
<b>a) Trade receivables</b> Unsecured, considered good	328.01	328.01
<b>b. Others</b> Deposits - with government departments	364.76	190.02
<b>c. Other Deposits</b>	75.35	75.15
	<b>768.12</b>	<b>593.18</b>

**14 - INVENTORIES**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
a. Raw Materials	3,457.86	10,146.64
b. Work-in-progress	1,094.08	1,033.13
c. Finished goods	892.78	3,034.58
d. Raw Materials	1,097.76	1,102.06
<b>TOTAL</b>	<b>6,542.47</b>	<b>15,316.40</b>

**15 - TRADE RECEIVABLES**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
<b>Trade receivables outstanding for a period less than six months</b> Unsecured, considered good	6,072.59	20,636.52
	<b>6,072.59</b>	<b>20,636.52</b>
<b>Trade receivables outstanding for a period exceeding six months</b> Unsecured, considered good	147.86	2,244.87
Less: Provision for doubtful debts	-	14.59
	147.86	2,230.28
<b>TOTAL</b>	<b>6,220.45</b>	<b>22,866.80</b>

**16 - CASH AND CASH EQUIVALENT**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
<b>Cash and Cash Equivalent:</b>		
a. Balances with banks	886.54	183.22
b. Cash on hand	64.27	75.83
	950.81	259.05
<b>Other Bank Balance:</b>		
a. Margin Money deposit with Andhra Bank	32.73	1,033.02
b. Balance lying in HDFC bank un paid dividend account	6.79	18.13
	39.52	1,051.15
<b>Total</b>	<b>990.33</b>	<b>1,310.20</b>

**17 - SHORT-TERM LOANS AND ADVANCES**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
Employee Advance	-	110.97
Interest Accrued but not due	-	29.80
Advance to Suppliers	1,569.27	421.36
Cane Suppliers Advance	-	617.28
Harvester Advance	-	91.18
Prepaid Expenses	-	43.05
Other Deposits	402.37	354.30
	<b>1,971.64</b>	<b>1,667.94</b>

**18 - OTHER CURRENT ASSETS**

Particulars	As at Mar. 31, 2015	As at Sept. 30, 2013
Prepaid Expenses	40.71	9.14
Deposits - Others	409.28	304.47
Other loans & advances	4789.09	3,683.55
	<b>5,239.09</b>	<b>3,997.16</b>

NOTE 3 : Notes to the Profit and Loss

**1 - REVENUE FROM OPERATIONS**

Particulars	For the period ended Mar.31, 2015	For the year ended Sept.30, 2013
Sale of Products (Gross)	155,936.72	140,281.13
Less: Excise Duty	43,042.47	32,321.46
	112,894.26	107,959.66
Sale of Services		
Other operating Revenues	12,750.34	370.63
	<b>125,644.59</b>	<b>108,330.30</b>

**2 - OTHER INCOME**

Particulars	For the period ended Mar.31, 2015	For the year ended Sept.30, 2013
Interest on Margin Money	76.47	-
Dividend Received	0.01	0.05
Scrap Sales	159.30	81.73
Miscellaneous Income	1,051.54	575.56
	<b>1,287.32</b>	<b>657.34</b>

**3 - COST OF MATERIAL CONSUMED**

Particulars	For the period ended Mar.31, 2015	For the year ended Sept.30, 2013
Opening Stock of Raw Materials	2,634.82	7,857.24
Add: Purchases of Raw Materials	46,276.23	48,893.30
Less: Closing Stock of Raw Materials	3,225.63	11,248.70
Cost of Services	1,254.20	-
	46,939.60	45,501.85

**4 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS**

Particulars	For the period ended Mar.31, 2015	For the year ended Sept.30, 2013
<u>Opening Inventory</u>		
Finished Goods	395.01	6,153.09
Work-In-Progress	871.36	1,293.47
	1,266.37	7,446.56
<u>Closing Inventory</u>		
Finished Goods	1,061.79	3,034.58
Work-In-Progress	925.08	1,033.14
	1,986.87	4,067.71
	(720.50)	3,378.85

**5 - EMPLOYEE BENEFIT EXPENSES**

Particulars	For the period ended Mar.31, 2015	For the year ended Sept.30, 2013
Salaries and incentives	4,794.70	2,716.49
Contributions to -		
Provident fund & ESI	138.10	97.22
Gratuity fund contributions	10.68	(6.73)
	-	-
Staff welfare expenses	265.83	143.53
	5,209.30	2,950.52

**6 - FINANCE COST**

Particulars	For the period ended Mar.31, 2015	For the year ended Sept.30, 2013
Bank Charges	61.19	20.16
Other Borrowing Costs	5,622.05	340.48
Interest Expenses	5,397.42	9,706.16
Foreign Exchange Loss	65.98	-
	11,146.63	10,066.79





## 7 - OTHER EXPENSES

Particulars	For the period ended Mar.31, 2015	For the year ended Sept.30, 2013
Manufacturing expenses	3,260.99	2,143.28
Excise Label	513.57	444.03
VAT	49,381.47	36,227.59
Label Registration /Approval fee	370.51	3.53
Rent	163.65	136.65
Rates & Taxes	1,238.20	466.49
Audit Fees	12.69	7.30
Postage & Telegram	25.76	25.93
Printing and Stationery	29.61	26.58
Repairs and Maintenance	471.95	334.83
Donations	7.41	19.87
Sitting Fee	16.19	8.60
Telephone Expenses	49.19	27.17
Managerial Remuneration	128.22	107.87
Consulting Charges	861.34	149.89
Travelling Expenses	202.36	68.42
Travelling Expenses - Directors	159.11	6.55
Miscellaneous Expenses	1,859.48	613.16
Discounting Charges	673.41	411.19
Advertisement & Publicity	210.75	18.63
Travelling Expenses - Marketing	38.72	18.06
Freight & Handling Charges	571.47	355.82
Loading & Unloading charges	274.15	157.87
Sales Promotion expenses	1,456.63	0.96
Cash Discount	841.23	658.03
Other Selling expenses	1,334.25	2,448.87
Cane Dev. Council Fund	-	11.02
Cane Development Expenses	-	0.55
Loss on sale of Fixed Assets	-	0.56
Export Sugar Handling Charges	-	-
Security Service Charges	25.93	-
Power & fuel	1,172.75	-
	65,350.99	44,899.28

## 8 - EARNINGS PER EQUITY SHARE

Particulars	For the period ended Mar.31, 2015	For the year ended Sept.30, 2013
<b>Basic Earnings per Share</b>		
Profit/(Loss) attributable to Equity shareholders	(4,611.48)	(1,148.28)
Weighted average number of equity shares	19,008,893	19,008,893
<b>Basic Earnings Per Share</b>	(24.26)	(6.04)
<b>Face value per Share</b>	10.00	10.00
Weighted average number of potential equity shares	19008893	19008893
<b>Diluted Earnings Per Share</b>	(24.26)	(6.04)
<b>Face value per Share</b>	10.00	10.00



#### 4. NOTES ON ACCOUNTS

The Company has closed the accounting year on 31.03.2015 for 18 months period from 01.10.2013 to 31.03.2015.

##### 4.1 Contingent Liabilities, Guarantees & Capital commitments

###### A. Contingent Liabilities

(₹. In Lakhs)

Particulars	31.03.2015	30.09.2013
a) Claims against the company not acknowledged as debts	—	—
b) Disputed Income tax demand	714.68	714.68

###### B. Capital Commitments

(₹. In Lakhs)

Particulars	31.03.2015	30.09.2013
Estimated amount of capital contracts remaining	694.59	654.96

###### C. Others

(₹. In Lakhs)

Particulars	31.03.2015	30.09.2013
i) Disputed Interest on Purchase Tax (The company has applied for waiver of interest, which the company is hopeful of getting waiver)	Nil	729.59
ii) Bank Guarantees	1832.49	65.53

##### 4.2 Employee Benefits

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

- a) Defined Contribution Plans: Contribution to defined contribution plan, recognized as expenses for the period is Rs.138.10 Lakhs (previous year Rs.97.22 Lakhs) pertaining to employers' contribution to provident fund, Employees State Insurance Funds, Gratuity fund.

- b) Defined Benefit Plans:

Leave encashment:

The company has dispensed off the leave encashment policy during the current period; hence no provision had been recognized in the books of accounts for the period.

**Gratuity:**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefit vests after five years of continuous service.

- (i) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹. in Lakhs)

Particulars	As at 31 March 2015	As at 30 Sept 2013
1 Present value of obligation at the beginning of the year	84.98	80.92
2 Interest cost	11.43	6.43
3 Current service cost	14.57	21.04
4 Benefits paid	(11.11)	(14.21)
5 Actuarial (gain) / loss on obligation	(15.32)	(9.20)
6 Present value of obligation at the end of year	84.56	84.98

- (ii) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

(₹. in Lakhs)

Particulars	As at 31 March 2015	As at 30 Sept 2013
1 Fair value of plan assets at the beginning of the year	14.87	13.77
2 Expected return on plan assets	2.28	1.10
3 Contributions	11.11	14.21
4 Benefits paid	(11.11)	(14.21)
5 Actuarial gain / (loss) on plan assets	1.72	(0.28)
6 Fair value of plan assets at the end of year	18.87	14.60

- (iii) Actuarial gain / loss recognized as follows:

(₹. in Lakhs)

Particulars	As at 31 March 2015	As at 30 Sept 2013
1 Actuarial gain / (loss) for the year – obligation	(15.32)	9.20
2 Actuarial gain / (loss) for the year – plan assets	1.73	(0.28)
3 Total gain / (loss) for the year	(17.04)	8.93
4 Actuarial gain / (loss) recognized in the year	(17.04)	8.93
5 Unrecognized actuarial gains (losses) at the end of year	-	-



(iv) The amounts recognized in Balance Sheet are as follows:

(₹. in Lakhs)

Particulars	As at 31 March 2015	As at 30 Sept 2013
1 Present value of obligation as at the end of the year	(84.56)	(84.98)
2 Fair value of plan assets as at the end of the year	(14.87)	(14.60)
3 Funded / (unfunded) status	(65.69)	(70.38)
4 Excess of actual over estimated	-	-
5 Net assets / (liability) recognized in balance sheet	(65.69)	(70.38)

(v) The amounts recognized in Profit and Loss Account are as follows:

(₹. in Lakhs)

Particulars	As at 31 March 2015	As at 30 Sept 2013
1 Current service cost	14.57	21.04
2 Past service cost		
3 Interest cost	11.43	6.43
4 Expected return on plan assets	(2.28)	-1.1
5 Net actuarial (gain)/loss recognized in the year	(17.04)	(8.93)
6 Expenses recognized in the statement of profit and losses	6.69	17.44

(vi) Principal actuarial assumptions at the balance sheet date are as follows:

**A. Economic Assumptions**

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2015	As at 30 September 2013
1. Discount rate	8.00%	8.71%
2. Salary growth rate	6%	6%

**B. Demographic Assumption**

1. Retirement Age	58 Years (60 years ) previous yr	
2. Mortality table	LIC (1994-96) duly modified	
3. Withdrawal Rates	Ages	Withdrawal Rate (%)
	Up to 30 Years	5%
	Up to 44 Years	5%
	Above 44 Years	5%



- 4.3 Sundry Creditors and Debtors balances are subject to confirmation by the parties concerned
- 4.4 Trade Deposits and advance from customer includes Rs.90.20 lakhs (Previous year Rs.1306.65 lakhs) received during 2013-15.

**4.5 Related party transactions****Related Parties****Key Management Personnel**

Mr.M.P.Purushothaman	Chairman
Mr.Shaji Purushothaman	Director
Ms.Nisha Purushothaman	Jt.Mg. Director & Vice Chairperson

**Relatives of Key Management Personnel**

Ms.Sheena.Purushothaman

**Other related parties**

Empee Holdings Limited  
Empee International Hotels & Resorts Limited  
South (India) Hotels Pvt Ltd  
Appollo Alchobev Limited  
Aruna Exports Pvt Ltd  
Empee Hotels Limited  
Aruna Constructions (India) Limited  
Empee Agro Farm Products Pvt Ltd  
Empee Marine Products Limited  
Appollo Beers Pvt Ltd  
Empee Leasing & Finance Limited  
Empee Communication Limited  
Universal Spirits Ltd  
Empee Construction Company Ltd  
Empee Power & Infrastructure Pvt Ltd  
Empee Packaging Industries  
Aruna Constructions  
Empee Hospitality Pvt. Ltd



## Transactions with Related parties

(₹. in Lakhs)

Particulars	Subsidiary Companies	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	For the period ended 31.03.15
Remuneration	Nil (-)	100.80 (107.87)	Nil (-)	Nil (-)	100.80 (107.87)
Receiving of Services	Nil (-)	Nil (-)	Nil (-)	465.44 (198.26)	465.44 (198.26)
Interest Paid	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil
Interest Received	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil
Sale of assets	Nil (-)	Nil (-)	Nil (-)	Nil Nil	Nil Nil
Purchase of investments	Nil (-)	Nil (-)	Nil (-)	Nil (5107.80)	Nil (5107.80)
Purchase of goods	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil
Rent paid	Nil (-)	Nil Nil	39.60 (12.00)	79.38 (52.92)	118.98 (64.92)
Balance Outstanding	Nil	Nil	Nil	2517.17	2517.17

4.6 .Quantum of Excise Duty included in closing stock of finished goods is ₹.270.83 Lakhs.

## 4.7 Payment to auditors

(₹. In Lacs)

Particulars	Period ended 31 March 2015	Year ended 30 september 2013
Statutory audit fee	11.01	5.30
Limited Review Fees	1.68	2.00

4.8 Figures for the previous year has been regrouped/reclassified wherever necessary.

for Venkatesh & Co.,  
Chartered Accountants  
Firm Registration No.04636S

CA Dasaraty V  
Partner  
Membership No.026336  
Place : Chennai  
Date : 23.05.2015

For and on behalf of the Board of Directors of

**EMPEE DISTILLERIES LTD**

M.P.Purushothaman  
Chairman

K. Murali  
Company Secretary

Nisha Purushothaman  
Joint Managing Director

V. Srinivasan  
Chief Financial Officer



**EMPEE DISTILLERIES LIMITED**

L15511TN1983PLC010313

Regd. Office : Empee Tower, 59, Harris Road, Pudupet, Chennai – 600 002.

Phone : 044-28531111; Email: cs@empeegroup.co.in; Website: www.empeegroup.co.in

**30<sup>th</sup> ANNUAL GENERAL MEETING**

I/We hereby record my/our presence at the 30<sup>th</sup> Annual General Meeting of the Company being held at Sri P.Obul Reddy Hall, Vani Mahal, T.Nagar, Chennai – 600 017 on Thursday, the 25<sup>th</sup> June 2015 at 11.00 a.m.

Members Folio No. /Client ID No. :
Member's Name /Proxy's Name :
Member's signature /Proxy's signature :

**Note:**

1. Please complete the Folio/ DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance verification counter at the entrance of the meeting hall.
2. Electronic copy of the Annual Report and Notice of the Annual General Meeting (AGM) alongwith Attendance slip and Proxy form is being sent to all the members whose email address is registered with the Company/ DP unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance slip.
3. Physical copy of the Annual Report and Notice of the AGM along with Attendance slip and Proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.



**EMPEE DISTILLERIES LIMITED**

L15511TN1983PLC010313

Regd. Office : Empee Tower, 59, Harris Road, Pudupet, Chennai – 600 002.

Phone : 044-28531111; Email: cs@empeegroup.co.in; Website: www.empeegroup.co.in

Name of the member(s) :

Registered address :

E-mail ID :

Folio No./Client ID No. :

I/We being the member(s) of ..... shares of the above named Company hereby appoint:

- (1) Name :  
 Address : Email ID :  
 Signature : ..... or failing him;
- (2) Name :  
 Address : Email ID :  
 Signature : ..... or failing him;
- (3) Name :  
 Address : Email ID :  
 Signature : ..... or failing him;

as my/our proxy to attend and vote for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 25<sup>th</sup> June 2015 at 11.00 a.m. at Sri P.Obul Reddy Hall, Vani Mahal, T.Nagar, Chennai – 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res No.	Resolutions	Optional	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoption of Financial Statements for the period 31.3.2015.		
2.	Re-appointment of Mr.Shaji Purushothaman, who retires by rotation.		
3.	Appointment of M/s.Venkatesh & Co., as Statutory Auditors.		
	<b>Special Business</b>		
4.	Ratification of Remuneration payable to Cost Auditor.		
5.	Appointment of Mr.M.K.Mohan as an Independent Director.		
6.	Appointment of Mr.T.S.Raghavan as an Independent Director.		
7.	Appointment of Mr.M.P.Mehrotra as an Independent Director.		
8.	Approval for Related Parties Transactions.		
9.	Appointment of Ms.Sheena Purushothaman as Ordinary Director.		
10.	Appointment of Mr.Sheeju Purushothaman as Ordinary Director.		

Singed this Day of June 2015

Signature of shareholder : .....

Signature of Proxy holder : .....

Re.1  
Revenue  
Stamp

**Note:**

1. The Proxy form must be deposited at the Registered office of the Company at Empee Tower, 59, Harris Road, Pudupet, Chennai– 2 not less than 48 hours before the commencement of the meeting.
2. For the resolution, explanatory statement and notes, please refer to the Notice of the AGM.
3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or Against column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.