

**Board of Directors**

Mr. M. P. Purushothaman
Mr. Shaji Purushothaman
Ms. Nisha Purushothaman
Mr. T. S. Raghavan
Mr. M. K. Mohan
Mr. M. P. Mehrotra

Chairman
Managing Director
Joint Managing Director

Auditors

M/s. K.S.AIYAR & CO.,
Chartered Accountants
No.54/2, Paulwells Road
St. Thomas Mount
Chennai – 600 016.

Bankers

Andhra Bank
Union Bank of India

Factories**IMFL:****1. Tamilnadu Unit :**

Mevalooruppam Village, Sriperumpudur Taluk,
Kancheepuram District, Tamil Nadu.

2. Kerala Unit :

NIDA, Menonpara Road, Kanjikode Post
Palakkad District, Kerala.

3. Karnataka Unit :

Arabikothanur Village,
Kolar District, Karnataka.

4. Power Plant :

Kottadivayal Village, Aranthangi Taluk,
Pudukottai District, Tamil Nadu.

Registered Office

Empee Tower,
No. 59, Harris Road,
Pudupet
Chennai – 600 002.



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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.

**NOTICE TO SHARE HOLDERS**

NOTICE is hereby given that the 28th Annual General Meeting of Empee Distilleries Limited will be held on Friday, the 28th December 2012 at 3.00 p.m. at Conference Hall II, IMAGE Auditorium, MRC Nagar, Raja Annamalaipuram, Chennai - 600 028, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account for the period ended 30th September, 2012 (18 months), the Balance Sheet as on that date, the report of the Board of Directors and the report of the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr.T.S.Raghavan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr.M.P.Mehrotra, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 and provisions of Sections 198, 309, 310 and other applicable provisions, if any of the Companies Act, 1956 and subject to the approval of Central Government (if required), consent of the company be and is hereby accorded to the re-appointment of Ms.Nisha Purushothaman as Joint Managing Director of the Company for the period of five years with effect from 1st January 2012 on such remuneration in the form of salaries, allowances, perquisites and bonus as may be fixed by the Board from time to time on the recommendation of the Board of Directors upto a maximum managerial remuneration as permissible under section 198 of the Companies Act, 1956.

“RESOLVED FURTHER THAT Ms.Nisha Purushothaman be and is hereby entitled to such an increase in the remuneration annually as the Board may decide from time to time on recommendation of the Remuneration Committee upto a maximum Managerial remuneration as permissible under section 198 of the Companies Act, 1956.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the tenure of service of the Managing Director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956, however in any case the terms and conditions of her appointment will be as under:

Terms:

Subject to the control and supervision of the Board of Directors, she shall be in charge of the management of the affairs of the company and she shall perform such duties and exercise such powers as may be entrusted to her from time to time by the Board.

**I. Salary:**

Salary shall not exceed Rs.4,00,000/- per month.

II. Perquisites:

(The aggregate value whereof shall not exceed in a year the annual salary)

- i) Rent-free furnished accommodation with service of personnel for maintenance and protection thereof.
- ii) Reimbursement of medical expenses of the JMD and her spouse and family.
- iii) Leave travel concession for the JMD and her family once in a year in accordance with rules of the Company.
- iv) Private use of car by her.
- v) Free use of Telephone at her residence.
- vi) Contribution to Provident Fund.
- vii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- viii) Encashment of earned leave at the end of the tenure.
- ix) Bonus as per the rules of the company.

If in any financial year during the currency of the tenure of Ms.Nisha Purushothaman, Joint Managing Director of the Company has no profits or its profits are inadequate, the remuneration as specified above, shall be paid as minimum remuneration from such year to her.

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

**Place : Chennai
Date : 3.12.2012**

**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. The Register of members and share transfer books of the company will be closed from 21st December 2012 to 28th December 2012 (Both days inclusive).
3. Members/proxies should bring the attendance slip duly filed along with copy of Annual report for attending the meeting.
4. Members are requested to intimate changes if any, in their address to the Registrars and Share Transfer Agents of the Company at M/s. Cameo Corporate Services Limited, "Subramanian Building", V Floor, 1, Club House Road, Chennai - 600 002.
5. The Company's equity shares are listed on the Bombay Stock Exchange Ltd and National Stock Exchange of India Limited.
6. The information/details pertaining to Mr.T.S.Raghavan, Mr.M.P.Mehrotra and Ms. Nisha Purushothaman are provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as annexure.

**ANNEXURE TO THE NOTICE:****Explanatory statement under Section 173(2) of the Companies Act, 1956****Item No 6:**

The tenure of Ms.Nisha Purushothaman, Joint Managing Director has expired on 31.12.2011. The Remuneration Committee has recommended her appointment for a period of 5 years on such terms and conditions as mentioned in the resolution effective from 1.1.2012. The Board of Directors of the company have approved her appointment subject to the ratification of the members in the ensuing Annual General Meeting. The details of her qualification and experience have been given in the additional information of the directors seeking reappointment.

None of the Directors except Ms.Nisha Purushothaman, Mr.M.P.Purushothaman and Mr.Shaji Purushothaman are deemed to be concerned or interested in this resolution.

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

**Place : Chennai
Date : 3.12.2012**

**M.P.Purushothaman
Chairman**

1. INFORMATION AS PER SCHEDULE XIII OF THE COMPANIES ACT, 1956**I. GENERAL INFORMATION:**

1. Nature of Industry:
The Company is engaged in the business of manufacture of Indian Made Foreign Liquor and Power.
2. Date or expected date of commencement of Commercial production:
Not applicable as the Company is an existing Company.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
Not applicable as the Company is an existing Company.

4. Financial Performance based on given indicators.

(Rs. in Lacs)

Particulars	Year ended 31-3-2010 (12 months)	Year ended 31-3-2011 (12 months)	Period ended 30-9-2012 (18 months)
Sales	85473.21	87848.52	100681.25
PBID	4243.19	4319.78	7623.43
Net Profit	1709.18	2120.23	2280.11

5. Export performance: Nil.
6. Foreign investments or collaborations, if any. : Nil

**II. OTHER INFORMATION:**

SI. No.	DESCRIPTION	PARTICULARS
1.	Reason of loss or inadequate profits.	None. The Company is making adequate profit.
2.	Steps taken or proposed to be taken for improvement	Does not arise.
3.	Expected increase in productivity and profits in measurable terms	Not ascertainable at this stage.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING:

The brief resume of the Directors seeking reappointment is given below:

Mr.T.S.Raghavan (72)

Mr.T.S.Raghavan holds a Degree in Master of Arts from Madras University and is a certificate holder from Certified Associate from Indian Institute of Bankers (CAIIB). He started his professional career as an Officer in Indian Overseas Bank in the year 1964 and was an Executive Director of Vijaya Bank from January, 1996 to April, 1997; Chairman and Managing Director of Bank of Maharashtra during May 1997 to November 1998 and Chairman and Managing Director of Indian Bank from December, 1998 to 2000.

He has wide experience in Finance & Banking sectors.

He holds the following Directorship and Membership in Committees of other Companies as follows:

Directorship in other Companies

1. Empee Sugars and Chemicals Ltd
2. Leather Crafts India Pvt Ltd
3. Giri Digital Solutions Pvt Ltd
4. Giri Trading Agencies Pvt Ltd
5. Viswapriya (India) Ltd
6. Tanfac Industries Ltd
7. One Life Capital Advisors Ltd
8. Indus Finance Corporation Limited
9. The Kumbakonam Mutual Benefit Fund Ltd
10. Hindustan Lockers Ltd
11. Indowind Ltd

Membership in Committee

- Director & Member- Audit Comm.
- Director
- Director
- Director
- Director
- Director
- Director
- Director
- Director
- Director
- Director

Mr.M.P.Mehrotra (72)

Mr.M.P.Mehrotra is a senior practicing Chartered Accountant joined our company as an Independent Director. He is on the Board of various companies and it is in the interest of the Company to continue to avail the services of Mr.M.P.Mehrotra.

He holds the following Directorship and Membership in Committees of other Companies as follows:

**Directorship in other Companies**

1. Maxim Infracon Pvt Ltd
2. VLS Finance Ltd
3. VLS Capital Ltd
4. South Asian Enterprises Ltd
5. VLS Commodities Pvt Ltd
6. Dhampur Sugar Mills Ltd

7. Empee Distilleries Ltd
8. Om Sree Bavanasai Infratech Pvt Ltd
9. India Securities Ltd
10. Delton Cables Ltd
11. Moonrock Hospitality Pvt Ltd
12. SBICAP Securities Limited
13. Riskpro India Ventures Pvt Ltd
14. Baroda Pioneer Assets Management Co Ltd
15. Mehrotra & Mehrotra, Chartered Accts.

Membership in Committee

- Director
 Director & Member -Audit Comm.
 Director
 Director
 Director
 Director & Chairman – Audit Comm.
 Chairman – Remu. Comm.
 Director & Chairman – Audit Comm.
 Director
 Director & Chairman – Audit Comm.
 Director
 Director
 Director
 Director
 Director
 Member

He is not holding any shares in the Company.

Ms. Nisha Purushothaman (39)

Ms. Nisha Purushothaman is presently Joint Managing Director of the Company. She was appointed as a Director of the Company on 2-12-1994. She was thereafter appointed as Joint Managing Director of the Company on 01-01-1997. She holds a degree in Masters in Business Administration from London Business School. She has around 18 years of experience in Liquor Industry in the field of administration and human resource management.

She holds the following Directorship and Membership in Committees of other Companies as follows:

Directorship in other Companies

1. Empee Sugars And Chemicals Ltd
2. Empee Int'l Hotels & Resorts Ltd
3. Empee Holdings Ltd.
4. Empee Power Company (India) Ltd
5. Empee Hotels Ltd
6. Aruna Constructions (India) Ltd
7. Empee Agro Farm Products Pvt. Ltd
8. Universal Spirits Ltd
9. Aruna Constructions

Membership in Committee

- Director & Member – Share Transfer Comm.
 Director & Member – Audit Committee
 Director & Member – Audit Committee
 Director & Member – Audit Committee
 Mg. Director & Member – Audit Committee
 Director
 Director
 Director
 Partner

She is holding 1002000 equity shares in the Company.

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

**Place : Chennai
 Date : 3.12.2012**

**M.P.Purushothaman
 Chairman**



DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting their Report together with the audited Accounts for the period ended 30th September 2012 (18 Months i.e from 1st April 2011 to 30th September 2012).

Financial Results

(Rs. in lacs)

Particulars	2011-12 (For the year period 30.09.2012) (18 months)	2010-11 (For the year ended 31.03.2011) (12 months)
Total Income	100681.25	59402.42
Operating Profit before Interest and Depreciation	7623.43	4319.78
Less Interest	2658.72	1477.70
Depreciation	1025.21	626.26
Add: Extraordinary income	-	580.70
Profit before Tax	3939.50	2796.52
Provision for Taxation	1793.65	713.51
Provision for Deferred Tax	-134.26	-37.22
Profit /(Loss) After Tax	2280.11	2120.23
Profit brought forward	4302.79	3502.89
Transfer of profit to General Reserve	-	212.02
Proposed Dividend	190.09	950.44
Dividend tax on proposed dividend	30.84	157.87
Profit carried forward	6361.97	4302.79

DIVIDEND

Due to increased cost of operations and lower volume of Premium Brands procured by Tasmac, the profit, on annualised basis is lower and there is need to conserve the cash flow and hence the Board of Directors have accordingly recommended a dividend of Re.1/- per share for the period ended 30.09.2012 (18 months).

FINANCIAL PERFORMANCE

Your Company achieved a total income of Rs.1006.81 crores and net profit after tax of Rs.22.80 crores during the period of 18 months as against the total income of Rs.594.02 crores and net profit after tax of Rs.21.20 crores during the year ended 31st March 2011 for 12 months. The revenue from the Power Division was Rs.52.12 crores with a net profit of Rs.0.27 crores during the period as against the revenue of Rs.34.30 crores and net profit of Rs.1.77 crores during the year ended 31st March 2011. The performance in power division has come down due to increased cost of raw materials which has resulted in lower realizations. However your company, since February 2012, has become eligible for REC and the same is expected to bring substantial revenue to the Power Division.

REVIEW OF OPERATIONS

The two factories at Mevalooruppam and Palakkad produced 8332516 cases during the period ended 30th September 2012 (18 months) as against the production of 4873075 cases during the year ended 31st March 2011. The sales was 8354524 cases during the period ended 30th September 2012 (18 months) as against 4859165 cases during the year ended 31st March 2011.

Inspite of stiff competition from new entrants in the Tamilnadu IMFL market, your Company has been able to maintain its market share. However the off take by Tasmac of profitable brands are lower which has affected the Profitability .

**FUTURE OUTLOOK**

The 60 KLPD grain based Distillery at Sanga Reddy, Medak District, Andhra Pradesh has been commissioned and is expected to reach full production by March 2013.

DIRECTORS

Mr.T.S.Raghavan and Mr. M.P.Mehrotra, Directors retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

Ms. Nisha Purushothaman, Joint Managing Director has been reappointed by the company for a period of 5 years effective from 1st January 2012. Further during the year she has been appointed as Vice Chairperson of the company by the Board of Directors.

SUBSIDIARIES

The consolidated accounts of the Company includes the accounts of subsidiaries M/s.EDL Properties Ltd and M/s.Appollo Distilleries Pvt Ltd. The said accounts of the subsidiaries can be made available to the members upon request.

With reference to the qualification remarks made by the Auditors in their Audit Report on consolidated financial statements, Your Board would like to state that the consolidated accounts of the company does not include the accounts of the other subsidiary M/s.Empee Sugars and Chemicals Limited and its fellow subsidiary M/s.Empee Power Company (India) Limited as those two companies have sought for extension of their financial years, and therefore the audited figures of these two companies as on 30th September 2012 were not available for consolidation.

AUDITORS

M/s.K.S. AIYAR & Co., Chartered Accountants, the Auditors of the company have submitted their resignation to act as Auditors of the company from the financial year 2012-13 in view of their professional pre-occupations.

A notice has been received from a member proposing M/s.D.Sampathkumar & Co., Chartered Accountants be appointed as Auditors of the Company for the year 2012-13. The Company has received a certificate from them to the effect that their appointment if made would be in accordance with Section 224(1B) of the Companies Act, 1956. The Board recommends their appointment.

FIXED DEPOSITS

The Company has no public deposits.

COMPANY SECRETARY

Mr.R.Anand resigned as the Company Secretary during the year. The company has appointed a new Company Secretary who is expected to join shortly.

REPORT OF EMPLOYEES UNDER SECTION 217(2A)

There are no employees falling within the provision of Section 217(2A) of the Companies Act, 1956 read with companies (Particulars of Employees) Rules 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

Information regarding conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Directors) Rules 1988 is given as annexure 1 to this Report.

STATUS ON AMALGAMATION

The Scheme of amalgamation has been approved by the shareholders of the company with the requisite majority and the Petition has been filed with the Madras High Court.

**CORPORATE GOVERNANCE REPORT**

A Report in line with the requirement of clause 49 of the Listing Agreement on the Corporate Governance practices followed by the Company and the Certificate from the Statutory Auditors on Compliance of mandatory requirements along with Management Discussion and Analysis, are given as Annexure 2 to this report.

INDUSTRIAL RELATIONS

The Industrial relations continued to remain congenial during the year.

QUALIFICATIONS IN AUDITORS REPORT:**Standalone :**

The qualification made by the Auditors at point no.3 of the Auditors Report is self explanatory. Further the investment will get knocked off once the scheme of amalgamation is implemented on approval by the respective High Courts.

As regards the qualifications made by the Auditors vide point no.2 in audit report read with the Annexure to the Auditor Report (CARO) at point (vii) though the company is having an outside Internal auditor the company has taken steps to strengthening the internal audit system In the light of the suggestions made by the statutory auditor. As against point referred at (ix)(b) the company is making efforts to remit the dividend distribution tax of Rs.1.57 crores at the earliest.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' responsibility.

We confirm

1. That in the preparation of the accounts for the period ended 30th September 2012, the applicable accounting standards have been followed.
2. That such Accounting Policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 30th September 2012 and of the profit of the Company for the year ended on that date.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts for the period ended 30th September, 2012 have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors also 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.

For and on behalf of the Board of Directors

**Place: Chennai
Date : 3.12.2012**

**M.P.Purushothaman
Chairman**



ANNEXURE 1 TO THE DIRECTORS REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988 and forming part of the Directors report for the period ended 30th September 2012 (18 months).

A. Conservation of Energy:

The company constantly adopts energy efficient practices in its operations and implement energy saving measures wherever possible.

- AVRs, Turbo vents installed to reduce energy consumption.
- Conventional lamps have been replaced with CFL lamps maximum possible.
- Capacitors have been installed in motors to reduce power consumption.

B. Technology absorption:

1. Specific areas in which R&D carried out by the company.		Nil
2. Benefits derived as a result of the above R&D		Nil
3. Future plan of action		Nil
4. Expenditure on R&D		
a. Capital	:	Nil
b. Recurring	:	Nil
c. Total	:	Nil
d. Total R & D expenditure as a percentage of total turnover	:	Nil

Technology absorption, adaptation and innovation

1. Efforts, in brief made towards technology absorption, adaptation and innovation.	Nil
2. Benefits derived as a result of the above efforts, e.g product improvement, cost reduction, product development, import substitution.	Nil

(C) Foreign Exchange earnings	Nil
Foreign Exchange outgo	Nil



ANNEXURE – 2 TO DIRECTORS REPORT

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 two executive Director and four 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 year 2011-12, the Board met seven times and the maximum gap between two meetings was three months. The above composition of the Board meets the recommendation of SEBI code of corporate governance.

Details of Board Meetings attended by Directors during 01/04/2011 to 30/09/2012:

Name	No. of Board meetings attended	Whether attended last AGM	Number of other Boards in which Directorship held	Number of other Board Committees in which membership held
Mr.M.P.Purushothaman	7	Yes	17	5
Mr.Shaji Purushothaman	2	-	14	2
Ms.Nisha Purushothaman	7	Yes	8	5
Mr. T.S.Raghavan	7	Yes	11	3
Mr.M.K.Mohan	7	-	4	2
Mr.M.P.Mehrotra	7	-	14	6

During the period, Board Meetings were held on 14.5.2011, 11.8.2011, 14.11.2011, 15.2.2012, 21.3.2012, 14.5.2012 and 10.8.2012.

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.Nisha Purushothaman	Promoter - Executive (Member)

The terms of reference of the audit committee cover the matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred to by the Board of Directors.



Meeting and the attendance during the year were as follows :

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

4. Remuneration Committee:

The 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 Wholetime Directors. A meeting was held on 14.5.2012 during the period under review. All the three members of the Committee have attended the same.

Details of the remuneration of Executive Directors and Non-Executive Directors for the period ended 30th September 2012 (18 months) are as follows:

Executive Directors/ Whole Time Directors

Name	Designation	(Rs. in lakhs)
Mr. Shaji Purushothaman	Managing Director	82.00
Ms. Nisha Purushothaman	Joint Managing Director	82.79

Non-Executive Directors

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

5. Share Transfer Cum Shareholders' / Investors' Grievance Committee:

The Share transfer cum shareholders'/Investors' Grievance and Share Transfer Committee consists of the following:

- | | |
|-----------------------------|---------------------------|
| i) Mr. M.K.Mohan | Chairman of the Committee |
| ii) Mr.T.S.Raghavan | Member |
| iii) Ms.Nisha Purushothaman | 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 R&TA and recommends overall improvement of the quality of investor services. During the period 2011-12 (18 months), twenty four complaints were received and were redressed to the satisfaction of the complaining investors. No investor complaint was pending as on 30.9.2012.



6. General Body Meetings:

The last three Annual General Meetings were held as under:

Year	Location	Date	Time	Whether special resolutions passed
2010-11	Hall II, IMAGE Auditorium, R.A.Puram, Chennai – 600 028.	29/9/2011	3.00 P.M.	—
2009-10	Vani Mahal, G.N.Chetty Road, T.Nagar, Chennai – 600 017.	29/9/2010	3.00 P.M.	—
2008-09	Vani Mahal, G.N.Chetty Road, T.Nagar, Chennai – 600 017.	29/9/2009	2.30 P.M.	—

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

Sl . No.	Name	Designation	Held on 29-9-2011	Held on 29-9-2010	Held on 29-9-2009
1	Mr.M.P.Purushothaman	Chairman	Attended	Attended	Attended
2	Ms.Nisha Purushothaman	JMD	Attended	Attended	Attended
3	Mr.Shaji Purushothaman	Managing Director	-	-	Attended
4	Mr.M.K.Mohan	Director	Attended	-	-
5	Mr.M.P.Mehrotra	Director	-	-	-
6	Mr.T.S.Raghavan	Director	Attended	Attended	Attended

7. Postal Ballot / Extra Ordinary General Meeting :

No resolution were put through Postal Ballot or Extra Ordinary General Meeting during the year under review.

8. Composite Scheme of Arrangement :

The Board approved the Composite Scheme of arrangement under Section 391 and 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 (the Scheme) with effect from 1st April 2011. In terms of the Scheme, the Company is to be merged with Empee Sugars and Chemicals Ltd. The said Scheme has been approved by the Shareholders in their meeting held on 10.8.2012 with requisite majority. The said Scheme is awaiting necessary approvals from High Court of Madras.

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. 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-compliance 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 does not have a Whistle Blower policy. However 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 non mandatory requirements, the non-Executive Chairman has been provided with a Chairman's office at the Company's expense and 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.

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 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 Makkal Kural (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	28 th December 2012, 3.00 p.m. Conference Hall II, Image Auditorium MRC Nagar, Raja Annamalaipauram Chennai – 600 028.
ii. For the year ended 2012-13 First quarter result Second quarter result Third quarter results Fourth quarter results	Before 14 th November, 2012 Before 14 th February, 2013 Before 14 th May, 2013 Before 14 th August, 2013
iii. Date of Book closure	21 st December 2012 to 28 th December 2012
iv. Dividend Payment Date	Within 30 days from the date of declaration. (AGM date)
v. Listing on Stock Exchanges	National Stock Exchange of India Limited Bombay Stock Exchange Limited
vi. Stock Code National Stock Exchange of India Limited Bombay Stock Exchange Limited	: EDL : 532920

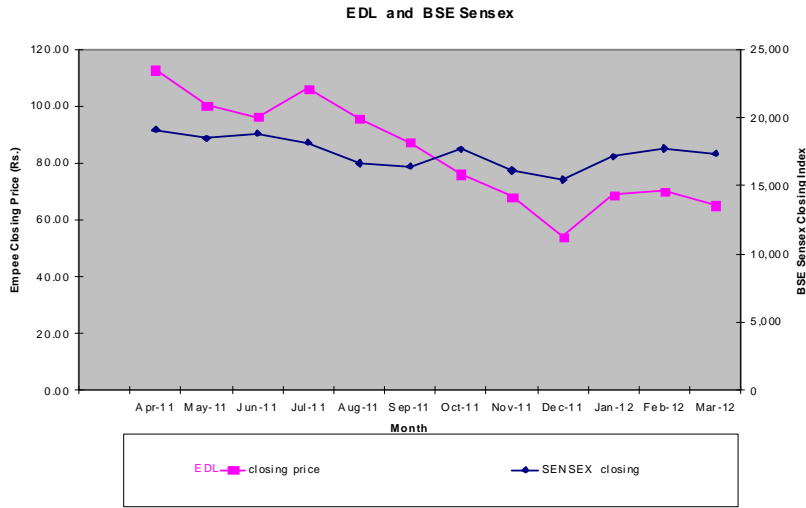
vii. Stock Market Data :

Bombay Stock Exchange Ltd (Face value of Rs.10/- each)

Month	High (Rs.)	Low (Rs.)
April 2011	121.50	108.60
May 2011	114.00	94.50
June 2011	104.90	92.15
July 2011	119.00	96.15
August 2011	106.85	90.00
September 2011	105.30	87.00
October 2011	87.95	69.90
November 2011	83.40	67.00
December 2011	72.50	52.10
January 2012	71.95	54.05
February 2012	77.85	67.50
March 2012	72.75	63.50
April 2012	76.00	65.10
May 2012	71.00	60.00
June 2012	79.25	58.60
July 2012	75.45	64.00
August 2012	74.00	65.05
September 2012	74.70	62.15



viii. Stock Price performance in comparison to BSE Sensex :



ix. Registrars and Share Transfer Agents **M/s.Cameo Corporate Services Limited**
 No.1, Subramaniam Building,
 Club House Road, Chennai – 600 002

x. 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.

xi. Distribution of shareholding as on 30th September 2012

No. of equity shares held	No. of folios	No. of shares held	% of share-holding
1 to 500	33137	21769240	11.4521
501 to 1000	727	5665010	2.9801
1001 to 2000	330	4781230	2.5152
2001 to 3000	107	2761470	1.4527
3001 to 4000	57	2011510	1.0581
4001 to 5000	39	1833740	0.9646
5001 to 10000	67	4968850	2.6139
10001 and above	52	146297880	76.9628
Total	34516	190088930	100.0000

xii. Shareholding pattern as on 30th September 2012

No. of equity shares held	No. of folios	No. of shares held	% of share-holding
Promoters	3	8445260	44.43
Directors and their relatives	6	4959054	26.09
FIs/ Banks	2	22246	0.12
Private Corporate Bodies	418	806678	4.24
Indian Public	33775	4613617	24.27
NRIs and OCBs	312	162038	0.85
Total	34516	19008893	100.00



- xiii. Dematerialisation of shareholding and liquidity 98.73% of total equity share capital is held in dematerialized form with NSDL and CDSL.
- xiv. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity Nil
- xv. Plant locations
- 1. Tamilnadu Unit :**
Mevalooruppam, Sriperumpudur, Kancheepuram, Tamil Nadu.
- 2. Kerala Unit :**
Kanjikode, Palakad District, Kerala.
- 3. Karnataka Unit :**
Arabikothanur Village, Kolar District, Karnataka.
- 4. Power Plant:**
Aranthangi Taluk, Pudukkottai District, Tamilnadu.
- xvi. Address for correspondence 'Empee Tower', No.59, Harris Road
Pudupet, Chennai – 600 002
E-mail ID: cs@empeegroup.co.in

xvii 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)	28-04-2015	28-05-2015
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

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.

Chief Executive Officer and Chief Financial Officer Certificate:

The Managing Director and the Joint Managing Director 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 30th September 2012 (18 months).

Declaration under Clause 49 of the Listing Agreement

I, confirm that the Company has, in respect of the period ended 30th September 2012, received from the members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the code of conduct as applicable to them.

Place : Chennai

Date : 3.12.2012

M.P.Purushothaman

Chairman



AUDITOR'S CERTIFICATE ON COMPLIANCE WITH CORPORATE GOVERNANCE

To the Members of Empee Distilleries Limited

1. We have examined the compliance with the conditions of Corporate Governance by Empee Distilleries Limited ("the Company") for the period ended 30.9.2012, as stipulated in Clause 49 of the Listing agreement of the said Company with Stock Exchanges in India, with the relevant records and documents maintained by the company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on the aforesaid examination and according to the information and explanations given to us, 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.

K S Aiyar & Co
Chartered Accountants
Regn No 100186 W.

S Kalyanaraman
Partner
Membership No 200565

Date: 3/12/2012
Place: Chennai

**MANAGEMENT ANALYSIS AND DISCUSSION REPORT****i. Industry structure and developments.**

The IMFL industry in India is subject to strict licensing and regulations by the concerned State Governments. The IMFL market was estimated at 295 million cases during the last financial year. In terms of value, IMFL's market share is estimated to be around Rs.92,000 crores. The total IMFL market is estimated to have grown at 8% in FY12 which translates to about 22.5 million cases over the previous year. The sales of the company during the period ended 30th September, 2012 stood at 6.91million cases.

ii. Opportunities and Threats.

With a change of State Government in Tamilnadu, the policy regarding new brands is not yet decided. As a result, your company is not able to introduce about 5 new brands already approved by all the concerned departments. This may affect the Company's plans to improve profitability since the new brands approved are in the premium segment.

Due to increase in the cost of all the inputs like bottles, caps, labels, transport charges etc, there is a strain on the overall profitability of the company.

As regards, Kerala operations, since the Government has not accorded any price revision in the yearly tender, and the price of the raw materials are increasing almost by 40-50%, here again the overall margins are on the decline.

iii. Segment-wise or product-wise performance.

During the period ended 30.9.2012 (18 months) the Company produced 83,32,516 cases as against the production of 48,73,075 cases during the year ended on 31.3.2011. The sales was 83,54,524 cases during the period ended 30.9.2012 (18 months) as against 48, 59,165 cases sold in the year ended 31.3.2011.

The power division produced 7,91,17,300 units during the period ended 30.9.2012 (18 months) and generated a sales revenue of Rs. 45.50 crores and profit before tax of Rs.0.27 crores as against production of 6,01,94,210 units, sales revenue of Rs.33.97 crores and profit before tax of Rs.1.42 crores during the year ended 31.3.2011.

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.

vi. Internal control systems and their adequacy.

The company has a well established internal control system in the form of well documented policies, authorization guidelines commensurate with the level of responsibility and standard operating procedures, to ensure proper functioning of operations. Moreover your company appointed independent internal auditors during the period ended 30th September, 2012 to periodically review and make continuous assessment of the adequacy and effectiveness of the internal control and systems. The Board, Audit Committee and the Management review the findings and recommendation of the Internal Auditors and take appropriate action wherever necessary.

vii. 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.



AUDITOR'S REPORT

The Members

M/s. Empee Distilleries Limited

We have audited the attached Balance Sheet of M/s. EMPEE DISTILLERIES LIMITED, Chennai as at 30th September, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the 18 months period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003 (CARO) as amended by Companies (Auditor's Report)(Amendment) order, 2004 issued by the Government of India vide GSR No.766 (E) in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of is the said Order.
3. *The Company has made an Investment of Rs1.59 Crores and given share application (awaiting allotment) amounting to Rs 140.36 Crore to its subsidiary Empee Sugars and Chemicals limited (ESCL). The Networth of ESCL is negative as per last audited financial statements and due to non availability of required raw material and other infrastructural problems, the Sugar producing plant of ESCL at Ambasamudaram is presently non operational. This may result in diminution in value of its investment and recoverability and/or adjustment of share application pending for allotment is not ascertainable. No provision has been made in this respect in the accounts of this company, as required in terms of Accounting Standard 13 issued by The Institute of Chartered Accountants of India as the amount is not quantifiable. Attention is drawn on note no 4.1 of the notes on accounts.*
4. Further to our comments in the Annexure referred to in para 2 above and subject to our observations in para 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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
 - (iii) 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.
 - (iv) In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 30th September 2012 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on 30th September 2012 from being appointed as a director, in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Accounting Policies, Notes to Accounts and subject to our observations in para 3 above, give the information required by the Companies Act, 1956, 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, the state of affairs of the company as at 30th September 2012;
 - (b) In the case of the Statement of Profit and Loss, the profit for the 18 months period ended on that date; and
 - (c) In the case of the Cash Flow Statement, the cash flows for the 18 months period ended on that date.

For K.S.Aiyar & Co.
Chartered Accountants
(Firm Regn No: 100186W)

Place: Chennai - 16
 Date: December 3, 2012

(S. Kalyanaraman)
Partner
(M No.200565)

**ANNEXURE TO THE AUDITORS' REPORT OF
M/S. EMPEE DISTILLERIES LIMITED, CHENNAI****Referred to in paragraph 2 of our report of even date,**

- (i)(a) The company has maintained proper records showing full particulars including quantitative details 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 manner over a period of three years. Accordingly the company has carried out physical verification of some of its fixed assets during the period ended 30th September 2012 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 verification.
- (c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us; we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the company.
- (ii) (a) The inventory has 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) In our opinion and according to the explanations given to us, the company is maintaining proper records of inventory. The Discrepancies noticed on verification between physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has not granted any loan during the period to the parties, covered in the register maintained under section 301 of the Companies Act, 1956 wherein the balance recoverable from 24 parties as at the period end is Rs.19,222.39/- lakhs out of which Rs.14,036.50/- lakhs was paid as share application money to its subsidiaries which is pending for allotment. Interest recoverable in this respect of application money pending allotment has not been accounted on prudence basis. Maximum amount outstanding anytime during the period is Rs.19,222.39/- lakhs.
- (b) In our opinion and according to the explanations given to us, the rate of interest and other terms and conditions of loans given by the company are prima facie not prejudicial to the interest of the company.
- (c) According to the information and explanation given to us, the loans granted are repayable on demand and the regularity of principal repayment cannot be commented.
- (d) According to the information and explanation given to us, as the loans are repayable on demand, the question of principal overdue above Rs.1 Lakh does not arise.
- (e) The company has not taken any loan during the period from the companies, firms or other parties, covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirement of clauses (iii) (f) and (g) of paragraph 4 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the internal control procedures with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services needs to be strengthened to be commensurate with the size of the company and the nature of its business.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in sec.301 of the Companies Act, 1956 that need to be entered into the register maintained under sec.301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rs.5,00,000/- have been entered into during the financial year at prices which are reasonable having regard to prevailing market prices at the relevant time.



- (vi) In our opinion and according to the information and explanations provided by the management, the company has not accepted deposits from public to which the provision of sec 58A and 58AA or any other relevant provisions of the companies Act 1956 and the Companies (Acceptance of deposits) Rules, 1975 with regard to the deposits accepted from the public are applicable. No order has been passed by the Company Law board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal
- (vii) *The Internal audit system of the company needs to be substantially strengthened with regard to the coverage of areas and periodicity to be commensurate with the size and nature of its business.*
- (viii) The Central Government has not prescribed the Maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities the undisputed statutory dues including amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income-tax, wealth- tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues applicable to it.
- (b) Based on our audit procedure and according to information and explanation given to us there is no arrears of undisputed statutory dues which remains outstanding as at the 30th September 2012 for more than six months *except the Dividend Distribution tax Payable for the year ended 31st March 2011 amounting to Rs. 1.57 Crores yet to be remitted by the company.*
- (c) According to the records of the Company, sales tax, income tax, customs duty, wealth tax, service tax, excise duty or cess which have not been deposited on account of dispute are given below

S No	Name of the Statute	Nature of Dues	Amount in Lacs	Period to which the matter pertains	Forum where dispute is pending
1	Income Tax Act 1961	Disputed Income Tax	190.00	2005-06	Appellate Tribunal
2	Income Tax Act 1961	Disputed Income Tax	24.49	2008-09	CIT
3	Income Tax Act 1961	Disputed Income Tax	346.09	2009-10	CIT

- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given by the management the company has not defaulted in repayment of dues to financial institutions and banks. The Company has approached its lenders for reschedulement of such loan.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us the company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us and based on the documents and records produced to us the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us the term loans have been applied for the purpose for which they were raised.



- (xvii) According to the information and explanations given to us and on an overall examination of the utilization of funds, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) The company did not have any outstanding debentures during the year.
- (xx) During the year the company has not raised any money from public by way of issue of shares.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**K.S.AIYAR & CO.,
Chartered Accountants
(Firm Regn No: 100186W)**

**(S.KALAYANARAMAN)
Partner
(M No: 200565)**

Place: Chennai- 16
Date: December 3, 2012



BALANCE SHEET AS AT SEPTEMBER 30, 2012

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	As at Sept. 30, 2012 (18 Months)	As at Mar. 31, 2011 (12 Months)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2 (1)	1,900.89	1,900.89
(b) Reserves and surplus	2 (2)	26,726.00	24,686.60
		28,626.89	26,587.49
(2) Non-current liabilities			
(a) Long-term borrowings	2 (3)	6,154.98	6,863.95
(b) Deferred tax liabilities (Net)	2 (4)	1,077.26	1,211.52
(c) Other long term liabilities	2 (5)	1,526.20	895.63
(d) Long-term provisions	2 (6)	78.90	68.73
		8,837.34	9,039.83
(3) Current liabilities			
(a) Short-term borrowings	2 (7)	6,212.28	5,300.81
(b) Trade payables	2 (8)	3,494.85	589.44
(c) Other current liabilities	2 (9)	4,114.47	3,619.71
(d) Short-term provisions	2 (10)	5,173.42	4,602.30
		18,995.02	14,112.26
TOTAL		56,459.25	49,739.58



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	As at Sept. 30, 2012 (18 Months)	As at Mar. 31, 2011 (12 Months)
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	2 (11)		
(i) Tangible assets		10,413.13	9,529.83
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		8,365.07	5,334.14
(iv) Intangible assets under development		-	-
		18,778.20	14,863.97
(a) Non-current investments	2 (12)	8,852.85	6,705.35
(b) Long-term loans and advances	2 (13)	14,348.77	13,143.43
(c) Other non-current assets	2 (14)	621.81	564.32
		42,601.63	35,277.07
(2) Current Assets			
(a) Inventories	2 (15)	2,686.06	2,745.74
(b) Trade receivables	2 (16)	5,373.97	3,014.26
(c) Cash and cash equivalents	2 (17)	285.32	559.71
(d) Short-term loans and advances	2 (18)	5,129.94	7,638.40
(e) Other Current assets	2 (19)	382.34	504.40
		13,857.63	14,462.51
TOTAL		56,459.25	49,739.58
Significant Accounting Policies	1		
Notes to the Balance Sheet	2		
Other Notes	4		

As per our report of even date

For K.S.AIYAR & CO
Chartered Accountants
Firm Registration No. 100186W
(S.KALYANARAMAN)
Partner
Membership No. 200565

Place : Chennai
Date : 03.12.2012

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

M.P.Purushothaman
Chairman

Shaji Purushothaman
Managing Director

Nisha Purushothaman
Vice Chairperson & Jt.Mg. Director



**STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	Period ended Sept. 30, 2012 (18 Months)	Year ended Mar. 31, 2011 (12 Months)
I. Revenue from operations	3 (1)	99,789.07	59,079.87
II. Other income	3 (2)	892.18	322.55
III. Total Revenue (I + II)		100,681.25	59,402.42
IV. Expenses :			
Cost of materials consumed	3 (3)	30,727.10	19,008.01
Changes in inventories of finished goods, work-in-progress	3 (4)	(111.26)	(337.16)
Employee benefits expense	3 (5)	1,982.10	1,168.58
Finance costs	3 (6)	2,658.72	1,526.37
Depreciation and amortization expense	2 (11)	1,025.21	626.26
Other expenses	3 (7)	60,459.88	35,194.52
Total Expenses		96,741.75	57,186.58
V. Profit before exceptional and extraordinary items & tax		3,939.50	2,215.84
VI. Extraordinary items	3 (8)	-	(580.70)
VII. Profit before tax		3,939.50	2,796.54
VIII. Tax Expenses :			
(1) Current Tax		1,793.65	713.51
(2) Deferred Tax	2 (4)	(134.26)	(37.21)
IX. Profit/(Loss) for the year		2,280.11	2,120.24
XIV Earnings per equity share:	3 (9)		
(1) Basic		11.99	11.15
(2) Diluted		11.99	11.15
Significant Accounting Policies	1		
Notes to the Statement of Profit and Loss	3		
Other Notes	4		

As per our report of even date

For K.S.AIYAR & CO

Chartered Accountants

Firm Registration No. 100186W

(S.KALYANARAMAN)

Partner

Membership No. 200565

Place : Chennai

Date : 03.12.2012

For and on behalf of the Board of Directors

EMPEE DISTILLERIES LTDM.P.Purushothaman
ChairmanShaji Purushothaman
Managing DirectorNisha Purushothaman
Vice Chairperson & Jt.Mg. Director



CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2012

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Year ended Sept. 30, 2012 (18 Months)	Year ended Mar. 31, 2011 (12 Months)
<u>A. Cash Flow from Operating Activities</u>		
Net Profit before taxation	3,939.50	2,215.82
<u>Adjustments for:</u>		
Depreciation on fixed assets	1,025.21	626.26
Loss on sale of fixed assets	0.23	-
Interest expense	2,648.07	1,477.70
Preliminary expenses written off	26.84	3.84
Profit on sale of fixed assets	(101.07)	-
Dividend Income	(0.12)	(133.16)
Interest income	(0.33)	(9.55)
Operating Profit before Working Capital changes	7,538.33	4,180.91
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	59.68	(792.09)
(Increase) / Decrease in trade receivables	(2,359.71)	(1,215.48)
(Increase) / Decrease in loans and advances	1,340.85	970.93
Increase/(Decrease) in liabilities	4,040.92	2,401.85
Increase/(Decrease) in provisions	571.13	(40.57)
CASH GENERATED FROM OPERATIONS	11,191.21	5,505.55
Income tax Paid	(1,793.65)	(713.51)
Net Cash inflow / (outflow) from Operating activities	9,397.56	4,792.04
<u>B. Cash Flow from Investing Activities</u>		
(Purchase) of investments	(2,147.50)	(2,433.02)
Purchase of fixed assets (including CWIP)	(4,231.47)	(5,159.14)
Sale Proceeds from fixed assets	102.59	2.24
Interest received	0.33	9.55
Margin money deposit	(0.85)	-
Dividend received	0.12	133.16
Net Cash inflow / (outflow) from Investing activities	(6,276.78)	(7,447.21)



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Year ended Sept. 30, 2012 (18 Months)	Year ended Mar. 31, 2011 (12 Months)
<u>C. Cash Flow from Financing Activities</u>		
Increase in Working Capital Loan	911.47	3,544.22
Increase in Term Loan	(708.97)	2,253.80
Interest paid	(2,648.07)	(1,477.70)
Dividend paid	(954.35)	(1,140.53)
Dividend distribution tax paid	-	(193.89)
Net Cash inflow / (outflow) from Financing activities	(3,399.92)	2,985.90
Net increase / (decrease) in cash and cash equivalents	(279.14)	330.73
Opening Cash and Cash Equivalents		
Cash in hand	40.69	98.81
Bank balances	519.01	130.16
	559.70	228.97
Closing Cash and Cash Equivalents		
Cash in hand	89.79	40.69
Bank balances	190.76	519.01
	280.56	559.70

As per our report of even date

For K.S.AIYAR & CO

Chartered Accountants

Firm Registration No. 100186W

(S.KALYANARAMAN)

Partner

Membership No. 200565

Place : Chennai

Date : 03.12.2012

For and on behalf of the Board of Directors

EMPEE DISTILLERIES LTDM.P.Purushothaman
ChairmanShaji Purushothaman
Managing DirectorNisha Purushothaman
Vice Chairperson & Jt.Mg. Director



**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

(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	Period ended Sept. 30, 2012	Year ended Mar. 31, 2011
Authorized Capital 3,00,00,000 Equity Shares of Rs10/- each	3,000.00	3,000.00
Issued ,Subscribed and fully paid Share Capital 1,90,08,893 Equity Shares of Rs10/- each	1,900.89	1,900.89
	1,900.89	1,900.89

b. Informations on shareholders

Name of Shareholder	Relationship	As at September 30, 2012		As at March 31, 2011	
		No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mr.M.P.Purushothaman		2137788	11.25%	2137788	11.25%
Mrs.Aruna Purushothaman		1800000	9.47%	1800000	9.47%
Mrs.Nisha Purushothaman		1002000	5.27%	1002000	5.27%
Mr.Sheeju Purushothaman		1002000	5.27%	1002000	5.27%
Mrs.Sheena Purushothaman		1002044	5.27%	1002044	5.27%
M/s.Empee Holding Ltd		6307472	33.18%	6307472	33.18%

c. Reconciliation of number of shares

Particulars	As at September 30, 2012		As at March 31, 2011	
	Number	Rs.	Number	Rs.
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, 2008	March 31, 2009	March 31, 2010	March 31, 2011	Sept. 30, 2012
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 Sept. 30, 2012	As at Mar. 31, 2011
a. Securities Premium Account		
Opening Balance	17,414.59	17,414.59
Add : Securities premium credited on Share issue		-
<u>Less : Premium Utilized for various reasons</u>		
Premium on Redemption of Debentures		-
For Issuing Bonus Shares		-
Closing Balance	17,414.59	17,414.59
b. Revaluation Reserve		
Opening Balance	1,672.06	1,685.24
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	19.78	13.18
Closing Balance	1,652.28	1,672.06
c. General Reserve		
Opening Balance	1,297.16	1,085.14
(+) Current Year Transfer from Profit & loss Account	-	212.02
Closing Balance	1,297.16	1,297.16
d. Surplus in the statement of profit and loss		
Opening balance	4,302.79	3,502.91
(+) Net Profit For the current year	2,280.11	2,120.22
	6,582.90	5,623.13
(-) Appropriations		
(-) Proposed Dividends on Equity shares (Re.1 per share)	190.09	950.44
(-) Tax on Proposed Dividends	30.84	157.87
(-) Transfer to Reserves	-	212.02
Closing Balance	6,361.97	4,302.79
GRAND TOTAL	26,726.00	24,686.60

3 - LONG-TERM BORROWINGS

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
SECURED		
(a) Term loans *		
From Banks		
Andhra Bank - Power Plant in Aranthangi, Trichy	552.40	1,147.00
Andhra Bank - 60 KLPD project in Chotkur, Andhra Pradesh	2,495.73	2,102.28
Andhra Bank - Corporate Loan	668.01	1,500.00
Union Bank of India - 60 KLPD project in Chotkur, Andhra Pradesh	1,788.85	497.41
UN-SECURED		
(b) Others*		
From NBFC	650.00	1,617.26
TOTAL	6,154.98	6,863.95

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

Notes to Long Term Borrowing

Name of the Bank	Nature of Loan	Sanctioned Limit as on 30.09.12	Payable after one year (Non Current Liability)	Amount Payable with in one year (Current Liability)	Outstanding as on 30.09.2012	Outstanding as on 30.09.2011	Nature of Security	Repayment schedule
Rupees in Lacs.								
Andhra Bank, Anna Salai, Chennai	Term Loan - Power Division	2,204.00	402.97	314.86	717.83	1,197.25	First Charge on fixed assets including plant and machineries of Aranthangi Division and by personal guarantee of three Directors	Carries Base Rate interest@ 15.75% p.a repayable in 28 equal quarterly installments of Rs.78.71 lacs starting from March 2008.
Andhra Bank, Anna Salai, Chennai	Corporate Loan	3,000.00	668.01	600.00	1,268.01	2,100.00	Secured by collateral security of Vacant land in Survey No.262/10A 264/9, 266/2 of Mevallorkuppam & 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.	Carries Base Rate interest @ 15.75%p.a.payable in 60 equal monthly installments of Rs.50 lacs starting from June 2010
Andhra Bank, Anna Salai, Chennai	Term Loan - Power Division	455.00	149.42	65.14	214.56	329.74	First Charge on fixed assets including plant and machineries of Aranthangi Division and by personal guarantee of three Directors	Carries Base Rate interest@ 15.75% p.a repayable in 28 equal quarterly installments of Rs.16.29 lacs starting from June 2009.
Andhra Bank, Anna Salai, Chennai	Term Loan - 60 KLPD	3,500.00	2,495.73	500.00	2,995.73	2,602.28	Secured by way of first charge on pari-pass basis on the fixed assets including plant and machineries of grain based division, Second Charge on Current on Pari-pass basis on the Current Assets and by personal guarantee of three directors	Carries Base Rate interest @16% p.a repayable in 84 equal installments of Rs.500.00 lakhs starting from October 2011.
Union Bank of India, IF Branch, Chennai	Term Loan - 60 KLPD	2,304.00	1,788.85	329.14	2,117.99	826.55	Secured way of first charge on pari-pass basis on the fixed assets including plant and machineries of grain based division at Sangareddy, Andhra Pradesh, Second Charge on Current on Pari-pass basis on the Current Assets and by personal guarantee of three directors	Carries Base Rate interest @16% p.a repayable in 84 equal installments of Rs.329.14 lakhs starting from October 2011.
IFCI Venture Capital Fund Limited	Loan	1,500.00	650.00	644.14	1,294.14	1,617.26	Unsecured Loan	Repayable of Rs.50 Lacs per month
	Total	12,963.00	6,154.98	2,453.28	8,608.26	8,673.09		



**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 Sept. 30, 2012	As at Mar. 31, 2011
Deferred Tax Liability		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	1,093.75	1,248.74
	1,093.75	1,248.74
Deferred Tax Asset		
Provision for gratuity	3.63	-
Leave Encashment	2.82	2.82
Depreciation	-	26.08
Provident Fund	-	-
Bonus	10.04	8.32
	16.49	37.22
Net	1,077.26	1,211.52

Deferred Tax Charge / (Credit) for the year (134.26)

5 - OTHER LONG-TERM LIABILITIES

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Trade Payables	1,526.20	895.63
Total	1,526.20	895.63

6 - LONG-TERM PROVISIONS

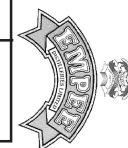
Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Provision for Employee Benefits:		
Gratuity payable	74.99	68.73
Unpaid dividends	3.91	-
Total	78.90	68.73

7 - SHORT-TERM BORROWINGS

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
SECURED		
(a) Loans repayable on demand		
From Banks		
Cash Credit Loan	3,974.14	2,937.23
Factoring facility - NBFCs	2,214.32	2,336.24
(d) Other loans and advances	23.82	27.34
Secured by hypothecation of vehicles		
GRAND TOTAL	6,212.28	5,300.81

Notes to Short Term Borrowing

Name of the Bank	Nature of Loan	Sanctioned Limit as on 30.09.12	Outstanding as on 30.09.2012	Outstanding as on 30.09.2011	Nature of Security	Repayment schedule
Rupees in Lacs.						
Andhra Bank, Anna Salai, Chennai	Cash Credit / Working Capital Loan	1,800.00	1,814.94	1,903.59	This facility from Andhra Bank, Mount Road Branch for Rs.8.00 Crore and Sub-Limit of Andhra Bank, Egmore Branch, Chennai for Rs.10.00 Crores secured by hypothecation of raw materials, stores and consumables, work-in-process, finished goods and sales receivables (not older than 90 days) and by second charge on fixed assets of the company and personal guarantee of three directors	Repayable on demand
Andhra Bank, Anna Salai, Chennai	Cash Credit / Working Capital Loan	550.00	525.92	494.06	Secured by hypothecation of raw materials, stores and consumables, work-in-process, finished goods and sales receivables (not older than 90 days) and by second charge on fixed assets of the Palakkad unit of the company and also personal guarantee of the three directors	Repayable on demand
Andhra Bank, Anna Salai, Chennai	Cash Credit / Working Capital Loan	50.00	(50.57)	49.04	Secured by hypothecation of raw materials, stores and consumables, work-in-process, finished goods and sales receivables (not older than 90 days) and by second charge on fixed assets of the Palakkad unit of the company and also personal guarantee of the three directors	Repayable on demand
Andhra Bank, Anna Salai, Chennai	Cash Credit / Working Capital Loan	500.00	619.32	490.54	Secured by hypothecation of raw materials, stores and consumables, work-in-process, finished goods and sales receivables (not older than 90 days) and by second charge on the fixed assets including plant and machineries of Aranthangi division and by personal guarantee of three directors	Repayable on demand
Andhra Bank, Anna Salai, Chennai	Cash Credit / Working Capital Loan	1,000.00	1,064.53	-	Bills Discounting facility secured by Second Charge on the fixed assets of the company pertaining to distillery division on Tamil Nadu Unit and Primary Security on Extension of first charge on the current assets of the distillery division of Tamil Nadu unit of the company and also personal guarantee of the three directors	Repayable on demand
		3,900.00	3,974.14	2,937.23		



**8 - TRADE PAYABLES**

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Trade Payables	3,494.85	583.37
	3,494.85	583.37

9 - OTHER CURRENT LIABILITIES

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Current maturities of long-term debt	2,453.28	2,409.14
Income received in advance	1,661.19	1,210.57
Total	4,114.47	3,619.71

10 - SHORT-TERM PROVISIONS

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Provision for employee benefits:		
Salary & wages payable	78.09	36.14
Gratuity Payable	5.93	6.07
Bonus payable	30.19	25.00
Others:		
Provision for taxation (net of advance tax)	1,649.46	254.98
Proposed dividend (Re.1 per share)	190.09	950.44
Tax on proposed dividend (incl PY unpaid DDT of Rs.157.87)	188.71	157.87
PF payable	6.95	6.24
Sales tax payable	2,837.34	2,937.38
Service Tax payable	13.00	9.51
Tds payable	29.06	30.48
Provisions for expenses	142.07	188.19
Provision for audit fees	2.53	-
Total	5,173.42	4,602.30

11 - FIXED ASSETS

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 1, 2011	Additions (Deletions) during the Year	Acquired through business combinations	Revaluations/ (Impairments)	As at Sept.30, 2012	As at April 1, 2011	Depreciation charge for the year	Adjustment due to revaluations	Adjustments On disposals	As at Sept.30, 2012	As at March.31, 2012	As at March 31, 2011
Tangible Assets												
Freehold Land	1,892.76	1,171.95	-	-	3,064.71	-	-	-	-	-	3,064.71	1,892.76
Factory Building	2,723.08	324.72	-	-	3,047.80	511.90	137.82	-	-	649.72	2,398.08	2,211.18
Plant & Machinery	7,291.96	350.89	-	-	7,642.85	2,223.46	802.10	-	-	3,025.55	4,617.29	5,068.50
Furniture & Fittings	33.71	1.13	-	-	34.84	19.50	1.94	-	-	21.44	13.40	14.20
Vehicles	492.75	51.75	-	-	544.50	312.71	45.07	-	-	357.78	186.72	180.04
Office Equipment	101.58	9.42	-	-	111.00	31.24	10.26	-	-	41.51	69.49	70.34
Computers	245.56	18.44	-	-	264.00	152.75	47.80	-	-	200.55	63.45	92.80
Total	12,781.38	1,928.30	-	-	14,709.68	3,251.56	1,044.99	-	-	4,296.55	10,413.13	9,529.83
Previous Year	11,426.72	1,354.66	-	-	12,781.38	2,616.96	634.59	-	-	3,251.56	9,529.83	8,809.76
*Depreciation for the year amounting to Rs.19.78 lacs is charged to fixed asset revaluation reserve												
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-

Capital Work in Progress:

Particulars	As on 30.09.2012	As on 31.03.2011
60KLPD Project, AP	8,046.62	3,390.36
Brewery Project, AP	263.76	436.56
Land Development expenses	54.69	54.69
Uthukottai Project	0.00	502.27
Mevalookuppam - IMFL Factory	0.00	4.21
Palakkad - IMFL Factory	0.00	602.37
Power Division - Aranthangi	0.00	3.50
Perambalur Power Project	0.00	45.92
Brewery Project, Tamilnadu	0.00	235.87
Karnataka - IMFL Factory	0.00	58.39
Total	8,365.07	5,334.14





12 - NON-CURRENT INVESTMENTS

Particulars	As at Sept.30, 2012	As at Mar. 31, 2011
Trade Investments (Refer A below)		
(a) Investment in Equity instruments		
Quoted : Empee Sugars & Chemicals Ltd (26622102 equity shares of Rs.10/- each)	159.73	159.73
Quoted : Andhra Bank (1000 equity shares)	0.96	0.96
Unquoted: Empee Hotels Ltd (66,49,997 shares)	4,425.00	3,990.00
Unquoted: EDL Properties Ltd (7,50,000 shares of Rs.10/-each)	75.00	75.00
Unquoted: Appollo Distilleries Pvt Ltd (1,40,89,400 shares of Rs.10/-each)	4,184.66	1408.94
(b) Investments in preference shares		
Ceat Finance Ltd (25000 shares of Rs.10/- each)	2.50	2.50
(c) Investments in Mutual Funds		
Union KBC Asset Management Pvt Ltd	5.00	-
	8,852.85	5,637.13
B. Other Investments (Refer B below)		
(a) Other non-current investments		
Share Application money in Subsidiaries		
Appollo Distilleries Pvt Ltd	-	1,068.22
	-	1,068.22
TOTAL (A+B)	8,852.85	6,705.35
Less : Provision for dimunition in the value of Investments	8,852.85	6,705.35

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Aggregate amount of quoted investments		
- Cost	160.69	160.69
- Market Value	2,403.97	18,690.22
Aggregate amount of unquoted investments	8,692.16	6,544.66

13 - LONG-TERM LOANS AND ADVANCES

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
a. Share Application money in Subsidiaries		
Empee Sugars & Chemicals Ltd	14,036.50	12736.5
b. Capital Advances	312.27	406.93
	14,348.77	13,143.43

**14 - OTHER NON-CURRENT ASSETS**

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
a) Trade receivables Unsecured, considered good	357.63	357.63
b. Others Deposits - with government departments	189.03	118.54
c. Other Deposits	75.15	61.31
d. Miscellaneous Expenditure to the extent not written off or adjusted	0.00	26.84
	621.81	564.32

15 - INVENTORIES

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
a. Raw Materials (valued at cost or net realisable value which ever is lower)	1,816.77	1,987.71
b. Work-in-progress (valued at factory cost)	588.83	205.59
c. Finished goods (valued at cost plus excise duty)	80.46	552.44
TOTAL	2,686.06	2,745.74

16 - TRADE RECEIVABLES

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	5,278.45	2,989.10
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	5,278.45	2,989.10
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	95.52	25.16
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	95.52	25.16
TOTAL	5,373.97	3,014.26

17 - CASH AND CASH EQUIVALENT

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Cash and Cash Equivalent:		
a. Balances with banks	190.76	519.02
b. Cash on hand	89.79	40.69
	280.56	559.71
Other Bank Balance:		
a. Margin Money deposit with Andhra Bank	0.85	0
b. Balance lying in HDFC bank un paid dividend account	3.91	0
	4.76	-
Total	285.32	559.71

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

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
a. Loans and advances to related parties	5129.94	7,638.40
	5,129.94	7,638.40

19 - OTHER CURRENT ASSETS

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Prepaid Expenses	20.00	42.19
Deposits - Others	290.47	147.47
Other loans & advances	71.87	314.74
	382.34	504.40

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 Sept. 30, 2012	Year ended March 31, 2011
Sale of Products (Gross)	151,198.53	86,923.65
Less: Excise Duty	52,072.45	28,108.91
	99,126.08	58,814.74
Sale of Services		
Other operating Revenues	662.99	265.13
	99,789.07	59,079.87

2 - OTHER INCOME

Particulars	Period ended Sept. 30, 2012	Year ended March 31, 2011
Dividend Received	0.12	133.16
Scrap Sales	71.45	30.49
Miscellaneous Income	820.61	158.90
	892.18	322.55

**3 - COST OF MATERIAL CONSUMED**

Particulars	Period ended Sept. 30, 2012	Year ended March 31, 2011
Opening Stock of Raw Materials	1,987.71	1,532.79
Add: Purchases of Raw Materials	30,556.16	19,462.93
Less: Closing Stock of Raw Materials	1,816.77	1,987.71
	30,727.10	19,008.01

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

Particulars	Period ended Sept. 30, 2012	Year ended March 31, 2011
<u>Opening Inventory</u>		
Finished Goods	552.44	347.72
Work-In-Progress	205.59	73.15
	758.03	420.87
<u>Closing Inventory</u>		
Finished Goods	280.46	552.44
Work-In-Progress	588.83	205.59
	869.29	758.03
	(111.26)	(337.16)

5 - EMPLOYEE BENEFIT EXPENSES

Particulars	Period ended Sept. 30, 2012	Year ended March 31, 2011
Salaries and incentives	1,766.89	1,079.30
Contributions to Provident fund & ESI	75.19	47.31
Gratuity fund contributions	21.62	(16.60)
Staff welfare expenses	118.40	58.57
	1,982.10	1,168.58

6 - FINANCE COST

Particulars	Period ended Sept. 30, 2012	Year ended March 31, 2011
Bank Charges	10.65	48.67
Interest Expenses	2,648.07	1,477.70
	2,658.72	1,526.37



7 - OTHER EXPENSES

Particulars	Period ended Sept. 30, 2012	Year ended March 31, 2011
Manufacturing expenses	1,828.84	930.46
Excise Label	689.74	346.66
VAT	51,834.25	29,525.28
Label Registration /Approval fee	7.87	4.97
Rent	115.13	29.97
Rates & Taxes	772.06	1,176.92
Audit Fees	8.42	5.00
Postage & Telegram	23.99	2.81
Printing and Stationery	35.55	18.00
Repairs and Maintenance	44.04	21.88
Donations	34.85	8.93
Sitting Fee	6.80	3.60
Telephone Expenses	35.60	26.87
Managerial Remuneration	200.79	148.85
Consulting Charges	93.33	38.94
Travelling Expenses	529.55	41.68
Travelling Expenses - Directors	22.63	12.90
Miscellaneous Expenses	419.73	222.66
Discounting Charges	321.69	159.28
Advertisement & Publicity	8.58	4.31
Travelling Expenses - Marketing	34.39	19.02
Freight & Handling Charges	965.24	506.77
Loading & Unloading charges	199.59	94.77
Sales Promotion expenses	1.14	45.10
Cash Discount	1,148.76	668.15
Other Selling expenses	1,077.31	1,130.74
	60,459.88	35,194.52

**8 - EXTRA ORDINARY ITEMS**

Particulars	Period ended Sept. 30, 2012	Year ended March 31, 2011
Profit on sale of investments	-	(580.70)
	-	(580.70)

9 - EARNINGS PER EQUITY SHARES

Particulars	Period ended Sept. 30, 2012	Year ended March 31, 2011
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders	2,280.11	2,120.24
Weighted average number of equity shares	19,008,893	19,008,893
Basic Earnings Per Share	11.99	11.15
Face value per Share	10.00	10.00
Weighted average number of potential equity shares	19008893	19008893
Diluted Earnings Per Share	11.99	11.15
Face value per Share	10.00	10.00

**Notes forming part of financial statements for the period ended 30.09.2012****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, 1956. 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 VI to the Companies Act, 1956. 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 reliably measured and it is reasonable to expect ultimate collection.

Revenue from sale of Goods:

Sales are accounted inclusive of excise duty and sales tax wherever applicable but net of trade discounts.

Revenue from Services:

Revenue from services is recognized upon completion of services.

Other Income – a) Interest Income is accounted at applicable coupon rates on respective investments, on time basis. b) Dividend income is accounted as and when received.

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 XIV to the Companies Act, 1956.

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. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of acquisition.



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

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

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

Long term investments are stated at cost less provision for diminution in value other than temporary if any, in the opinion of the management. Short term investments are valued at cost or fair value whichever is lower

1.10 Inventories

Inventories are valued at cost or net realizable value whichever is lower.

Work-in-Progress: At all direct costs and applicable production overheads to bring the goods to the present location and condition.

Raw materials and Stores & Spares: At landed cost on First-in –First- Out basis.

Finished goods are valued on weighted average basis.

1.11 Foreign Currency Transaction

Foreign Exchange transactions are recorded at the exchange rates prevailing at the time of transaction.

Assets and Liabilities expressed in Foreign currencies (to the extent not covered against exchange fluctuations) are translated into Indian Rupees at the exchange rate prevailing at the Balance Sheet date and any loss or gain arising there from has been included in Finance charges as per the provisions of Accounting Standards 16 and 11(Revised) issued by The Institute of Chartered Accountants of India.

**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 Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of the timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted by the balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

Current tax and deferred tax assets and liabilities are offset to the extent o which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

Tax on distributable profits payable by the company in accordance with the provisions of Income-tax Act, 1961 is disclosed in accordance with the guidance note on Accounting for Corporate Dividend Tax issued by the ICAI.

1.14 Provisions

The company recognizes provision when there is a present obligation of the enterprise arising from past events, settlement of which is expected to result in an outflow from the enterprise of resources embodying economic benefits which can be measured only by using a substantial degree of estimation.

Provision for contractual obligation has been provided for in accounts based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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 Retirement and Other Benefits**

Contribution to Provident Fund is made as per the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 and charged to Profit and Loss Account and disclosed separately.

Gratuity has been provided as per Actuarial Valuation. The company does not have any stated leave encashment policy; hence the related provision has not been made in the books of accounts.

1.17 Segment Reporting**A. Business Segments:**

Based on the guiding principles given in Accounting Standard – 17 'Segment Reporting', the Company's business segments include Liquor (IMFL) and Power.

B. Segment Accounting Policies

In addition to the significant accounting policies applicable to the business segments as given in notes, the accounting policies in relation to segment accounting are as under:

- a. Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.
- b. Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes, share capital, reserves, loans investments, miscellaneous expenditure and profit and loss appropriation account. While most of the assets / liabilities can be directly attributed to the individual segments, the carrying amount of certain assets / liabilities pertaining to both segments are allocated to the segments on a reasonable basis.
- c. Inter segment sales between operating segments are accounted at market price.

4. NOTES ON ACCOUNTS

The Company has closed the accounting year on 30.09.2012 for 18 months period from 01.04.2011 to 30.09.2012. The extension of financial year by the company is in view of the scheme of amalgamation with Empee Sugars & Chemicals Ltd, which is pending approval of Honorable High court of Chennai.

4.1 Investment**Share application money – Group Company:**

The company has made an investment amounting to Rs.4.5 Crores in Shares of its Unlisted Subsidiaries; however the shares of these companies are pending allotment for more than a year. As per the notification no. G.S.R 879(E) dated 14.12.2011 issued by the Ministry of Corporate affairs, for unlisted public companies (Preferential Allotment) Rules 2011 every unlisted public company has to allot shares within 60 days from the receipt of the share application money otherwise the same has to be repaid within 15 days failing which the company has to pay interest @ 12% p.a. The companies have neither allotted the shares nor repaid the share application money within the prescribed period and still pending as on the date of reporting along with interest.



As the subsidiaries' have not allotted the share within the prescribed period as mentioned above the same has been classified under Short Term loans and advances in the financial statements during the current year .

Share application money – Subsidiary:

The company has made an investment in the shares of Empee Sugars and Chemicals limited (ESCL) Rs.140.36 crores (PY Rs.127.36). The shares have not been allotted as on reporting date 30th September 2012, hence the company has disclosed the same under Long term loans and advances during the current year. The company has approached the relevant forum for the approval of merger proposal of Empee sugars & Chemical Limited.

4.2 Contingent Liabilities, Guarantees & Capital commitments

A. Contingent Liabilities

Particulars	(Rs. In Lakhs)	
	30.09.2012	31.03.2011
a) Claims against the company not acknowledged as debts	—	40.00
b) Disputed Income tax demand	560.58	366.57

B. Capital Commitments

Particulars	(Rs. In Lakhs)	
	30.09.2012	31.03.2011
Estimated amount of capital contracts remaining to be executed	1176.85	1998.98

4.3 Employee Benefits

Disclosure in respect of employee benefits under Accounting Standard (AS) – 15 (Revised) “Employees Benefits” prescribed by the Companies (Accounting Standards) Rules, 2006.

a) Defined Contribution Plans: Contribution to defined contribution plan , recognized as expenses for the year is amount to Rs. 92.26 Lakhs (previous year Rs.30.71 Lakhs) pertaining to employers’ contribution to provident fund, Employees State Insurance 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:



Rs.in Lakhs

Particulars	As at 30 Sept. 2012	As at 31 March 2011
1 Present value of obligation at the beginning of the year	74.80	93.47
2 Interest cost	8.00	7.48
3 Current service cost	37.62	5.10
4 Benefits paid	(15.50)	0.00
5 Actuarial (gain) / loss on obligation	(24.00)	(31.26)
6 Present value of obligation at the end of year	80.92	74.80

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

Particulars	As at 30 Sept. 2012	As at 31 March 2011
1 Fair value of plan assets at the beginning of the year	-	-
2 Expected return on plan assets	-	-
3 Contributions	15.50	-
4 Benefits paid	(15.50)	-
5 Actuarial gain / (loss) on plan assets	-	-
6 Fair value of plan assets at the end of year	-	-

(iii) Actuarial gain / loss recognized as follows:

Particulars	As at 30 Sept. 2012	As at 31 March 2011
1 Actuarial gain / (loss) for the year - obligation	24.00	(31.26)
2 Actuarial gain / (loss) for the year - plan assets	---	---
3 Total gain / (loss) for the year	24.00	(31.26)
4 Actuarial gain / (loss) recognized in the year	(21.62)	18.67
5 Unrecognized actuarial gains (losses) at the end of year	0	12.58

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

Rs.in Lakhs

Particulars	As at 30 Sept. 2012	As at 31 March 2011
1 Present value of obligation as at the end of the year	(80.92)	74.80
2 Fair value of plan assets as at the end of the year	0.00	0.00
3 Funded / (unfunded) status	(80.92)	(74.80)
4 Excess of actual over estimated	-	---
5 Net assets / (liability) recognized in balance sheet	(80.92)	(74.80)



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

Particulars	Rs. in. Lakhs	
	As at 30 Sept. 2012	As at 31 March 2011
1 Current service cost	37.62	5.10
2 Past service cost		
3 Interest cost	8.00	7.48
4 Expected return on plan assets	---	---
5 Net actuarial (gain)/loss recognized in the year	(24.00)	(31.26)
6 Expenses recognized in the statement of profit and losses	21.62	(18.67)

(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 30 September 2012	As at 31 March 2011
1. Discount rate	8.5%	8%
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%

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

4.5 Trade Deposits and advance from customer includes Rs.1661.19 lakhs (Previous year Rs.1210.57 lakhs) received from TASMAL on adhoc basis during the month of September 2012.

4.6 In the absence of receipt of information about registration under Micro, small, Medium and Enterprises Development Act (MSMED Act) from the parties, the provisions and disclosure requirement under the MSMED act could not be complied with.

4.7 The Company's segment doesn't satisfy the criteria as given in the AS - 17. Hence the disclosure requirements pertaining to reportable segment is not given.



4.8 MANAGERIAL REMUNERATION (Related Parties)

Particulars	(Rs.In Lakhs)	
	For the period ended 30.09.2012	For the year ended 31.03.2011
Salary	144.00	96.00
Company's contribution to Provident Fund	17.28	11.52
Other Perquisite	39.51	41.32
Total	200.79	148.85

4.8 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
Mr.Shaji Purushothaman Managing Director
Ms.Nisha Purushothaman Vice Chair Person & Jt. Mg. 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 Communications Limited
Universal Spirits Ltd
Empee Construction Company Pvt Ltd
Empee Power & Infrastructure Pvt Ltd
Empee Packaging Industries
Aruna Constructions
Empee Hospitality Pvt. Ltd



Transactions with Related parties

Rs. In Lacs

Particulars	Subsidiary Companies	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	For the period ended 30.09.12
Remuneration	Nil (-)	200.79 (148.85)	Nil (-)	Nil (-)	200.79 (148.85)
Receiving of Services	Nil (-)	Nil (-)	Nil (-)	310.86 (214.45)	310.86 (214.45)
Finance (Including loans and equity contributions in cash or kind)	1707.49 (601.76)	Nil (-)	Nil (-)	Nil (3903.45)	1707.49 (4505.21)
Interest Paid	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil (-)
Interest Received	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil (-)
Sale of assets	Nil (-)	Nil (-)	Nil (-)	102.60 (30.00)	102.60 (30.00)
Sale of investments	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil (-)
Purchase of goods	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil (-)
Rent paid	Nil (-)	Nil (-)	18.00 (2.30)	83.88 (17.42)	101.88 (19.72)
Balance Outstanding	11711.92			7510.47	19222.39*

* Includes Share Application money of Rs.14036.50 Lacs.

4.9 .Quantum of Excise Duty included in closing stock of finished goods is Rs.142.48 Lakhs.

4.10 Payment to auditors

(Rs. In Lacs)

Particulars	Period ended 30 September 2012	Year ended 31 March 2011
Statutory audit fee	6.74	4.00
Limited Review Fees	1.68	1.00



4.11 Details of Subsidiary Companies

(Rs. In Lacs)

Particulars	Appollo Distilleries Pvt. Ltd		EDL Properties Ltd	
	2011-12 (18months)	2010-11 (12 months)	2011-12 (18months)	2010-11 (12 months)
Share Capital	4492.65	1411.94	100.00	100.00
Reserves & Surplus	74.18	6.79	---	---
Total Liabilities	15884.82	6626.92	657.31	506.48
Total Assets	15884.82	6626.92	657.31	506.48
Total Income	3907.96	----	----	---
Profit before tax	103.66	----	----	---
Provisions for tax	34.43	----	----	---
Profit after tax	69.23	----	----	---
Proposed Dividend	----	----	----	---
Details of investments	----	----	----	---

4.12 During the period ended 30th September 2012, the revised Schedule VI notified under the companies act 1956, has become applicable to the company for preparation and presentation of its financial statements. Accordingly, the company has reclassified / regrouped / amended the previous year figures in accordance with the requirements applicable in the current period.

As per our report of even date

K.S.Aiyar & Co
Chartered Accountants
(Firm Regn.no.100186)

M.P.Purushothaman
Chairman

Shaji Purushothaman
Managing Director

(S.Kalyanaraman)
Partner (M.No.200565)

Nisha Purushothaman
Vice Chairperson &
Jt. Mg. Director

Place: Chennai
Date : 03.12.2012



**AUDITORS' REPORT TO BOARD OF DIRECTORS OF
EMPEE DISTILLERIES LIMITED- CHENNAI ON THE CONSOLIDATED FINANCIAL
STATEMENTS OF EMPEE DISTILLERIES LIMITED AND ITS SUBSIDIARIES**

1. We have examined the attached consolidated balance sheet of Empee Distilleries Limited., and its subsidiaries Except Empee Sugar and chemicals limited and its fellow subsidiary, as at 30th September 2012, the consolidated statement of Profit & Loss Accounts for the 18 months period ended on that date annexed thereto, and the consolidated cash flow statement for the period ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on test basis evidence supporting the amount and disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.
3. *We did not audit the financial statement of subsidiaries (EDL Properties Private Limited, Appollo Distilleries Limited) , whose financial statements reflects total assets (Net) of Rs.4668.67 Lakhs as of 30th September 2012, Total Revenue of Rs.3907.96 Lakhs and net cash flows from operating activity amounting to Rs.3215.41 Lakhs These Financial Statements and other Financial information have been audited by other Auditors for the year ended 31st March 2012 and whose report have been furnished to us, and our opinion is based solely on the reports of the other Auditors. Significant adjustment which were made by the management, after the close of the balance sheet was not audited.*
4. *We report that the consolidated financial statements have not been prepared by the Empee Distilleries 's management in accordance with the requirements of Accounting Standard (AS) 21 consolidated financial statements, Accounting Standard 23, Accounting for investment in Associates in Consolidated financial Statements. In the absence financial results of Empee Sugars and chemicals Limited and its subsidiaries , its impact on the Consolidated financial results could not be determined.*
5. *The EDL made an Investment of Rs.1.59.Crores and given share application (awaiting allotment) amounting to Rs.140.36 Crores to its subsidiary Empee Sugars and Chemicals limited(ESCL). The Networth of ESCL is negative as per last audited financial statements and due to non availability of required raw material and other infrastructural problems, the Sugar producing plant of ESCL at Ambasamudaram is presently non operational. This may result in diminution in value of its investment and recoverability and/or adjustment of share application is not ascertainable, for which no provision has been made in the CFS, as required in terms of Accounting Standard 13 issued by The Institute of Chartered Accountants of India as the amount is not quantifiable. Accordingly no adjustment has been made in the CFS, towards minority interest, in this respect.*
6. Based on our audit and on the consideration of the reports of the other auditors on separate Financial Statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion, that the attached Consolidated Financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. In the case of the consolidated balance sheet, of the consolidated state of affairs of Empee Distilleries Limited and its subsidiaries as at 30th September 2012.
 - ii. In case of the consolidated profit and loss account, of the consolidated results of operations of Empee Distilleries Limited and its subsidiaries for the 18 months period ended on that date and
 - iii. In the case of the consolidated cash flow statement, of the consolidated cash flows of Empee Distilleries and its subsidiaries for the period ended on that date.

K.S.AIYAR & CO.
Chartered Accountants
(Firm Regn No: 100186W)

(S.Kalyanaraman)
Partner
(M No: 200565)

Place: Chennai- 16
Date: 3rd December 2012



CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2012

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	As at Sept. 30, 2012 (18 Months)	As at Mar. 31, 2011 (12 Months)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2 (1)	1,900.89	1,900.89
(b) Reserves and surplus	2 (2)	26,797.27	24,693.38
		28,698.16	26,594.27
Share application money pending allotment	2 (3)	85.01	-
Minority Interest		337.74	28.00
(2) Non-current liabilities			
(a) Long-term borrowings	2 (4)	11,978.32	10,902.51
(b) Deferred tax liabilities (Net)	2 (5)	1,077.26	1,211.52
(c) Other long term liabilities	2 (6)	2,641.94	943.67
(d) Long-term provisions	2 (7)	78.90	74.80
		15,776.42	13,132.50
(3) Current liabilities			
(a) Short-term borrowings	2 (8)	8,063.19	5,901.57
(b) Trade payables	2 (9)	4,043.76	583.37
(c) Other current liabilities	2 (10)	5,332.40	3,157.21
(d) Short-term provisions	2 (11)	5,944.65	4,602.30
		23,384.00	14,244.45
TOTAL		68,281.33	53,999.22



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	As at Sept. 30, 2012 (18 Months)	As at Mar. 31, 2011 (12 Months)
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	2 (12)		
(i) Tangible assets		22,100.05	10,003.64
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		8,365.07	8,565.00
(iv) Intangible assets under development		-	-
		30,465.12	18,568.64
(a) Non-current investments	2 (13)	4,593.19	4,153.19
(b) Long-term loans and advances	2 (14)	14,924.96	14,808.80
(c) Other non-current assets	2 (15)	621.82	1,311.74
		50,605.09	38,842.37
(2) Current Assets			
(a) Inventories	2 (16)	3,203.43	2,745.74
(b) Trade receivables	2 (17)	6,154.93	3,371.89
(c) Cash and cash equivalents	2 (18)	346.53	714.34
(d) Short-term loans and advances	2 (19)	7,514.55	7,638.40
(e) Other Current assets	2 (20)	456.80	686.48
		17,676.24	15,156.85
TOTAL		68,281.33	53,999.22
Significant Accounting Policies	1		
Notes to the Balance Sheet	2		
Other Notes	4		

As per our report of even date

For K.S.AIYAR & CO

Chartered Accountants

Firm Registration No. 100186W

(S.KALYANARAMAN)

Partner

Membership No. 200565

Place : Chennai

Date : 03.12.2012

M.P.Purushothaman
ChairmanShaji Purushothaman
Managing DirectorNisha Purushothaman
Vice Chairperson &
Jt. Mg. Director



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	Period ended Sept 30, 2012 (18 Months)	Year ended Mar. 31, 2011 (12 Months)
I. Revenue from operations	3 (1)	103,661.06	59,079.87
II. Other income	3 (2)	928.15	322.55
III. Total Revenue (I + II)		104,589.21	59,402.42
IV. Expenses :			
Cost of materials consumed	3 (3)	33,266.49	19,008.01
Changes in inventories of finished goods, work-in-progress	3 (4)	(460.63)	(337.16)
Employee benefits expense	3 (5)	2,152.90	1,168.58
Finance costs	3 (6)	3,209.90	1,526.37
Depreciation and amortization expense	2 (12)	1,182.32	626.26
Other expenses	3 (7)	61,195.07	35,194.52
Total Expenses		100,546.05	57,186.58
V. Profit before exceptional and extraordinary items & tax		4,043.16	2,215.84
VI. Extraordinary items	3 (8)	-	(580.70)
VII. Profit before tax		4,043.16	2,796.54
VIII. Tax Expenses :			
(1) Current Tax		1,828.08	713.51
(2) Deferred Tax	2 (5)	(134.26)	(37.21)
IX. Profit/(Loss) for the year		2,349.34	2,120.24
XIV Earnings per equity share:	3 (9)		
(1) Basic		12.36	11.15
(2) Diluted		12.36	11.15
Significant Accounting Policies	1		
Notes to the Statement of Profit and Loss	3		
Other Notes	4		

As per our report of even date

For K.S.AIYAR & CO

Chartered Accountants

Firm Registration No. 100186W

(S.KALYANARAMAN)

Partner

Membership No. 200565

Place : Chennai

Date : 03.12.2012

M.P.Purushothaman
ChairmanShaji Purushothaman
Managing DirectorNisha Purushothaman
Vice Chairperson &
Jt. Mg. Director



**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Year ended Sept 30, 2012 (18 Months)	Year ended Mar. 31, 2011 (12 Months)
<u>A. Cash Flow from Operating Activities</u>		
Net Profit before taxation	4,043.16	2,215.82
<u>Adjustments for:</u>		
Depreciation on fixed assets	1,182.32	626.26
Loss on sale of fixed assets	0.23	-
Interest expense	2,648.07	1,477.70
Preliminary expenses written off	26.84	3.84
Profit on sale of fixed assets	(101.07)	-
Dividend Income	(0.12)	(133.16)
Interest income	(0.33)	(9.55)
Operating Profit before Working Capital changes	7,799.10	4,180.91
<u>Adjustments for :</u>		
(Increase) / Decrease in Inventories	(457.69)	2,201.76
(Increase) / Decrease in trade receivables	(2,783.04)	(850.28)
(Increase) / Decrease in loans and advances	1,202.39	5,430.84
Increase/(Decrease) in liabilities	7,337.94	(2,312.44)
Increase/(Decrease) in provisions	1,342.35	(36.41)
CASH GENERATED FROM OPERATIONS	14,441.05	8,614.38
Income tax Paid	(1,828.08)	(713.51)
Net Cash inflow from/ (outflow) from Operating activities	12,612.97	7,900.87
<u>B. Cash Flow from Investing Activities</u>		
(Purchase) of investments	(440.00)	(12,542.46)
Purchase of fixed assets (including CWIP)	(12,367.76)	39,336.56
Sale Proceeds from fixed assets	102.59	2.24
Margin money deposit	(0.85)	-
Interest received	0.33	9.55
Dividend received	0.12	133.16
Miscellaneous Expenditure	-	(743.58)
Net Cash inflow from/ (outflow) from Investing activities	(12,705.57)	26,195.47



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Year ended Sept 30, 2012 (18 Months)	Year ended Mar. 31, 2011 (12 Months)
<u>C. Cash Flow from Financing Activities</u>		
Increase in Working Capital Loan	2,161.62	643.38
Increase in Term Loan	1,075.81	(32,529.26)
Interest paid	(2,648.07)	(1,477.70)
Increase in Equity	85.01	137.50
Dividend paid	(954.34)	(1,140.53)
Dividend distribution tax paid	-	(193.89)
Net Cash inflow from/ (outflow) from Financing activities	(279.97)	(34,560.50)
Net increase / (decrease) in cash and cash equivalents	(372.57)	(464.16)
Opening Cash and Cash Equivalents		
Cash in hand	47.27	107.31
Bank balances	667.07	1,071.19
	714.34	1,178.50
Closing Cash and Cash Equivalents		
Cash in hand	96.74	47.27
Bank balances	245.02	667.07
	341.77	714.34

As per our report of even date

For K.S.AIYAR & CO

Chartered Accountants

Firm Registration No. 100186W

(S.KALYANARAMAN)

Partner

Membership No. 200565

Place : Chennai

Date : 03.12.2012

For and on behalf of the Board of Directors

EMPEE DISTILLERIES LTDM.P.Purushothaman
ChairmanShaji Purushothaman
Managing DirectorNisha Purushothaman
Vice Chairperson &
Jt. Mg. Director



**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

(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 Sept. 30, 2012	Year ended Mar. 31, 2011
Authorized Capital 3,00,00,000 Equity Shares of Rs10/- each	3,000.00	3,000.00
Issued ,Subscribed and fully paid Share Capital 1,90,08,893 Equity Shares of Rs10/- each	1,900.89	1,900.89
	1,900.89	1,900.89

b. Informations on shareholders

Name of Shareholder	Relationship	As at September 30, 2012		As at March 31, 2011	
		No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mr.M.P.Purushothaman		2137788	11.25%	2137788	11.25%
Mrs.Aruna Purushothaman		1800000	9.47%	1800000	9.47%
Mrs.Nisha Purushothaman		1002000	5.27%	1002000	5.27%
Mr.Sheeju Purushothaman		1002000	5.27%	1002000	5.27%
Mrs.Sheena Purushothaman		1002044	5.27%	1002044	5.27%
M/s.Empee Holding Ltd		6307472	33.18%	6307472	33.18%

c. Reconciliation of number of shares

Particulars	As at September 30, 2012		As at March 31, 2011	
	Number	Rs.(Lacs)	Number	Rs.(Lacs)
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, 2008	March 31, 2009	March 31, 2010	March 31, 2011	Sept. 30, 2012
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 Sept 30, 2012	As at Mar. 31, 2011
a. Securities Premium Account		
Opening Balance	17,414.59	17,414.59
Add : Securities premium credited on Share issue	-	-
<u>Less : Premium Utilized for various reasons</u>		
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	17,414.59	17,414.59
b. Revaluation Reserve		
Opening Balance	1,672.06	1,685.24
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	19.78	13.18
Closing Balance	1,652.28	1,672.06
c. General Reserve		
Opening Balance	1,297.16	1,085.13
(+) Current Year Transfer from Profit & loss Account	-	212.02
Closing Balance	1,297.16	1,297.15
d. Capital Reserve		
Opening Balance	6.78	312.92
(-/+) Adjustments		(306.14)
Closing Balance	6.78	6.78
e. Surplus in the statement of profit and loss		
Opening balance	4,302.80	3,502.91
(+) Net Profit For the current year	2,344.59	2,120.22
	6,647.39	5,623.13
(-) Appropriations		
(-) Proposed Dividends on Equity shares (Re.1 per share)	190.09	950.44
(-) Tax on Proposed Dividends	30.84	157.87
(-) Transfer to Reserves		212.02
Closing Balance	6,426.46	4,302.80
GRAND TOTAL	26,797.27	24,693.38

3. Share application money pending for allotment

Appollo Distilleries Private Limited, is having an authorised capital Rs.7000 Lakhs. The Company has a share application money pending allotment of Rs.85.01 Lakhs in the books of accounts .The company has sufficient authorised share capital for this pending allotment. The company is taking necessary steps to allot the shares during the next year. The shares will be allotted at Face value of Rs.10 each. Since the amount is not due for refund, the necessity of interest provision doesn't arise.

**4 - LONG-TERM BORROWINGS**

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
SECURED		
(a) Term loans *		
From Banks		
Andhra Bank - Power Plant in Aranthangi, Trichy	552.40	1,147.00
Andhra Bank - 60 KLPD project in Chotkur, Andhra Pradesh	2,495.73	2,102.28
Andhra Bank - Corporate Loan	668.01	1,500.00
Union Bank of India - 60 KLPD project in Chotkur ,Andhra Pradesh	1,788.85	497.41
Punjab National Bank - Beer Project	5,794.24	4,038.56
(b) Others		
From NBFC	-	1,617.26
TOTAL	11,299.22	10,902.51

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

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
UN-SECURED		
From Financial Institutions		
From NBFC	650.00	-
(b) From Other Parties		
Empee Agro Farm Products Pvt Ltd	29.10	-
	679.10	-
TOTAL OF SECURED AND UNSECURED	11,978.32	10,902.51

Notes to Long Term Borrowing

Name of the Bank	Nature of Loan	Sanctioned Limit as on 30.09.12	Payable after one year (Non Current Liability)	Amount Payable with in one year (Current Liability)	Outstanding as on 30.09.2012	Outstanding as on 30.09.2011	Nature of Security	Repayment schedule
Rupees in Lacs.								
Andhra Bank, Anna Salai, Chennai	Term Loan - Power Division	2,204.00	402.97	314.86	717.83	1,197.25	First Charge on fixed assets including plant and machineries of Aranthangi Division and by personal guarantee of three Directors	Carries Base Rate interest@ 15.75% p.a repayable in 28 equal quarterly installments of Rs.78.71 lacs starting from March 2008.
Andhra Bank, Anna Salai, Chennai	Corporate Loan	3,000.00	668.01	600.00	1,268.01	2,100.00	Secured by collateral security of Vacant land in Survey No.262/10A 264/9, 266/2 of Mevallorkuppam & 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.	Carries Base Rate interest @ 15.75%p.a.payable in 60 equal monthly installments of Rs.50 lacs starting from June 2010
Andhra Bank, Anna Salai, Chennai	Term Loan - Power Division	455.00	149.42	65.14	214.56	329.74	First Charge on fixed assets including plant and machineries of Aranthangi Division and by personal guarantee of three Directors	Carries Base Rate interest@ 15.75% p.a repayable in 28 equal quarterly installments of Rs.16.29 lacs starting from June 2009.
Andhra Bank, Anna Salai, Chennai	Term Loan - 60 KLPD	3,500.00	2,495.73	500.00	2,995.73	2,602.28	Secured by way of first charge on pari-pass basis on the fixed assets including plant and machineries of grain based division, Second Charge on Current on Pari-pass basis on the Current Assets and by personal guarantee of three directors	Carries Base Rate interest @16% p.a repayable in 84 equal installments of Rs.500.00 lakhs starting from October 2011.
Union Bank of India, IF Branch, Chennai	Term Loan - 60 KLPD	2,304.00	1,788.85	329.14	2,117.99	826.55	Secured way of first charge on pari-pass basis on the fixed assets including plant and machineries of grain based division at Sangareddy, Andhra Pradesh, Second Charge on Current on Pari-pass basis on the Current Assets and by personal guarantee of three directors	Carries Base Rate interest @16% p.a repayable in 84 equal installments of Rs.329.14 lakhs starting from October 2011.
IFCI Venture Capital Fund Limited	Loan	1,500.00	650.00	644.14	1,294.14	1,617.26	Unsecured Loan	Repayable of Rs.50 Lacs per month
Punjab National Bank, Large Corporate Branch, Chennai	Term Loan	7,500.00	5,794.24	1,071.43	6,865.67	4,038.56	Secured by way of first charge on entire immovable and monvable project assets including mortgage/charge on land & building, Plant & Machineries of Brewery unit at Gummidipoony.	Carries Base Rate interest @14.75% p.a repayable in 28 equal installments of Rs.1071.43 lakhs starting from Dec 2011.
	Total	20,463.00	11,949.22	3,524.71	15,473.93	12,711.65		



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

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

Particulars	As at Sept.30, 2012	As at March 31, 2011
Deferred Tax Liability		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	1,093.75	1,248.74
	1,093.75	1,248.74
Deferred Tax Asset		
Provision for gratuity	3.63	-
Leave Encashment	2.82	2.82
Depreciation	-	26.08
Provident Fund	-	-
Bonus	10.04	8.32
	16.49	37.22
Net	1,077.26	1,211.52

Deferred tax chage / (credit) for the year (134.26)

6 - OTHER LONG-TERM LIABILITIES

Particulars	As at Sept.30, 2012	As at March 31, 2011
Trade Payables	1,598.53	895.63
Others	1,043.41	48.04
	2,641.94	943.67

7 - OTHER LONG-TERM PROVISIONS

Particulars	As at Sept.30, 2012	As at March 31, 2011
Provision for Employees Benefits		
Gratuity payable	74.99	74.80
Unpaid dividends	3.91	-
Total	78.90	74.80

**8 - SHORT-TERM BORROWINGS**

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
SECURED		
(a) Loans repayable on demand		
From Banks		
Cash Credit Loan	5,825.05	2,937.23
Factoring facility - NBFCs	2,214.32	2,936.24
(d) Other loans and advances	23.82	28.10
Secured by hypothecation of vehicles		
GRAND TOTAL	8,063.19	5,901.57

9 - TRADE PAYABLES

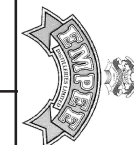
Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Trade Payables	4,043.76	583.37
	4,043.76	583.37

10 - OTHER CURRENT LIABILITIES

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Current maturities of long-term debt	3,524.71	1,809.14
Income received in advance	1,661.19	1,210.57
Share Application Money pending allotment	146.50	137.50
Total	5,332.40	3,157.21

11 - SHORT-TERM PROVISIONS

Particulars	As at Sept 30, 2012	As at Mar. 31, 2011
Provision for employee benefits:		
Salary & wages payable	119.31	36.14
Gratuity Payable	5.93	6.07
Bonus payable	30.19	25.00
Others: -		
Provision for taxation (net of advance tax)	1,683.89	254.98
Proposed dividend @10% on paid-up share capital	190.09	950.44
Tax on proposed dividend (incl PY unpaid DDT portion of Rs.157.87)	188.71	157.87
PF payable	12.42	6.24
Sales tax payable	3,502.04	2,937.38
Service Tax payable	20.49	9.51
Tds payable	31.58	30.48
Provisions for expenses	157.22	188.19
Provision for audit fees	2.78	-
Total	5,944.65	4,602.30



Notes on Short Term Borrowing

Name of the Bank	Nature of Loan	Sanctioned Limit as on 30.09.12	Outstanding as on 30.09.2012	Outstanding as on 30.09.2011	Nature of Security	Repayment schedule
Rupees in Lacs.						
Andhra Bank, Anna Salai, Chennai	Cash Credit / Working Capital Loan	1,800.00	1,814.94	1,903.59	This facility from Andhra Bank, Mount Road Branch for Rs.8.00 Crore and Sub-Limit of Andhra Bank, Egmore Branch, Chennai for Rs.10.00 Crores secured by hypothecation of raw materials, stores and consumables, work-in-process, finished goods and sales receivables (not older than 90 days) and by second charge on fixed assets of the company and personal guarantee of three directors	Repayable on demand
Andhra Bank, Anna Salai, Chennai	Cash Credit / Working Capital Loan	550.00	525.92	494.06	Secured by hypothecation of raw materials, stores and consumables, work-in-process, finished goods and sales receivables (not older than 90 days) and by second charge on fixed assets of the Palakkad unit of the company and also personal guarantee of the three directors	Repayable on demand
Andhra Bank, Anna Salai, Chennai	Cash Credit / Working Capital Loan	50.00	(50.57)	49.04	Secured by hypothecation of raw materials, stores and consumables, work-in-process, finished goods and sales receivables (not older than 90 days) and by second charge on fixed assets of the Palakkad unit of the company and also personal guarantee of the three directors	Repayable on demand
Andhra Bank, Anna Salai, Chennai	Cash Credit / Working Capital Loan	500.00	619.32	490.54	Secured by hypothecation of raw materials, stores and consumables, work-in-process, finished goods and sales receivables (not older than 90 days) and by second charge on the fixed assets including plant and machineries of Aranthangi division and by personal guarantee of three directors	Repayable on demand
Andhra Bank, Anna Salai, Chennai	Speical Borrowing Power	1,000.00	1,064.53	-	Bills Discounting facility secured by Second Charge on the fixed assets of the company pertaining to distillery division on Tamil Nadu Unit and Primary Security on Extension of first charge on the current assets of the distillery division of Tamil Nadu unit of the company and also personal guarantee of the three directors	Repayable on demand
Punjab National Bank, Large Corporate Branch, Chennai	Cash Credit / Working Capital Loan	1,500.00	1,850.91	-	Secured by hypothecation of raw materials, stores and consumables, work-in-process, finished goods and sales receivables (not older than 90 days) and by second charge on the fixed assets including plant and machineries of Gummudiopondi and by personal guarantee of three directors	Repayable on demand
	Total	5,400.00	5,825.05	2,937.23		

12 - FIXED ASSETS



Particulars	Gross Block				Accumulated Depreciation					Net Block		
	As at April 1, 2011	Additions (Deletions) during the Year	Acquired through business combinations	Revaluations/ (Impairments)	As at Sept.30, 2012	As at April 1, 2011	Depreciation charge for the year	Adjustment due to revaluations	Adjustments On disposals	As at Sept.30, 2012	As at Sept.30, 2012	As at March 31, 2011
Tangible Assets												
Freehold Land	2,343.47	1,286.41	-	-	3,629.88	-	-	-	-	-	3,629.88	2,343.47
Factory Building	2,723.08	4,028.60	-	-	6,751.68	511.90	170.76	-	-	682.66	6,069.02	2,211.18
Plant & Machinery	7,291.96	7,883.86	-	-	15,175.82	2,223.46	925.58	-	-	3,149.04	12,026.78	5,068.50
Furniture & Fittings	33.71	14.86	-	-	48.57	19.50	2.24	-	-	21.74	26.83	14.20
Vehicles	518.19	37.95	-	-	556.14	317.63	44.87	-	-	362.50	193.63	200.56
Office Equipment	101.77	30.78	-	-	132.55	31.24	10.43	-	-	41.67	90.88	70.53
Computers	247.96	16.04	-	-	264.00	152.75	48.22	-	-	200.97	63.03	95.20
Total	13,260.12	13,298.51	-	-	26,558.63	3,256.48	1,202.10	-	-	4,458.58	22,100.05	10,003.64
Previous Year	11,824.76	1,435.36	-	-	13,260.12	2,618.87	637.61	-	-	3,256.48	10,003.64	9,205.89
*Depreciation for the year amounting to Rs.19.78 lacs is charged to fixed asset revaluation reserve												
												0.00
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-

Capital Work in Progress:

Particulars	As on 30.09.2012	As on 31.03.2011
60KLPD Project, AP	8,046.62	3,390.36
Brewery Project, AP	263.76	436.56
Land Development expenses	54.69	54.69
Uthukottai Project	0.00	502.27
Mevalookuppam - IMFL Factory	0.00	4.21
Palakkad - IMFL Factory	0.00	602.37
Power Division - Aranthangi	0.00	3.50
Perambalur Power Project	0.00	45.92
Brewery Project, Tamilnadu	0.00	235.87
Karnataka - IMFL Factory	0.00	58.39
Apollo Distilleries Pvt. Ltd.	0.00	3230.86
Total	8,365.07	8,565.00



13 - NON-CURRENT INVESTMENTS

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Trade Investments (Refer A below)		
(a) Investment in Equity instruments		
Quoted : Empee Sugars & Chemicals Ltd (26622102 equity shares of Rs.10/- each)	159.73	159.73
Quoted : Andhra Bank (1000 equity shares)	0.96	0.96
Unquoted: Empee Hotels Ltd (66,49,997 shares)	4,425.00	3,990.00
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
Ceat Finance Ltd (25000 shares of Rs.10/- each)	-	-
(c) Investments in Mutual Funds	-	-
Union KBC Asset Management Pvt Ltd	5.00	-
	4,593.19	4,153.19
Less : Provision for dimunition in the value of Investments	-	-
TOTAL	4,593.19	4,153.19

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Aggregate amount of quoted investments		
- Cost	160.69	160.69
- Market Value	2,403.97	18,690.22
Aggregate amount of unquoted investments	8,692.16	3992.51

14 - LONG-TERM LOANS AND ADVANCES

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
a. Share Application money in Subsidiaries		
Empee Sugars & Chemicals Ltd	14,036.50	12736.5
b. Capital Advances	888.46	2072.3
	14,924.96	14,808.80

15 - OTHER NON-CURRENT ASSETS

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
a) Trade receivables		
Unsecured, considered good	357.63	357.63
b. Others		
Depositis - with government departments	189.03	118.54
c. Other Deposits	75.15	61.31
d. Miscellaneous Expenditure to the extent not written off or adjusted	0.00	774.26
	621.81	1,311.74



16 - INVENTORIES

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
a. Raw Materials (valued at cost or net realisable value which ever is lower)	2,109.77	1,987.71
b. Work-in-progress (valued at factory cost)	709.25	205.59
c. Finished goods (valued at cost plus excise duty)	384.41	552.44
TOTAL	3,203.43	2,745.74

17 - TRADE RECEIVABLES

Particulars	As at Sept. 30, 2012	As at Mar. 31, 2011
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	6,059.41	3,346.73
Doubtful	-	-
Less : Provision for doubtful debts	-	-
	6,059.41	3,346.73
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	95.52	25.16
Doubtful	-	-
Less : Provision for doubtful debts	-	-
	95.52	25.16
TOTAL	6,154.93	3,371.89

18 - CASH AND CASH EQUIVALENT

Particulars	As at Sept.30, 2012	As at March 31, 2011
a. Balances with banks	245.02	667.07
b. Cash on hand	96.74	47.27
	341.77	714.34
Other Bank Balances		
Margin Money deposit with Andhra Bank	0.85	0
Balance lying in HDFC bank un paid dividend account	3.91	0
	4.76	
	346.53	714.34

**19 - SHORT-TERMS LOANS AND ADVANCES**

Particulars	As at Sept.30, 2012	As at March 31, 2011
a. Loans and advances to related parties	4696.49	7638.4
b. Others		
Advance to Suppliers	1562.69	0
Other Advances	1255.37	0
	7,514.55	7,638.40

20 - OTHER CURRENT ASSETS

Particulars	As at Sept.30, 2012	As at March 31, 2011
Prepaid Expenses	20.43	42.20
Deposits - Others	342.77	329.54
Other loans & advances	93.60	314.74
	456.80	686.48

NOTE 3 : Notes to the Profit and Loss

1 - REVENUE FROM OPERATIONS

Particulars	Period ended Sept. 30, 2012	Year ended Mar. 31, 2011
Sale of Products (Gross)	155,782.65	86,923.65
Less: Excise Duty	52,784.58	28,108.91
	102,998.07	58,814.74
Sale of Services		
Other Operating Revenues	662.99	265.13
	103,661.06	59,079.87

2 - OTHER INCOME

Particulars	Period ended Sept. 30, 2012	Year ended Mar. 31, 2011
Dividend Received	0.12	133.16
Scrap Sales	71.45	30.49
Miscellaneous Income	856.58	158.90
	928.15	322.55

**3 - COST OF MATERIAL CONSUMED**

Particulars	Period ended Sept. 30, 2012	Year ended Mar. 31, 2011
Opening Stock of Raw Materials	1,987.71	1,532.79
Add: Purchases of Raw Materials	33,263.55	19,462.93
Less: Closing Stock of Raw Materials	1,984.77	1,987.71
	33,266.49	19,008.01

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

Particulars	Period ended Sept. 30, 2012	Year ended Mar. 31, 2011
Opening Inventory		
Finished Goods	552.44	347.72
Work-In-Progress	205.59	73.15
	758.03	420.87
Closing Inventory		
Finished Goods	384.41	552.44
Work-In-Progress	834.25	205.59
	1,218.66	758.03
	(460.63)	(337.16)

5 - EMPLOYEE BENEFIT EXPENSES

Particulars	Period ended Sept. 30, 2012	Year ended Mar. 31, 2011
Salaries and incentives	1,929.75	1,079.30
Contributions to - Provident fund & ESI	78.82	47.31
Gratuity fund contributions	21.62	(16.60)
Staff welfare expenses	122.71	58.57
	2,152.90	1,168.58

6 - FINANCE COST

Particulars	Period ended Sept 30, 2012	Year ended Mar. 31, 2011
Bank Charges	10.65	48.67
Interest Expenses	3,199.25	1,477.70
	3,209.90	1,526.37



7 - OTHER EXPENSES

Particulars	Period Ended Sept. 30, 2012	Year Ended Mar. 31, 2011
Manufacturing expenses	1,844.52	930.46
Excise Label	689.74	346.66
VAT	51,834.25	29,525.28
Label Registration /Approval fee	7.87	4.97
Rent	115.13	29.97
Rates & Taxes	798.22	1,176.92
Audit Fees	8.42	5.00
Postage & Telegram	24.11	2.81
Printing and Stationery	37.87	18.00
Repairs and Maintenance	44.07	21.88
Donations	34.93	8.93
Sitting Fee	6.80	3.60
Telephone Expenses	36.29	26.87
Managerial Remuneration	200.79	148.85
Consulting Charges	94.79	38.94
Travelling Expenses	544.14	41.68
Travelling Expenses - Directors	22.63	12.90
Miscellaneous Expenses	617.83	222.66
Discounting Charges	321.69	159.28
Advertisement & Publicity	8.58	4.31
Travelling Expenses - Marketing	40.16	19.02
Freight & Handling Charges	1,114.08	506.77
Loading & Unloading charges	199.59	94.77
Sales Promotion expenses	1.14	45.10
Cash Discount	1,148.76	668.15
Other Selling expenses	1,398.66	1,130.74
	61,195.07	35,194.52

8 - EXTRA ORDINARY ITEMS

Particulars	Period Ended Sept. 30, 2012	Year Ended Mar. 31, 2011
Profit on sale of investments	-	(580.70)
	-	(580.70)

9 - EARNINGS PER EQUITY SHARES

Particulars	Period Ended Sept. 30, 2012	Year Ended March, 31, 2011
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders	2,349.34	2,120.24
Weighted average number of equity shares	19,008,893	19,008,893
Basic Earnings Per Share	12.36	11.15
Face value per Share	10.00	10.00
Weighted average number of potential equity shares	19008893	19008893
Diluted Earnings Per Share	12.36	11.15
Face value per Share	10.00	10.00



Notes forming part of Consolidated financial statements for the period ended 30.09.2012

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, 1956. 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 VI to the Companies Act, 1956. 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 Principles of Consolidation

The consolidated financial statements relate to Empee Distilleries Limited (the Company) and its subsidiary company. The Consolidated financial statements have been prepared on the following basis.

The financial statements of the Company and its subsidiary have been prepared on a line to line consolidation by adding together the book values of like items of assets, liabilities, income and expenses as per the respective financial statements duly certified by the auditors of the respective companies. Intra-group balances and intra-group transactions and the unrealized profits on stocks arising out of intra-group transactions have been eliminated.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar transactions.

The subsidiary companies considered in the consolidated financial statements are:

Name of the Company	% of voting power held On 30th September, 2012
---------------------	---

EDL Properties Private Limited	75.00 (Direct)
Appollo Distilleries Pvt Limited	93.14 (Direct)

Minority Interest

	30.09.2012	31.3.2011
Minority interest as at the date of investment In the subsidiaries	337.74	28.00
	-----	-----
Total	337.74	28.00

**1.4 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.

1.5 Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from sale of Goods:

Sales are accounted inclusive of excise duty and sales tax wherever applicable but net of trade discounts.

Revenue from Services:

Revenue from services is recognized upon completion of services.

Other Income - a) Interest Income is accounted at applicable coupon rates on respective investments, on time basis. b) Dividend income is accounted as and when received.

1.6 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 XIV to the Companies Act, 1956.

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. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of acquisition.

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.

1.7 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.

1.8 Impairment of Fixed Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there



is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.9 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.

1.10 Investments

Long term investments are stated at cost less provision for diminution in value other than temporary if any, in the opinion of the management. Short term investments are valued at cost or fair value whichever is lower

1.11 Inventories

Inventories are valued at cost or net realizable value whichever is lower.

Work-in-Progress: At all direct costs and applicable production overheads to bring the goods to the present location and condition.

Raw materials and Stores & Spares: At landed cost on First-in -First- Out basis.

Finished goods are valued on weighted average basis.

1.12 Foreign Currency Transaction

Foreign Exchange transactions are recorded at the exchange rates prevailing at the time of transaction.

Assets and Liabilities expressed in Foreign currencies (to the extent not covered against exchange fluctuations) are translated into Indian Rupees at the exchange rate prevailing at the Balance Sheet date and any loss or gain arising there from has been included in Finance charges as per the provisions of Accounting Standards 16 and 11(Revised) issued by The Institute of Chartered Accountants of India.

1.13 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.

1.14 Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of the timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted by the balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.



Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

Tax on distributable profits payable by the company in accordance with the provisions of Income-tax Act, 1961 is disclosed in accordance with the guidance note on Accounting for Corporate Dividend Tax issued by the ICAI.

1.15 Provisions

The company recognizes provision when there is a present obligation of the enterprise arising from past events, settlement of which is expected to result in an outflow from the enterprise of resources embodying economic benefits which can be measured only by using a substantial degree of estimation.

Provision for contractual obligation has been provided for in accounts based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

1.16 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.

1.17 Retirement and Other Benefits

Contribution to Provident Fund is made as per the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 and charged to Profit and Loss Account and disclosed separately.

Gratuity has been provided as per Actuarial Valuation. The company does not have any stated leave encashment policy; hence the related provision has not been made in the books of accounts.

1.18 Segment Reporting

A. Business Segments:

Based on the guiding principles given in Accounting Standard - 17 'Segment Reporting', the Company's business segments include Liquor (IMFL) and Power.

B. Segment Accounting Policies

In addition to the significant accounting policies applicable to the business segments as given in notes, the accounting policies in relation to segment accounting are as under:



a. Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

b. Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes, share capital, reserves, loans investments, miscellaneous expenditure and profit and loss appropriation account. While most of the assets / liabilities can be directly attributed to the individual segments, the carrying amount of certain assets / liabilities pertaining to both segments are allocated to the segments on a reasonable basis.

c. Inter segment sales between operating segments are accounted at market price.

4. NOTES ON ACCOUNTS

The Company has closed the accounting year on 30.09.2012 for 18 months period from 01.04.2011 to 30.09.2012. The extension of financial year by the company is in view of the scheme of amalgamation with Empee Sugars & Chemicals Ltd, which is pending approval of Honorable High court of Chennai.

4.1 Investment

Share application money - Group Company:

The company has made an investment amounting to Rs.4.5 Crores in Shares of its Unlisted Subsidiaries; however the shares of these companies are pending allotment for more than a year. As per the notification no. G.S.R 879(E) dated 14.12.2011 issued by the Ministry of Corporate affairs, for unlisted public companies (Preferential Allotment) Rules 2011 every unlisted public company has to allot shares within 60 days from the receipt of the share application money otherwise the same has to be repaid within 15 days failing which the company has to pay interest @ 12% p.a. The companies have neither allotted the shares nor repaid the share application money within the prescribed period and still pending as on the date of reporting along with interest. As the subsidiaries have not allotted the share within the prescribed period as mentioned above the same has been classified under Short Term loans and advances in the financial statements during the current year .

Share application money - Subsidiary:

The company has made an investment in the shares of Empee Sugars and Chemicals limited (ESCL) Rs.140.36 crores (PY Rs.127.36). The shares have not been allotted as on reporting date 30th September 2012, hence the company has disclosed the same under Long term loans and advances during the current year. The company has approached the relevant forum for the approval of merger proposal of Empee sugars & Chemical Limited.

4.2 Contingent Liabilities, Guarantees & Capital commitments

A. Contingent Liabilities

Particulars	(Rs. In Lakhs)	
	30.09.2012	31.03.2011
a) Claims against the company not acknowledged as debts	—	40.00
b) Disputed Income tax demand	560.58	366.57

**B. Capital Commitments****(Rs. In Lakhs)**

Particulars	30.09.2012	31.03.2011
Estimated amount of capital contracts remaining to be executed	1176.85	1998.98

4.3 Employee Benefits

Disclosure in respect of employee benefits under Accounting Standard (AS) - 15 (Revised) "Employees Benefits" prescribed by the Companies (Accounting Standards) Rules, 2006.

a) Defined Contribution Plans: Contribution to defined contribution plan, recognized as expenses for the year is amount to Rs. 95.89 Lakhs (previous year Rs.30.71 Lakhs) pertaining to employers' contribution to provident fund, Employees State Insurance 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:

Particulars	Rs.in Lakhs	
	As at 30 Sept 2012	As at 31 March 2011
1 Present value of obligation at the beginning of the year	74.80	93.47
2 Interest cost	8.00	7.48
3 Current service cost	37.62	5.10
4 Benefits paid	(15.50)	0.00
5 Actuarial (gain) / loss on obligation	(24.00)	(31.26)
6 Present value of obligation at the end of year	80.92	74.80



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

		Rs.in Lakhs	
Particulars		As at 30 Sept 2012	As at 31 March 2011
1	Fair value of plan assets at the beginning of the year	-	-
2	Expected return on plan assets	-	-
3	Contributions	15.50	-
4	Benefits paid	(15.50)	-
5	Actuarial gain / (loss) on plan assets	-	-
6	Fair value of plan assets at the end of year	-	-

(iii) Actuarial gain / loss recognized as follows:

		Rs.in Lakhs	
Particulars		As at 30 Sept 2012	As at 31 March 2011
1	Actuarial gain / (loss) for the year - obligation	24.00	(31.26)
2	Actuarial gain / (loss) for the year - plan assets	---	---
3	Total gain / (loss) for the year	24.00	(31.26)
4	Actuarial gain / (loss) recognized in the year	(21.62)	18.67
5	Unrecognized actuarial gains (losses) at the end of year	0	12.58

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

		Rs.in Lakhs	
Particulars		As at 30 Sept 2012	As at 31 March 2011
1	Present value of obligation as at the end of the year	(80.92)	74.80
2	Fair value of plan assets as at the end of the year	0.00	0.00
3	Funded / (unfunded) status	(80.92)	(74.80)
4	Excess of actual over estimated	-	-
5	Net assets / (liability) recognized in balance sheet	(80.92)	(74.80)

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

		Rs. in. Lakhs	
Particulars		As at 30 Sept 2012	As at 31 March 2011
1	Current service cost	37.62	5.10
2	Past service cost		
3	Interest cost	8.00	7.48
4	Expected return on plan assets	---	---
5	Net actuarial (gain)/loss recognized in the year	(24.00)	(31.26)
6	Expenses recognized in the statement of profit and losses	21.62	(18.67)



(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 30 September 2012	As at 31 March 2011
1. Discount rate	8.5%	8%
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%

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

4.5 Trade Deposits and advance from customer includes Rs.1661.19 lakhs (Previous year Rs.1210.57 lakhs) received from TASMAL on adhoc basis during the month of September 2012.

4.6 In the absence of receipt of information about registration under Micro, small, Medium and Enterprises Development Act (MSMED Act) from the parties, the provisions and disclosure requirement under the MSMED act could not be complied with.

4.7 Since the companies reportable segment is less than 10% of the total revenue , the segment wise results have not given.

4.8 MANAGERIAL REMUNERATION (Related Parties)

Particulars	(Rs.In Lakhs)	
	For the period ended 30.09.2012	For the year ended 31.03.2011
Salary	144.00	96.00
Company's contribution to Provident Fund	17.28	11.52
Other Perquisite	39.51	41.32
Total	200.79	148.85



4.8 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
Mr.Shaji Purushothaman	Managing Director
Ms.Nisha Purushothaman	Vice Chair Person & Jt. Mg. 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 Communications Limited
Universal Spirits Ltd
Empee Construction Company Pvt Ltd
Empee Power & Infrastructure Pvt Ltd
Empee Packaging Industries
Aruna Constructions
Empee Hospitality Pvt. Ltd



Transactions with Related parties

Rs. In Lacs

Particulars	Subsidiaries Not consolidated	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	For the period ended 30.09.12
Remuneration	Nil	200.79 (148.84)	Nil (-)	Nil (-)	200.79 (148.84)
Receiving of Services	Nil	Nil (-)	Nil (-)	310.86 (214.45)	310.86 (214.45)
Finance (Including loans and equity contributions in cash or kind)	Nil	Nil (-)	Nil (-)	Nil (3903.45)	Nil (3903.45)
Interest Paid	Nil	Nil (-)	Nil (-)	Nil (-)	Nil Nil
Interest Received	Nil	Nil (-)	Nil (-)	Nil (-)	Nil
Sale of assets	Nil	Nil (-)	Nil (-)	102.60 (30.00)	102.60 (30.00)
Sale of investments	Nil	Nil (-)	Nil (-)	Nil (-)	Nil
Purchase of goods	Nil	Nil (-)	Nil (-)	Nil (-)	Nil
Rent paid		Nil Nil	18.00 (2.30)	83.88 (17.42)	101.88 (19.72)
Balance Outstanding	11711.92			7510.47	19222.39

4.9 .Quantum of Excise Duty included in closing stock of finished goods is Rs.142.48 Lakhs.

4.10 Payment to auditors

(Rs. In Lacs)

Particulars	Period ended 30 September 2012	Year ended 31 March 2011
Statutory audit fee	6.84	4.00
Limited Review Fees	1.68	1.00



4.11 Details of Subsidiary Companies

(Rs. In Lacs)

Particulars	Appollo Distilleries Pvt. Ltd		EDL Properties Ltd	
	2011-12 (18months)	2010-11 (12 months)	2011-12 (18months)	2010-11 (12 months)
Share Capital	4492.65	1411.94	100.00	100.00
Reserves & Surplus	76.02	6.79	---	---
Total Liabilities	15886.66	6626.92	658.53	506.48
Total Assets	15886.66	6626.92	658.53	506.48
Total Income	3907.96	----	----	---
Profit before tax	103.66	----	----	---
Provisions for tax	34.43	----	----	---
Profit after tax	69.23	----	----	---
Proposed Dividend	----	----	----	---
Details of investments	----	----	----	---

4.12 During the period ended 30th September 2012, the revised Schedule VI notified under the companies act 1956, as become applicable to the company for preparation and presentation of its financial statements. Accordingly, the company has reclassified / regrouped / amended the previous year figures in accordance with the requirements applicable in the current period.

As per our report of even date

K.S.Aiyar & Co
Chartered Accountants
(Firm Regn.no.100186)

M.P.Purushothaman
Chairman

Shaji Purushothaman
Managing Director

(S.Kalyanaraman)
Partner (M.No.200565)

Nisha Purushothaman
Vice Chairperson &
Jt. Mg. Director

Place: Chennai
Date : 03.12.2012

ATTENDANCE SLIP

EMPEE DISTILLERIES LIMITED

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

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Only members or their proxies are entitled to be present at the meeting.

Folio No./Client ID No.	Sl. No.
Name and Address	No. of shares

I hereby record my presence at the 28th Annual General Meeting being held at Conference Hall-II, Image Auditorium, MRC Nagar, Raja Annamalaipuram, Chennai – 600 028 at 3.00 p.m. on Friday, the 28th December 2012 and at any adjournment thereof.

SIGNATURE OF THE MEMBER / PROXY*

*strike out whichever is not applicable

PROXY

EMPEE DISTILLERIES LIMITED

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

I/We..... Folio No..... of
Being Member / Members of EMPEE DISTILLERIES LIMITED hereby appoint
.....offailing him.....
.....of.....

As my / our Proxy to attend and vote for me / us and on my / our behalf at the 28th Annual General Meeting being held at Conference Hall-II, Image Auditorium, MRC Nagar, Raja Annamalaipuram, Chennai – 600 028 at 3.00 p.m on Friday, the 28th December 2012.

Date this Day of December 2012

Re.1
Revenue
Stamp

Note: The Proxy must be deposited at the Registered office of the Company at Empee Tower, 59, Harris Road, Pudupet, Chennai – 600 002 not less than 48 hours before the time of holding the meeting.