

<b>Board of Directors</b>	Mr. M. P. Purushothaman Ms. Nisha Purushothaman Mr. Sheeju Purushothaman Mr. M. P. Mehrotra Mr. T. S. Raghavan Mr. M. K. Mohan Mr. Shankar Menon	Chairman & Managing Director Director Director Independent Director Independent Director Independent Director Independent Director
<b>Audit Committee</b>	Mr.T.S.Raghavan Mr.M.P.Mehrotra Ms.Nisha Purushothaman	
<b>Stakeholders Relationship Committee</b>	Mr.M.K.Mohan Mr.T.S.Raghavan Ms.Nisha Purushothaman	
<b>Nomination and Remuneration Committee</b>	Mr.M.K.Mohan Mr.T.S.Raghavan Ms.Nisha Purushothaman	
<b>Statutory Auditors</b>	M/s.Venkatesh & Co., Chartered Accountants 'Sri Ranga', New No.151, Mambalam High Road, T.Nagar, Chennai – 600 017.	
<b>Bankers</b>	Indian Bank Union Bank of India Indian Overseas Bank Bank of India Punjab National Bank Oriental Bank of Commerce Andhra Bank	
<b>Registered Office</b>	Ayyapareddipalem Village Naidupet - 524 126 Nellore District, Andhra Pradesh.	

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Factories	Administrative Office	Registrars and Share Transfer Agents:	Stock Exchanges where the share are Listed:
1. Ayyapareddipalem Village Naidupet - 524 126, Nellore District, Andhra Pradesh.  2. Idaikkal Village, Ambasamudram, Tirunelveli District, Tamilnadu.	Empee Tower, No.59, Harris Road Pudupet, Chennai – 600 002.	M/s.Cameo Corporate Services Ltd No.1, Subramaniam Building, Club House Road, Chennai – 600 002 Phone : 0-44-28460390; Email: <a href="mailto:investor@cameoindia.com">investor@ cameoindia.com</a>	Bombay Stock Exchange Ltd, Mumbai.

### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses in respect of their holdings in demat form through their concerned Depository Participants. Members who hold shares in physical form are requested to fill in and forward the e-mail address Registration Form given in this Annual Report to M/s.Cameo Corporate Services Ltd, No.1, Subramaniam Building, Club House Road, Chennai – 600 002 (or) at email: [investor@cameoindia.com](mailto:investor@cameoindia.com)

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of Empee Sugars and Chemicals Limited (CIN: L24110AP1988PLC009291) will be held on Tuesday, the 22nd September, 2015 at 11.30 a.m. at the Registered Office of the Company at Ayyapareddipalem Village, Naidupet Mandal, Nellore District, Pin code-524 126, Andhra Pradesh to transact the following business:

**ORDINARY BUSINESS:**

- To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2015, including the audited Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
- To appoint a director in place of Ms. Nisha Purushothaman (DIN:00044868), who retires by rotation and being eligible offers herself for re-appointment.
- To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 M/s. Venkatesh & Co, Chartered Accountants, (Firm Registration No. 004636S) be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next AGM of the Company at such remuneration plus service tax as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS:****4. RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR.**

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

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

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

**5. APPROVAL FOR TRANSACTION WITH RELATED PARTIES:**

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

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

Particulars	Amount (max.) Rs. in lakhs
Business & Auxiliary Services - M/s.Empee Holdings Ltd	200.00
Guest house Rent - M/s.South (India) Hotels Pvt Ltd	27.00

Particulars	Amount (max.) Rs. in lakhs
Office Rent - M/s.Aruna Constructions	30.00
Car Hire charges - M/s.Aruna Constructions	13.00
Car Hire charges - M/s.Empee Holdings Ltd	13.00

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

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

By Order of the Board

For **Empee Sugars and Chemicals Ltd**

Place: Chennai

**M.P.Purushothaman**

Date: 14.08.2015

Chairman & Managing Director

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND

STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.

2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The instrument appointing the proxy, duly completed must be deposited at the registered office of the Company at least 48 hours before the Commencement of the meeting. A blank proxy form is attached.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company
6. The Register of members and share transfer books of the company will be closed from 16.09.2015 to 22.09.2015 (Both days inclusive).
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

8. Members/proxies should bring the attendance slip duly filed along with copy of Annual report for attending the meeting.
9. Members are requested to intimate changes if any, in their address to the Registrar and share transfer Agents, M/s. Cameo Corporate Services Limited, "Subramanian Building", V Floor, 1, Club House Road, Chennai - 600 002.
10. The Company's equity shares are listed on the Bombay Stock Exchange Ltd and the company has paid listing fees upto date.
11. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of Directors seeking appointment/re-appointment are provided in the annexure..
12. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, postal ballot / e-voting facility have been provided to the members. The Board of Directors has appointed Mr. N.Ramanathan Partner, M/s S Dhanapal & Associates, Practising Company Secretaries, Chennai, as the Scrutinizer, for conducting the postal ballot and e-voting process in a fair and transparent manner. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link [www.evotingindia.com](http://www.evotingindia.com) during the following voting period:

The e-voting period would commence on 19<sup>th</sup> September, 2015 (10:00 a.m.) and end on 21<sup>st</sup> September, 2015 (5:00 p.m.).

During the above period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting

thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

The procedure and instructions for e-voting is furnished in this notice.

The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of the postal ballot / e-voting will be announced by the Company on its website – [www.empeegroup.com](http://www.empeegroup.com) within two days of passing of the Resolutions at the Annual General Meeting.

**The instructions for shareholders voting electronically are as under:**

- (i) The remote voting period begins on Saturday, 19<sup>th</sup> September, 2015 at 10.00 A.M. and ends on Monday, 21<sup>st</sup> September, 2015 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which has been fixed as 15.09.2015, may cast their vote electronically.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image

verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**General Instructions:**

(i) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the Cut Off date i.e 15<sup>th</sup> September, 2015 may obtain the login ID and password by sending a request in writing at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com).

- (ii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting/voting at the AGM through ballot paper.
- (iii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" / "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (iv) The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (v) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 15<sup>th</sup> September, 2015.
- (vi) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.empeegroup.co.in](http://www.empeegroup.co.in) and on the website of the CDSL within two days of the passing of the resolutions at the Annual General Meeting of the Company, and communicated to BSE Ltd.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.****Item No.4:**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of Mr.G.Sundaresan., Cost Accountant, to conduct the audit of the cost records of the Company for the financial year ended 31.3.2015. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to

the Cost Auditor during the financial year 2014-15 as set out in the Resolution for the aforesaid services to be rendered by them.

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

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

**Item No.5:**

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

Name of the related parties	M/s. Empee Holdings Ltd M/s. Aruna Constructions M/s. South (India) Hotels Pvt Ltd
Name of the Director or Key Managerial Personnel who is related, if any	Mr.M.P.Purushothaman Ms.Nisha Purushothaman Mr.Sheeju Purushothaman
Nature of Relationship	Director / Partner
Nature, Material Terms, Monetary Value and Particulars of the Contract or arrangement	1. Business & Auxiliary services : Rs.200 lakhs 2. Office Rent : Rs.30 lakhs 3. Guest house Rent : Rs.27 lakhs 4. Car Hire charges : Rs.26 lakhs
Duration of Contract Or arrangement	1. Business auxiliary services yearly basis on actual as per agreement. 2. Rent for Head Office and Guest house as per agreement. 3. Car hire charges as per agreement.

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

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

By Order of the Board

For **Empee Sugars and Chemicals Ltd**

**M.P.Purushothaman**

Chairman & Managing Director

Place: Chennai

Date: 14.08.2015



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

Name	Ms. Nisha Purushothaman
Date of Birth	27-02-1973
Date of Appointment	09-08-2007
Qualifications	M.B.A.
Expertise in specific functional areas	She has been actively associated with the Company for the last 15 years and has rich financial, management and administrative experience.
Directorship held in other Public Limited Companies	<ol style="list-style-type: none"> <li>1. Empee International Hotels &amp; Resorts Ltd</li> <li>2. Empee Distilleries Limited</li> <li>3. Empee Holdings Limited</li> <li>4. Empee Power Company (India) Ltd</li> <li>5. Aruna Constructions (India) Ltd</li> <li>6. Empee Hotels Ltd</li> </ol>
Membership / Chairmanship of Committees of all Public Companies	<b>Audit Committee:</b> <ol style="list-style-type: none"> <li>1. Empee Distilleries Ltd</li> <li>2. Empee Holdings Limited</li> <li>3. Empee Power Company (India) Ltd</li> </ol>
No. of shares held in the company.	28,300
Relationship with any Directors of the company.	Mr. M.P.Purushothaman - Father Mr. Sheeju Purushothaman - Brother

**BOARDS' REPORT**

The Directors have pleasure in presenting their Report together with audited accounts for the year ended March 31, 2015.

**FINANCIAL RESULTS**

(Rs. in lacs)

Particulars	2014-15 (Year ended 31.3.2015)	2013-14 (Year ended 31.3.2014)
Operating Profit/ (Loss) before Interest and Depreciation	(15103.60)	1065.48
Other income	682.94	134.73
Less: Interest	7081.58	6375.51
Less: Depreciation	2518.30	2070.97
Profit / (Loss) before Tax	(24020.54)	(7246.27)
Prior period items	-	493.04
Provision for Taxation (earlier year)	-	324.29
Deferred Tax Liability/ (Asset)	<b>4978.16</b>	(1619.06)
Profit/(Loss) after Tax	<b>(28998.70)</b>	(5458.46)
Brought Forward Profit /(Loss)	<b>(14346.64)</b>	(8888.18)
Prior period expense (Depreciation)	<b>1135.59</b>	-
Carry Forward Profit/ (Loss)	(44480.93)	(14346.64)

**BIFR.**

As reported in last year's Annual Report and consequent to erosion of 100% of the net worth of the Company and upon a reference made to BIFR under the provisions of the Sick Industries Companies Act, the Company has been registered as a sick Company on 14.11.2014 under case no. 69/2014. The Company under the direction of the BIFR has intimated about its reference under BIFR to various statutory authorities, banks and creditors.

**Review of Financial Performance.**

The operating loss before interest and depreciation for the year under review was Rs.15103.60 lacs. As reported in the Annual Report last year, the Sugar mill at Ambasamudram could not be operated due to non-availability of sugar cane. As a consequence the 50MW power plant had to run using coal as fuel instead of bagasse which was not available from the Sugar factory due to its shut down.

During the year under review the 50 MW power plant could generate 11,69,10,500 Units upto November 2014 and the same become non operational due to working capital crunch.

During the year under review Naidupet Sugar plant crushed 187588 MTs of cane and produced 16630.60 MTs of sugar and achieved a recovery rate of 8.86% as against 8.96% in the previous year.

The IAP plant has produced 56,19,693 litres of ENA during the year under review.

**Feature Outlook**Naidupet Unit:

The Sugar Plant which normally crushes 3.00 lac MT to 4.00 lac MT of Sugar cane is dependent on availability of cane. The Sugar industry prospects and economic scenario are the deciding factors in future to enhance sugar production.

IAP : The production of ENA in future is lucrative given the blending options of ENA with petrol and other fuel elements, are being contemplated by the Government of India.

Ambasamudram Unit:

Due to non-availability of sugar cane in and around Ambasamudram, the chances to restart the crushing operations poses challenge.

Power: As working capital requirements are not available, the generation of electricity is affected.

However the Company is confident to resume electricity generation soon.

**Dividend.**

Being referred to BIFR and in view of losses in the successive years from FY 2012, the Company is unable to declare any dividend.

**Share Capital.**

The paid up share capital of the Company is 41972900 equity shares of Rs.10 each. The share application money of Rs.140.36 crs remains unallotted in favour of the holding company namely Empee Distilleries Ltd due to non-obtainment of statutory approvals.

**Deposits**

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

**Change in the nature of business, if any**

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

**Transfer to Reserves**

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

**Particulars of Loans, Guarantees or Investments under section 186**

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

**Management Discussion and Analysis Report.**

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

**Details of Directors or Key Managerial personnel who were appointed or have resigned during the year.**

There were no Directors or Key Managerial personnel appointed during the year under review.

**Company Secretary.**

Mr.S.S.K.Swarup, Company Secretary resigned w.e.f 30<sup>th</sup> April 2015.

**CFO**

The company has taken necessary steps to appoint CFO and Company Secretary and the same is delayed due to BIFR status of the company.

**Declaration by Independent Directors.**

The Independent Directors namely, Mr.M.K. Mohan, Mr.T.S. Raghavan, Mr.M.P. Mehrotra and Mr.Shankar Menon have given declarations that they meet the criteria required under section 149(6) of the Companies Act, 2013. Details of web link for familiarization program of independent Directors are given at [www.empeegroup.co.in](http://www.empeegroup.co.in)

**Auditors qualification:**

- a. Write off of Rs.99.10 crores relating to Inventories:

The write off is due to the diminution in the realizable value of inventories, due to Quality, Moisture and GCV contents of Coal,etc. The reduction is also due to TRS contents in Molasses and deterioration in the quality of sugar over the years.

- b. Write off receivables amounting to Rs.44 crs.

Due to difference in the electricity unit rates applied by TANGEDCO, the Company had to revise the invoices raised against TANGEDCO and the difference of Rs.44 crs had to be written off.

- c. Accumulated losses and reference to BIFR

Since the net worth of the Company has been completely eroded during the FY 2013 the Company took necessary steps to register the same with BIFR under the provisions of Sick Industrial Companies (Spl. Provisions ) Act, 1985. Accordingly the Company has been registered as a sick company under case no: 69/2014 on 14th November 2014 by BIFR.

- d. Share Application money of Rs.140.36 crs received from Empee Distilleries Ltd.(EDL)

The Company could not allot convertible preference shares to EDL, due to non-receipt of certain statutory approvals. Further Empee Distilleries Ltd. had recalled the share application money to be refunded and the Company expressed its inability to refund the same due to present status.

- e. Confirmation of Sundry Debtors, Trade payables etc:

The confirmation from Sundry Debtors, Trade payables advance to suppliers, cane advances, harvest labourers advance could not be verified by the Auditors, due to the fact that there are large number of accounts.

#### **Number of Board Meetings held during the year 2014-15.**

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

#### **Details of Polices.**

##### **a. Nomination and Remuneration Policy :**

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

##### **b. Risk Management Policy**

Business Risk Evaluation and Management is an ongoing process within the Organization.

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

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

##### **c. Whistle Blower Policy**

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

#### **Corporate Governance.**

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

**Board Committees**

<b>Name of the Committee</b>	<b>Composition</b>	<b>Details of Meetings held during the year 2014-15</b>
Audit Committee	Mr.T.S.Raghavan- Chairman Ms.Nisha Purushothaman Mr.M.P.Mehrotra	14.5.2014, 26.5.2014 9.8.2014, 25.10.2014 & 11.02.2015
Nomination & Remuneration Committee	Mr.M.K.Mohan – Chairman Mr.T.S.Raghavan Ms.Nisha Purushothaman	11.2.2015
Stakeholders' Relationship Committee	Mr.M.K.Mohan - Chairman Mr.T.S.Raghavan Ms.Nisha Purushothaman	16.4.2014, 23.5.2014, 12.6.2014, 23.6.2014, 7.7.2014, 21.7.2014, 20.8.2014, 10.9.2014, 20.9.2014, 7.10.2014, 1.12.2014, 19.12.2014 7.1.2015, 27.1.2015, 17.2.2015, 5.3.2015, 20.3.2015, 31.3.2015

**Details of recommendation of audit committee which were not accepted by the Board along with reasons.**

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

**Names of Companies which have become or ceased to be its subsidiaries, joint ventures or associate Companies during the year – Not applicable****Subsidiaries**

The consolidated accounts of the company includes the audited accounts of subsidiaries namely Empee Power Company (India) Ltd and M/s.Appollo Wind Energy Pvt Ltd.

A statement containing salient features of the subsidiaries in form AOC 1 is annexed herewith marked as **Annexure - E** and forms part of this report. Details of web link for Policy for determining material subsidiaries are given at [www.empeegroup.co.in](http://www.empeegroup.co.in).

**Auditors' Statutory Auditors**

Pursuant to AGM resolution dated 26.9.2014, the Board has appointed M/s. Venkatesh & Co., Chartered Accountants as Statutory Auditors for five years in terms of Sec.139, 141 of the Companies Act, 2013 to hold office from the conclusion of 23rd AGM till the conclusion of the 28th AGM of the Company to be held in the year 2018, however subject to ratification of their appointment at every AGM.

The Company has received a letter from the Statutory Auditors of the Company, Venkatesh & Co, (ICAI Firm Registration Number: 0046365) Chartered Accountants, to the effect that their appointment, if made, will be as per the requirements laid down under Section 139 and 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, subject to approval of the Members and ratification of the appointment at this Annual General Meeting.

**Secretarial Auditors**

M/s. S Dhanapal & Associates, a firm of Practising Company Secretaries, Chennai has been appointed

as Secretarial Auditors of the Company for the Financial Year ended 31.03.2015 vide Board resolution dated 11.2.2015.

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

#### **Cost Auditors**

Since Mr. G.Sundaresan, Cost Auditor of the Company has resigned, the Board has appointed Mr.N.Thagarajan as Cost Auditor of the Company in terms of Section 148 of the Companies Act, 2013 for the financial year 2015-16 in the Board meeting held on 23.5.2015. A resolution to ratify the payment of remuneration to Mr.G.Sundaresan, Cost Auditor for the financial year 2014-15 is set out in the notice convening the AGM.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange outgo.**

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

#### **Status on Amalgamation.**

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

#### **Related party Transactions**

The details of Related Party Transactions during the year ended 31.03.2015, being arm's length transactions have been reported in the Financial statements and forms part of this report. Details of web link dealing with Related Party Transactions are given at [www.empeegroup.co.in](http://www.empeegroup.co.in).

#### **Managerial Remuneration**

The details of employees/managerial persons remuneration as required to be given u/s 197 of the Companies Act, 2013 read along with Rule 5(2) of

the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 as applicable is attached herewith as **Annexure - H**.

#### **Details of Pecuniary relationship or transaction of the non-executive independent directors Vis a Vis the Company**

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

#### **Board's Evaluation**

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

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

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

#### **Adequacy of Internal Financial Controls.**

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

The Internal Audit/Control is exercised through an external auditor namely, M/s.Ramesh Subramaniam & Co., Chartered Accountants, Chennai. The audit observations and corrective action taken thereon

are periodically reviewed by the audit committee to ensure effectiveness of the internal audit/control system.

**Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.**

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

**Extract of Annual Return.**

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

**Industrial Relations.**

The Industrial relations continued to remain congenial during the year.

**Director's Responsibility Statement**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that: In the preparation of the annual accounts, the applicable accounting standards have been followed.

The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this

Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The directors have prepared the annual accounts on a going concern basis.

The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**Acknowledgement**

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

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

**M.P.Purushothaman  
Chairman & Managing Director**

**Place : Chennai**

**Date : 14.08.2015**

**Annexure - A****LOANS, INVESTMENTS & GUARANTEES U/S  
186 OF THE COMPANIES ACT 2013**

Sl No.	Particulars	Loans	Investments	Guarantees
1	Empee Distilleries Limited	(2895.26)	--	--
2	Empee Power Company (India) Ltd	742.09	--	--

**Annexure - B****Management Discussion and Analysis Report****Industry Scenario:**

Sugar Industry was anticipating for a better return for sugar during the year 2014-15, but the supply vs demand has hampered the industry as a whole and many Companies were affected. The Government although realized the seriousness of the problem due to the failure of their earlier policies of controlling the sugar price, which consequently created cash flow problems and losses to the Sugar Industry, could not do much except announcing a soft loan for cane suppliers to the extent of Rs. 6000 crs whereas cane growers dues are over Rs. 14000 Crs which will not aid the Sugar Industry to tide over the present situation. The entire industry is surpassing with problems of abnormalities due to cane purchase price at an approximate of Rs. 2600 per Metric Tonne. The price of cane has not reflected in the Sugar prices and on the other hand the Sugar prices are diminishing constantly and it has being sold at

Rs. 2100 per Quintal. For the last several years the international sugar market has been hit due to excess production. With the given situation in India and in the global market, the Sugar industry is supposedly take another three to four years to realize its exact performance in terms of production and Sales.

**Segment wise performance:**

The segments are Sugar, IAP and Power. The sugar segment achieved a sales turnover of Rs.4792.54 lacs while the IAP Rs.1922.22 lacs and Power Rs.5826.08 lacs.

The sugar division incurred a loss of Rs.8077.32 lacs before interest and taxes, IAP division earned a loss of Rs.203.05lacs before interest and taxes and Power division incurred a loss of Rs.8658.59 lacs before interest and taxes. During the year under review, the Sugar unit at Ambasamudram did not function due to non-availability of sugar cane which has impacted the company adversely.

**Internal control systems:**

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, the company appointed an independent external internal auditors to periodically review and make continuous assessments of the adequacy and effectiveness of the internal control and systems.

The Board, Audit Committee and the Management review the findings and recommendations of the Internal Auditors and take corrective action, wherever necessary.



**Financial performance**

The details of financial performance and operational performance are mentioned in the Directors' Report.

**Cautionary statement :**

Statements in this Report describing the Company's objectives, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

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

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

**CONSTITUTION OF COMMITTEE**

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

**OBJECTIVE**

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

employees. The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

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

#### APPLICABILITY

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

#### DEFINITIONS

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

“Board” means Board of Directors of the Company.

“Directors” mean Directors of the Company.

“Key Managerial Personnel” means

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

“Senior Management” means Senior Management means the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of

management one level below the executive directors, including the functional heads.

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

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

##### 1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### 2. Term / Tenure

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

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No

re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:**

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

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

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

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

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

**3. Removal**

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

**4. Retirement**

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

**POLICY FOR REMUNERATION TO DIRECTORS/ KMP/SENIOR MANAGEMENT PERSONNEL**

**1. Remuneration to Managing/Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

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

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

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

**DUTIES IN RELATION TO NOMINATION MATTERS**

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

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

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

#### **DUTIES IN RELATION TO REMUNERATION MATTERS**

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

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

#### **REVIEW AND AMENDMENT**

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

**Annexure -D****Whistleblower Policy****Introduction**

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

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

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

**Scope of Policy**

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

- Breach of any internal controls or Company policy relating to financial malpractice or fraud

- Failure to comply with a legal obligation
- Dangers to health and safety of the environment
- Criminal activity
- Miscarriage of justice
- Violation of the Company's Code of Conduct & Ethics
- Attempts to conceal any of the above

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

**Safeguards****Protection**

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

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

**Confidentiality**

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

**Anonymous Allegations**

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

**Untrue / Malicious / Vexatious Allegations**

If an individual makes an allegation, which is not confirmed by subsequent investigation and then it shows that an individual has made malicious

or vexatious allegations for personal leverage and particularly if he or she persists with making them, disciplinary action may be taken against the concerned individual.

#### **Procedure for Making a Disclosure**

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

Contact should be made by phone, email or in writing and should include as much detail and evidence as possible. Upon receipt of the disclosure the matter

will be investigated immediately to ascertain all the facts and a recommendation will be made to the Board. The recommendation will include a revision of Company policies and procedures to reduce the risk of re-occurrence.

#### **Protection Against Retaliation**

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

#### **Reporting**

The Compliance Officer, the Chairman & Managing Director will be responsible for reporting any whistle blowing disclosures to the Audit Committee.

#### **Contacts**

The relevant contacts are :

<b>Person</b>	<b>Position</b>	<b>Email Address</b>
Ms.Nisha Purushothaman	Director	nishapurushothaman@empeegroup.co.in
Mr.M.P.Purushothaman	Chairman & Managing Director	mppurushothaman@empeegroup.co.in

## Annexure -E

## Form AOC-I

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

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

## Part "A": Subsidiaries

(Rs. in Lacs)

Sl. No.	Particulars		
1	Sl. No.	1	2
2	Name of the subsidiary	Empee Power Company (India) Ltd	Appollo Wind Energy Pvt Ltd
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.10.2013 To 31.3.2015	01.4.2014 To 31.3.2015
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.
5	Share capital (Rs. in lacs)	2327.54	1.00
6	Reserves & surplus	(732.38)	-
7	Total assets	11000.89	-
8	Total Liabilities	11000.89	-
9	Investments	-	-
10	Turnover	2788.53	-
11	Profit before taxation	(106.11)	-
12	Provision for taxation /Deferred taxation	(34.43)	-
13	Profit after taxation	(71.68)	-
14	Proposed Dividend	-	-
15	% of shareholding	100%	100%

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

- Names of subsidiaries which are yet to commence operations: M/s. Appollo Wind Energy PvtLtd.
- Names of subsidiaries which have been liquidated or sold during the year : Nil

**Part “B”: Associates and Joint Ventures**

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

<b>Name of Associates/Joint Ventures</b>	<b>N.A</b>
<b>Latest audited Balance Sheet Date</b>	
<b>Shares of Associate /Joint Ventures held by the company on the year end</b>	
No.	
Amount of Investment in Associates / Joint Venture	
Extend of Holding %	
<b>Description of how there is significant influence</b>	
<b>Reason why the associate / joint venture is not consolidated</b>	
<b>Net-worth attributable to Shareholding as per latest audited Balance Sheet</b>	
<b>6. Profit / Loss for the year</b>	
i. Considered in Consolidation	
i. Not Considered in Consolidation	

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

M.P.Purushothaman  
Chairman & Managing Director

NishaPurushothaman  
Director



**Annexure - F****FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015**

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

**To**

**The Members,  
EMPEE SUGARS AND CHEMICALS LIMITED,**

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

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

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and exchange Board of India Act, 1992('SEBI ACT'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- 
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) Related Laws governing manufacturing and sale of Sugar and Chemicals and the rules made thereunder.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India-Not Applicable.
- ii) The Listing Agreements entered into by the Company with Madras Stock Exchange Limited (MSE) and BSE Limited.

During the period under review, the Company has generally complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to few lapses under the Companies Act, 2013 and Listing Agreement relating to appointment of Key Managerial Personnel, Loans & Advances and Guarantees to other Companies, filing of e-forms, quorum for audit committee meeting, newspaper publications and share application money pending allotment.

We further report that the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

**We further report that** based on our limited review there appeared equate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- Borrowing money, where the money to be borrowed together with the money already borrowed may exceed the paid up capital and free reserves of the company but shall not exceed Rs. 1500 Crores under Section 180(1)(c) of the Companies Act, 2013;

- Creating / modifying any mortgage, hypothecation or other charge or encumbrance over the whole or substantially the whole of the Company's undertaking and properties and assets of the Company which borrowings and facilities together with the existing ones shall not exceed an aggregate limit of Rs. 1500 Crores under Section 180(1)(a) of the Companies Act, 2013;
- Alteration of Memorandum and Articles of Association of the Company;
- Appointment of Auditor M/s.Venkatesh & Co. as Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s. D. Sampathkumar & Co.;
- Making Investment, giving Loan or guarantee together with the amounts already invested/ loans made or guarantees provided by the Company upto a limit of Rs. 500 Crores under Section 186 of the Companies Act, 2013;
- Approval for Related party Transactions;
- Approval of the proposal to be filed with BIFR for rehabilitation of the Company;
- Approval for appointment of Independent Directors.

We have come across the following details during the audit period:

- the proposed scheme of amalgamation of the company with M/s.Empee Distilleries Limited, which was pending for approval before the Honourable High Court of Andhra Pradesh, has been withdrawn;
- the Company has been delisted from the Madras Stock of Exchange;
- the company has given interest free loan to one of its Subsidiary Companies without stipulation as to the repayment of principal;
- the bankers of the company has approved a Corporate Debt Restructuring Scheme in respect of its Ambasamudram project for term loans and there are overdues in respect of principle and interest amount in respect of the loans taken;
- proceedings have been initiated under the SARFAESI Act by the Bankers of the Company and some of the project creditors have gone to the Court for winding up of the Company;
- the Company has made a reference to BIFR.

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

For S Dhanapal & Associates

Place: Chennai  
Date:14.08.2015

S. Dhanapal  
(Partner)  
FCS 6881  
CP No. 7028

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

**Annexure - A**

To

The Members

**EMPEE SUGARS AND CHEMICALS LIMITED**

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

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

For S Dhanapal & Associates

Place: Chennai

Date:14.08.2015

S. Dhanapal

(Partner)

FCS 6881

CP No. 7028

**Annexure - G**

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors report for the year ended 31st March, 2015.

**A. CONSERVATION OF ENERGY**

The Company has installed necessary energy conserving machinery as per the standard specification list prescribed by the Government of India for the factory of its size.

## FORM A

	Year 2014-15 (Naidupet Unit)	Year 2013-14 (Naidupet Unit)
<b>(A) POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
a) Purchased units (Kwh)	-	-
Total Amount (Rs.)	-	-
Rate / Unit (Rs.)	-	-
b) Cogen to Sugar (Kwh)	5248167	8652715
Total Amount (Rs.)	-	-
Rate/Unit (Rs.)	-	-
c) Own generation		
(i) Through Diesel Generator Units (Kwh)	-	-
Units/(liter) of Diesel Oil		
Cost / Unit (Rs.)		
(ii) Through steam turbine (generated out of our own bagasse Consumption) units (Kwh)	-	-
2. Coal	-	-
Cost / Ton (Rs.)		
3. Furnace Oil	-	-
4. Others/Internal generation		
a) Fire wood (MTs)	-	-
Rate per Mt(Rs.)		
b) Husk (MTs)	-	-
Rate per Mt (Rs.)		
<b>(B) CONSUMPTION PER QUINTAL OF SUGAR</b>		
Sugar Produced (Qtl)	166306	232212
Electricity (Kwh/Qtl)	27.94	28.28
Coal (M.T/Qtl)	Nil	Nil
Furnace Oil (K.L/Qtl)	Nil	Nil
Fire wood (M.T/Qtl)	Nil	Nil

	2014-15 (Ambai Unit)	2013-14 (Ambai Unit)
<b>(A) POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
a) Purchased units(Kwh)	6,68,700	1,51,500
Total Amount (Rs.)	1,11,30,610	84,61,698
Rate / Unit (Rs.)	16.64	55.85
b) Cogen to Sugar (Kwh)	172410	2,20,130
c) Own generation		
(i) Through Diesel Generator Units (Kwh)	1195	1077
Units/(liter) of Diesel Oil	1150	800
Cost / Unit (Rs.)	55	41
(ii) Through steam turbine (generated out of our own bagasse Consumption) units (Kwh)	N.A	N.A
2. Coal (MTs)	1,10,533	2,85,972
Cost / Ton (Rs.)	4686	4865
3. Furnace Oil		-
4. Others/Internal generation		
a) Fire wood (MTs)	23.82	28.57
Rate per Mt(Rs.)	3100	3100
b) Husk (MTs)	N.A	NA
Rate per Mt (Rs.)	N.A	NA
<b>(B) CONSUMPTION PER QUINTAL OF SUGAR</b>		
Sugar Produced (Qtl)	NIL	NIL
Electricity (Kwh/Qtl)	NIL	NIL
Coal (M.T/Qtl)	NIL	NIL
Furnace Oil (K.L/Qtl)	NIL	NIL
Fire wood (M.T/Qtl)	NIL	NIL

**(C) TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT**

Your Company has been carrying out research and development in the following specific areas:

- i) Selection of sugar cane seed materials and multiplication in three tier seed nursery programme.

- ii) Heat therapy to eradicate seed born diseases. Pest control measures to protect cane from diseases & soil testing Laboratory.
- iii) Ratoon crop management helping increase yield and recovery.  
Biological control laboratory for sugarcane pest management.
- iv) Wider spacing planting in sugar cane is encouraged to increase cane Quality and Quantity.
- v) Sufficient pest control chemicals are supplied to farmers initial.

With the above efforts a higher yield of disease free cane will be available to the company, resulting in a higher return to the company and the cane growers.

The expenditure incurred in research and development cannot be segregated because of its nature of expenses. Such expenses are clubbed under the head of expenses Cane Development expenses.

D. FOREIGN EXCHANGE EARNINGS	Nil
FOREIGN EXCHANGE OUTGO	Nil

On behalf of the Board

Place: Chennai.

Date: 14.08.2015

**M.P. PURUSHOTHAMAN**  
Chairman & Managing Director

## Annexure – H

### Remuneration of Directors and Key Managerial Personnel

Remuneration paid to Chairman and Managing Director and Company Secretary for the year ended 31.3.2015

Sl. No.	Name of MD / WTD / Manager	Particulars of Remuneration	Qualification	Experience	Total Amount Rs. in lakhs
1.	Mr.M.P.Purushothaman	Gross Salary Provident Fund	Higher Secondary.	60 years experience in Hotel, Liquor Industry, Power and Sugar.	42.20
2.	Mr. S.S.K.Swarup	Gross Salary Provident Fund	F.C.S. I.C.W.A.I	20 years experience in Accounts and Secretarial.	12.39

## Annexure - I

## Form No. MGT-9

## Extract of Annual Return

As on the financial year ended on 31st March 2015.

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## i REGISTRATION AND OTHER DETAILS:

1.	CIN	L24110AP1988PLC009291
2.	Registration Date	24.11.1988
3.	Name of the Company	EMPEE SUGARS AND CHEMICALS LIMITED
4.	Category /Sub-Category of the Company	Public Company limited by shares
5.	Whether listed Company	Yes
6.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s.Cameo Corporate Services Limited No.1, Subramaniam Building Club House Road, Chennai – 600 002 Telephone: 044-28460390 Email id: <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a>

## ii. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product / Services	NIC Code of the Product	% to total turnover of the company
1.	SUGAR	170199.02	
2.	IAP	29.05	
3.	POWER	-	

## iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the company	CIN/GIN	Holding / Subsidiary of the company	% of shares held	Applicable section
1	Empee Power Company (India) Ltd	U40101TN1996PLC 035285	Subsidiary	100%	2(87)
2	AppolloWind Energy Pvt Ltd	U40108TN2004PTC 054943	Subsidiary	100%	2(87)



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

## i. Category-wise Share Holding.

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Promoters</b>									
1. Indian									
a. Individual / HUF	1619241	-	1619241	3.86	1619241	-	1619241	3.86	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	27582023	-	27582023	65.71	27582023	-	27582023	65.71	-
e. Bank / FI	-	-	-	-	1619241	-	1619241	3.86	-
f. Any other Directors & Relatives	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(1)</b>	<b>29201264</b>	<b>-</b>	<b>29201264</b>	<b>69.57</b>	<b>29201264</b>	<b>-</b>	<b>29201264</b>	<b>69.57</b>	<b>-</b>
<b>2. Foreign</b>									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
<b>Sub Total – A(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Share holder of Promoters (1+2)</b>	<b>29201264</b>	<b>-</b>	<b>29201264</b>	<b>69.57</b>	<b>29201264</b>	<b>-</b>	<b>29201264</b>	<b>69.57</b>	<b>-</b>
1. Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/FI	-	-	-	-	-	-	-	-	-
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Ven. Capital Fund	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total-B (1)</b>	-	-	-	-	-	-	-	-	-
<b>Non-Institution</b>									
a. Body Corp.	1876289	-	1876289	4.47	1683355	-	1683355	4.01	-192934
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs.1 lakh	3504855	2461305	5966160	14.21	3702094	2436805	6138899	14.63	172739
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	4543546	35600	4579146	10.91	4590374	35600	4625974	11.02	46828
C. Others									
i. NRI (Rep)	-	-	-	-	-	-	-	-	-
ii. NRI (Non-Rep)	58813	-	58813	0.14	56248	-	56248	0.13	-2565
iii. Foreign National	-	-	-	-	-	-	-	-	-
iv. HUF	276873	-	276873	0.66	251646	-	251646	0.60	-25227
v. Trust	-	-	-	-	-	-	-	-	-
vi. In Transit	14355	-	14355	0.03	15514	-	15514	0.04	1159
Sub-Total-B(2)	10274731	2496905	12771636	30.43	10299231	2472405	12771636	30.43	-
<b>Net Total (1+2)</b>	<b>10274731</b>	<b>2496905</b>	<b>12771636</b>	<b>30.43</b>	<b>10299231</b>	<b>2472405</b>	<b>12771636</b>	<b>30.43</b>	<b>-</b>

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>39475995</b>	<b>2496905</b>	<b>41972900</b>	<b>100</b>	<b>39500495</b>	<b>2472405</b>	<b>41972900</b>	<b>-</b>	<b>-</b>

## ii. Shareholding of Promoters:

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total share of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	
1	M P Purushothaman	1,447,591	3.45	630542	1,447,591	3.45	630542	-
2	A K Aruna	58,250	0.14	-	58,250	0.14	-	-
3	NishaPurushothaman	28,300	0.07	14433	28,300	0.07	14433	-
4	ShajiPurushothaman	28,100	0.07	-	28,100	0.07	-	-
5	Sheena Purushothaman	27,000	0.06	-	27,000	0.06	-	-
6	SheejuPurushothaman	30,000	0.07	15300	30,000	0.07	15300	-
7	<b>Empee Distilleries Ltd</b>	26,622,102	63.43	25605332	26,622,102	63.43	20450332	-
8	Empee Holdings Ltd	959,921	2.29	-	959,921	2.29	-	-
	<b>Total</b>	<b>29,201,264</b>	<b>69.57</b>	26265607	<b>29,201,264</b>	<b>69.57</b>	26265607	-

## iii. Change in Promoters' Shareholding : Nil

## iv. Shareholding Pattern of top ten shareholders.

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year – 1 <sup>st</sup> April 2014		Shareholding at the end of the year -31 <sup>st</sup> March, 2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SANJU SUDHIR KOTHARI	2000000	4.76	2000000	4.76
2	SANJAY KUMAR JAIN	312265	0.74	262265	0.62
3	SUSHIL FINANCIAL SERVICES PVT LTD	213790	0.51	64730	0.15
4	SHAILESH HARAN	200000	0.48	200000	0.48
5	SHREE THIRUMALAI MARKETING & INVEST. LTD	200000	0.48	200000	0.48
6	PREM CABLES PVT LTD	177003	0.42	177003	0.42
7	RAK JIG TEXTILE PVT LTD	142350	0.34	142350	0.34
8	CENTURY CBASE (P) LTD	141042	0.34	-	-
9	TIRUMALA IRONS PVT LTD	125000	0.30	125000	0.30
10	SUNIL SUDHIR KOTHARI	124100	0.30	124100	0.30

## v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year – 1 <sup>st</sup> April 2014		Shareholding at the end of the year -31 <sup>st</sup> March, 2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Nil				

**v. Indebtedness**

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

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2014				
1. Principal amount	62679.93	211.37	-	62891.30
2. Interest due but not paid	989.40	-	-	989.40
3. Interest accrued but not due	-	-	-	-
Total (1+2+3)	63669.33	211.37	-	63880.70
Change in Indebtedness during the financial year				
+Addition	7210.98	-	-	7210.98
-Reduction	-	211.37	-	211.37
Net change	-	-	-	-
Indebtedness at the end of the financial year 31.3.2015	-			
1. Principal amount	68052.99	-	-	68052.99
2. Interest due but not paid	2827.32	-	-	2827.32
3. Interest accrued but not due	-	-	-	-
Total (1+2+3)	70880.31	-	-	70880.31

**vi. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Sr. No.	Particulars of Remuneration	Total Amount (Rs. in lacs)
	Name of MD / WTD / Manager : <b>Mr. M.P.Purushothaman</b>	
1.	Gross Salary	40.94
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act.	
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	
	c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission- As % of Profit - Others, specify	-
5.	Others, please specify Provident Fund & other funds	1.26
	Performance Bonus	-
	<b>Total (A)</b>	<b>42.20</b>
	Ceiling as per the Act	

## B. Remuneration of other Directors:

## i. Independent Directors:

Particulars of Remuneration	Name of Directors				Total Amount (Rs. in lacs)
	Mr.M.K.Mohan	Mr.M.P.Mehrotra	Mr.T.S.Raghavan	Mr.ShankarMenon	
Fee for attending Board / Committee meeting	60000	120000	180000	80000	440000
Commission	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total(1)	60000	120000	180000	80000	440000

## II. Other Non-Executive Directors:

Other Non-Executive Directors	Ms.NishaPurushothaman	Mr.SheejuPurushothaman	Total Amount (Rs. in lacs)
Fee for attending Board /Committee meeting	180000	60000	240000
Commission	Nil	Nil	-
Others	Nil	Nil	-
Total(2)	180000	60000	240000
Ceiling as per Act	1% of the Net profits of the company		

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

Sr. No.	Particulars of Remuneration	Total Amount (Rs. in lacs)
	<b>Name of the KMP :</b>	<b>Mr.S.S.K.Swarup</b>
1	Gross Salary (from 01.04.2014 to 31.03.2015)	11.69
	a) Salary as per provision contained in sec 17(1) of the IT Act.	
	b) Value of perquisites u/s 17(2) IT Act 1961	-
	c) Profits in lieu of salary u/s 17(3) of IT Act 1961.	-
2.	Stock Option	-
3.	Sweat Equity	-
	Commission - As % of Profit - Others, specify	-
	Others -Contribution of Provident fund	0.70
	Performance Bonus	-
	<b>Total (C)</b>	<b>12.39</b>

## Vii. Penalties /Punishment/ Compounding of offences (Under the Companies Act) : None

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

To The Members of

Empee Sugars and Chemicals Ltd

We have examined the compliance of conditions of Corporate Governance by Empee Sugars and Chemicals Ltd ("the Company") for the year ended 31<sup>st</sup> March 2015 as stipulated in Clause 49 of the Listing Agreements of the said Company with the relevant Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

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

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

Place : Chennai  
Date : 14.08.2015

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

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

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

### 2. Board of Directors

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

### Board and Committee Memberships

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

During the year, Board Meetings were held on 26.5.2014, 09.8.2014, 26.9.2014, 25.10.2014 and 11.02.2015.

Name of Director	Category	No. of Board meetings attended	Whether attended last AGM	Number of Directorships in other Indian Public Companies	No. of Committee positions held in other Public Companies	No. of Committee Chairmanship held in other Public Companies
Mr.M.P.Purushothaman	Promoter – Executive	5	Yes	9	3	3
Ms.NishaPurushothaman	Promoter – Non-Executive	5	Yes	7	5	-
Mr.SheekuPurushothaman	Promoter – Non-Executive	3	Yes	8	-	-



Name of Director	Category	No. of Board meetings attended	Whether attended last AGM	Number of Directorships in other Indian Public Companies	No. of Committee positions held in other Public Companies	No. of Committee Chairmanship held in other Public Companies
Mr.T.S.Raghavan	Independent Non-Executive	5	Yes	9	2	1
Mr.M.K.Mohan	Independent Non-Executive	3	-	1	1	1
Mr.M.P.Mehrotra	Independent Non-Executive	3	-	6	7	3
Mr.ShankarMenon	Independent Non-Executive	4	Yes	2	1	-

#### Inter-se relationship of Directors :

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

#### 3. Audit Committee

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

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

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

Meeting and the attendance during the year were as follows:

Sl. No.	Name of Member	No. of meetings Held	No. of meetings attended
1	Mr. T. S. Raghavan	4	4
2	Ms. NishaPurushothaman	4	4
3	Mr. M. P. Mehrotra	4	3

#### 4. Nomination and Remuneration Committee

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

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

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

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

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

##### Executive Directors/ Whole Time Directors

Name	Designation	(Rs. in lacs)
Mr. M.P.Purushothaman	Chairman & Managing Director	42.20

\* Includes Salary and Provident fund.

##### Non-Executive Directors

Name of the Director	Sitting Fee (Rs.)
1. Ms.Nisha Purushothaman	180000
2. Mr.Sheeju Purushothaman	60000
3. Mr.M.K.Mohan	60000
4. Mr.T.S.Raghavan	180000
5. Mr.M.P.Mehrotra	120000
6. Mr. Shankar Menon	80000

#### 5. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of the following:

i) Mr. M.K.Mohan	Chairman of the Committee
ii) Mr. T.S.Raghavan	Member
iii) Ms. 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 RTA and recommends overall improvement

of the quality of investor services. A meeting of this Committee was held on 11.02.2015 during the period under review. During the year 2014-15, no complaints were received and no investor complaint was pending as on 31.03.2015.

#### 6. CSR Committee – Not applicable

#### 7. General Body Meetings

The last three Annual General Meetings were held as under:

Year	Location	Date	Time	Whether special resolutions passed
2013-14	Ayyapareddipalem Village, Naidupet Mandal Nellore Dist., Andhra Pradesh	26.09.2014	11.30 a.m.	Yes
2011-13	-do-	19-06-2013	11.30 a.m.	No
2010-11	-do-	28-12-2011	11.00 a.m.	Yes

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

Sl. No.	Name	Designation	Held on 26-9-2014	Held on 19-06-2013	Held on 28-12-2011
1	Mr.M.P.Purushothaman	Chairman & MD	Attended	-	Attended
2	Ms.Nisha Purushothaman	Director	Attended	Attended	Attended
3	Mr.Sheeeju Purushothaman	Director	Attended	-	Attended
4	Mr.M.K.Mohan	Director	-	-	-
5	Mr.M.P.Mehrotra	Director	-	-	-
6	Mr.T.S.Raghavan	Director	Attended	-	Attended
7.	Mr.Shankar Menon	Director	Attended	Attended	Attended

#### Postal Ballot / Extra Ordinary General Meetings

During the year nine resolutions were passed through Postal Ballot on 6th July 2014 through Postal Ballot, the details are given in the website at [www.empeegroup.co.in](http://www.empeegroup.co.in).

8. Composite Scheme of Arrangement Subsequent to the withdrawal of Composite Scheme of amalgamation of Empee Distilleries Ltd. and Applo Wind Energy Pvt Ltd with the Company, necessary applications were made before the Hon'ble High Court of Andhra Pradesh and the same is pending for Orders.

#### 9. Code of Conduct

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

**10. Risk Management**

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

**11. Prevention of Insider Trading**

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

**12. Disclosures**

- i. There were no materially significant related party transactions that may have potential conflict with the interests of company at large.
- ii. There are no non-compliances by the Company on any matter related to capital markets, during the last three years. There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- iii. The Company has a Whistle Blower policy. No personnel has been denied access to the audit committee.
- iv. The Company has complied with all the mandatory requirements of this clause. With regard to adoption of non mandatory requirements, the non-Executive Chairman has been provided with a Chairman's office at the Company's expense. A remuneration committee has been formed to determine the remuneration of executive directors.
- v. Investor complaints of non-receipt of dividends, non-receipt of annual report etc., forwarded by SEBI are periodically resolved and updated into SCORES (SEBI Complaints Redress System) website and no complaints is pending during the year under review.
- vi. Performance Evaluation of Directors, Board and Committees are given in the Directors report.
- vii. policy on dealing with Related Party Transactions has been disclosed on the website of the Company, which can be accessed at the weblink [ww.empeegroup.co.in](http://ww.empeegroup.co.in).
- viii. Pecuniary relationship or transactions of the non-executive directors vis-à-vis the company.- Nil
- ix. Number of shares and convertible instruments held by non-executive directors - Nil

**13. Subsidiary Companies**

The minutes of the board meetings of the subsidiary companies namely, M/s.Empee Power Company (India) Ltd. and M/s.Appollo Wind Energy 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 Andhra Jothi (vernacular language). The Company has posted the quarterly/ annual results in the Company's website [www.empeegroup.co.in](http://www.empeegroup.co.in). No presentations were made to institutional investors or to the analysts during the period.

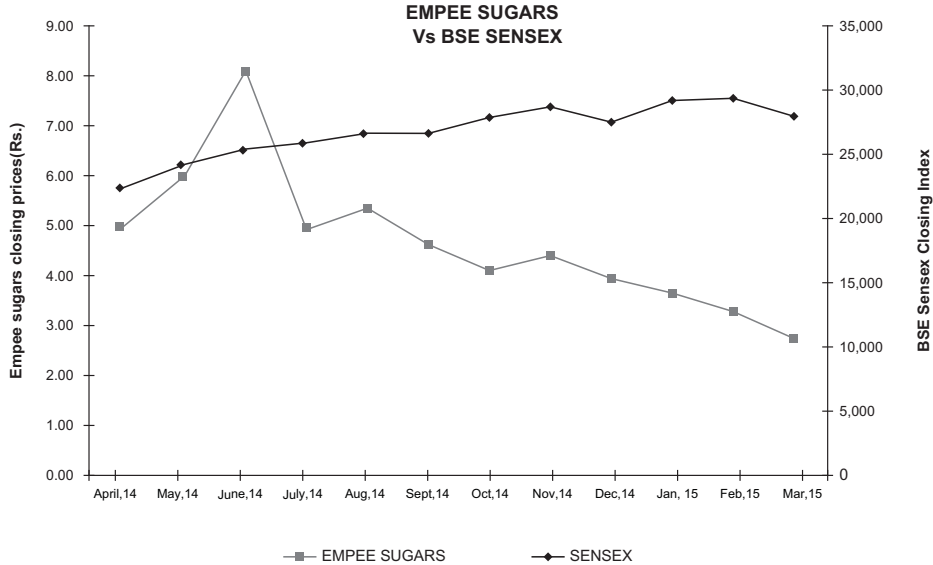
**16. General Shareholder Information**

i.	AGM Date, time and venue	22.09.2015 at 11.30 a.m. Ayyapareddipalem Village Naidupet-524 126 Nellore District, Andhra Pradesh
ii.	Financial year	2014-15
iii.	For the year ended 2015-16 First quarter result Second quarter result Third quarter results Fourth quarter results	Before 14 <sup>th</sup> August, 2015 Before 14 <sup>th</sup> November, 2015 Before 14 <sup>th</sup> February, 2016 Before 14 <sup>th</sup> May, 2016
iii.	Date of Book closure	16 <sup>th</sup> September 2015 to 22 <sup>nd</sup> September 2015 (both days inclusive)
iv.	Listing on Stock Exchanges	BSE Limited
v.	Stock Code	500132

**vi. Stock Market Data** (Face value of Rs.10/-each)

Months	BSE		
	High Price	Low Price	Closing Price
	(₹.)	(₹.)	(₹.)
Apr-14	5.90	4.56	4.99
May-14	6.90	4.01	6.00
Jun-14	9.04	5.41	8.10
Jul-14	8.20	4.92	4.92
Aug-14	6.28	4.75	5.35
Sep-14	5.75	4.12	4.62
Oct-14	4.99	4.00	4.10
Nov-14	5.00	3.73	4.40
Dec-14	4.40	3.19	3.94
Jan-15	4.13	3.56	3.65
Feb-15	3.89	3.25	3.28
Mar-15	3.70	2.61	2.74

vii. (a) Stock Price performance in comparison to BSE SENSEX



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

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

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

No. of equity shares held	No. of folios	No. of shares held	% of shareholding
1 to 100	17463	1675117	3.99
101 to 500	4975	1451914	3.46
501 to 1000	967	826081	1.97
1001 to 2000	432	679172	1.62
2001 to 3000	141	368605	0.88
3001 to 4000	66	240059	0.57
4001 to 5000	77	367793	0.88
5001 to 10000	121	896681	2.13
10001 and above	122	35467478	84.50
Total	24364	41972900	100

## xi. Shareholding pattern as on 31st March, 2015

No. of equity shares held	No. of folios	No. of shares held	% of share-holding
Promoters	9	29201264	69.57
Directors and their relatives	-	-	-
FIs/ Banks	-	-	-
Private Corporate Bodies	174	1683355	4.01
Indian Public	24140	11032033	26.29
NRIs and OCBs	41	56248	0.13
Total	24364	41972900	100

xii. Dematerialisation of shareholding and liquidity	94.11% of total equity share capital is held in dematerialized form with NSDL and CDSL.
xiii. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity	Nil
xiv. Plant locations	<p><b>1.Andhra Pradesh Unit :</b> Ayyapareddipalem Village Naidupet-524 126 Nellore District, Andhra Pradesh.</p> <p><b>2. Tamilnadu Unit:</b> Idaikkai Village Ambasamudram Taluk Tirunelveli District Tamilnadu.</p>
xv. Address for correspondence	Empee Tower, No.59, Harris Road Pudupet, Chennai – 600 002 E-mail ID: cs@empeegroup.co.in

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

Date of declaration of dividend	Dividend for the financial year	Due date of credit to the Central Government	Due date of transfer to the Central Government
09-11-2010	2010-11	08-11-2017	08-12-2017

It may be noted that no claim of the shareholders will be entertained by the Company for the unclaimed / unpaid dividends after their credit to the Investors Education & Protection Fund on the above said due date.

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

#### Board's Evaluation

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

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

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

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

Mr.M.P.Purushothaman,Chairman&Managing Director has 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 year ended 31<sup>st</sup> March 2015.

Declaration under Clause 49 of the Listing Agreement is attached separately.

**Place : Chennai**

Date : 14.08.2015

**M.P.Purushothaman**

Chairman& Managing Director



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

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

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

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

**For Empee Sugars and Chemicals Ltd**

**M.P.Purushothaman**  
**Chairman & Managing Director**

Place: Chennai  
Date : 14.08.2015

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**CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR /CHIEF FINANCIAL OFFICER**

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

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

For Empee Sugars and Chemicals Ltd

**M.P.Purushothaman**  
**Chairman & Managing Director**

Place: Chennai  
Date : 14.08.2015

## Independent Auditor's Report

To  
The Members of  
EMPEE SUGARS & CHEMICALS LIMITED

### Report on Financial Statements

We have audited the accompanying financial statements of EMPEE SUGARS & CHEMICALS LIMITED ("the Company"), which comprise the Balance Sheet for the Year ended as at March 31, 2015, and the Statement of Profit and Loss for the year ended on that date along with the Cash Flow statement annexed thereto, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with reference to the preparation of the standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

**Basis for Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flow for the year ended 31.03.2015 except:-

- a) The accumulated losses of the company have exceeded the net worth of the company. Hence the company has made a reference to BIFR under the sick industrial companies Act. And the Company has been registered under BIFR vide case no:69/2014. However, the accounts have been prepared on a going concern basis.
- b) The company has received amount of Rs. 140.37 crores from 7th July 2008 to 30th September 2012 (refer note no 4) towards share application money from holding company Empee Distilleries Ltd. These shares could not be allotted to the applicant company in view of the non-receipt of approval from the SEBI and stock Exchange.
- c) Confirmation of Sundry debtors, Trade payables, Advance to suppliers, Cane advances, Harvest Advance and other deposit is subject to confirmation and reconciliation.(refer note no 8, 16, 18 & 38)

**Qualified Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

And attention of the members is drawn regarding write off of Rs. 99.10 Crores relating to inventories. As explained by the Management the diminution in realizable value of inventories are due to quality, moisture and GVC Contents of coal, TRS contents in Molasses and ICUMSA in Sugar over the years. The company has written off receivables amounting to Rs. 44 Crores Refer Note No.15, 16 and 21.

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

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("theOrder") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 143(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) Except for the effects / possible effects of the matters described in the Basis of Qualified Opinion, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section (2) of section 164 of the Companies Act, 2013.
  - f) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-
    - i. the company does not have any pending litigations which would impact its financial position except the reference to the BIFR and the proceedings under the SARFAESI Act initiated by the bankers and some of the project creditors have gone to the court for the winding up of the company;
    - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company;

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

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

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

## Annexure to Independent Auditors' Report

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

As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us during the course of the audit, we report that,

1. a) The Company has maintained proper records showing full particulars, including quantitative 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 periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
2. a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.
3. a) The company has given interest free loan to one of its Subsidiary Companies of Rs. 44.87 Crores without stipulation as to the repayment of principal.  
b) In the light of (a) we do not comment on the principal amount and interest or other conditions or security of loans.  
c) In the light of (a) we do not comment on the reasonable steps have been taken by the company for recovery of the principal and interest.
4. In our opinion and according to the explanations given to us the internal control procedure of the Company are commensurate with the size of the company and the nature of its business with regards to Fixed Assets other assets and with regard to the sale of Services. No instance of continuing failure to correct major weakness in internal control was noticed.
5. The Company has not accepted any deposits from the public. Therefore the provisions of section 73 to Section 76 of the Companies Act 2013 and rules framed there under are not applicable.
6. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a) According to the records of the company, there have been delays in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service tax, Cess and other statutory dues with the appropriate authorities. The details of the same are as follows:

Name of the State Act	Nature of Dues	Amount involved Rs. in Lacs	Period to which the case relates	Status
A.P. Sugar Cane regulation of Sugar Cane Act	Andhra Pradesh Purchase tax payable	522.66	1994 - 2001	Paid Rs. 1.2 Crs towards said dues
Finance Act, 1994	Service Tax payable – Man Power Services	10.54	2013-2014	
Finance Act, 1994	Service Tax Reverse Charge – Legal Services	2.77	2013-2014	
Finance Act, 1994	Service Tax Reverse Charge – Sitting Fees	0.57	2013-2014	
Finance Act, 1994	Service Tax Reverse Charge	42.41	2014-2015	
Income Tax Act, 1961	Tax Deducted at Source	3.29	2014-2015	

- b) According to the information and explanations given to us and the records of the company examined by us, except the following there are no dues of Income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of the State Act	Nature of Dues	Amount involved Rs. in Lacs	Period to which the case relates	Dispute is pending before
A.P. Sugar Cane regulation of Sugar Cane Act	Andhra Pradesh Purchase tax payable	729.59	1994 - 2001	Asst Cane Commissioner

- c) The company is not required to transfer any amount to investor education and protection fund as per the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
8. The accumulated losses of the company have exceeded the net worth of the company as at the end of the financial year. The company has incurred cash losses in the current year and also in the immediately preceding financial year. The company has made a reference to BIFR.
9. Based on our audit procedures and according to the information and explanations given to us, the bankers of the company have approved CDR (Corporate Debt Restructure) scheme in respect of Ambasamudram project for terms loans amounting to Rs.388.47 Lakhs. As per the scheme, the repayments of interest & Principals have been restructured and the first repayment commences from September, 2014. During the year over dues interest payable amount to Rs.2,827.32lakhs and principal amount of Rs.2,526.37 lakhs.
10. The company has not given guarantee for loans taken by others from In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
11. According to the records of the company, the company has not obtained any term loans during the financial year. Hence, comments under the clause are not called for.
12. According to information and explanations furnished to us no fraud on or by the company has been noticed or reported during the year.

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

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

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

**BALANCE SHEET AS AT MARCH 31 2015**

Particulars	Note No.	(Rs. in Lakhs)	
		As at Mar 31, 2015	As at Mar 31, 2014
Accounting Policies	1		
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share capital	2	4,197.29	4,197.29
(b) Reserves and surplus	3	(45,380.93)	(15,396.64)
		<b>(41,183.64)</b>	<b>(11,199.35)</b>
(2) Share application money pending allotment	4	14,036.50	14,036.50
(3) Non-current liabilities			
(a) Long-term borrowings	5	45,970.75	42,955.08
(b) Long-term provisions	6	220.25	125.35
		<b>46,191.00</b>	<b>43,080.43</b>
(4) Current liabilities			
(a) Short-term borrowings	7	24,849.80	12,806.80
(b) Trade payables	8	1,723.91	11,389.87
(c) Other Current Liabilities	9	889.27	1,486.98
(d) Short-term provisions	10	78.15	103.44
		<b>27,541.13</b>	<b>25,787.09</b>
<b>TOTAL</b>		<b>46,584.99</b>	<b>71,704.67</b>
<b>II. ASSETS</b>			
(1) Non-current Assets			
(a) Fixed Assets	11		
(i) Tangible assets		31,976.56	35,422.99
(ii) Capital work-in-progress		-	-
		<b>31,976.56</b>	<b>35,422.99</b>
(b) Non-current investments	12	1,596.16	960.72
(c) Deferred tax assets (net)	13	-	4,978.16
(d) Long-term loans and advances	14	4,799.72	3,908.25
		<b>38,372.44</b>	<b>45,270.12</b>
(2) Current Assets			
(a) Inventories	15	1,426.11	12,109.61
(b) Trade receivables	16	2,296.04	9,730.04
(c) Cash and cash equivalents	17	332.33	809.03
(d) Short-term loans and advances	18	4,158.07	3,785.87
		<b>8,212.55</b>	<b>26,434.55</b>
<b>TOTAL</b>		<b>46,584.99</b>	<b>71,704.67</b>

See accompanying notes to the financial statements

In terms of our report of even date

For and on behalf of the Board

for Venkatesh & Co.,  
Chartered Accountants  
F.R. No. 004636S  
CA. Dasaraty V  
Partner (M. No. 026336)

M.P. Purushothaman  
Chairman &  
Managing Director

Nisha Purushothaman  
Director

Place : Chennai  
Date : 23.05.2015

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

(Rs. in Lakhs)			
Particulars	Note No.	Year ended Mar 31, 2015	Year ended Mar 31, 2014
I. Revenue from operations	19	12,540.84	27,985.83
II. Other income	20	682.94	134.73
<b>III. Total Revenue (I + II)</b>		<b>13,223.78</b>	<b>28,120.56</b>
IV. Expenses:			
Cost of materials consumed	21	17,551.41	22,594.05
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress	22	2,868.29	841.05
Employee benefits expense	23	809.20	925.12
Finance costs	24	7,081.58	6,375.51
Depreciation and amortization expense	11	2,518.30	2,070.97
Other expenses	25	6,415.54	2,560.13
<b>Total Expenses</b>		<b>37,244.32</b>	<b>35,366.83</b>
<b>Profit Before Tax</b>		<b>(24,020.54)</b>	<b>(7,246.27)</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>(24,020.54)</b>	<b>(7,246.27)</b>
VI. Prior Period Items		-	493.04
VII. Profit before extraordinary items and tax (V-VI)		<b>(24,020.54)</b>	<b>(6,753.23)</b>
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		<b>(24,020.54)</b>	<b>(6,753.23)</b>
X Tax Expenses:			
(1) Current Tax - Earlier Year		-	324.29
(2) Deferred Tax		4,978.16	(1,619.06)
<b>XI Profit after Tax</b>		<b>(28,998.70)</b>	<b>(5,458.46)</b>
XII Earnings per equity share:			
(1) Basic		(69.09)	(13.00)
(2) Diluted		(69.09)	(13.00)

See accompanying notes to the financial statements

In terms of our report of even date

For and on behalf of the Board

for Venkatesh & Co.,  
Chartered Accountants  
F.R. No. 004636S  
CA. Dasaraty V  
Partner (M. No. 026336)

M.P. Purushothaman  
Chairman &  
Managing Director

Nisha Purushothaman  
Director

Place : Chennai  
Date : 23.05.2015



**CASH FLOW STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015**

Particulars	(Rs. in Lakhs)	
	Year ended Mar 31,2015	Year ended Mar 31,2014
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before taxation	(24,020.54)	(6,753.23)
<u>Adjustments for:</u>		
Depreciation on fixed assets	2,518.30	2,070.97
Loss on sale of fixed assets	-	-
Interest expense	7,081.58	6,375.51
Discount on issue of shares written off	150.00	150.00
Investments written off	(635.44)	1,367.82
<u>Deduct:</u>		
Interest income	37.74	76.19
<b>Operating Profit before Working Capital changes</b>	<b>(14,943.84)</b>	<b>3,134.88</b>
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	10,683.50	(284.73)
(Increase) / Decrease in trade receivables	7,434.00	3,616.64
(Increase) / Decrease in loans and advances	(804.39)	(625.24)
Increase/(Decrease) in Trade Payables, Other Current liabilities & Provisions	(10,194.06)	1,715.08
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(7,824.79)</b>	<b>7,556.63</b>
Income tax Paid	-	-
	<b>(7,824.79)</b>	<b>7,556.63</b>
<b>Cash used in operating activities (before prior period items)</b>		
Prior period items	-	-
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>(7,824.79)</b>	<b>7,556.63</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets including Capital WIP	(207.46)	(205.06)
Sale Proceeds from investments	-	-
Purchase of Non current Investment	-	-
Sale Proceeds from fixed assets	-	-
Interest received	37.74	76.19
Dividend received	-	-
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>(169.72)</b>	<b>(128.87)</b>

**C. Cash Flow from Financing Activities**

Increase/(Decrease) in Short term borrowings	12,043.00	(416.72)
Increase/(Decrease) in Long Term Borrowings	3,015.67	(1,376.30)
Share application money received	-	-
Interest paid	(7,081.58)	(6,375.51)
Dividend paid	-	-
Dividend distribution tax paid	-	-
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>7,977.09</b>	<b>(8,168.53)</b>

**Net increase / (decrease) in cash and cash equivalents** (17.42) (740.77)

**Opening Cash and Cash Equivalents**

Cash in hand	1.74	41.80
Bank balances	119.17	819.88
	<b>120.91</b>	<b>861.68</b>

**Closing Cash and Cash Equivalents**

Cash in hand	18.53	1.74
Bank balances	84.96	119.17
	<b>103.49</b>	<b>120.91</b>

*See accompanying notes to the financial statements*

In terms of our report of even date

For and on behalf of the Board

for Venkatesh & Co.,  
Chartered Accountants  
F.R. No. 004636S  
CA. Dasaraty V  
Partner (M. No. 026336)

M.P. Purushothaman  
Chairman &  
Managing Director

Nisha Purushothaman  
Director

Place : Chennai  
Date : 23.05.2015

**Notes forming part of financial statements for the period ended 31.03.2015**

**1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS**

**1. Accounting Convention**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on going concern basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2. Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP require the management to make estimate and assumptions considered in the reported amounts of assets and liabilities as of the date of the financial statements and the reported income and expenses during the reporting period. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Further the results may vary from these estimates. Differences between the actual results and the estimates are recognized in the year in which the results are known / materialized.

**3. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of

past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**4. Revenue Recognition**

All income and expenditure are accounted for on accrual basis as stated herein except in respect of such items as are specifically mentioned hereunder and in the notes.

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

Insurance claims are accounted as and when the claims are settled

Interest due from growers for seed supplied is accounted as and when cane is received from growers.

Excise duty payable on finished goods held in stock at the end of the accounting year (except Molasses stored in pit for which duty is paid as and when molasses are let into the pit) will be accounted for at the time of clearance of these goods. The accounting treatment will have no impact on profit/losses.

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.

**5. Fixed Assets, Depreciation / Amortization and Impairment**

- (i) 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.

Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

- (ii) 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. Cost of Work in Progress is stated at cost.
- (iii) Depreciation on fixed assets is provided pro-rata using the straight-line method at the rates specified in Schedule II to the Companies Act, 2013.
- (iv) The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognized if the carrying value exceeds the higher of net selling price of the assets and its value in use.

## 6. Investments

Invests which are long term in nature, are stated at cost. Provision is made for diminution in value if it is of nature other than temporary.

Current investments are valued at lower of cost and fair value.

## 7. Inventories

Inventories are stated as under:

- a. Raw materials and stores & spare parts are valued at lower of cost and estimated net realizable value using FIFO Method.
- b. Work in process and finished goods are valued at lower of cost and estimated net realizable value using FIFO Method.

## 8. Employee Benefits

- (i) Defined Contribution Plan

### Provident Fund

Contributions to the Regional Provident Fund Commissioner to secure retrial benefits in respect of Employees' Provident Fund and Employees' Family Fund, based on the Statutory provisions as per the Employee Provident Fund Scheme are charged to revenue.

- (ii) Defined benefit Plan

### Gratuity

The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by Reliance Life Insurance Company Ltd. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method. Actuarial gains / losses are immediately recognized in the statement of Profit and Loss.

### Long Term Compensated Absences

The liability for long term compensated absences carried forward on the Balance Sheet date is provided for based on an actuarial valuation using the Projected Unit Credit method, as at the Balance Sheet date.

### Short Term Employee Benefits

Short term employee benefits includes short term compensated absences which is recognized based on the eligible leave at credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

## 9. Foreign Currency Transactions

Foreign Currency Transactions are accounted at the exchange rates ruling on the date of the transaction. Foreign currency monetary items as at the balance

sheet date are restated at the closing exchange rates. Exchange differences arising on actual payments / realizations and year-end restatements are dealt with in profit and loss account.

The Company enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract or similar instrument is amortized as expense or income over the life of the contract. Exchange differences on such contract are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation of a forward exchange contract or similar instrument is recognized as income or expenses for the year.

## 10. Taxation

**Income Tax :** Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961

**Deferred Tax :** Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized in there is virtual certainty that there will be sufficient future taxable income available in realize such losses. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to realize such assets.

## 11. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when the Company has present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for:

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

## 12. Segment Reporting

As per the Accounting Standard (AS 17) on "segment reporting", segment information has been provided under the note to consolidated financial statements.

**Accompanying notes to the financial statements for the period ended March 31, 2015**

Notes to the Financial Statements

**2 - SHARE CAPITAL****a. Details of authorised, issued and subscribed share capital**

(Rs in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Authorised Capital</b>		
7,00,00,000 (Previous Year 7,00,00,000) Equity Shares of Rs10/- each	7,000.00	7,000.00
1,00,00,000 (Previous Year 1,00,00,000) Preference Shares of Rs. 10/- each	1,000.00	1,000.00
	<b>8,000.00</b>	<b>8,000.00</b>
<b>Issued, Subscribed and fully paid up</b>		
4,19,72,900 (Previous Year 4,19,72,900) Equity Shares of Rs10/- each	4,197.29	4,197.29
	<b>4,197.29</b>	<b>4,197.29</b>

Note : The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-

**b. Information on shareholders**

Name of Shareholder	Relationship	As at March 31, 2015		As at March 31, 2014	
		No of Equity shares held	Percentage	No of Equity shares held	Percentage
Empee Distilleries Ltd.,	Holding Company	26622102	63.43	26622102	63.43

**c. Reconciliation of number of shares**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Rs in Lacs	Number	Rs in Lacs
Shares outstanding at the beginning of the year	41972900	4,197.29	41972900	4,197.29
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	41972900	4,197.29	41972900	4,197.29

## Notes to the Financial Statements

(Rs in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>3 - RESERVES AND SURPLUS</b>		
<b>a. Discount on issue of Shares</b>		
Balance at the beginning of the year	(1,050.00)	(1,200.00)
(-) Written off in Current Year	150.00	150.00
Balance at the end of the year	(900.00)	(1,050.00)
<b>b. Surplus/(deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	(14,346.64)	(8,888.18)
(+) Net Profit/(Net Loss) For the current year	(28,998.70)	(5,458.46)
(+) Prior Period Depreciation	(1,135.59)	
(-) Prior Period Expenses		
Balance at the end of the year	(44,480.93)	(14,346.64)
<b>GRAND TOTAL</b>	<b>(45,380.93)</b>	<b>(15,396.64)</b>

Note : As per the New Provisions and the prior period depreciation effect due to change in depreciation method as per New Companies Act, 2013 Amounting to Rs. 1135.59 Lacs is adjusted against Surplus / (Deficit) in the statement of profit and Loss A/c.

**4 - SHARE APPLICATION MONEY PENDING ALLOTMENT**

0% Convertible Preference Share Application Money	14,036.50	14,036.50
	<b>14,036.50</b>	<b>14,036.50</b>

Empee Sugars and Chemicals Ltd has received 0% convertible preference share application money of Rs.10/- each at a premium of Rs.140/- each from the parent company, M/s.Empee Distilleries Ltd from 7th July 2008 to 30th September 2012 towards promoter share for the project implementation of Integrated Sugar Complex which could not be allotted to the applicant company in view of non receipt of SEBI and Stock Exchanges approval.

**5 - LONG-TERM BORROWINGS****Secured Borrowings from Banks****Term Loan**

<b>Ambasamudram (-Refer Note 5.1 (i) )</b>		
Andhra Bank	6,571.70	6,121.67
Bank of India	7,174.11	6,745.60
Indian Overseas Bank	3,480.04	3,253.92
Punjab National Bank	5,632.33	5,371.26
Indian Bank	2,685.47	2,534.96
Oriental Bank of Commerce	5,401.45	5,026.91
Union Bank of India	2,584.77	2,438.79

(Rs in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Naidupet (-Refer Note 5.1 (ii) )</b>		
Indian Bank	575.03	165.69
Union Bank of India	53.97	55.90
Bank of Maharashtra	99.37	84.64
Federal Bank	30.41	36.32
<b>Funded Interest on Term Loan - Ambasamudram (-Refer 5.1 (i) )</b>		
Andhra Bank	1,132.05	1,089.97
Bank of India	1,351.56	1,308.26
Indian Overseas Bank	584.43	557.78
Punjab National Bank	1,014.01	981.29
Indian Bank	435.86	419.67
Oriental Bank of Commerce	1,068.35	1,018.37
Union Bank of India	577.36	558.78
<b>From Others</b>		
Sugar Development Fund Loan ( Refer Note 5.1 (iii) )	5,496.42	5,185.30
<b>Unsecured Borrowings from NBFCs</b>	22.06	-
	<b>45,970.75</b>	<b>42,955.08</b>

### 5.1 Security & Other Terms

- (i) Pari passu first charges on fixed assets of the Ambasamudram unit of the company with other members of the consortium. Second paripassu charge on the current assets of the Ambasamudram unit and Naidupet unit of the company with other members of the consortium. Second paripassu charge on the fixed assets for **Naidupet** unit of the company with other members of the consortium and also personal guarantee of the three directors and pledge of 51% of the promoters shareholding in the company. The repayment of all the term loan are as per the package mentioned in CDR Scheme. The first installment due of CDR will be September 2014.
- (ii) Pari passu first charge on the fixed assets of the Naidupet unit of the company with other members of the consortium financed for this project. Second paripassu charge on the current assets of the Naidupet unit of the company with other members and personal guarantee of three directors. The term loans are repayable in quarterly installments.
- (iii) Paripassu first charge by way of a hypothecation of all moveable assets (except book debts) including moveable machinery, machinery spares, tools and accessories both present and future pertaining to bagasse based cogeneration power plant at Idaikkal village, Ambasamudram Taluk, Tirunelveli Dist, Tamilnadu. The term loan is repayable in quarterly installments.



**5.2. The Company has defaulted during the year :**

Particulars	Amount of Defaults	
	Principal	Interest
Less than 6 Months	867.34	565.72
6 Months to 12 Months	993.13	1661.97
More than 12 Months	665.90	599.63
	<b>2,526.37</b>	<b>2,827.32</b>

Particulars	As at March 31, 2015	As at March 31, 2014
-------------	-------------------------	-------------------------

**6 - LONG-TERM PROVISIONS**

Provision for Employee Benefits:		
Gratuity	196.11	83.44
Compensated Absences	24.14	41.91
	<b>220.25</b>	<b>125.35</b>

**7 - SHORT-TERM BORROWINGS**

Secured Loan from Banks		
Repayable on demand		
Cash Credit	18,499.15	12,806.80
LC	6,350.65	-
(Cash credit from banks availed at Naidupet and Ambasamudram Plant are secured by floating Charge on assets under hypothecation and other current assets at respective locations)		
	<b>24,849.80</b>	<b>12,806.80</b>

**8 - TRADE PAYABLES**

Trade Payables	1,723.91	11,389.87
	<b>1,723.91</b>	<b>11,389.87</b>

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

**9 - OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Borrowings	59.76	507.45
Statutory dues	69.25	16.48
Liabilities for Expenses	332.70	535.49
Purchase Tax Payable	399.17	399.17
Other Liabilities	19.87	19.87
Unpaid dividends	8.52	8.52
	<b>889.27</b>	<b>1,486.98</b>

**10 - SHORT-TERM PROVISIONS**

Provision for employee benefits	78.15	103.44
	<b>78.15</b>	<b>103.44</b>

11. Tangible Assets	(Rupees in Lakhs)					Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2014	Additions during the Year	Deletions during the Year	As at March 31, 2015	As at April 1, 2014	Prior year accumulated depreciation due to change in method	Depreciation for the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014	
<b>Tangible Assets</b>													
Land & Site	595.12	143.83	-	738.96	-	-	-	-	-	-	738.96	595.12	
Buildings	6,197.84	-	-	6,197.84	1,208.57	(45.25)	186.65	1,349.97	4,847.87	4,989.26	4,847.87	4,989.26	
Plant & Machinery	38,804.98	63.64	-	38,868.62	9,443.87	1,110.63	2,243.33	12,797.83	26,070.79	29,361.11	26,070.79	29,361.11	
Furniture & Fittings	32.41	-	-	32.41	21.47	2.22	1.61	25.30	7.11	10.94	7.11	10.94	
Vehicles	820.42	-	-	820.42	369.66	64.90	84.40	518.97	301.46	450.77	301.46	450.77	
Computer	29.48	-	-	29.48	29.48	-	-	29.48	-	0.00	-	0.00	
Office Equipments	26.38	-	-	26.38	10.60	3.09	2.31	16.01	10.37	15.78	10.37	15.78	
	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>46,506.64</b>	<b>207.47</b>	<b>-</b>	<b>46,714.11</b>	<b>11,083.65</b>	<b>1,135.59</b>	<b>2,518.30</b>	<b>14,737.55</b>	<b>31,976.56</b>	<b>35,422.98</b>	<b>31,976.56</b>	<b>35,422.98</b>	
Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>													
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Previous Year</b>	<b>45,167.28</b>	<b>1,339.36</b>	<b>-</b>	<b>46,506.64</b>	<b>9,012.68</b>	<b>2,070.97</b>	<b>-</b>	<b>11,083.65</b>	<b>35,422.98</b>	<b>36,154.60</b>	<b>35,422.98</b>	<b>36,154.60</b>	

(Rs. in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
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**12 - NON-CURRENT INVESTMENTS**

(Valued at cost unless stated otherwise)

<b>Investment in Wholly owned Subsidiaries - Unquoted</b>		
10,000 (Previous Year 10,000) Equity Shares of Rs. 10/- each fully paid up in Appollo Wind Energy Private Limited	1.00	1.00
2,32,75,400 (Previous Year 2,32,75,400) Equity Shares of Rs. 10/- each fully paid up in Empee Power Company India Limited	2,327.54	2,327.54
	<b>2328.54</b>	<b>2328.54</b>
Less: Provision for Diminution	732.38	1367.82
	<b>1596.16</b>	<b>960.72</b>

**13 - DEFERRED TAX**

Break-up of Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences

<b>Deferred Tax Assets</b>		
Provision for doubtful trade Receivables	-	4.91
Brought forward loss as per Income Tax	-	10,688.43
Deferred Expenses	-	1,957.85
<b>Total</b>		<b>12,651.19</b>
<b>Deferred Tax Liabilities</b>		
Depreciation	-	7,673.03
<b>Total</b>		<b>7,673.03</b>
<b>Deferred Tax Asset (Net)</b>		<b>4,978.16</b>

Note : The Company has refer to BIFR and Hence the Deferred Tax has not been recognized.

**14 - LONG-TERM LOANS AND ADVANCES**

(Unsecured, Considered Good unless stated otherwise)

Capital Advance	-	102.79
Rent Advance	119.38	119.38
Electricity and other deposits	189.71	169.45
Advance Tax Net Off Provision	2.95	-
Loans to Subsidiary Company	4,487.68	3,516.63
	<b>4,799.72</b>	<b>3,908.25</b>

(Rs. in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
-------------	-------------------------	-------------------------

**15 - INVENTORIES**

(Lower of Cost (Net of Allowances) and estimated Net Realisable Value)

Raw Material	342.12	7358.88
Work in Progress	70.00	273.61
Finished Goods	710.47	3375.15
Stores & Spares	303.52	1101.97
Total	1,426.11	12,109.61

Note : During the year the Company wrote of Inventories amounting to Rs. 9910.71 Lacs

**16 - TRADE RECEIVABLES**

(Unsecured, Considered Good unless otherwise stated)

<b>Trade receivables outstanding for a period less than six months</b>		
Considered good	2,296.04	8,317.87
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	<b>2,296.04</b>	<b>8,317.87</b>
<b>Trade receivables outstanding for a period exceeding six months</b>		
Considered good	1,114.59	1,426.76
Doubtful		
Less: Provision for doubtful debts	1,114.59	14.59
	-	<b>1,412.17</b>
* Total	<b>2,296.04</b>	<b>9,730.04</b>

\* The above amount were subject to confirmation

Note : The Company has written of due of Rs. 4422.77 Lakhs from TNEB during the year.

**17 - CASH AND CASH EQUIVALENTS**

a. Balances with banks		
Current Accounts	76.44	110.65
Unpaid Dividend Accounts	8.52	8.52
Fixed Deposit with Banks	228.84	688.12
b. Cash on hand	18.53	1.74
	<b>332.33</b>	<b>809.03</b>

(Rs. in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
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**18 - SHORT-TERM LOANS AND ADVANCES**

<b>Advances Recoverable in Cash or in Kind or for Value to be Received</b> (Unsecured and considered good unless otherwise stated)		
Advance to Suppliers	656.30	415.90
CENVAT Credit	1,803.58	1,770.82
Cane Suppliers Advance	728.73	698.62
Harvester Advance	520.55	523.97
Prepaid Expenses	17.76	8.77
Other Deposits	431.15	367.79
<b>* Total</b>	<b>4,158.07</b>	<b>3,785.87</b>

\* The above amount were subject to confirmation and reconciliation

(Rs. in Lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
-------------	------------------------------	------------------------------

**19 - REVENUE FROM OPERATIONS**

<b>Sale of Products (Gross)</b>		
Sugar	5,046.06	8,245.35
Spirit	1,901.28	2,058.72
Raw Sugar	-	392.08
Power	5,823.49	17,664.77
Organic Manure	33.75	32.37
Press Mud	-	0.52
Fly Ash	2.59	2.27
	12,807.17	28,396.08
Less: Excise Duty	266.33	410.25
	<b>12,540.84</b>	<b>27,985.83</b>

**20 - OTHER INCOME**

Interest Receipts	37.74	76.19
Scrap Sales	-	8.85
Insurance Claims received	1.58	46.37
Provision Written back on diminution of Investment	635.44	-
Sundry Income	8.18	3.32
	<b>682.94</b>	<b>134.73</b>

(Rs. in Lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
-------------	------------------------------	------------------------------

**21 - COST OF MATERIALS CONSUMED**

Opening Stock of Raw Material	8,460.85	7,335.07
Purchase of Raw Material	9,736.20	23,719.83
	18,197.05	31,054.90
Closing Stock of Raw Material	645.64	8,460.85
	<b>17,551.41</b>	<b>22,594.05</b>

Note : During the Year the Company wrote off Raw Material amounting to Rs.7098.60 Lacs.

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

<b><u>Opening Inventory</u></b>		
Work in Process	273.61	263.04
Finished Goods	3,375.15	4,226.77
	<b>3,648.76</b>	<b>4,489.81</b>
<b><u>Closing Inventory</u></b>		
Work in Process	70.00	273.61
Finished Goods	710.47	3,375.15
	<b>780.47</b>	<b>3,648.76</b>
<b>Accretion to Stock</b>	<b>2,868.29</b>	<b>841.05</b>

Note : During the Year the Company wrote off Finished Goods amounting to Rs.2812.11 Lacs.

**23 - EMPLOYEE BENEFITS**

Salary & Allowance	641.65	810.64
Contribution to Provident Fund and other funds	11.09	47.54
Gratuity	120.68	(11.27)
Bonus	15.99	12.88
Staff Welf. Expenses	19.79	65.33
	<b>809.20</b>	<b>925.12</b>

**24 - FINANCE COSTS**

Interest Expenses	6,992.77	6,132.32
Other Borrowing Costs	88.81	243.19
	<b>7,081.58</b>	<b>6,375.51</b>

(Rs. in Lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
-------------	------------------------------	------------------------------

**25 - OTHER EXPENSES**

Advertisement	12.50	8.44
Auditors Remuneration (Refer Note below)	3.00	3.12
Conveyance & Travelling	19.44	47.64
Insurance Premium	36.13	25.56
Miscellaneous Expenses	48.54	51.87
Donations	0.63	1.61
Business auxiliary services	111.21	227.14
Discount on issue of Shares written off	150.00	150.00
Postage, Telephone & Telegram	9.78	14.07
Printing & Stationery	9.32	11.13
Professional & Legal Charges	98.77	114.18
Rates and Taxes	36.51	51.30
Rent	58.08	42.02
Repairs & Maintenance-Buildings	87.21	88.97
Repairs & Maintenance-Machinery	59.93	156.85
Repairs & Maintenance-Others	18.33	41.41
Sitting Fees	5.62	5.16
Vehicle Maint. & Hire Charges	81.16	103.45
Provision for Diminution of Investment	-	1,367.82
Bad Debts Written off	4,422.77	-
Provision for Bad Debts	1,100.00	-
Security Service Charges	46.61	48.39
	<b>6,415.54</b>	<b>2,560.13</b>

**AUDITOR'S REMUNERATION**

Statutory Audit fee	1.55	1.55
for certification & other works	1.45	1.57
	<b>3.00</b>	<b>3.12</b>

(Rs. in Lakhs)

Particulars	Year ended	
	March 31, 2015	March 31, 2014

**26. EARNINGS PER SHARE**

Profit after Tax (Rs. in Lakhs)	(28,998.70)	(5,458.46)
Weighted Average Number of Equity Shares (Basic)	41972900.00	41972900.00
Earning per share - Basic (in Rs.)	(69.09)	(13.00)
Weighted Average Number of Equity Shares (Diluted)	41,972,900	41,972,900
Earning per share - Diluted (Rs.)	(69.09)	(13.00)
Face Value per Share in (Rs)	10.00	10.00

**27. CONTINGENT LIABILITIES & COMMITMENTS**

(i) Disputed Interest on Purchase Tax (The Company has applied for waiver of Interest, which the company is hopeful of getting waiver)	729.59	729.59
(ii) Guarantees		
Indian Bank, Chennai	20.50	20.50
Andhra Bank, Mount Road, Chennai	2.03	2.03
Indian Bank, Naidupet	43.00	43.00

28. All the investments held by the company are long term in nature

29. Other Expenses include Rs. 150.00 Lakhs written off being 1/10th of total discount on issue of shares made during the year 2000-2001. The balance still to be written off is Rs. 900.00 Lakhs.

**30. IMPORTED AND INDIGENOUS MATERIALS CONSUMED**

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	%	Rs. in Lakhs	%	Rs. in Lakhs
a. Consumption of Raw Materials				
Imported	-	-	32.26	7287.86
Indigenous	100.00	17551.41	67.74	15306.19
	<b>100.00</b>	<b>17551.41</b>	<b>100.00</b>	<b>22594.05</b>
a. Consumption of Stores & Spares				
Imported	-	-	-	-
Indigenous	100.00	59.93	100.00	156.85
	<b>100.00</b>	<b>59.93</b>	<b>100.00</b>	<b>156.85</b>



(Rs. in Lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>31. VALUE OF IMPORTS ON CIF BASIS</b>		
Raw Material	-	7,287.86
<b>32. EARNINGS IN FOREIGN EXCHANGE</b>		
FOB Value of Exports	-	-
<b>33. EXPENDITURE IN FOREIGN CURRENCIES</b>		
Expenditure in Foreign Currencies	-	-
<b>34. EMPLOYEE BENEFITS UNDER DEFINED BENEFIT PLANS</b>		
<b><u>GRATUITY</u></b>		
Actuarial data on Defined Benefit Plans:		
<b>Projected Benefit Obligation at the beginning of the year</b>	87.31	101.04
Current Service Cost	7.16	14.15
Interest Cost	8.14	8.08
Actuarial Losses / (Gains)	105.18	(34.22)
Benefit Paid	6.02	1.74
<b>Projected Benefit Obligation at the end of the year</b>	<b>201.77</b>	<b>87.31</b>
<b>Change in Plan Assets</b>		
Fair Value of Plan Assets at the Beginning of the Year	3.88	6.35
Expected Returns on Plan Assets	0.36	0.55
Employer's Contribution	8.00	-
Benefits Paid	(6.02)	(1.75)
Actuarial Gains / (Losses)	(0.56)	(1.27)
Fair Value of Plan Assets at the End of the Year	<b>5.66</b>	<b>3.88</b>
<b>Amount Recognised in the Balance Sheet</b>		
Liability at the End of the Year	201.77	94.69
Fair Value of Plan Assets at the End of the Year	5.66	11.26
<b>Amount Recognised in the Balance Sheet</b>	<b>196.11</b>	<b>83.43</b>
<b>Cost of the Defined Benefit Plan for the Year</b>		
Current Service Cost	7.16	14.15
Interest on Obligation	8.14	8.08
Expected Return on Plan Assets	(0.36)	(0.55)
Net Actuarial Losses / (Gains) Recognised in the Year	105.74	(32.95)
<b>Net Cost Recognised in the Profit and Loss Account</b>	<b>120.68</b>	<b>(11.27)</b>

<b>ASSUMPTIONS</b>		
Discount Rate	7.99% P.A.	8.00% P.A.
Future Salary Increase	6 % P.A.	6 % P.A.
Attrition Rate	2-6% P.A.	2-6% P.A.
Expected Rate of Return on Plan Assets	7.99% P.A.	8.70% P.A.

Notes :

- The entire Plan Assets are managed by Reliance Life Insurance Company Ltd.,
- The expected return on Plan Assets is as furnished by a Qualified Actuary
- The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors

### 35. DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD 18

<b>Particulars</b>	<b>% of Share Holdings</b>
<b>a) List of Related Parties:</b>	
<b>I. Holding Company</b>	
Empee Distilleries Limited	63.43%
<b>II. Subsidiary Companies</b>	
Empee Power Company (India) Limited	100%
Appollo Wind Energy Private Ltd.,	100%
<b>III. Key Management Personnel</b>	
Mr.M.P.Purushothaman - Chairman and Managing Director	3.45%
<b>IV. Other Related Parties</b>	
Empee Holdings Limited	2.29%
<b>V. Other Related Parties (common share holding)</b>	
Empee International Hotels & Resorts Limited	
South (India) Hotels Pvt Ltd	
Appollo Distilleries and Breweries Pvt. Ltd	
Appollo Alchobev Limited	
Aruna Exports Pvt Ltd	
Empee Hotels Limited	
Aruna Constructions (India) Limited	
EDL Marketing Pvt Ltd	
Empee Agro Farm Products Pvt Ltd	
Empee Marine Products Limited	
Appollo Beers Pvt Ltd	
Empee Leasing & Finance Limited	
Empee Communication Ltd	
Universal Spirits Ltd	
Empee Construction Company Ltd	
Empee Power & Infrastructure Pvt Ltd	
Empee Packaging Industries	
Aruna Constructions	

**b) During the year the following transactions were carried out with the related parties in the ordinary course of business**

Transactions					Rs. In Lakhs	
Particulars	Holding Company	Subsidiary Companies	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	For the year ended 31.03.15
Remuneration	-		42.00			42.00
	-		(42.00)			(42.00)
Receiving of Services	-				136.39	136.39
	-				(263.64)	(263.64)
Advance / Deposits Given (Net)	-	742.09				742.09
	(1,404.20)	(211.83)				(1,616.03)
Advance / Deposits received (Net)	2,895.26				-	2,895.26
	-				-	-
Interest Paid	-	-	-	-	-	-
	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-
	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-
	-	-	-	-	-	-
Sale of investments	-	-	-	-	-	-
	-	-	-	-	-	-
Purchase of goods	-	-	-	-	-	-
	-	-	-	-	-	-
Rent paid	-	-	-	-	26.96	26.96
	-	-	-	-	(29.56)	(29.56)
Dividend Paid	-	-	-	-	-	-
	-	-	-	-	-	-
Balance Outstanding	1,403.14	4,487.68	-	-	76.14	5,966.96

Note : Amount in bracket indicate previous year figures

## 36. Segment wise details

Rs. in Lacs

Particulars	Sugar	IAP	Power	Unallocated	Total
<b>Segment Revenue</b>					
Sales	4,792.54	1,922.22	5,826.08	-	12,540.84
Other Income	30.86	0.04	16.60	635.44	682.94
Total Revenue	4,823.40	1,922.26	5,842.68	635.44	13,223.78
Operating Profit	(6,916.41)	(61.37)	(7,442.88)	-	(14,420.66)
Interest Expenses	3,104.21	385.45	3,591.92	-	7,081.58
Depreciation	1,160.91	141.68	1,215.71	-	2,518.30
Net Profit before tax	(11,181.53)	(588.50)	(12,250.51)	-	(24,020.54)
<b>Other Information</b>					
Segment Assets	18,167.05	1,229.78	27,902.23	-	47,299.06
Segment Liabilities	35,595.66	2,118.61	50,768.43	-	88,482.70
<b>Depreciation</b>	1,160.91	141.68	1,215.71	-	2,518.30
<b>Capital Expenditure</b>	1,771.29	-	-	-	1,771.29

37. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
38. Balances under trade payables, trade receivables, cane suppliers and harvester advance are subject to confirmation from the concerned parties and reconciliation. The impact of this on the accounts is presently not ascertainable.

In terms of our report of even date

For and on behalf of the Board

for Venkatesh & Co.,  
Chartered Accountants  
F.R. No. 004636S  
CA. Dasaraty V  
Partner (M. No. 026336)

M.P. Purushothaman  
Chairman &  
Managing Director

Nisha Purushothaman  
Director

Place : Chennai  
Date : 23.05.2015

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## Independent Auditor's Report

To

The Members of  
EMPEE SUGARS & CHEMICALS LIMITED

### Report on Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of EMPEE SUGARS & CHEMICALS LIMITED and its subsidiaries constitute ("the Group"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss for the year ended on that date along with the Cash Flow statement annexed thereto, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with reference to the preparation of the Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

**Basis for Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and loss statement and its cash flow for the year ended 31.03.2015 except:-

- a) The accumulated losses of the company have exceeded the net worth of the company. Hence the company has made a reference to BIFR under the sick industrial companies Act. And the Company has been registered under BIFR vide case no:69/2014. However, the accounts have been prepared on a going concern basis.
- b) The company has received amount of Rs. 140.37 crores from 7th July 2008 to 30th September 2012 (refer note no 4) towards share application money from holding company Empee Distilleries Ltd. These shares could not be allotted to the applicant company in view of the non-receipt of approval from the SEBI and stock Exchange.
- c) Confirmation of Sundry debtors, Trade payables, Advance to suppliers, Cane advances, Harvest Advance and other deposit is subject to confirmation and reconciliation.(refer note no 8, 15, 17& 36)

**Qualified Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

And attention of the members is drawn regarding write off of Rs.99.10 Crores relating to inventories. As explained by the Management the diminution in realizable value of inventories are due to quality, moisture and GVC Contents of coal, TRS contents in Molasses and ICUMSA in Sugar over the years. The Company has also written off receivables amounting to Rs.44 Crores Refer Note No.14, 15 and 20.

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

**Other Matters**

We did not audit the financial statements of subsidiary company Empee Power Company (India) Ltd., whose financial statements reflect total assets of Rs.11,000.89 lakhs as at 31st March, 2015, total revenues of Rs.2,184.81 Lakhs for the year ended as accounted in the consolidated financial statements of the company. These financial statement and other financial information have been audited by other Auditor for the year ended 31.03.2015 and whose report has been furnished to us, and our opinion is based solely on the reports of the other Auditors.

We did not audit the financial statements of subsidiary company Appollo wind Energy Private Limited whose financial statements reflect total assets Rs.1.10 lakh as at 31st March, 2015, total revenue of Rs. NIL and net

cash flows of Rs. NIL Lakhs for the period then ended as accounted in the consolidated financial statements of the company. These financial statement and other financial information have been audited by other Auditors for the year ended 31.03.2015 and whose report has been furnished to us, and our opinion is based solely on the reports of the other Auditors.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-
    - i. the company does not have any pending litigations which would impact its financial position except the reference to the BIFR and the proceedings under the SARFAESI Act initiated by the bankers and some of the project creditors have gone to the court for the winding up of the company;
    - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company;

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

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

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

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

(Rs. In Lakhs)

Particulars	Note No.	As at	
		March 31, 2015	March 31, 2014
Accounting Policies	1		
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share capital	2	4,197.29	4,197.29
(b) Reserves and surplus	3	(45,380.93)	(15,396.64)
		(41,183.64)	(11,199.35)
(2) Share application money pending allotment	4	14,036.50	14,036.50
(3) Non-current liabilities			
(a) Long-term borrowings	5	49,225.65	46,475.36
(b) Long-term provisions	6	236.45	127.34
		49,462.10	46,602.70
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	7	25,454.53	14,151.69
(b) Trade payables	8	2,424.98	11,491.69
(c) Other Current Liabilities	9	1,230.37	1,599.79
(d) Short-term provisions	10	78.20	103.44
		29,188.08	27,346.61
<b>TOTAL</b>		<b>51,503.04</b>	<b>76,786.46</b>
<b>II. ASSETS</b>			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	11	40,176.24	43,016.93
(ii) Capital work-in-progress		-	-
		40,176.24	43,016.93
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	12	760.34	5,531.49
(d) Long-term loans and advances	13	353.50	429.58
		41,290.08	48,978.00
(2) Current Assets			
(a) Inventories	14	2,192.06	12,542.30
(b) Trade receivables	15	3,482.14	10,429.87
(c) Cash and cash equivalents	16	376.81	1,016.44
(d) Short-term loans and advances	17	4,161.96	3,819.85
		10,212.97	27,808.46
<b>TOTAL</b>		<b>51,503.04</b>	<b>76,786.46</b>

See accompanying notes to the financial statements

In terms of our report of even date

For and on behalf of the Board

for Venkatesh & Co.,  
Chartered Accountants  
F.R. No. 004636S  
CA. Dasaraty V  
Partner (M. No. 026336)

M.P. Purushothaman  
Chairman &  
Managing Director

Nisha Purushothaman  
Director

Place : Chennai  
Date : 23.05.2015



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

(Rs. In Lakhs)

Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
I. Revenue from operations	18	14,717.06	30,683.75
II. Other income	19	56.09	138.93
<b>III. Total Revenue (I + II)</b>		<b>14,773.15</b>	<b>30,822.67</b>
IV. Expenses:			
Cost of materials consumed	20	19,070.77	24,074.76
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress	21	2,868.29	841.05
Employee benefits expense	22	921.76	1,046.28
Finance costs	23	7,770.64	7,009.68
Depreciation and amortization expense	11	2,747.48	2,504.60
Other expenses	24	6,456.63	1,235.36
<b>Total Expenses</b>		<b>39,835.57</b>	<b>36,711.72</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(25,062.42)	(5,889.05)
VI. Prior Period Items		-	493.04
VII. Profit before extraordinary items and tax (V-VI)		(25,062.42)	(5,396.01)
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		(25,062.42)	(5,396.01)
X Tax Expenses:			
(1) Current Tax - Earlier Year		-	324.29
(2) Deferred Tax		4,771.15	(1,622.17)
<b>XI Profit after Tax</b>		<b>(29,833.57)</b>	<b>(4,098.13)</b>
XII Earnings per equity share:			
(1) Basic		(71.08)	(9.76)
(2) Diluted		(71.08)	(9.76)
See accompanying notes to the financial statements			

In terms of our report of even date

For and on behalf of the Board

for Venkatesh & Co.,  
Chartered Accountants  
F.R. No. 004636S  
CA. Dasaraty V  
Partner (M. No. 026336)

M.P. Purushothaman  
Chairman &  
Managing Director

Nisha Purushothaman  
Director

Place : Chennai  
Date : 23.05.2015

**CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015**

	(Rs. In Lakhs)	
Particulars	Year ended Mar 31,2015	Year ended Mar 31,2014
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before taxation	(25,062.42)	<b>(5,396.03)</b>
Adjustments for:		
Depreciation on fixed assets	2,747.48	2,504.60
Loss on sale of fixed assets	-	-
Interest expense	7,770.64	7,009.68
Discount on issue of shares written off	150.00	150.00
Investments written off	-	-
Deduct:		
Interest income	46.33	80.39
Operating Profit before Working Capital changes	<b>(14,440.63)</b>	<b>4,187.86</b>
Adjustments for :		
(Increase) / Decrease in inventories	10,350.24	(164.49)
(Increase) / Decrease in trade receivables	6,947.73	3,652.61
(Increase) / Decrease in loans and advances	353.15	(581.01)
Increase/(Decrease) in Trade Payables, Other Current liabilities & Provisions	(9,352.25)	302.18
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(6,141.77)</b>	<b>7,397.15</b>
Income tax Paid		-
Cash used in Operating activities (before prior period items)	(6,141.77)	7,397.15
Prior period items	-	-
Net Cash inflow from/ (outflow) from Operating activities	<b>(6,141.77)</b>	<b>7,397.15</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets including Capital WIP	(207.51)	(205.06)
Sale Proceeds from investments		-
Purchase of Non current Investment		-
Sale Proceeds from fixed assets		-
Interest received	46.33	80.39
Dividend received		
Net Cash inflow from/ (outflow) from Investing activities	<b>(161.18)</b>	<b>(124.67)</b>

**C. Cash Flow from Financing Activities**

Proceeds from issue of shares including premium	-	-
Increase/(Decrease) in Short term borrowings	11,302.84	288.63
Increase/(Decrease) in Long Term Borrowings	2,750.29	(1,362.34)
Share application money received		-
Interest paid	(7,770.64)	(7,009.68)
Dividend paid		-
Dividend distribution tax paid		-
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>6,282.49</b>	<b>(8,083.39)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(20.45)</b>	<b>(810.91)</b>
<b>Opening Cash and Cash Equivalents</b>		
Cash in hand	2.74	47.80
Bank balances	123.37	889.22
	<b>126.11</b>	<b>937.02</b>
<b>Closing Cash and Cash Equivalents</b>		
Cash in hand	19.53	2.74
Bank balances	86.13	123.37
	<b>105.66</b>	<b>126.11</b>

See accompanying notes to the financial statements

In terms of our report of even date

For and on behalf of the Board

for Venkatesh & Co.,  
Chartered Accountants  
F.R. No. 004636S  
CA. Dasaraty V  
Partner (M. No. 026336)

M.P. Purushothaman  
Chairman &  
Managing Director

Nisha Purushothaman  
Director

Place : Chennai  
Date : 23.05.2015

**Note No: 1****Notes forming part of consolidated financial statements for the year ended 31.03.2015****(A) Principles of consolidation**

The consolidated financial statements relate to Empee Sugars and Chemicals Limited ('the Company') and its wholly owned subsidiaries Empee Power (I) Limited and Appollo Wind Energy Private Ltd., ('the Subsidiaries'). The consolidated financial statements have been prepared on the following basis.

The financial statements of the Company and its Subsidiaries have been prepared based on a line-by-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 management of the respective companies.

Intra group balances and intra group transactions and the unrealised profits on stocks arising out of intra-group transactions have been eliminated.

All Intercompany transactions, balances and unrealised surplus and deficits on transactions between Group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable and in the case of certain subsidiaries the impact of which is not quantifiable.

Since the Subsidiaries are wholly owned there is no minority interest arising on account of consolidation.

**I. SIGNIFICANT ACCOUNTING POLICIES****1. Accounting Convention**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounts) Rules, 2014 (as amended) and the

relevant provisions of the Companies Act, 2013. The financial statements have been prepared on going concern basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2. Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP require the management to make estimate and assumptions considered in the reported amounts of assets and liabilities as of the date of the financial statements and the reported income and expenses during the reporting period. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Further the results may vary from these estimates. Differences between the actual results and the estimates are recognized in the year in which the results are known / materialized.

**3. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**4. Revenue Recognition**

All income and expenditure are accounted for on accrual basis as stated herein except in respect of such items as are specifically mentioned hereunder and in the notes.

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

Insurance claims are accounted as and when the claims are settled

Interest due from growers for seed supplied is accounted as and when cane is received from growers.

Excise duty payable on finished goods held in stock at the end of the accounting year (except Molasses stored in pit for which duty is paid as and when molasses are let into the pit) will be accounted for at the time of clearance of these goods. The accounting treatment will have no impact on profit/losses.

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.

## 5. Fixed Assets, Depreciation / Amortization and Impairment

- (i) 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. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.
- (ii) 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. Cost of Work in Progress is stated at cost.
- (iii) Depreciation on fixed assets is provided pro-rata using the straight-line method at the rates specified in Schedule II to the Companies Act, 2013.
- (iv) The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal or

external factors. Impairment is recognized if the carrying value exceeds the higher of net selling price of the assets and its value in use.

## 6. Investments

Invests which are long term in nature, are stated at cost. Provision is made for diminution in value if it is of nature other than temporary.

Current investments are valued at lower of cost and fair value.

## 7. Inventories

Inventories are stated as under:

- a. Raw materials and stores & spare parts are valued at lower of cost and estimated net realizable value using FIFO Method.
- b. Work in process and finished goods are valued at lower of cost and estimated net realizable value using FIFO Method.

## 8. Employee Benefits

### (i) Defined Contribution Plan Provident Fund

Contributions to the Regional Provident Fund Commissioner to secure retrieval benefits in respect of Employees' Provident Fund and Employees' Family Fund, based on the Statutory provisions as per the Employee Provident Fund Scheme are charged to revenue.

### (ii) Defined benefit Plan Gratuity

The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by Reliance Life Insurance Company Ltd. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method. Actuarial gains / losses are immediately recognized in the statement of Profit and Loss.

**Long Term Compensated Absences**

The liability for long term compensated absences carried forward on the Balance Sheet date is provided for based on an actuarial valuation using the Projected Unit Credit method, as at the Balance Sheet date.

**Short Term Employee Benefits**

Short term employee benefits includes short term compensated absences which is recognized based on the eligible leave at credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

**9. Foreign Currency Transactions**

Foreign Currency Transactions are accounted at the exchange rates ruling on the date of the transaction. Foreign currency monetary items as at the balance sheet date are restated at the closing exchange rates. Exchange differences arising on actual payments / realizations and year-end restatements are dealt with in profit and loss account.

The Company enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract or similar instrument is amortized as expense or income over the life of the contract. Exchange differences on such contract are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation of a forward exchange contract or similar instrument is recognized as income or expenses for the year.

**10. Taxation**

**Income Tax :** Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961

**Deferred Tax :** Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized in there is virtual certainty that there will be sufficient future taxable income available in realize such losses. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to realize such assets.

**11. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized only when the Company has present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for:

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**12. Segment Reporting**

The Company prepares its segment information in conformity with the accounting policies adopted for presenting the financial statements of the Company as whole.

- 13. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**Accompanying notes to the Consolidated financial statements for the Year ended March 31, 2015**
**2 - SHARE CAPITAL**

- a. Details of authorised, issued and subscribed share capital

Particulars	As at	
	March 31, 2015	March 31, 2014
<b>Authorised Capital</b>		
7,00,00,000 (Previous Year 7,00,00,000) Equity Shares of Rs10/- each	7,000.00	7,000.00
1,00,00,000 (Previous Year 1,00,00,000) Preference Shares of Rs. 10/- each	1,000.00	1,000.00
	<b>8,000.00</b>	<b>8,000.00</b>
<b>Issued, Subscribed and fully paid up</b>		
4,19,72,900 (Previous Year 4,19,72,900) Equity Shares of Rs10/- each	4,197.29	4,197.29
	<b>4,197.29</b>	<b>4,197.29</b>

Note : The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-

- b. Information on shareholders

Name of Shareholder	Relationship	As at March 31, 2015		As at March 31, 2014	
		No of Equity shares held	Percentage	No of Equity shares held	Percentage
Empee Distilleries Ltd.,	Holding Company	26622102	63.43	26622102	63.43

- c. Reconciliation of number of shares

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	Rs in Lacs	Number	Rs in Lacs
Shares outstanding at the beginning of the year	41972900	4,197.29	41972900	4,197.29
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	41972900	4,197.29	41972900	4,197.29

(Rs. in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
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**3 - RESERVES AND SURPLUS**

<b>a. Discount on issue of Shares</b>		
Balance at the beginning of the year	(1,050.00)	(1,200.00)
(-) Written off in Current Year	150.00	150.00
Balance at the end of the year	(900.00)	(1,050.00)
<b>b. Surplus / (deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	(14,346.64)	(10,248.51)
(+) Net Profit/(Net Loss) For the current year	(29,833.57)	(4,098.13)
(-) Earlier Year Depreciation	(300.72)	-
(-) Interim Dividends including DDT	-	-
(-) Prior Period Expenses	-	-
Balance at the end of the year	(44,480.93)	(14,346.64)
<b>GRAND TOTAL</b>	<b>(45,380.93)</b>	<b>(15,396.64)</b>

**4 - SHARE APPLICATION MONEY PENDING ALLOTMENT**

0% Convertible Preference Share Application Money	14,036.50	14,036.50
	<b>14,036.50</b>	<b>14,036.50</b>

Empee Sugars and Chemicals Ltd has received 0% convertible preference share application money of Rs. 10/- each at a premium of Rs. 140/- each from the parent company, M/s. Empee Distilleries Ltd from 7th July 2008 to 30th September 2012 towards promoter share for the project implementation of Integrated Sugar Complex which could not be allotted to the applicant company in view of non receipt of SEBI and Stock Exchanges approval.



**5 - LONG-TERM BORROWINGS**

(Rs. in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Secured Borrowings</b>		
<b>From Banks</b>		
<b>Term Loan</b>		
<b>Ambasamudram (-Refer Note 5.1 (i) )</b>		
Andhra Bank	6,571.70	6,121.67
Bank of India	7,174.11	6,745.60
Indian Overseas Bank	3,480.04	3,253.92
Punjab National Bank	5,632.33	5,371.26
Indian Bank	2,685.47	2,534.96
Oriental Bank of Commerce	5,401.45	5,026.91
Union Bank of India	2,584.77	2,438.79
<b>Naidupet (-Refer Note 5.1 (ii) )</b>		
Indian Bank	575.03	165.69
Union Bank of India	53.97	55.90
Bank of Maharashtra	99.37	84.64
Federal Bank	30.41	36.32
<b>Funded Interest on Term Loan - Ambasamudram (-Refer 5.1 (i) )</b>		
Andhra Bank	1,132.05	1,089.97
Bank of India	1,351.56	1,308.26
Indian Overseas Bank	584.43	557.78
Punjab National Bank	1,014.01	981.29
Indian Bank	435.86	419.67
Oriental Bank of Commerce	1,068.35	1,018.37
Union Bank of India	577.36	558.78
<b>Power Plant Loan (-Refer 5.1.(iv)</b>		
Indian Overseas Bank	776.23	790.05
	-	-
<b>From Others</b>		
Sugar Development Fund Loan ( Refer Note 5.1 (iii) )	5,496.42	5,185.30
Power Finance Corporation ( Refer Note 5.1 (iv) )	2,488.40	2,719.95
<b>Unsecured Borrowings</b>		
from NBFCs	12.33	10.28
	<b>49,225.65</b>	<b>46,475.36</b>

**5.1 Security & Other Terms**

- (i) Pari passu first charges on fixed assets of the Ambasamudram unit of the company with other members of the consortium. Second paripassu charge on the current assets of the Ambasamudram unit and Naidupet unit of the company with other members of the consortium. Second paripassu charge on the fixed assets for naidupet unit of the company with other members of the consortium and also personal guarantee of the three directors and pledge of 51% of the promoters shareholding in the company. The repayment of all the term loan are as per the package mentioned in CDR Scheme. The first installment due of CDR will be September 2014.
- (ii) Pari passu first charge on the fixed assets of the Naidupet unit of the company with other members of the consortium financed for this project. Second paripassu charge on the current assets of the naidupet unit of the company with other members and personal guarantee of three directors. The term loans are repayable in quarterly installments.
- (iii) Paripassu first charge by way of a hypothecation of all moveable assets (except book debts) including moveable machiner, machinery spares, tools and accessories both present and future pertaining to bagasse based cogeneration power plant at idaikkal village, Ambasamudram Taluk, Tirunelveli Dist, Tamilnadu. The term loan is repayable in quaterly installments.
- (iv) First paripassu charge on the fixed assets of the company and second paripassu charge on the current assets of the company

**5.2. The Company has defaulted during the year :**

Particulars	Amount of Defaults	
	Principal	Interest
Less than 6 Months	867.34	565.72
6 Months to 12 Months	993.13	1661.97
More than 12 Months	665.90	599.63
	<b>2,526.37</b>	<b>2,827.32</b>

**6 - LONG-TERM PROVISIONS**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Provision for Employee Benefits:</b>		
Gratuity	212.31	85.65
Compensated Absences	24.14	41.69
	<b>236.45</b>	<b>127.34</b>

(Rs. in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
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**7 - SHORT-TERM BORROWINGS**

<b>Secured Loan from Banks</b>		
Repayable on demand		
Cash Credit	19,103.88	13266.73
Bills Discounted	-	140.00
Letter of Credit	6,350.65	744.96
(Cash credit from banks availed at Naidupet and Ambasamudram Plant are secured by floating Charge on assets under hypothecation and other current assets at respective locations)		
	<b>25,454.53</b>	<b>14,151.69</b>

**8 - TRADE PAYABLES**

Trade Payables	2,424.98	11,491.69
	<b>2,424.98</b>	<b>11,491.69</b>

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

**9 - OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Borrowings	231.15	559.26
Statutory dues	73.07	16.48
Liabilities for Expenses	492.83	579.54
Purchase Tax Payable	399.17	399.17
Other Liabilities	25.63	36.82
Unpaid dividends	8.52	8.52
<b>Total</b>	<b>1,230.37</b>	<b>1,599.79</b>

**10 - SHORT-TERM PROVISIONS**

Provision for employee benefits	78.20	103.44
<b>Total</b>	<b>78.20</b>	<b>103.44</b>

PARTICULARS	Gross Block			Accumulated Depreciation				Net Block	
	As at April 1, 2014	Additions during the Year	Deletions during the Year	As at March 31, 2015	As at April 1, 2014	Prior year accumulated depreciation due to change in method	Depreciation for the year	As at March 31, 2015	As at March 31, 2014
<b>Tangible Assets</b>									
Land & Site	595.12	143.83	-	738.96	-	-	-	738.96	595.12
Buildings	6,990.23	0.03	-	6,990.26	1,316.53	(50.75)	211.77	5,512.71	5,673.69
Plant & Machinery	47,376.55	63.64	-	47,440.19	11,106.20	281.21	2,447.33	33,605.45	36,270.35
Furniture & Fittings	32.41	-	-	32.41	21.47	2.22	1.61	7.11	10.94
Vehicles	820.42	-	-	820.42	369.66	64.90	84.41	301.46	450.77
Computer	29.48	-	-	29.48	29.48	-	-	-	0.00
Office Equipments	26.71	-	-	26.71	10.65	3.14	2.36	10.55	16.06
	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>55,870.93</b>	<b>207.50</b>	<b>-</b>	<b>56,078.43</b>	<b>12,853.99</b>	<b>300.72</b>	<b>2,747.47</b>	<b>40,176.24</b>	<b>43,016.93</b>
<b>Previous Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets</b>									
Goodwill	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Previous Year</b>	<b>54,531.56</b>	<b>1,339.36</b>	<b>-</b>	<b>55,870.92</b>	<b>10,349.40</b>	<b>-</b>	<b>2,504.60</b>	<b>43,016.92</b>	<b>44,182.16</b>

(Rs. in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
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**12 - DEFERRED TAX**

Break-up of Deferred Tax Assets and Deferred Tax Liabilities arising on account of timing differences

<b>Deferred Tax Assets</b>		
Provision for doubtful trade Receivables	-	4.91
Brought forward loss as per Income Tax	3,095.57	12,431.57
Deferred Expenses	-	1,957.85
<b>Total</b>	<b>3,095.57</b>	<b>14,394.33</b>
<b>Deferred Tax Liabilities</b>		
Depreciation	2,335.23	8,862.84
<b>Total</b>	<b>2,335.23</b>	<b>8,862.84</b>
<b>Deferred Tax Asset (Net)</b>	<b>760.34</b>	<b>5,531.49</b>

**13 - LONG-TERM LOANS AND ADVANCES**

(Unsecured, Considered Good unless stated otherwise)

Capital Advance	-	102.79
Rent Advance	119.38	119.38
Electricity and other deposits	231.17	207.41
Advance Tax Net Off Provision	2.95	-
Loans and advances to related parties	-	-
	<b>353.50</b>	<b>429.58</b>

**14 - INVENTORIES**

(Lower of Cost (Net of Allowances) and estimated Net Realisable Value)

Raw Material	1,108.07	7791.57
Work in Progress	70.00	273.61
Finished Goods	710.47	3375.15
Stores & Spares	303.52	1101.97
<b>Total</b>	<b>2,192.06</b>	<b>12,542.30</b>

Note : During the year the Company wrote of Inventories amounting to Rs. 9910.71 Lacs

(Rs. in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
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**15 - TRADE RECEIVABLES**

(Unsecured, Considered Good unless otherwise stated)

<b>Trade receivables outstanding for a period less than six months</b>		
Unsecured, considered good	3,482.14	9,017.70
Doubtful		-
Less: Provision for doubtful debts		-
	<b>3,482.14</b>	<b>9,017.70</b>
<b>Trade receivables outstanding for a period exceeding six months</b>		
Unsecured, considered good	1,114.59	1,426.76
Doubtful	-	-
Less: Provision for doubtful debts	1,114.59	14.59
	-	<b>1,412.17</b>
<b>* Total</b>	<b>3,482.14</b>	<b>10,429.87</b>

\* The above amount were subject to confirmation

Note : The Company has written off of Rs. 4422.77 Lakhs from TNEB during the year.

**16 - CASH AND CASH EQUIVALENTS**

a. Balances with banks		
Current Accounts	77.61	114.85
Unpaid Dividend Account	8.52	8.52
Fixed Deposit with Banks	271.15	890.33
b. Cash on hand	19.53	2.74
	<b>376.81</b>	<b>1,016.44</b>

**17 - SHORT-TERM LOANS AND ADVANCES****Advances Recoverable in Cash or in Kind or for Value to be Received**

(Unsecured and considered good unless otherwise stated)

Employee Advance	0.04	0.04
Interest Accrued but not due	0.67	0.87
Advance to Suppliers	656.30	415.90
CENVAT Credit	1,803.58	1,770.82
Cane Suppliers Advance	728.73	698.62
Harvester Advance	520.55	523.97
Prepaid Expenses	20.51	41.83
Other Deposits	431.58	367.80
<b>* Total</b>	<b>4,161.96</b>	<b>3,819.85</b>

\* The above amount were subject to confirmation

(Rs. in Lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
-------------	------------------------------	------------------------------

**18 - REVENUE FROM OPERATIONS**

Sale of Products (Gross)		
Sugar	5,046.06	8,245.35
Spirit	1,901.28	2,058.72
Raw Sugar	-	392.08
Power	7,999.71	20,362.69
Organic Manure	33.75	32.37
Press Mud	-	0.52
Fly Ash	2.59	2.27
	14,983.39	31,094.00
Less: Excise Duty	266.33	410.25
	<b>14,717.06</b>	<b>30,683.75</b>

**19 - OTHER INCOME**

Interest Receipts	46.33	80.39
Scrap Sales	-	8.85
Insurance Claims received	1.58	46.37
Sundry Income	8.18	3.32
	<b>56.09</b>	<b>138.93</b>

**20 - COST OF MATERIALS CONSUMED**

Opening Stock of Raw Material	8,893.54	7,888.00
Purchase of Raw Material	11,588.82	25,080.30
	20,482.36	32,968.30
Closing Stock of Raw Material	1,411.59	8,893.54
	<b>19,070.77</b>	<b>24,074.76</b>

Note : During the Year the Company wrote off Raw Material amounting to Rs.7098.60 Lacs.

(Rs. in Lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
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**21 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS**

<b>Opening Inventory</b>		
Work in Process	273.61	263.04
Finished Goods	3,375.15	4,226.77
	<b>3,648.76</b>	<b>4,489.81</b>
<b>Closing Inventory</b>		
Work in Process	70.00	273.61
Finished Goods	710.47	3,375.15
	<b>780.47</b>	<b>3,648.76</b>
<b>Accretion to Stock</b>	<b>2,868.29</b>	<b>841.05</b>

Note : During the Year the Company wrote off Finished Goods amounting to Rs.2812.11 Lacs.

**22 - EMPLOYEE BENEFIT EXPENSES**

Salary & Allowance	737.97	918.02
Contribution to Provident Fund and other funds	11.09	54.52
Gratuity	136.66	(10.74)
Bonus	15.99	18.73
Staff Welf. Expenses	20.05	65.75
	<b>921.76</b>	<b>1,046.28</b>

**23 - FINANCE COST**

Interest Expenses	7,661.20	6,697.78
Other Borrowing Costs	109.44	311.90
	<b>7,770.64</b>	<b>7,009.68</b>

**24 - OTHER EXPENSES**

Advertisement	12.50	8.44
Auditors Remuneration (Refer Note below)	3.15	3.27
Conveyance & Travelling	21.70	48.58
Insurance Premium	55.92	37.26
Miscellaneous Expenses	52.07	55.23
Donations	0.63	1.61
Business auxiliary services	111.21	227.13
Discount on issue of Shares written off	150.00	150.00
Postage, Telephone & Telegram	9.80	14.27
Printing & Stationery	9.49	11.35
Professional & Legal Charges	103.90	124.44



(Rs. in Lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Rates and Taxes	39.06	56.88
Rent	58.08	42.02
Repairs & Maintenance-Buildings	87.21	88.97
Repairs & Maintenance-Machinery	59.93	156.85
Repairs & Maintenance-Others	18.33	41.41
Sitting Fees	5.62	5.16
Vehicle Maint. & Hire Charges	83.99	108.22
Security Service Charges	51.27	54.27
Provision for bad debts	1,100.00	-
Bad Debts Written Off	4,422.77	-
	<b>6,456.63</b>	<b>1,235.36</b>

**AUDITOR'S REMUNERATION**

Statutory Audit fee	1.70	1.70
for certification & other works	1.57	1.57
	<b>3.27</b>	<b>3.27</b>

**25. EARNINGS PER SHARE**

Profit after Tax (Rs. in Lakhs)	(29,833.57)	(4,098.13)
Weighted Average Number of Equity Shares (Basic)	41,972,900	41,972,900
Earning per share - Basic (in Rs.)	(71.08)	(9.76)
Weighted Average Number of Equity Shares (Diluted)	41,972,900	41,972,900
Earning per share - Diluted (Rs.)	(71.08)	(9.76)
Face Value per Share in (Rs)	10.00	10.00

**26. CONTINGENT LIABILITIES & COMMITMENTS**

(i) Disputed Interest on Purchase Tax	729.59	729.59
(The Company has applied for waiver of Interest, which the company is hopeful of getting waiver)		
(ii) Guarantees		
Indian Bank, Chennai	20.50	20.50
Andhra Bank, Mount Road, Chennai	2.03	2.03
Indian Bank, Naidupet	43.00	43.00
(iii) Estimated amount of Capital contracts remaining to be executed is	-	-

27. Other Expenses include Rs. 150.00 Lakhs written off being 1/10th of total discount on issue of shares made during the year 2000-2001. The balance still to be written off is Rs. 900.00 Lakhs

28. IMPORTED AND INDIGENOUS MATERIALS CONSUMED

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	%	Rs. in Lakhs	%	Rs in Lakhs
a. Consumption of Raw Materials				
Imported	-	-	-	-
Indigenous	100.00	19070.77	100.00	24,074.76
	<b>100.00</b>	<b>19070.77</b>	<b>100.00</b>	<b>24,074.76</b>
a. Consumption of Stores & Spares				
Imported	-	-	-	-
Indigenous	100.00	59.93	100.00	156.85
	<b>100.00</b>	<b>155.14</b>	<b>100.00</b>	<b>156.85</b>

(Rs. in Lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
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29. VALUE OF IMPORTS ON CIF BASIS

Raw Material	-	7287.86
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30. EARNINGS IN FOREIGN EXCHANGE

FOB Value of Exports	-	-
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31. EXPENDITURE IN FOREIGN CURRENCIES

Expenditure in Foreign Currencies	-	-
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32. EMPLOYEE BENEFITS UNDER DEFINED BENEFIT PLANS

<b>GRATUITY</b>		
Actuarial data on Defined Benefit Plans:		
<b>Projected Benefit Obligation at the beginning of the year</b>	95.57	108.86
Current Service Cost	8.30	15.62
Interest Cost	8.83	8.65
Actuarial Losses / (Gains)	119.16	(35.42)
Benefit Paid	6.79	2.14
<b>Projected Benefit Obligation at the end of the year</b>	<b>225.07</b>	<b>95.57</b>
<b>Change in Plan Assets</b>		
Fair Value of Plan Assets at the Beginning of the Year	9.92	12.48

(Rs. in Lakhs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Expected Returns on Plan Assets	0.87	1.04
Employer's Contribution	10.00	
Benefits Paid	(6.79)	(2.15)
Actuarial Gains / (Losses)	(1.24)	(1.45)
Fair Value of Plan Assets at the End of the Year	<b>12.76</b>	<b>9.92</b>
<b>Amount Recognised in the Balance Sheet</b>		
Liability at the End of the Year	225.07	95.57
Fair Value of Plan Assets at the End of the Year	12.76	9.92
<b>Amount Recognised in the Balance Sheet</b>	<b>212.31</b>	<b>85.65</b>
<b>Cost of the Defined Benefit Plan for the Year</b>		
Current Service Cost	8.30	15.62
Interest on Obligation	8.83	8.65
Expected Return on Plan Assets	(0.87)	(1.04)
Net Actuarial Losses / (Gains) Recognised in the Year	120.40	(33.97)
<b>Net Cost Recognised in the Profit and Loss Account</b>	<b>136.66</b>	<b>(10.74)</b>
<b>ASSUMPTIONS</b>		
Discount Rate	7.99% P.A.	8.00% P.A.
Future Salary Increase	6 % P.A.	6 % P.A.
Attrition Rate	2-6% P.A.	2-6% P.A.
Expected Rate of Return on Plan Assets	7.99% P.A.	8.70% P.A.

Notes :

- The entire Plan Assets are managed by Reliance Life Insurance Company Ltd.,
- The expected return on Plan Assets is as furnished by a Qualified Actuary
- The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors

**33. DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD 18**

Particulars	% of Share Holdings
<b>a) List of Related Parties</b>	
<b>I. Holding Company</b>	
Empee Distilleries Limited	63.43%
<b>II. Key Management Personnel</b>	
Mr.M.P.Purushothaman - Chairman and Managing Director	3.45%
<b>III. Other Related Parties</b>	
Empee Holdings Limited	2.29%

<b>IV. Other related parties (common share holding)</b> Empee International Hotels & Resorts Limited South (India) Hotels Pvt Ltd Appollo Distilleries and Breweries Pvt. Ltd Appollo Alchobev Limited Aruna Exports Pvt Ltd Empee Hotels Limited Aruna Constructions (India) Limited EDL Marketing Pvt Ltd Empee Agro Farm Products Pvt Ltd Empee Marine Products Limited Appollo Beers Pvt Ltd Empee Leasing & Finance Limited Empee Communication Ltd Universal Spirits Ltd Empee Construction Company Ltd Empee Power & Infrastructure Pvt Ltd Empee Packaging Industries Aruna Constructions	
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**b) During the year the following transactions were carried out with the related parties in the ordinary course of business**

Particulars	Transactions			Rs. In Lakhs	
	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	For the year ended 31.03.15
Remuneration	-	42.00	-	-	42.00
	-	(42.00)	-	-	(42.00)
Receiving of Services	-	-	-	136.39	136.39
	-	-	-	(263.64)	(263.64)
Advance / Deposits Given (Net)	-	-	-		-
	(1,404.20)	-	-		(1,404.20)
Advance / Deposits received (Net)	2,895.26	-	-	-	2,895.26
	-	-	-	-	-
Interest Paid	-	-	-	-	-
	-	-	-	-	-
Interest Received	-	-	-	-	-
	-	-	-	-	-

Particulars	Transactions			Rs. In Lakhs	
	Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	For the year ended 31.03.15
Sale of assets	-	-	-	-	-
	-	-	-	-	-
Sale of investments	-	-	-	-	-
	-	-	-	-	-
Purchase of goods	-	-	-	-	-
	-	-	-	-	-
Rent paid	-	-	-	26.96	26.96
	-	-	-	(29.56)	(29.56)
Dividend Paid	-	-	-	-	-
	-	-	-	-	-
Balance Outstanding	1,403.14	-	-	76.14	1,479.28

Note : Amount in bracket indicate previous year figures

### 34. Segment wise details

Particulars	Sugar	IAP	Power	Unallocated	Total
<b>Segment Revenue</b>					
Sales	4,792.54	1,922.22	8,002.30	-	14,717.06
Other Income	30.86	0.04	25.19	-	56.09
Total Revenue	4,823.40	1,922.26	8,027.49	-	14,773.15
Operating Profit	(6,916.41)	(61.37)	(7,566.52)	-	(14,544.30)
Interest Expenses	3,104.21	385.45	4,280.98	-	7,770.64
Depreciation	1,160.91	141.68	1,444.89	-	2,747.48
Net Profit before tax	(11,181.53)	(588.50)	(13,292.39)	-	(25,062.42)
<b>Other Information</b>					
Segment Assets	18,167.05	1,229.78	32,820.27	-	52,217.10
Segment Liabilities	35,595.66	2,118.61	55,686.47	-	93,400.74
Depreciation	1,160.91	141.68	1,444.89	-	2,747.48
Capital Expenditure	207.47	-	0.04	-	207.51

35. The Revised Schedule VI has become effective from 1st April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
36. Balances under trade payables, trade receivables, Cane Suppliers and harvester advance are subject to confirmation from the concerned parties and reconciliation. The impact of this on the accounts is presently not ascertainable.

In terms of our report of even date

For and on behalf of the Board

for Venkatesh & Co.,  
Chartered Accountants  
F.R. No. 004636S  
CA. Dasaraty V  
Partner (M. No. 026336)

M.P. Purushothaman	Nisha Purushothaman
Chairman & Managing Director	Director

Place : Chennai  
Date : 23.05.2015

**ATTENDANCE SLIP**

**EMPEE SUGARS AND CHEMICALS LIMITED**

CIN: L24110AP1988PLC009291

Regd. Office : Ayyapareddipalem Village, Naidupet, Nellore -524 126, Andhra Pradesh

Phone : 044-28531111; Email: [cs@empeegroup.co.in](mailto:cs@empeegroup.co.in); Website: [www.empeegroup.co.in](http://www.empeegroup.co.in)

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

I/We hereby record my / our presence at the 24<sup>th</sup> Annual General Meeting of the Company being held at Ayyapareddipalem Village, Naidupet Mandal, Nellore - 524 126, Andhra Pradesh on Tuesday, the 22<sup>th</sup> September 2015 at 11.30 a.m.

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

**Note:**

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





**PROXY FORM**

**EMPEE SUGARS AND CHEMICALS LIMITED**

CIN: L24110AP1988PLC009291

Regd. Office : Ayyapareddipalem Village, Naidupet, Nellore -524 126, Andhra Pradesh

Phone : 044-28531111; Email: [cs@empeegroup.co.in](mailto:cs@empeegroup.co.in); Website: [www.empeegroup.co.in](http://www.empeegroup.co.in)

Name of the member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No./Client ID No.	:	

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

1. Name :

Address : Email ID :

Signature : ..... or failing him;
2. Name :

Address : Email ID :

Signature : ..... or failing him;
3. Name :

Address : Email ID :

Signature : ..... or failing him;

as my/our proxy to attend and vote for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the 22<sup>th</sup> September 2015 at 11.30 a.m. at Ayyapareddipalem Village, Naidupet, Nellore -524 126, Andhra Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolutions	Optional	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoption of Financial Statements for the year ended 31.3.2015.		
2.	Re-appointment of Ms.Nisha Purushothaman, who retires by rotation.		
3.	Appointment of M/s.Venkatesh & Co., as Statutory Auditors.		
	<b>Special Business</b>		
5.	Ratification of Remuneration payable to Cost Auditor.		
6.	Approval for Related Party Transactions.		

Singed this Day of.....September 2015

Signature of shareholder : .....

Signature of Proxy holder :.....

Affix  
Re.1  
Revenue  
Stamp

Note:

1. The Proxy form must be deposited at the Registered office of the Company at Ayyapareddipalem Village, Naidupet, Nellore - 524 126, Andhra Pradesh not less than 48 hours before the commencement of the meeting.
2. For the resolution, explanatory statement and notes, please refer to the Notice of the AGM.
3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or Against column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

**ROUTE MAP TO AGM VENUE**

**Empee Sugars**

**Naidupeta Station**

