



NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the 25th Annual General Meeting of Empee Distilleries Limited will be held on Tuesday, the 29th September 2009 at 2.30 p.m at P.Obul Reddy Hall, Vani Mahal, 103, G.N.Chetty Road, T.Nagar, Chennai – 600 017 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account for 9 months ended 31st March, 2009, the Balance Sheet as on that date, the report of the Board of Directors and the report of the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr.M.P.Purushothaman, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr.M.K.Mohan, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company for the period commencing from the conclusion of the annual general meeting till the conclusion of the next annual general meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:
RESOLVED that Mr.M.P.Mehrotra, who holds office as a Director under Section 260 of the Companies Act, 1956, till the conclusion of this meeting be and is hereby appointed as Director of the Company, liable to retire by rotation.
7. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:
RESOLVED that pursuant to Section 293(1)(a) of the Companies Act, 1956 the Board of Directors of the Company be and is hereby authorized to sell 4.89 acres of freehold land situated at Kuthambakkam Village, Poonamallee Taluk, Tiruvallur District in Survey no. 781/1F, 781/1D, 778/1, 778/2 and 778/1A having an extent of 2.52 acres, 1.30 acres, 0.42 acres and 0.65 acres respectively which according to the directors may be considered beneficial and convenient for the Company.

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

Chennai
31/7/2009

Sd/-
M.P.Purushothaman
Chairman

**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll on his behalf and the proxy need not be a member. The proxy form duly completed and stamped must reach the registered office of the company not less than 48 hours before commencement of the Meeting.
2. The Registrar of members and share transfer books of the company will be closed from 22/9/2009 to 29/9/2009 (Both days inclusive).
3. Members/proxies should bring the attendance slip duly filed along with copy of Annual report for attending the meeting.
4. Members are requested to intimate changes if any, in their address to the Registrars and share transfer Agents of the Company at the following address:
M/s. Cameo Corporate Services Limited, "Subramanian Building", V Floor, 1, Club House Road, Chennai - 600 002.
5. The Company's equity shares are listed on the Bombay Stock Exchange and National Stock Exchange of India Limited.
6. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
7. The information/details pertaining to Mr.M.P.Purushothaman, Mr.M.K.Mohan and Mr.M.P.Mehrotra are provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as annexure.

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

Mr.M.P.Mehrotra was appointed as an additional director of the company, by the board of directors on 31.1.2009. He retires at the conclusion of this Annual General Meeting. The Company has received a notice under section 257 of the Companies Act 1956, from a member proposing his candidature for the office of Director.

Mr.M.P.Mehrotra is a Senior Practising Chartered Accountant and is on the Board of various companies and it is in the interest of the company to continue to avail the services of Mr M P Mehrotra. Accordingly this resolution is recommended for your consideration.

None of the directors, except Mr.M.P.Mehrotra himself, is deemed to be concerned or interested in this resolution.

Item No.7

The Company is having around 4.89 acres of freehold land situated at Kuthambakkam Village, Poonamallee Taluk, Tiruvallur District in Survey no. 781/1F, 781/1D, 778/1, 778/2 and 778/1A having an extent of 2.52 acres, 1.30 acres, 0.42 acres and 0.65 acres respectively which was acquired by the Company in the year 1988-89 which is no longer required by the Company. The Company may use the proceeds of the sale for the business purposes of the Company.

The said proposal requires the approval of the shareholders of the Company pursuant to Sec. 293(1)(a) of the Companies Act, 1956. Accordingly the Board of Directors recommend the resolution for the approval of the members.

None of the directors are deemed to be concerned or interested in this resolution.



1. INFORMATION AS PER SCHEDULE XIII OF THE COMPANIES ACT, 1956

I. GENERAL INFORMATION:

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

(Rs. in Lacs)

Particulars	Year ended 30-9-2006	Year ended 30-9-2007	Period ended 30-6-2008 (9 months)	Period ended 31-3-2009 (9 months)
Sales	48298.97	63790.71	56370.83	67145.14
PBID	1706.70	3756.47	2250.79	2567.87
Net Profit	1538.18	2010.47	1130.60	1011.58

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

II. OTHER INFORMATION:

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

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

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

Mr.M.P.Purushothaman (73)

He is presently the Chairman of our Company. He has been a Promoter-Director of our Company since inception. He has 30 years of experience with over 20 years of business in the liquor industry. . He has promoted over 20 companies in the Empee Group which pertain to various industry areas such as sugars, hotels, education, property development, transport and power including alternative sources and generation of power. He is the President of South India Hotels and Restaurants Association and of the Federation of Hotel and Restaurants Associations of India.



He holds the Directorship of other Companies as follows:

Names of the Companies/Firms	Nature of interest
1. Empee Sugars and Chemicals Ltd	Chairman
2. Empee Int'l Hotels And Resorts Ltd	Director
3. Empee Transport & Logistics Ltd	Director
4. South (India) Hotels Pvt Ltd	Director
5. Aruna Exports Pvt Ltd	Director
6. Empee Holdings Ltd	Director
7. Appollo Alchobev Ltd	Director
8. Aruna Constructions (India) Ltd	Director
9. Empee Hotels Ltd	Director
10. Sha Invest Holdings Ltd	Director
11. Universal Spirits Ltd	Director
12. Empee Construction Co Pvt. Ltd	Director
13. Empee Power & Infrastructure P Ltd	Director
14. EDL Properties Pvt Ltd	Director

Mr.M.K.Mohan (54)

He has joined our Company as an Independent Director. He has been engaged for over 30 years in the field of finance, transportation services, construction and import and export and the manufacture of bricks. He is a Trustee of the Vishakapattanam Port Trust, a former financial trustee of Pachaiaappa Trust, Former Member of Council, Corporation Chennai, former Member of the Water Board, Chennai, Executive Member of the Tirupathi Tirumala Devasthanam, Chennai and active member of Tamil Nadu Brick Manufacturers Association. It is the interest of the company to avail this services.

He holds the Directorship of other Companies as follows:

Names of the Companies/Firms	Nature of interest
1. Five Star Business Credits Ltd	Director
2. Kurunji Chit Funds Pvt Ltd	Director
3. Emkay Holiday Inn Pvt Ltd	Director
4. Empee Sugars and Chemicals Ltd	Director

**Mr.M.P.Mehrotra: (69)**

Mr.M.P.Mehrotra is a senior practicing Chartered Accountant aged about 69 years joined our company as an Independent Director. He is on the Board of various companies and it is in the interest of the Company to continue to avail the services of Mr.M.P.Mehrotra.

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

Directorship in other Companies

1. Cogent Corporate Infrastructure (P) Ltd
2. VLS Finance Ltd
3. VLS Capital Ltd
4. South Asian Enterprises Ltd
5. Gaurav Overseas Export (P) Ltd
6. Pragati Moulders Ltd
7. India Securities Ltd
8. Delton Cables Ltd
9. Empee Sugars and Chemicals Limited
10. Dhampur Sugar Mills Ltd
11. Moonrock Hospitality (P) Ltd

He is not holding any shares in the Company

Membership in Committees

- | |
|-----------------|
| Nil |
| Audit Committee |
| Nil |
| Nil |
| Nil |
| Nil |
| Audit Committee |
| Nil |
| Audit Committee |
| Audit Committee |
| Nil |

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

Chennai
31/7/2009

Sd/- **M.P.Purushothaman**
Chairman



DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting their Report together with the audited Accounts for the period ended 31st March 2009.

Financial Results

(Rs. in lacs)

Particulars	2008-09 (9 months period ended 31.03.2009)	2007-08 (9 months period ended 30.06.2008)
Total Income	67145.14	56370.83
Operating Profit before Interest and Depreciation	2567.87	2250.79
Less Interest	647.66	428.81
Depreciation	459.24	206.37
Deferred Revenue Expenses	--	--
Profit before Tax	1460.96	1615.60
Provision for Taxation	166.00	80.00
Provision for Deferred Tax	283.38	405.00
Profit/(Loss) After Tax	1011.58	1130.60
Profit brought forward	3500.11	3594.55
Transfer of profit to General Reserve	101.16	113.06
Interim Dividend paid	---	570.27
Dividend tax on interim dividend	---	96.92
Proposed Final Dividend	950.44	380.18
Dividend tax on proposed final dividend	161.58	64.61
Profit carried forward	3298.51	3500.11

DIVIDEND

The Board of Directors have recommended a dividend of Rs.5 per share for the period ended 31.03.2009.

FINANCIAL YEAR

The Company has closed the books of accounts for the 9 months period from 1st July 2008 to 31st March 2009 to change the financial year of the company from 1st April to 31st March every year.

FINANCIAL PERFORMANCE

Your company achieved a total income of Rs 671.45 crores and net profit after tax of Rs 10.11 crores during the 9 months ended 31st March 2009 as against a total income Rs 563.71 crores and net profit after tax of Rs 11.31 crores achieved during the previous period (9 months) ended 30th June 2008. The revenue on account of IMFL Products have gone up from 563.38 Crores to Rs.667.97 Crores an increase of around 19% when compared to the previous period. The IMFL Products of the company have been well received by market. Accordingly, Profit of our IMFL division as on 31.03.2009 increased by 28.69% over previous period. The revenue from the Power Division also has gone up from Rs.33.59 Lakhs (2007-08) to Rs.348.08 Lakhs during the



period under review. However, net profit of the company for the period reduced by Rs.119.02 lakhs due to losses suffered by power division during the period on account of high cost of Biomass fuel on the one side and unviable pricing by TNEB on the other.

REVIEW OF OPERATIONS

The two factories at Mevalurkuppam and Palakkad produced 3761337 cases during the 9 months ended 31.3.2009 as against 3429834 cases produced during the previous 9 months ended 30.6.2008. The average production during the period ended 31.3.2009 is higher than the average production during the previous period ended 30.6.2008 on account of higher capacity utilization and increase in production capacity during March 2009.

FUTURE OUTLOOK

Considering the increase (19%) in the revenues of the company on account of increase in the demand of IMFL Products, looking to the present market condition and higher productive capacity your directors are of the view that the company will be doing the best in years to come. During the period ending 2008-09, the Power Division was constrained to sell the power to TNEB at very low and unviable tariff. The prices of biomass also escalated during this period resulting in losses.

The introduction of third party sale of power by TNEB enabled the Power Division to sell power to third party HT consumers at attractive rates has resulted in profits during the first quarter 2009-10.

DIRECTORS

Mr.M.P.Purushothaman and Mr.M.K.Mohan, Directors retire by rotation at the ensuing Annual General Meeting and have offered themselves for reappointment.

Mr.M.P.Mehrotra has been appointed as additional director of the company during the year will be retiring at the conclusion of the annual general meeting. Company has received notice under section 257 of the Companies Act, 1956 from members proposing his candidature for the office of the Director. Accordingly resolution is proposed in the notice for the annual general meeting for his appointment.

SUBSIDIARY COMPANIES

The consolidated accounts of the Company includes the accounts of subsidiary M/s.Empee Sugars and Chemicals Limited its subsidiary Empee Power Company (India) Limited and EDL Properties private limited.

AUDITOR

Mr.R.Rajagopalan, the Auditor of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible offers himself for reappointment. The company has received a certificate from the Auditor to the effect that their reappointment, if made would be in accordance with Section 224 (1B) of the Companies Act, 1956. The Board recommends his re-appointment.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public during the year.

REPORT OF EMPLOYEES UNDER SECTION 217(2A)

The particulars of employees falling within the provision of Section 217(2A) of the Companies Act, 1956 read with companies (Particulars of Employees) Rules 1975, is given as Annexure 1 to this Report..

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO



Information regarding conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Directors) Rules 1988 is given as annexure 2 to this Report.

CORPORATE GOVERNANCE REPORT

A Report in line with the requirement of clause 49 of the Listing Agreement on the Corporate Governance practices followed by the Company and the Certificate from the Statutory Auditors on Compliance of mandatory requirements along with Management Discussion and Analysis, are given as Annexure 3 to this report.

INDUSTRIAL RELATIONS

The Industrial Climate in the Company during the year has been conducive and the Company had good relations with its workforce located at its factories.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- a) in the preparation of the profit and loss account for the period ended 31.3.2009 and the balance sheet as at that date ("Financial Statements") applicable accounting standards have been followed;
- b) appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the period and of the profit of the company for that period.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to ensure this, the company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such system of internal controls its inherent limitations should be recognized. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The audit committee meets at regular intervals to review the internal audit function.
- d) the financial statements have been prepared on a going concern basis.
- e) the financial statements have been audited by Mr.R.Rajagopalan, statutory auditor and his report is appended thereto.

ACKNOWLEDGEMENT

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

Chennai
31/7/2009

By Order of the Board
For Empee Distilleries Limited
Sd/-
M.P.Purushothaman
Chairman



ANNEXURE 1 TO THE DIRECTOR'S REPORT

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

Name and Designation	Remuneration	Qualification and experience	Date of commencement of employment	Last employment held
Mr.Shaji Purushothaman	Rs.39.60 lacs	B.A. 12 years	10.3.2008	Appollo Alchobev Ltd
Ms.Nisha Purushothaman	Rs.39.60 lacs	M.B.A. 13 years	2.12.1994	-

ANNEXURE 2 TO THE DIRECTORS REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988 and forming part of the Directors report for the period ended 31st March 2009.

A. Conservation of Energy:

a. Energy conservation measures taken.

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

b. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.

Nil

c. Impact of measures of (a) and (b) above for reduction of energy, consumption and consequent impact on the cost of production of goods.

Nil

B. Technology absorption:

1 Specific areas in which R&D carried out by the company.

Nil

2. Benefits derived as a result of the above R&D

Nil

3. Future plan of action

Nil

4. Expenditure on R&D

a. Capital

Nil

b. Recurring

Nil

c. Total

Nil

d. Total R & D expenditure as a percentage of

Total Turnover

Nil

Technology absorption, adaptation and innovation

1. Efforts, in brief made towards technology absorption, adaptation and innovation.

Nil

2. Benefits derived as a result of the above efforts, e.g product improvement, cost reduction, product development, import substitution.

Nil

(C) Foreign Exchange earnings

Nil

Foreign Exchange outgo

Nil



ANNEXURE – 3 TO DIRECTORS REPORT

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

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

The Board of Directors of the company consists of the following Directors.

Mr.M.P.Purushothaman	-Promoter – Non executive
Mr.Shaji Purushothaman	-Executive
Ms.Nisha Prushothaman	-Executive
Mr.M.K.Mohan	-Independent Non-executive
Mr.T.S.Raghavan	-Independent Non-executive
Mr.M.P.Mehrotra	-Independent Non-executive

The attendance of the Directors at the Board Meetings and the last AGM were as follows.

Name	No. of Board meetings attended	Whether attended last AGM	Number of other Boards in which Directorship held	Number of other Board committees in which membership held
Mr.M.P.Purushothaman	4	Yes	14	1
Mr.Shaji Purushothaman	4	No	12	-
Ms.Nisha Purushothaman	4	Yes	10	1
Mr.T.S.Raghavan	4	Yes	2	-
Mr.M.K.Mohan	4	No	4	1
Mr.M.P.Mehrotra	1	-	11	3

Four Board Meetings were held on 14.7.2008, 24.9.2008, 23.10.2008 and 31.1.2009.