

EMPEE DISTILLERIES LIMITED

Annual Report 2015 - 2016



Board of Directors	Mr. M. P. Purushothaman Ms. Nisha Purushothaman Mr. Shankar Menon Mr. R.Rangachari	Chairman (Non-Executive) Joint Managing Director Independent Director (w.e.f.14.8.2015) Independent Director (w.e.f. 09.05.2016)
Chief Financial Officer	Mr.V.Srinivasan	
Company Secretary & Compliance Officer	Mr.K.Murali	
Audit Committee	Mr. R.Rangachari Ms. Nisha Purushothaman Mr. Shankar Menon	
Stakeholders Relationship Committee	Mr. R.Rangachari Ms. Nisha Purushothaman Mr. Shankar Menon	
Nomination and Remuneration Committee	Mr. Shankar Menon Mr. R.Rangachari Mr. M.P. Purushothaman	
Corporate Social Responsibility Committee	Mr. Shankar Menon Ms. Nisha Purushothaman Mr. R.Rangachari	
Statutory Auditors	Venkatesh & Co, Chartered Accountants Sri Ranga, New No. 151, Mambalam High Road, T. Nagar, Chennai-600 017.	
Bankers	Andhra Bank Union Bank of India	
Registered Office	Empee Tower, No. 59, Harris Road, Pudupet, Chennai – 600 002. Phone : 044 – 2853 1111	



Registrars and Share Transfer Agents :	Cameo Corporate Services Ltd., No.1, Subramaniam Building, Club House Road, Chennai – 600 002 Phone : 0-44-28460390; Email : investor@cameoindia.com
Stock Exchanges where the share are Listed :	1. National Stock Exchange of India Ltd, Mumbai. 2. BSE Limited, Mumbai.
Corporate Identity Number	L15511TN1983PLC010313
Debenture Trustee	IBDI Trusteeship Services Ltd., Mumbai
Cost Auditors	Mr.N.Thiagarajan, Chennai.
Website	www.empeegroup.co.in

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

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.



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**FINANCIALS AT A GLANCE**

Rs. in Crores

	2015-16 (12 Months)	2013-15 (18 Months)	2012-13 (12 Months)	2011-12 (18 Months)	2010-11 (12 Months)
Sales	610.88	912.12	578.23	997.89	869.23
Profit before Tax	3.37	(2.33)	5.74	39.39	27.96
Profit after Tax	1.72	(2.75)	11.09	22.80	21.20
Fixed Assets	178.57	197.40	184.92	104.13	148.63
Current Assets	172.56	147.00	109.66	138.57	133.64
Shareholders Funds	304.70	303.18	294.94	286.26	265.87
Current Liabilities	253.58	222.76	205.83	189.95	73.72
Basic Earnings Per Share Rs.	0.91	(1.45)	5.83	11.99	8.10
Dividend per Share	-	-	Rs. 1/-	Rs. 1/-	Rs. 1/-

*Figures have been reclassified/regrouped wherever necessary.



NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the 31st Annual General Meeting of Empee Distilleries Limited (CIN:L15511TN1983PLC010313) will be held on Monday, the 26th September 2016 at 11.30 a.m. at Sri P. Obul Reddy Hall, Vani Mahal, T.Nagar, Chennai - 600 017, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the financial statements of the Company for the period ended March 31, 2016, including the audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the period ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.M.P.Purushothaman(DIN 00088631)who retires by rotation and being eligible,offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139,141 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s.Venkatesh& Co, Chartered Accountants, (Firm Registration No. 004636S) be and are hereby re-appointed as Auditors of the Company for the financial year 2016-17 and to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company, by means of ratification of their appointment at such remuneration and reimbursement of out of pocket expenses 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.N.Thiagarajan, Cost Accountant (Reg. No.103955) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial period 2015-16, amounting to Rs.30,000/- (Rupees Thirty thousand only) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

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

5. Appointment of Mr.Shankar Menon as an Independent Director.

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



“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr.Shankar Menon, (DIN 01890229) a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria to be an Independent Director as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Mr.Shankar Menon as a candidate for the office of director along with the deposit of one lakh rupees which shall be refunded if he gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a period of 5 years with effect from 14.8.2015.

6. Appointment of Mr. R Rangachari as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr.R Rangachari, (DIN 01260838) a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria to be an Independent Director as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Mr. R Rangachari as a candidate for the office of director along with the deposit of one lakh rupees which shall be refunded *if he gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution*, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a period of 5 years with effect from 09.5.2016.

7. Revised Remuneration payable to Ms. Nisha Purushothaman, Joint Managing Director :

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,197 and other applicable provisions if any, of the Companies Act, 2013 (Act) and the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule V of the Act and Article 94 of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to revise the remuneration payable to Ms. Nisha Purushothaman, Joint Managing Director from 01.04.2015 to 31.12.2016 on the following terms :

- A. **Fixed Compensation** : Salary, Allowances, perquisites, and retrial benefits – Rs.7,00,000/- per month (w.e.f. 01.4.2015 to 31.12.16)
- B. Other Perquisites : Perquisites include the use of Company Car, Medical benefits, LTC, Insurance and housing facilities as per the policy of the Company.
- C. Minimum Remuneration : In the event of any loss or inadequacy of profits for any financial year, the Nomination and Remuneration Committee/Board of the Company shall approve the remuneration payable to her during such financial year in such manner as agreed to between the Nomination and Remuneration Committee/Board of the Company and her, however not exceeding the maximum limits specified in this behalf under Schedule V to the Act.



- D. Resolved further that for the purpose of giving effect to this resolution, Nomination and Remuneration Committee/Board of the Company be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company.

8. Re-appointment of Ms. Nisha Purushothaman, as Joint Managing Director :

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 Sections 196,197, 203 and other applicable provisions if any, of the Companies Act, 2013 (Act) and the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule V of the Act and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Ms. Nisha Purushothaman, whose term expires on 31st December 2016 for a period of five years from 01.01.2017 to 31.12.21 on the following terms:

- A. Fixed Compensation** : Salary, Allowances, perquisites, and retrial benefits – Rs.7,00,000/- per month (w.e.f 01.1.2017 to 31.12.2021)
- B. Other Perquisites** : Perquisites include the use of Company Car, Medical benefits, LTC, Insurance and housing facilities as per the policy of the Company.
- C. Overall Remuneration** : The Board may revise the remuneration payable to her during any financial year during currency of the tenure of office, in such manner as may be agreed to between the Nomination and Remuneration Committee/Board of the Company and her, subject to the condition that the remuneration by way of salary and perquisites and other benefits shall be within the limits permissible under Section 197 of the Companies Act, 2013.
- D. Minimum Remuneration** : In the event of any loss or inadequacy of profits for any financial year, the Nomination and Remuneration Committee/Board of the Company shall approve the remuneration payable to her during such financial year in such manner as agreed to between the Nomination and Remuneration Committee/Board of the Company and her, however not exceeding the maximum limits specified in this behalf under Schedule V to the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Nomination and Remuneration Committee/Board of the Company be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company.

9. Approval for Related Parties Transaction :

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

“RESOLVED THAT pursuant to the provisions of Section 188 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, and all other applicable provisions if any of the Companies Act, 2013, consent of the members of the Company, be and is hereby accorded to enter into transactions for the financial year 2016-17 as per details given below.

Particulars	Amount (Rs. in lakhs)
Business & Auxiliary Services – M/s.Empee Holdings Ltd	218.26
Rent payable for Head Office – M/s.Aruna Constructions	53.66



“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 Distilleries Limited**

**Place : Chennai
Date : 11.8.2016**

**M.P. Purushothaman
Chairman**

**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of members and share transfer books of the company will be closed from **21.09.2016 to 26.09.2016** (Both days inclusive).
5. Members/proxies should bring the attendance slip duly filed along with copy of Annual report for attending the meeting.
6. In case of joint holders attending the AGM, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Members who hold shares in dematerialized form are requested to quote Depository Account number (client ID No.) for recording of attendance at the AGM.
8. 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.
9. The Company's equity shares are listed on The National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE) and the Company have paid listing fees up to date.
10. The Register of Directors and KMPs and their shareholding maintained under Section 170 of the Companies Act will be available for inspection by the Members at the AGM.
11. The relevant details as required by Clause 49 of the Listing Agreement / LODR, 2015 entered into with the Stock Exchange, of Directors seeking appointment/re-appointment are provided in the annexure..
12. The unclaimed dividend amount of Rs. 1,89,008/- pertaining to final dividend declared for the Financial Year 2007-08 has been transferred to Investor Education and Protection Fund (IEPF) on 21.12.2015.
13. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended till date and SEBI (LODR), 2015, Company is providing facility for voting by electronic means (remote e-voting) and the business may be transacted through such voting. Further, the facility for voting through ballot or polling paper shall also be made available at the venue of meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Board of Directors has appointed Mr. N.Ramanathan, Partner, M/s. S Dhanapal & Associates, Practising Company Secretaries, Chennai, as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities enabling the members to cast their vote in a secured manner. The e-voting facility will be available at the link www.evotingindia.com during the voting period.



14. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. The procedure and instructions for remote e-voting is furnished in this notice.
16. The Scrutinizer will submit his report to the Company after completion of the scrutiny and the results of the ballot / poll / e-voting will be announced by the Company on its website – www.empeegroup.com within three days of the Annual General Meeting.
17. Members who have not registered their e-mail ID are requested to update the same with the Company, if held in physical form or to the Depository if held in Demat mode.
18. The Route map for the venue of the AGM is annexed.

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

- (i) The remote voting period begins on Thursday, 22.09.2016 at 10.00 A.M. and ends on Sunday, 25.09.2016 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 16.09.2016, may cast their vote electronically. .
- (ii) The shareholders should log on to the e-voting website 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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ● 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 ● 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both 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 (iv)