

EMPEE DISTILLERIES LIMITED

Annual Report 2016 - 2017



Board of Directors	Mr. M. P. Purushothaman Ms. Nisha Purushothaman Mr. R.Rangachari Mr. Suresh Raj Madhok	Chairman (Non-Executive) Joint Managing Director Independent Director Independent Director
Chief Financial Officer	Mr.N.Chandrasekaran	
Company Secretary & Compliance Officer	Mr. R. Venkatesh	
Audit Committee	Mr. R.Rangachari Ms. Nisha Purushothaman Mr. Suresh Raj Madhok	
Stakeholders Relationship Committee	Mr. R.Rangachari Ms. Nisha Purushothaman Mr. Suresh Raj Madhok	
Nomination and Remuneration Committee	Mr. Suresh Raj Madhok Mr. M.P. Purushothaman Mr. R.Rangachari	
Corporate Social Responsibility Committee	Mr. Suresh Raj Madhok 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 : Mevalooruppam Village, Sriperumpudur Taluk, Kancheepuram District, Tamil Nadu.	2. Kerala Unit : NIDA, Menonpara Road, Kanjikode Post, Palakkad District, Kerala.	3. Karnataka Unit : Arabikothanur Village, Kolar District, Karnataka.
	4. Power Plant : Kottadivayal Village, Aranthangi Taluk, Pudukottai District, Tamil Nadu.	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

	2016-17 (12 Months)	2015-16 (12 Months)	2015-14 (18 Months)	2014-13 (12 Months)	2013-12 (18 Months)
Sales	501.60	610.88	912.12	578.23	997.89
Profit before Tax	(33.79)	3.37	(2.33)	5.74	39.39
Profit after Tax	(25.35)	1.72	(2.75)	11.09	22.80
Fixed Assets	166.59	178.57	197.40	184.92	104.13
Current Assets	180.71	172.56	147.00	109.66	138.57
Shareholders Funds	286.68	304.70	303.18	294.94	286.26
Current Liabilities	240.35	253.58	222.76	205.83	189.95
Basic Earnings Per Share Rs.	(13.33)	0.91((1.45)	5.83	11.99
Dividend per Share	-	-	-	Rs. 1/-	Rs. 1/-

*Figures have been reclassified/regrouped wherever necessary.



NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the 32nd Annual General Meeting of Empee Distilleries Limited (CIN:L15511TN1983PLC010313) will be held on Wednesday, the 27th September 2017 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, 2017, including the audited Balance Sheet as at March 31, 2017, 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(DIN00088631)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 2017-18 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 GST 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 for the audit of the cost records of the Company for the financial period 2016-17, amounting to Rs.30,000/- (Rupees Thirty thousand only) as also the payment of GST as applicable and re-imbursement 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.Suresh Raj Madhok 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.Suresh Raj Madhok, (DIN 00220582) 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.Suresh Raj Madhok as a candidate for the office of director along with the deposit of one lakh rupees which shall be refunded if he gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a period of 5 years with effect from 26.12.2016.

6. Ratification of Remuneration paid 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 ratify the remuneration of Rs.85.04 lacs (remuneration comprising of Fixed Compensation , PF and other perquisites as approved by the shareholders in the AGM held on September 26, 2016) paid to Ms. Nisha Purushothaman for the period from 01.04.2016 to 31.03.2017.

7. 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 2017-18 as per details given below.

Particulars	Amount (Rs. in lakhs)
Business & Auxiliary Services – M/s.Empee Holdings Ltd	159.69
Rent payable for Head Office – M/s.Aruna Constructions	60.93

“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, 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 : 21.08.2017**

**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 OF THE COMPANY. 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 **25.09.2017 to 27.09.2017** (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 BSE 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 27 of the SEBI's (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.3,54,760/- pertaining to final dividend declared for the Financial Year 2008-09 has been transferred to Investor Education and Protection Fund (IEPF) on 28.09.2016.
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 the SEBI's (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 Sunday, 24.09.2017 at 10.00 A.M. and ends on Tuesday, 26.09.2017 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 20.09.2017, may cast their vote electronically.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iii) Click on Shareholders / Members
- (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	<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"> 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)	<p>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.</p> <p>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)</p>



- (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 changed login 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) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) 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** 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**.
 - 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** 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**, under help section or write an email to **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.20.09.2017 may follow the same procedure for e-Voting as mentioned above.
- (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 AGM, 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 the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on 20.09.2017.
- (vi) The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.empeegroup.co.in** and on the website of the CDSL e-voting within two days of the passing of the resolutions at the Annual General Meeting of the Company, and communicated to The National Stock Exchange of India Limited and BSE Ltd.

Annexure to the Notice**Explanatory Statement under Section 102 of the Companies Act, 2013****Item No. 4**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of Mr.N.Thiagarajan, Cost Accountant, to conduct the audit of the cost records of the Company for the financial year ended 31.3.2017. 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 2016-17 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, are in any way concerned or interested in the said Resolution.

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

Item No. 5

The Board of Directors of the Company appointed Mr. Suresh Raj Madhok an Additional Director (Independent Director) of the Company w.e.f. 26th December 2016 pursuant to the provisions of Sec.161 of the Companies Act, 2013 and Article 100 of Articles of Association of the Company. He will hold office upto the date of this AGM. The Company has received a notice in writing under Sec.160 of the Act, from a member alongwith a deposit of requisite amount proposing the candidature of him for the office of the Independent Director u/s.149 of the Act. Section 149(10) of the Companies Act, 2013 provides that an independent director shall hold office for a term