

<b>BOARD OF DIRECTORS</b>	Mr. M.P.Purushothaman <b>Chairman &amp; Managing Director</b> Ms. Nisha Purushothaman Mr. Sheeju Purushothaman Mr. M.P.Mehrotra (Independent Director) Mr. T.S.Raghavan (Independent Director) Mr. Shankar Menon (Independent Director) Mr. M.K.Mohan (Independent Director)
<b>COMPANY SECRETARY</b>	Mr. S.S.K.Swarup
<b>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 Naidupet – 524 126 Nellore District, Andhra Pradesh.
<b>FACTORIES</b>	1. Ayyapareddipalem Village, Naidupet, Nellore District, A.P. 2. Idaikkal Village, Ambasamudram, Tirunelveli Dist., T.N.
<b>ADMINISTRATIVE OFFICE</b>	Empee Tower, No.59, Harris Road, Pudupet, Chennai – 600 002.

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## EMPEE SUGARS AND CHEMICALS LIMITED

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### NOTICE TO SHAREHOLDERS

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NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of Empee Sugars and Chemicals Limited will be held on Friday, the 26<sup>th</sup> September, 2014 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:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in the place of Mr. Sheeju Purushothaman (DIN:00044934), who retires by rotation and is eligible 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 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 is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 28<sup>th</sup> AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), 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. 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 149 of the Companies Act 2013 and the rules made thereunder and the Articles of Associations of the company Mr. M.K. Mohan, (DIN 01260838) (Independent Director) who was appointed as an additional director of the company by the Board of Directors w.e.f. 26.5.2014, and who holds directorship until the date of this AGM in terms of section 161 of the Companies Act, 2013 and in respect of whom the company has received a Notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mr. M.K. Mohan as a candidate for the office of a Director of the company, be and is hereby appointed as an independent Director of the company for five years from the date of this AGM.

5. **Appointment of Mr. M.P. Mehrotra 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, 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.M.P.Mehrotra, (DIN 00016768) a non-executive director of the Company, who has submitted a declaration that he meets the criteria to be an independent Directorship as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 26<sup>th</sup> September, 2014 up to 25<sup>th</sup> September 2019.”

**6. 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, 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 director of the Company, who has submitted a declaration that he meets the criteria to be an independent Directorship as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 26<sup>th</sup> September, 2014 up to 25<sup>th</sup> September 2019.”

**7. Appointment of Mr.T.S.Raghavan 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, 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.T.S.Raghavan, (DIN 00446651) a non-executive director of the Company, who has submitted a declaration that he meets the criteria to be an independent Directorship as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 26<sup>th</sup> September, 2014 up to 25<sup>th</sup> September 2019.”

**8. 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 2014-15 as per details given below.

**EMPEE SUGARS AND CHEMICALS LIMITED**

<b>Particulars</b>	<b>Amount (max.) Rs. in lakhs</b>
Remuneration to Managing Director – Mr.M.P.Purushothaman	42.00
Business & Auxiliary Services – M/s.Empee Holdings Ltd	200.00
Guest house Rent – M/s.South (India) Hotels Pvt Ltd	27.00
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.”

**9. Proposal to BIFR:**

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 the Companies Act, 2013 and other applicable provisions if any, since the net worth of the company has eroded 100% net worth of the company, Board of Directors of the company be and are hereby authorized to file an application with necessary documents to Board for Industrial and Financial Reconstruction (BIFR) for rehabilitation of the company.

RESOLVED FURTHER that Mr.M.P.Purushothaman, Chairman & Managing Director or Ms.Nisha Purushothaman, Director of the company are hereby severally authorized to file the reference with Hon'ble BIFR and to submit any other information in any form and manner as may be required by the said Board and to appoint representatives/ counsel or authorize any of the employees of the company to the said Board or any other authority in this regard.

**By Order of the Board  
For Empee Sugars and Chemicals Ltd**

**Place: Chennai  
Date : 9.8.2014**

**S.S.K.Swarup  
Company Secretary**

## EMPEE SUGARS AND CHEMICALS LIMITED

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### 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 22.9.2014 to 26.9. 2014 (Both days inclusive).
5. Members/proxies should bring the attendance slip duly filed along with copy of Annual report for attending the meeting.
6. 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.
7. The Company's equity shares are listed on the Bombay Stock Exchange Ltd and Madras Stock Exchange Ltd and the company has paid listing fees upto date. The Madras Stock Exchange Ltd, (MSE) vide its letter dated 12<sup>th</sup> June, 2014 informed the company about its Voluntary surrender of recognition and closure of the Exchange. Accordingly the company has made an application for delisting of shares from MSE.
8. The disclosures under clause 49 of the Listing Agreement in respect of the Directors appointed are given in the Report on Corporate Governance forming part of the Annual report.
9. 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. S Dhanapal 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 Monday 22<sup>nd</sup> September, 2014 (9:00 am) and end on Tuesday, the 23<sup>rd</sup> September, 2014 (5:30 pm).

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.

**Annexure to the Notice**

**Explanatory Statement under Section 102 of the Companies Act, 2013**

**Item No.3**

M/s.Venkatesh & Co., (Registration No.004636S) Chartered Accountants, Chennai were appointed as the statutory auditors of the Company for financial year 2013-14 through Postal ballot of the company held on 6<sup>th</sup> July 2014. Accordingly, the audit of the company for financial year 2013-14 was conducted by them.

As per the provisions of section 139 of the Act, 2013, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s.Venkatesh & Co., being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 9<sup>th</sup> August 2014, proposed the appointment of M/s.Venkatesh & Co., as the statutory auditors of the Company for a period of five years to hold office from the conclusion of this AGM till the conclusion of the 28<sup>th</sup> AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM).

The Board recommends the Resolution at Item No. 3 as set out in the Notice for the approval of the Members.

None of the Directors and Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No.3 of the accompanying Notice.

**Item No.4**

The Board of Directors at their meeting held on 26.5.2014 appointed Mr.M.K.Mohan (DIN 01260838) as an additional Director of the company pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the company.

Pursuant to Section 161 of the Companies Act, 2013, Mr.M.K.Mohan will hold office upto the date of the ensuing AGM. The company has received a Notice in writing from a member along with the requisite deposit under Section 160 of the Companies Act, 2013, proposing the candidature of Mr.M.K.Mohan for the office of Director. Accordingly the Board recommends the resolution as set out at item no.6 of the Notice for approval of the members.Mr.M.K.Mohan will be appointed as an Independent Director from 26.09.2014 to 25.09.2019.

Except Mr.M.K.Mohan, being an appointee, none of the Directors and key managerial personnel of the company and their relatives is concerned or interested or otherwise in the resolution.

**Item No. 5 to 7**

The Independent Directors as mentioned in the respective resolutions 5,6 & 7 of the Notice were appointed in compliance of the Listing Agreement, whose period of office were liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

Section 149 (10) of the Companies Act, 2013 provides that an independent director shall hold office for a term of up to five consecutive years from the date of appointment. Further, section 149 (13) of the Companies Act, 2013 states that the provisions relating to retirement of directors by rotation shall not apply to the appointment of independent directors.

In addition, the Ministry of Corporate Affairs (MCA), Government of India, by a notification, has clarified that if a company intends to appoint existing independent directors as independent directors under the Act, such appointment must be made expressly within one year from April 1, 2014. The Company proposes to comply with the provisions of the Companies Act, 2013 and the Notification issued by MCA.

In the opinion of the Board, all Directors mentioned in the respective resolution(s) fulfill the conditions specified in the Act for appointment as Independent Directors of the Company. Details in respect of each of the Directors, who are proposed to be appointed as Independent Directors, are furnished in the Report on Corporate Governance forming part of the Annual report.

The Board considers that their continued association with the Company would be of immense benefit to the Company. In view thereof, your Board has recommended them to be appointed as Independent Directors.

Concerned Directors are interested in their respective resolutions being related to their own appointments. Other than the aforesaid, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested or otherwise in the respective Resolution as set out. None of the said Directors are related inter se to each other.

**Item No.8**

The company proposes to enter into transactions with the related parties in the financial year 2014-15 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:

**EMPEE SUGARS AND CHEMICALS LIMITED**

Name of the related parties	1. M/s. Empee Holdings Ltd 2. M/s. South (India) Hotels Pvt Ltd 3. M/s. Aruna Constructions
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	Remuneration : Rs.42 lakhs, Business & Auxiliary services : Rs.200 lakhs Guest house Rent : Rs.27 lakhs Office Rent : Rs.30 lakhs Car Hire charges : Rs.26 lakhs.
Duration of Contract Or arrangement	1. CMD appointment upto 24.12.2015. 2. Business auxiliary services yearly basis on actual as per agreement. 3. Guest house rent as per agreement. 4. Rent to Office as per agreement. 5. 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.

**Item No.9**

It is brought to the attention of members that due to non-availability of sugar cane, the sugar mill at Ambasamudram could not be operated for the last two years. As the members of the company are aware, the company has borrowed Rs.468.61 crores to fund this integrated sugar complex. The company was finding it very difficult to service the loans and debts availed from the lenders, since the company could not produce Sugar to realise the turnover and generate cash flows. As a spin off effect, these drawbacks led to erosion of 100% networth of the company.

Hence the Board of Directors at their meeting held on 26<sup>th</sup> May, 2014 decided to make a reference of the company to the BIFR since the company has become a sick company under Section 3(1)(o) of the Sick Industrial Companies(Special Provisions)Act, 1985. Hence in order to pursue the matter, the Board proposes to seek the approval of the members by way of special resolution and hence a special resolution as set out in the notice is recommended for the members approval.

None of the Directors are interested or concerned in this resolution.

## EMPEE SUGARS AND CHEMICALS LIMITED

### ANNEXURE TO THE NOTICE:

#### I. GENERAL INFORMATION:

1. Nature of Industry:  
The Company is engaged in the business of manufacture of Sugar, Industrial Alcohol and generation of 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	Period ended 30-09-2011 (18 months)	Period ended 30-09-2011 (18 months)	Period ended 30-09-2011 (18 months)
Sales	40090.36	39051.29	27985.83
PBID	7409.21	5437.29	1200.21
Net Profit/(Loss)	(3854.70)	(3550.97)	(5458.46)

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