

## **EMPEE SUGARS AND CHEMICALS LIMITED**

**CIN : L24110AP1988PLC009291**

<b>Board of Directors</b>	Mr. M. P. Purushothaman Chairman & Managing Director  Ms. Nisha Purushothaman, Director Mr. Shaji Purushothaman, Director (w.e.f.13.8.18) Mr. R. Rangachari, Independent Director Mr. Suresh Raj Madhok, Independent Director
<b>Company Secretary</b>	Harshabardhan BNP
<b>Audit Committee</b>	Mr. R. Rangachari Mr. Suresh Raj Madhok Ms.Nisha Purushothaman
<b>Stakeholders Relationship Committee</b>	Mr. R. Rangachari Mr. Suresh Raj Madhok Ms.Nisha Purushothaman
<b>Nomination and Remuneration Committee</b>	Mr. Suresh Raj Madhok Mr. R. Rangachari Ms.Nisha Purushothaman
<b>Statutory Auditors</b>	M/s.Venkatesh& Co., Chartered Accountants 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. Website: <a href="http://www.empeegroup.co.in">www.empeegroup.co.in</a>

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<b>Factories</b>	<b>Administrative Office</b>	<b>Registrars and Share Transfer Agents :</b>	<b>Stock Exchanges where the share are Listed:</b>
1. Ayyapareddipalem Village Naidupet - 524 126, Nellore District, Andhra Pradesh.	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: investor@cameoindia.com	Bombay Stock Exchange Ltd, Mumbai.
2. Idaikkal Village, Ambasamudram, Tirunelveli District, Tamilnadu.			

#### **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

## EMPEE SUGARS AND CHEMICALS LIMITED

### NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of Empee Sugars and Chemicals Limited (CIN: L24110AP1988PLC009291) will be held on Saturday, 29<sup>th</sup> September, 2018 at 11.30a.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.(a) To receive, consider and adopt the audited standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2018 and the Reports of the Board of Directors and the Auditors thereon.
- (b) To receive, consider and adopt the audited consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2018 together with report of the Auditors thereon.
2. To appoint a Director in place of Ms. Nisha Purushothaman (DIN 00044868) who retires by rotation and being eligible offers herself for re-appointment.

#### SPECIAL BUSINESS:

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 149, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, and any other applicable regulations and as approved and recommended by the Nomination and Remuneration Committee of the Board, Mr. Shaji Purushothaman (DIN:

00044893), who was appointed as an Additional Director by the Board of Directors pursuant to provisions of Section 161 of the Companies Act, 2013 w.e.f 13<sup>th</sup> August 2018 be and is hereby appointed as Director of the Company.

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

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 provisions of Section 148, and other applicable provisions of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules 2014 and the Companies (Audit and Auditors) Rules 2014, approval of the Company be and is hereby given, by way of ratification, for the appointment of M/s G. Sugumar & Co., Cost Accountants, Chennai as Cost Auditor, as recommended by the Audit Committee, to conduct Cost Audit of the cost records of the company, for the purpose of submission of Cost Audit Report, for the Financial Years 2015-16, 2016-17 and 2017-18 in the place of Mr. N. Thiagarjan, Cost Accountant, who has since submitted his resignation.

**RESOLVED FURTHER THAT**, as determined by the Audit Committee, remuneration payable to M/s G. Sugumar & Co., Cost Accountants, Chennai, at Rs.50,000/- (Rupees fifty thousand only), plus out of pocket expenses and applicable GST, for conducting cost audit of the cost records of the company for the purpose of submission of Cost Audit Report, for each of the Financial Years 2015-16, 2016-17 and 2017-18, be and is hereby ratified.

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

## EMPEE SUGARS AND CHEMICALS LIMITED

**“RESOLVED THAT** pursuant to provisions of Section 148, and other applicable provisions of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules 2014 and The Companies (Audit and Auditors) Rules 2014, approval of the company be and is hereby given for the appointment of M/s G.Sugumar & Co., Cost Accountants, Chennai to conduct Cost Audit of the cost records of the company for the purpose of submission of Cost Audit Report, for the Financial Year 2018-19.

**RESOLVED FURTHER THAT** as recommended by the Audit Committee of the Board, M/s G. Sugumar & Co, Cost Accountants be paid a remuneration of Rs.50,000/- (Rupees fifty thousand only), plus out of pocket expenses and applicable GST, for conducting cost audit of the cost records of the company for the purpose of submission of Cost Audit Report, for the Financial Year 2018-19.

6. 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, and Regulation 23 of the SEBI (LODR) Regulations, 2015 and any other applicable regulations, consent of the members of the company, be and is hereby accorded to enter into transactions for the financial year 2018-19 as per details given below.

Particulars	Amount (Rs. in lakhs)
Office Rent – M/s.Aruna Constructions	18.216

**“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.”

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

**“RESOLVED THAT** pursuant to provisions of Section 180, 185, 186, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Acceptance of Deposit ) Rules 2014 and other applicable Rules under the Companies Act, 2013, SEBI (LODR) Regulations 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force and subject to approval of the Central Government, other statutory authorities and stakeholders, if so required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”) which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board for the conversion of existing Share Application Money of Rs. 140.36 Crores (Rs One Hundred Forty Crores and Thirty Six Lakhs Only) provided by Empee Distilleries Limited (Holding Company – Promoter) into Unsecured Loan.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution , the Board be and is hereby authorized to agree, make

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and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, and the Board is also hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise, to give effect to the foregoing resolution.

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

Place: Chennai  
Date : 13.08.2018

**M.P.Purushothaman  
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 SUCH 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 23.09.2018 to 29.09.2018 (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 Bombay Stock Exchange Limited (BSE) and the Company has 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 SEBI (LODR), 2015 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 rule 20 of Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility for voting by electronic means (remote e-voting) and the

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- 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 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](http://www.evotingindia.com) during the voting period.
13. 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.
  14. The procedure and instructions for remote e-voting is furnished in this notice.
  15. 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.co.in](http://www.empeegroup.co.in) within 48 hours of the Annual General Meeting.
  16. 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.
  17. All documents referred to in the Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal working hours on all working days upto the date of AGM.
  18. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of businesses to be transacted under item Nos. 3 to 7 of the Notice, is attached herewith.
  19. The Route map for the venue of the AGM is annexed.
  20. All the concerned shareholders, may please note that the Company has transferred the unclaimed dividend (Interim Dividend) declared on Nov 9, 2010, for the year 2010-11 (18 months ended September 30, 2011) to the IEPF Authority under the IEPF Rules. The Company is in the process of transferring the related shares also. Shareholders are hereby informed that the unclaimed dividend and the respective shares may be claimed by them from the IEPF Authority directly by following procedures prescribed under the IEPF Rules.
- The instructions for shareholders voting electronically (remote e-voting) are as under:**
- (i) The remote voting period begins on wednesday, 26.09.2018 at 10.00 A.M. and ends on Friday, 28.09.2018 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 22.09.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](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:

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### 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"> <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>
Dividend Bank Details <b>OR</b> 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. 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>

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| <p>(viii) After entering these details appropriately, click on "SUBMIT" tab.</p> <p>(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.</p> <p>(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.</p> <p>(xi) Click on the EVSN for the relevant &lt;Company Name&gt; on which you choose to vote.</p> <p>(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</p> | <p>implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.</p> <p>(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.</p> <p>(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.</p> <p>(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.</p> <p>(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.</p> <p>(xvii) If Demat account holder has forgotten the changed loginpassword then Enter the User ID and the image verification code and click on Forgot Password&amp; enter the details as prompted by the system.</p> <p>(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app</p> |
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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](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.

(xx) 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. 22.09.2018 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" / "Polling 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, within 48 hours 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 22.09.2018.
- (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 e-voting within two days of the passing of the resolutions at the Annual General Meeting of the Company, and communicated to BSE Ltd.



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### **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.**

#### **Item No.3**

Mr. Shaji Purushothaman was appointed as an Additional Director of the Company with effect from 13<sup>th</sup> August 2018 in accordance with the provisions of 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, the said Director holds office only up to the date of the ensuing Annual General Meeting of the Company. Appointment of Mr. Shaji Purushothaman as Director has the approval of the Nomination and Remuneration Committee of the Board.

The Board recommends the resolution set forth in item no. 3 for the approval of members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Shaji Purushothaman, being an appointee and Mr. M P Purushothaman, Chairman ( Father of Mr Shaji Purushothaman) and Ms Nisha Purushothaman, Director (Sister of Mr. Shaji Purushothaman) are concerned or interested, financial or otherwise, in the resolution.

#### **Item No.4:**

In terms of Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules 2014 and The Companies (Audit and Auditors) Rules 2014, maintenance of Cost Records as well as submission of Cost Audit Report is applicable to the Company. Accordingly, the Board, on the recommendation of the Audit Committee, appointed Mr. N. Thiagarajan, Cost Accountant, to conduct audit of the cost records of the company for the purpose of submission of Cost Audit Report for the Financial Years 2015-16, 2016-17 and 2017-18 and also fix the remuneration payable to him. The Company had also taken approval of the shareholders at the Annual General

Meeting for the appointment and payment of remuneration to Mr. N. Thiagarajan, Cost Auditor. However, Mr. N. Thiagarajan, Cost Auditor appointed by the company, citing personal reasons had expressed his inability to conduct Cost Audit and furnish Cost Audit Report for the Financial Years 2015-16, 2016-17 and 2017-18 and consequently the company has to appoint another person in his place.

Accordingly, the Board, on the recommendation of the Audit Committee, appointed M/s G. Sugumar & Co, Cost Accountants, as Cost Auditor for the Financial Years 2015-16, 2016-17 and 2017-18 and fixed their remuneration at Rs.50,000 (Rupees fifty thousand only), plus out of pocket expenses and applicable GST, for each of the said financial years.

The Board recommends the same for approval of the Members.

#### **Item No.5:**

In terms of Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules 2014 and The Companies (Audit and Auditors) Rules 2014, maintenance of Cost Records as well as submission of Cost Audit Report is applicable to the Company.

Accordingly, It is now proposed to re-appoint M/s G. Sugumar & Co, Cost Accountants, as Cost Auditor for the Financial Year 2018-19. The Audit Committee of the Board had earlier considered and approved the appointment of M/s G. Sugumar & Co, Cost Accountants, as Cost Auditor and also fixed his remuneration at Rs.50,000/- plus out of pocket expenses and applicable GST.

#### **Item No.6**

The Company proposes to enter into transactions with the related parties in the financial year 2018-19 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:

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Name of the related parties	M/s. Aruna Constructions
Name of the Director or Key Managerial Personnel who is related, if any	Mr. M.P.Purushothaman Ms. Nisha Purushothaman
Nature of Relationship	Director / Partner
Nature, Material Terms, Monetary Value and Particulars of the Contract or arrangement	Office Rent : Rs. 18.216 lakhs
Duration of Contract Or arrangement	Rent for Head Office and Guest house 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.7

As Members may be aware, Empee Distilleries Limited (EDL) , the parent company – promoter , provided share application money to the extent of Rs.140.36 crs to Empee Sugars and Chemicals Ltd (ESCL), being its subsidiary company during the period from 7<sup>th</sup> July 2008 to 30<sup>th</sup> September 2012. ESCL had to allot 0% convertible preference shares to EDL which however could not materialise due to non receipt of BSE and SEBI approvals for allotment of shares, and hence the share application money was kept pending. In the meantime due to erosion of the entire net worth of ESCL, it was registered as a Sick Company under the provisions of SICA with BIFR vide its Orders dated 18.11.2014. When BIFR proceedings were in progress, the GOI abolished SICA and introduced IBC in its place in December 2016 and as a result the BIFR was abolished. Hence ESCL filed an application under the provisions of IBC before NCLT, Hyderabad as a corporate debtor. Further, since most of the Bank loans

aggregating to 92% of their total bank borrowings are assigned to ARC, Edelweiss Asset Reconstruction Company Ltd, Mumbai,(EARC) the Company thought it appropriate to withdraw the IBC application. However the share application is still pending in the books of ESCL to be converted into shares. Due to serious financial issues and impending problems challenging the ESCL's survival, ESCL has decided to convert the said application money into unsecured loan subject to approval of Members of the company, members of EDL, central government and stakeholders concerned. The Board at its meeting held on 30<sup>th</sup> May 2018 decided to convert the share application money into unsecured loan and conveyed the same to EDL. EDL as a matter of abundant caution, will secure their shareholders' approval for conversion of the share application money into unsecured loan in the forthcoming AGM.

The Company is required to take the approval of the shareholders for conversion of Share Application Money into unsecured loan.

The Board recommends the Special Resolution for approval of the members.

Except to the extent of shareholding held by them in their Individual capacity, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

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

**Place: Chennai  
Date : 13.8.2018**

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