

29.5.2017

The Dept. of Corporate Service
Bombay Stock Exchange Ltd
Mumbai.400 001.

Dear Sir,

Sub: Outcome of the Board Meeting held on 29th May 2017. - REVISED

This is to inform you about the outcome of the Board of Directors meeting held on 29.05.2017 at the Company's registered office at No.59 Harris Road, Pudupet, Chennai, as under :

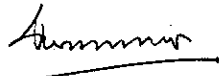
- 1) The Board has considered and approved the Audited Financial statements of the Company for the Quarter/Year ended 31st March 2017 subject to shareholders approval in the ensuing AGM.
- 2) The Board has recommended the re-appointment of M/s. Venkatesh & Co, Chartered Accountants as Statutory Auditors of the Company for FY 2017-18 to be ratified in the ensuing AGM.
- 3) The Board has re-appointed M/s. C S Dhanapal & Associates, Practising Company Secretaries as Secretarial Auditors of the Company for the FY 2017-18.
- 4) The Board has re-appointed Mr.N.Thiagarajan, Cost Accountant, as Cost Auditor of the Company for the FY 2017-18.
- 5) The Board has re-appointed M/s. Ramesh Subramanian & Co., Chartered Accountants, Chennai as Internal auditors of the Company for the FY 2017-18.

The Meeting started at 3.00 p.m. and concluded at 4.30 p.m. today. We request you to place the above information on your web-site.

Thanking you

Yours faithfully

For Empee Sugars and Chemicals Ltd



M.P.Purushothaman
Chairman & Managing Director



EMPEE SUGARS AND CHEMICALS LIMITED

CIN: L15511TN1983PLC010313

Regd. Office : Empee Tower, No.59, Harris Road, Pudupet, Chennai - 600 002.

Statement of Audited Financial Results for the Quarter ended 31st March 2017.

PART I		Standalone					Rs. In Lakhs	
S.No.	Particulars	Quarter ended		Year ended		Consolidated		
		31.3.2017 (Audited)	31.12.2016 (Unaudited)	31.3.2016 (Audited)	31.3.2017 (Audited)	31.3.2016 (Audited)	31.3.2017 (Audited)	31.3.2016 (Audited)
I	Revenue from Operations	1,963.90	3,259.87	3,553.07	8,294.13	5,044.87	8,681.61	5,471.60
II	Other Income	6.69	0.20	207.59	44.14	250.51	44.92	255.78
	Total income (I+II)	1,970.59	3,260.07	3,760.66	8,338.27	5,295.38	8,726.53	5,727.38
III	Expenses							
	(a) Cost of materials consumed	2,189.11	3,189.21	4,695.93	7,908.58	5,764.53	8,148.14	6,105.31
	(b) Purchases of stock-in-trade	-	-	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	18.19	(132.67)	(85.11)	28.54	368.98	28.54	368.98
	(d) Employee benefits expense	184.44	133.66	228.46	546.98	597.35	555.08	681.03
	(e) Finance Cost	8.25	0.32	-	46.22	5,687.45	579.21	6,189.71
	(f) Depreciation and amortisation expense	648.51	608.76	647.28	2,474.81	2,473.58	2,703.99	2,702.76
	(g) Other expenses	717.33	122.29	853.64	1,017.87	1,143.34	599.93	662.25
	Total expenses (IV)	3,765.83	3,921.57	6,340.20	12,023.00	16,035.23	12,614.89	16,710.04
V	Profit / (Loss) before exceptional items and tax (I-IV)	-1,795.24	-661.50	-2,579.54	-3,684.73	-10,739.85	-3,888.36	-10,982.66
VI	Exceptional Items	-	0	-	-	-	-	-
VII	Profit / (Loss) before Tax (V-VI)	(1,795.24)	(661.50)	(2,579.54)	(3,684.73)	(10,739.85)	(3,888.36)	(10,982.66)
VIII	Tax Expense							
	(1) Current Tax	-	0	-	-	-	(203.64)	(242.81)
	(2) Deferred Tax	-	0	-	-	-	-	-
IX	Profit / (Loss) for the period from continuing operations (VII - VIII)	(1,795.24)	(661.50)	(2,579.54)	(3,684.73)	(10,739.85)	(3,684.72)	(10,739.85)
X	Profit / (Loss) from discontinued operations	-	-	-	-	-	-	-
XI	Tax Expense of Discontinued Operations	-	-	-	-	-	-	-
XII	Profit / (Loss) from Discontinued operations (after tax)	-	-	-	-	-	-	-
XIII	Profit / (Loss) for the period (IX +XIII)	(1,795.24)	(661.50)	(2,579.54)	(3,684.73)	(10,739.85)	(3,684.72)	(10,739.85)
XIV	Other Comprehensive Income							
	A (i) Items that will not be reclassified to Profit and Loss	-	-	-	-	-	-	-
	(ii) Income-Tax relating to items that will not be reclassified to profit or loss	-	0	-	-	-	-	-
	B (i) Items that will be reclassified to Profit or Loss	-	0	-	-	-	-	-
	(ii) Income-Tax relating to items that will be reclassified to profit or loss	-	0	-	-	-	-	-
	Earnings per equity Share (for continuing operations)							
	(1) Basic	(4.28)	-1.58	(6.15)	(8.78)	(25.59)	(8.78)	(25.59)
	(2) Diluted	(4.28)	-1.58	(6.15)	(8.78)	(25.59)	(8.78)	(25.59)



EMPEE SUGARS AND CHEMICALS LIMITED

CIN: L24110AP1998PLC009291

Regd. Office : Ayyapareddipalem, Naidupet Mandal, Nellore District, Andhra Pradesh.

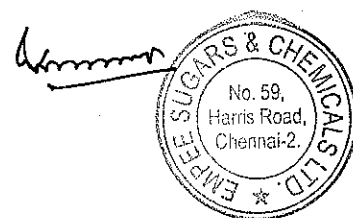
-2-

PART II		Standalone				Consolidated	
Particulars	Quarter ended		Year ended		Year ended		
	31.3.2017 (Audited)	31.12.2016 (Unaudited)	31.3.2016 (Audited)	31.3.2017 (Audited)	31.3.2016 (Audited)	31.3.2016 (Audited)	
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
- Number of shares	12,884,136	12,766,636	12,771,636	12,884,136	12,771,636	12,884,136	12,771,636
- Percentage of shareholding	30.70	30.46	30.43	30.70	30.43	30.70	30.43
2	Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered							
- Number of shares	21,110,607	21,110,607	21,110,607	21,110,607	21,110,607	21,110,607	21,110,607
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	72.57	72.33	72.29	72.57	72.29	72.57	72.29
- Percentage of shares (as a % of the total share capital of the company)	50.30	50.30	50.30	50.30	50.30	50.30	50.30
b) Non - encumbered							
- Number of shares	7,978,157	8,075,657	8,090,657	7,978,157	8,090,657	7,978,157	8,090,657
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	27.43	27.67	27.71	27.43	27.71	27.43	27.71
- Percentage of shares (as a % of the total share capital of the company)	19.01	19.24	19.28	19.01	19.28	19.01	19.28

Segment wise Revenue, Results and Capital Employed along with the quarterly results

(Rs In Lakhs)

	Standalone				Consolidated	
	Quarter ended		Year ended		Year ended	
	31.3.2017 (Audited)	31.12.2016 (Unaudited)	31.3.2016 (Audited)	31.3.2017 (Audited)	31.3.2016 (Audited)	31.3.2016 (Audited)
1. Segment Revenue (net sale/income from each segment should be disclosed under this head)						
(a) Segment - Sugar	1,436.99	1,613.38	2,892.45	3,617.65	3,206.93	3,617.65
(b) Segment - IAP	526.91	33.79	659.95	2605.78	1836.08	2,605.78
(c) Segment - Power	-	1,612.70	0.67	2070.70	1.86	2,458.18
(d) Unallocated	-	-	-	-	-	-
Total	1,963.90	3,259.87	3,553.07	8,294.13	5,044.87	8,681.61
Less: Inter Segment Revenue						
Net sales/Income From Operations	1,963.90	3,259.87	3,553.07	8,294.13	5,044.87	8,681.61
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)						
(a) Segment - Sugar	(546.60)	(398.81)	(1,388.84)	(1,767.05)	(2,680.31)	(1,767.05)
(b) Segment - IAP	(202.75)	(35.02)	13.38	70.47	72.18	70.47
(c) Segment - Power	(1,037.65)	(227.35)	(295.59)	(1,941.93)	(1,535.78)	(1,612.56)
(d) Unallocated	-	-	(908.49)	-	(908.49)	(908.49)
Total	(1,787.00)	(661.18)	(2,579.54)	(3,638.51)	(5,052.40)	(3,308.16)
Less: (i) Interest	8.24	0.32	-	46.22	5,687.45	579.20
(ii) Other Un-allocable Expenditure net off						
(iii) Un-allocable income						
Total Profit Before Tax	(1,795.24)	(661.50)	(2,579.54)	(3,684.73)	(10,739.85)	(3,888.36)
3. Capital Employed (Segment assets - Segment Liabilities)						
(a) Segment - Sugar	6264.88	6694.31	7938.40	6264.88	7938.40	6264.88
(b) Segment - IAP	685.58	885.36	433.75	685.58	433.75	685.58
(c) Segment - Power	-5266.53	-4208.25	-2547.63	-5266.53	-2547.63	-1781.47
(d) Unallocated	6278.24	6251.01	5799.89	6278.24	5799.89	6278.24
Total	7,962.17	9,622.43	11,624.41	7,962.17	11,624.41	11,447.23



EMPEE SUGARS AND CHEMICALS LTD

CIN: L24110AP1988PLC009291

Regd. Office : Ayyapareddipalem, Naidupet Mandal, Nellore District, Andhra Pradesh.

Standalone Statement of Assets and Liabilities

Rs. in Lakhs

Particulars	Standalone		Consolidated	
	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	4,197.29	4,197.29	4,197.29	4,197.29
(b) Reserves and surplus	(59,505.49)	(55,970.78)	(59,505.49)	(55,970.78)
(c) Money received against share warrants	-	-	-	-
Sub-total - Shareholders' funds	(55,308.20)	(51,773.49)	(55,308.20)	(51,773.49)
2 Share application money pending allotment	14,036.50	14,036.50	14,036.50	14,036.50
3 Non-current liabilities				
(a) Long-term borrowings	49,233.87	49,361.39	52,718.93	52,615.85
(b) Deferred tax liabilities (net)	-	-	-	-
(c) Other long-term liabilities	-	-	-	-
(d) Long-term provisions	34.28	174.72	34.28	194.19
Sub-total - Non-current liabilities	49,268.15	49,536.11	52,753.21	52,810.04
4 Current liabilities				
(a) Short-term borrowings	27,051.72	27,051.72	27,648.42	27,726.17
(b) Trade payables	3,430.10	1,929.34	3,933.55	2,418.00
(c) Other current liabilities	669.88	985.37	1,188.20	1,507.86
(d) Short-term provisions	151.96	126.21	171.47	126.21
Sub-total - Current liabilities	31,303.66	30,092.64	32,941.64	31,778.24
TOTAL - EQUITY AND LIABILITIES	39,300.11	41,891.76	44,423.15	46,851.30
B ASSETS				
1 Non-current assets				
(a) Fixed assets	28,592.72	31,059.52	36,334.03	39,030.01
(b) Goodwill on consolidation	-	-	-	-
(c) Non-current investments	666.57	1,090.58	-	-
(d) Deferred tax assets (net)	-	-	1,206.79	1,003.15
(e) Long-term loans and advances	5,816.76	5,616.97	871.07	847.44
(f) Other non-current assets	-	-	-	-
Sub-total - Non-current assets	35,076.05	37,767.07	38,411.89	40,880.60
2 Current assets				
(a) Current investments	-	-	-	-
(b) Inventories	901.07	1,052.16	1,488.32	1,710.61
(c) Trade receivables	40.03	98.37	1,153.25	1,253.10
(d) Cash and cash equivalents	149.97	47.22	233.80	77.13
(e) Short-term loans and advances	3,132.99	2,926.94	3,135.89	2,929.86
(f) Other current assets	-	-	-	-
Sub-total - Current assets	4,224.06	4,124.69	6,011.26	5,970.70
TOTAL - ASSETS	39,300.11	41,891.76	44,423.15	46,851.30

[Handwritten Signature]



EMPEE SUGARS AND CHEMICALS LTD

NOTES:

1. The above audited financial results for the quarter/year ended 31.03.2017 have been reviewed by the Audit Committee and approved by the Board at its meetings held on 29.05.2017.
2. The company is engaged in sugar, IAP and Power segments and segmental accounts are given in the financial results.
3. The Company was registered under the provisions of Sick Industrial Companies (Special Provisions) Act, vide case no:69/2011 and since BIFR was abolished in December 2016, the Company is in process of filing an application under Insolvency and Bankruptcy Code 2016 with NCLT, Hyderabad.
4. Due to non-availability of sugar cane in and around Ambasamudram, Tamilnadu, sugar production was discontinued. The 50 MW power co- gen plant in this location has stopped generation of power due to a) Non availability of bagasse from the sugar factory and b) Further coal as an alternate fuel to generate power could not be purchased due to financial crisis.
5. The Company had received SARFAESI notices u/s.13(4) of the SARFAESI Act from Indian Bank, Union Bank of India, Punjab National Bank, Indian Overseas Bank, Oriental Bank of Commerce, Bank of India and Andhra Bank to take symbolic possession of the Sugar unit Assets located at Ambasamudaram. The Company has filed an appeal before DRT, Madurai and the same is pending. In the meantime, excepting BOI, IOB, all other Banks have assigned their borrowings aggregating to 75% of total outstanding dues to M/s.Edelweiss Assets Re-construction Co. Ltd, (EARC) Mumbai in respect of debts pertaining to Ambasamudaram unit, whereas IB and UBI have also assigned their debts pertaining to Naidupet unit, since funded by them.
6. Due to sickness of the Company, since most of the lenders (Banks) as mentioned above, have assigned their debts to ARC interest on borrowings from Banks have not been provided for.
7. Previous period(s) figures have been regrouped wherever necessary.

Place: Chennai
Date : 29.5.2017


M.P.Purushothaman
Chairman & Managing Director



Annexure I**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - STANDALONE**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 (See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1.	Turnover / Total income	8,338.27	8,338.27
	2.	Total Expenditure	12,023.00	12,023.00
	3.	Net Profit/(Loss)	(3,684.73)	(3,684.73)
	4.	Earnings Per Share	(8.78)	(8.78)
	5.	Total Assets	39,300.11	39,300.11
	6.	Total Liabilities	94,608.31	94,608.31
	7.	Net Worth	(55,308.20)	(55,308.20)
	8.	Any other financial item(s) (as felt appropriate by the management)		

II. Audit Qualification (Qualification 1):**A. Details of Audit Qualification:**

The accumulated losses of the company have exceeded the net worth of the company. Hence the company has made a reference to BIFR under the sick industrial companies Act and the Company has been registered under BIFR vide case no:69/2014. However, effective from December 2016 BIFR proceedings have been abated. The Company is to make an application under Insolvency and Bankruptcy Code, 2016 before NCLT, Hyderabad. However, the accounts have been prepared on a going concern basis.

B. Type of Audit Qualification:

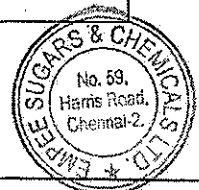
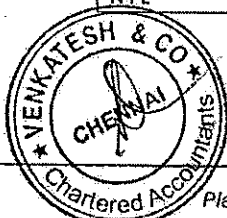
Qualified Opinion /Disclaimer of Opinion /Adverse Opinion

C. Frequency of qualification:

Whether appeared first-time / Repetitive for the Third time.

D. For Audit Qualification(s) where the Impact is quantified by the auditor, Management's Views:

NIL



Plant I : Ayyapareddipalem, Naidupet - 524 126, Nellore Dist., Andhra Pradesh.

Tel : (08623) 248150, 248171 Fax : 08623 - 248172

Plant II : Alangulam Road, Edaikal Village, Ambasamudram Taluk, Tirunelveli Dist. - 627 821. Tamil Nadu.

Ph : 04634-293643 Ph : 04634-251711



Empee Sugars and Chemicals Limited

Administrative Office : "Empee Tower" 59, Harris Road, Pudupet, Chennai - 600 002.

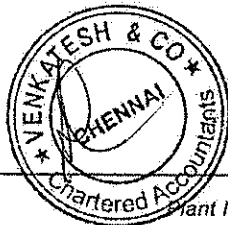
Tel : 91-44-28531111 Fax : 91-44-28555163 Web : www.empeegroup.co.in

CIN: L24110AP1988PLC009291

E. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification: NIL
(ii) If management is unable to estimate the impact, reasons for the same: The Company is in the process of filing an application before NCLT, Hyderabad and hence restructuring the operations of the Company is dependent on the 'Resolution process' to be finalised by NCLT.
(iii) Auditors' Comments on (i) or (ii) above: Noted.

Audit Qualification (Qualification 2):

A. Details of Audit Qualification: The company has received amount of Rs. 140.37 crores from 7 th July 2008 to 30 th September 2012 (refer note no 4) towards share application money from holding company Empee Distilleries Ltd. These shares could not be allotted to the applicant company in view of the non-receipt of approval from the SEBI and stock Exchange. By virtue of the Rules of the Companies Acceptance and Deposit Rules, these are public deposits to be repaid. However the Company is of Opinion that this issue will have to be decided by NCLT, Hyderabad as the proceedings under BIFR have since been abated.
B. Type of Audit Qualification: Qualified Opinion /Disclaimer of Opinion /Adverse Opinion
C. Frequency of qualification: Whether appeared first time-/ Repetitive for the third time.
D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NIL
E. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification: NIL
(ii) If management is unable to estimate the impact, reasons for the same: Since the Company's net worth is eroded and an application before NCLT, Hyderabad as Corporate debtor is being filed, the status of share application money can be decided only by NCLT under resolution process.
(iii) Auditors' Comments on (i) or (ii) above: Noted.



Plant I : Ayyapareddipalem, Naidupet - 524 126, Nellore Dist., Andhra Pradesh.

Tel : (08623) 248150, 248171 Fax : 08623 - 248172

Plant II : Alangulam Road, Edaikal Village, Ambasamudram Taluk, Tirunelveli Dist. - 627 821. Tamil Nadu.

Ph : 04634-293643 Ph : 04634-251711



Empee Sugars and Chemicals Limited

Administrative Office : "Empee Tower" 59, Harris Road, Pudupet, Chennai - 600 002.

Tel : 91-44-28531111 Fax : 91-44-28555163 Web : www.empeegroup.co.in

CIN: L24110AP1988PLC009291

Audit Qualification (Qualification 3):

A. Details of Audit Qualification:

Confirmation of Sundry debtors, Trade payables, Advance to suppliers, Cane advances, Harvester Advances and other deposit is subject to confirmation and reconciliation.

B. Type of Audit Qualification:

Qualified Opinion /Disclaimer of Opinion /Adverse Opinion

C. Frequency of qualification:

Appeared first time / Repetitive for the second time.

D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

NIL

E. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

NIL

(ii) If management is unable to estimate the impact, reasons for the same:

Since reconciled.

(iii) Auditors' Comments on (i) or (ii) above:

Noted.

Audit Qualification (Qualification 4):

A. Details of Audit Qualification:

The Sugar Unit at Ambasamudram has not been functioning for the last 4 years, However no impairment of assets in accordance with AS 28 (Impairment of Assets) at the sugar unit at Ambasamudram has been considered in accounts and the financial impact of the same is not presently ascertainable.

B. Type of Audit Qualification:

Qualified Opinion /Disclaimer of Opinion /Adverse Opinion

C. Frequency of qualification:

Appeared first time / Repetitive for the second time.



Plant I : Ayyapareddipalem, Naidupet - 524 126, Nellore Dist., Andhra Pradesh.

Tel : (08623) 248150, 248171 Fax : 08623 - 248172

Plant II : Alangulam Road, Edaikal Village, Ambasamudram Taluk, Tirunelveli Dist. - 627 821. Tamil Nadu.

Ph : 04634-293643 Ph : 04634-251711

LTD.

D.



Empee Sugars and Chemicals Limited

Administrative Office : "Empee Tower" 59, Harris Road, Pudupet, Chennai - 600 002.

Tel : 91-44-28531111 Fax : 91-44-28555163 Web : www.empeegroup.co.in

CIN: L24110AP1988PLC009291

D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NIL

E. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

This will be addressed only upon NCLT, Hyderabad admitting the Company's application on Resolution process under IBC.

(ii) If management is unable to estimate the impact, reasons for the same:

NIL

(iii) Auditors' Comments on (i) or (ii) above:

Noted.

Audit Qualification (Qualification 5):

A. Details of Audit Qualification:

Interest has not been provided on loans amounting in all to Rs.486 Crores availed from banks and including Loans assigned by the banks in favor of Edelweiss Asset Reconstruction Company Ltd.

B. Type of Audit Qualification:

Qualified Opinion /Disclaimer of Opinion /Adverse Opinion

C. Frequency of qualification:

Appeared first time / Repetitive for the second time.

D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NIL

E. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

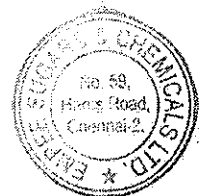
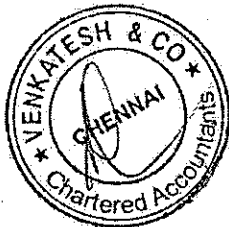
This will be addressed only upon NCLT, Hyderabad admitting the Company's application on Resolution process under IBC.

(ii) If management is unable to estimate the impact, reasons for the same:

NIL

(iii) Auditors' Comments on (i) or (ii) above:

NOTED.



Plant I : Ayyapareddipalem, Naidupet - 524 126, Nellore Dist., Andhra Pradesh.

Tel : (08623) 248150, 248171 Fax : 08623 - 248172

Plant II : Atangulam Road, Edaikal Village, Ambasamudram Taluk, Tirunelveli Dist. - 627 821. Tamil Nadu.

Ph : 04634-293643 Ph : 04634-251711



Empee Sugars and Chemicals Limited

Administrative Office : "Empee Tower" 59, Harris Road, Pudupet, Chennai - 600 002.

Tel : 91-44-28531111 Fax : 91-44-28555163 Web : www.empeegroup.co.in

CIN: L24110AP1988PLC009291

Audit Qualification (Qualification 6):


A. Details of Audit Qualification: Bank Balances amounting to Rs.35.63 lakhs is subject to Confirmation.
B. Type of Audit Qualification: Qualified Opinion /Disclaimer of Opinion /Adverse Opinion
C. Frequency of qualification: Appeared first time / Repetitive for the second time.
D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NIL
E. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification: NIL
(ii) If management is unable to estimate the impact, reasons for the same: Bankers confirmations have since been obtained.
(iii) Auditors' Comments on (i) or (ii) above: NOTED.

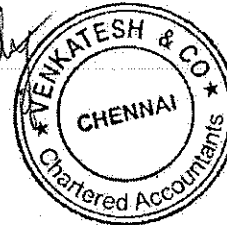
III. Signatories:

- CEO/Managing Director : 

- CFO :

- Audit Committee Chairman :

- Statutory Auditor – Dasaraty V
(Venkatesh and Co) 



Place: Chennai
Date: 29/05/2017

Plant I : Ayyapareddipalem, Naidupet - 524 126, Nellore Dist., Andhra Pradesh.

Tel : (08623) 248150, 248171 Fax : 08623 - 248172

Plant II : Alangulam Road, Edaikal Village, Ambasamudram Taluk, Tirunelveli Dist. - 627 821. Tamil Nadu.

Ph : 04634-293643 Ph : 04634-251711

Annexure I**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results – CONSOLIDATED**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
	1.	Turnover / Total income	8,726.53	8,726.53
	2.	Total Expenditure	12,614.89	12,614.89
	3.	Net Profit/(Loss)	(3,684.72)	(3,684.72)
	4.	Earnings Per Share	-	-
	5.	Total Assets	44,423.16	44,423.16
	6.	Total Liabilities	99,731.36	99,731.36
	7.	Net Worth	(55,308.20)	(55,308.20)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (Qualification 1):**A. Details of Audit Qualification:**

The accumulated losses of the company have exceeded the net worth of the company. Hence the company has made a reference to BIFR under the sick industrial companies Act and the Company has been registered under BIFR vide case no:69/2014. However, effective from December 2016 BIFR proceedings have been abated. The Company is to make an application under Insolvency and Bankruptcy Code, 2016 before NCLT, Hyderabad. However, the accounts have been prepared on a going concern basis.

B. Type of Audit Qualification:

Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

C. Frequency of qualification:

Whether appeared first time / Repetitive for the Third time.

D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's

Views: NIL



Office : Ayyapareddipalem, Naidupet - 524 126, Nellore Dist., Andhra Pradesh.
Tel : (08623) 248150, 248171 Fax : 08623 - 248172
Office : Angulam Road, Edaikal Village, Ambasamudram Taluk, Tirunelveli Dist. - 627 821. Tamil Nadu.
Ph : 04634-293643 Ph : 04634-251711





Empee Sugars and Chemicals Limited

Administrative Office : "Empee Tower" 59, Harris Road, Pudupet, Chennai - 600 002.

Tel : 91-44-28531111 Fax : 91-44-28555163 Web : www.empeegroup.co.in

CIN: L24110AP1988PLC009291

E. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification: NIL
(ii) If management is unable to estimate the impact, reasons for the same: The Company is in the process of filing an application before NCLT, Hyderabad and hence restructuring the operations of the Company is dependent on the 'Resolution process' to be finalised by NCLT.
(iii) Auditors' Comments on (i) or (ii) above: Noted.

Audit Qualification (Qualification 2):

A. Details of Audit Qualification: The company has received amount of Rs. 140.37 crores from 7 th July 2008 to 30 th September 2012 (refer note no 4) towards share application money from holding company Empee Distilleries Ltd. These shares could not be allotted to the applicant company in view of the non-receipt of approval from the SEBI and stock Exchange. By virtue of the Rules of the Companies Acceptance and Deposit Rules, these are public deposits to be repaid. However the Company is of Opinion that this issue will have to be decided by NCLT, Hyderabad as the proceedings under BIFR have since been abated.
B. Type of Audit Qualification: Qualified Opinion /Disclaimer of Opinion /Adverse Opinion
C. Frequency of qualification: Whether appeared first time/ Repetitive for the third time.
D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NIL
E. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification: NIL
(ii) If management is unable to estimate the impact, reasons for the same: Since the Company's net worth is eroded and an application before NCLT, Hyderabad as Corporate debtor is being filed, the status of share application money can be decided only by NCLT under resolution process.
(iii) Auditors' Comments on (i) or (ii) above: Noted.

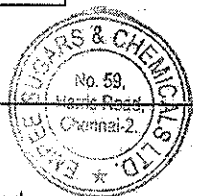


Plant 1 : Ayyapareddipalem, Naidupet - 524 126, Nellore Dist., Andhra Pradesh.

Tel : (08623) 248150, 248171 Fax : 08623 - 248172

Plant 2 : Alangulam Road, Edaikal Village, Ambasamudram Taluk, Tirunelveli Dist. - 627 821. Tamil Nadu.

Ph : 04634-293643 Ph : 04634-251711



Audit Qualification (Qualification 3):

A. Details of Audit Qualification:
Confirmation of Sundry debtors, Trade payables, Advance to suppliers, Cane advances, Harvester Advances and other deposit is subject to confirmation and reconciliation.
B. Type of Audit Qualification:
Qualified Opinion /Disclaimer of Opinion /Adverse Opinion
C. Frequency of qualification:
Appeared first time / Repetitive for the second time.
D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
NIL
E. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification: NIL
(ii) If management is unable to estimate the impact, reasons for the same: Since reconciled.
(iii) Auditors' Comments on (i) or (ii) above: Noted.

Audit Qualification (Qualification 4):

A. Details of Audit Qualification:
The Sugar Unit at Ambasamudram has not been functioning for the last 4 years, However no impairment of assets in accordance with AS 28 (Impairment of Assets) at the sugar unit at Ambasamudram has been considered in accounts and the financial impact of the same is not presently ascertainable.
B. Type of Audit Qualification:
Qualified Opinion /Disclaimer of Opinion /Adverse Opinion
C. Frequency of qualification:
Appeared first time / Repetitive for the second time.



Plant I : Ayyapareddipalem, Naidupet - 524 126, Nellore Dist., Andhra Pradesh.

Tel : (08623) 248150, 248171 Fax : 08623 - 248172

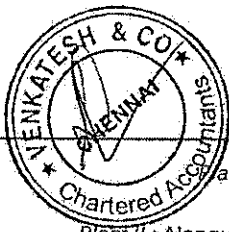
Plant II : Alangulam Road, Edaikal Village, Ambasamudram Taluk, Tirunelveli Dist. - 627 821. Tamil Nadu.

Ph : 04634-293643 Ph : 04634-251711

D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
NIL	
E. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i)	Management's estimation on the impact of audit qualification: This will be addressed only upon NCLT, Hyderabad admitting the Company's application on Resolution process under IBC.
(ii)	If management is unable to estimate the impact, reasons for the same: NIL
(iii)	Auditors' Comments on (i) or (ii) above: Noted.

Audit Qualification (Qualification 5):

A. Details of Audit Qualification:	
Interest has not been provided on loans amounting in all to Rs.486 Crores availed from banks and including Loans assigned by the banks in favor of Edelweiss Asset Reconstruction Company Ltd.	
B. Type of Audit Qualification:	
Qualified Opinion /Disclaimer of Opinion /Adverse Opinion	
C. Frequency of qualification:	
Appeared first time /Repetitive for the second time.	
D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	
NIL	
E. For Audit Qualification(s) where the impact is not quantified by the auditor:	
(i)	Management's estimation on the impact of audit qualification: This will be addressed only upon NCLT, Hyderabad admitting the Company's application on Resolution process under IBC.
(ii)	If management is unable to estimate the impact, reasons for the same: NIL
(iii)	Auditors' Comments on (i) or (ii) above: Noted.



Plant I : Ayyapareddipalem, Naidupet - 524 126, Nellore Dist., Andhra Pradesh.

Tel : (08623) 248150, 248171 Fax : 08623 - 248172

Plant II : Alangulam Road, Edaikal Village, Ambasamudram Taluk, Tirunelveli Dist. - 627 821. Tamil Nadu.

Ph : 04634-293643 Ph : 04634-251711



Empee Sugars and Chemicals Limited

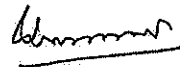
Administrative Office : "Empee Tower" 59, Harris Road, Pudupet, Chennai - 600 002.
Tel : 91-44-28531111 Fax : 91-44-28555163 Web : www.empeegroup.co.in
CIN: L24110AP1988PLC009291

Audit Qualification (Qualification 6):

A. Details of Audit Qualification: Bank Balances amounting to Rs.35.63 lakhs is subject to Confirmation.
B. Type of Audit Qualification: Qualified Opinion /Disclaimer of Opinion /Adverse Opinion
C. Frequency of qualification: Appeared first time / Repetitive for the second time.
D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NIL
E. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification: Bankers confirmations have since been obtained.
(ii) If management is unable to estimate the impact, reasons for the same: Nil
(iii) Auditors' Comments on (i) or (ii) above: Noted.

III. Signatories:

- CEO/Managing Director

: * 

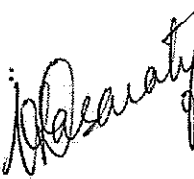
- CFO

:

- Audit Committee Chairman

:

- Statutory Auditor – Dasaraty V
(Venkatesh and Co)

: 

Place: Chennai
Date: 29/05/2017



Plant I : Ayyapareddipalem, Naidupet - 524 126, Nellore Dist., Andhra Pradesh.
Tel : (08623) 248150, 248171 Fax : 08623 - 248172

Plant II : Alangulam Road, Edaikal Village, Ambasamudram Taluk, Tirunelveli Dist. - 627 821, Tamil Nadu.
Ph : 04634-293643 Ph : 04634-251711



Independent Auditor's Report

To
The Members of
M/s.EMPEE SUGARS & CHEMICALS LIMITED.

Report on Financial Statements

We have audited the accompanying Standalone financial statements of M/s. EMPEE SUGARS & CHEMICALS LIMITED("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss for the year ended on that date along with the cash flow statement annexed thereto, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

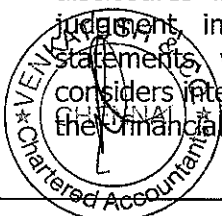
Auditors' Responsibility

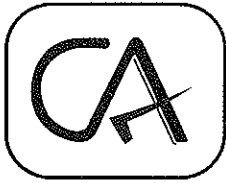
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in





VENKATESH & CO
Chartered Accountants

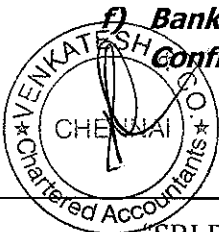
the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

- a) *The accumulated losses of the company have exceeded the net worth of the company. Hence the company has made a reference to BIFR under the sick industrial companies Act and the Company has been registered under BIFR vide case no:69/2014. However, effective from December 2016 BIFR proceedings have been abated. The Company is to make an application under Insolvency and Bankruptcy Code, 2016 before NCLT, Hyderabad. However, the accounts have been prepared on a going concern basis.*
- b) *The company has received amount of Rs. 140.37 crores from 7th July 2008 to 30th September 2012 (refer note no 4) towards share application money from holding company Empee Distilleries Ltd. These shares could not be allotted to the applicant company in view of the non-receipt of approval from the SEBI and stock Exchange. By virtue of the Rules of the Companies Acceptance and Deposit Rules, these are public deposits to be repaid. However the Company is of Opinion that this issue will have to be decided by NCLT, Hyderabad as the proceedings under BIFR have since been abated.*
- c) *Confirmation of Sundry debtors, Trade payables, Advance to suppliers, Cane advances, Harvester Advances and other deposit is subject to confirmation and reconciliation.(refer note no 8, 16, 18 & 38)*
- d) *The Sugar Unit at Ambasamudram has not been functioning for the last 4 years, However no impairment of assets in accordance with AS 28 (Impairment of Assets) at the sugar unit at Ambasamudram has been considered in accounts and the financial impact of the same is not presently ascertainable.*
- e) *Interest has not been provided on loans amounting in all to Rs.486 Crores availed from banks and including Loans assigned by the banks in favor of Edelweiss Asset Reconstruction Company Ltd.*

- f) *Bank Balances amounting to Rs.35.63 lakhs included in Note.17 is subject to Confirmation.*





VENKATESH & CO
Chartered Accountants

Qualified Opinion:-

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Profit and Loss Account, of the **Loss** for the year ended on that date;
- c) in case of cash flow statement, of the cash flows for the year ended on the date;

Report on Other Legal and Regulatory Requirements:-

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in 'Annexure-A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, aforesaid standalone financial statements comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.





VENKATESH & CO
Chartered Accountants

- f) With respect to the adequacy of the Internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- I. The Company does not have any pending litigations which would impact its financial position except the cases listed below ;

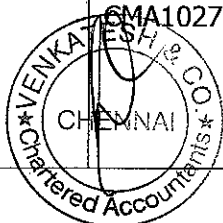
S.No	Case No	Court	Details of the case	Status
1	OP by way of Appeal against Arbitration award by three member arbitral tribunal	Before High Court of Madras	M/s ISGEC raised disputes against M/s ESCL regarding settlement of dues in the supply and erection of boilers/turbines for our Ambai and Naidupet projects about Rs 13 crores with future interest @24% awarded by the tribunal.	Pending for hearing
2	OP No.2580of 2014	High Court of Madras	Petition under Arbitration Act seeking to furnish Security against ESCL for their claim under Arbitration by ISGEC Ltd.	Since BIFR has been abolished, the company is in the process of filing IBC application before NCLT, Hyderabad.
3	Writ Petition no 244944of 2011	Before High Court of Madras	Against payment due of Rs 10,00,00,000/- from TNEB for ESCL Ambai unit (Electricity purchase charges issue)	Pending for final disposal
4	WP No. 211147of 2014	High court of Madras	Against demand of E-Tax for Rs4,56,21,938/-against ESCL, Ambasamudram unit	Notice ordered Pending for final disposal. (date not yet fixed)





VENKATESH & CO
Chartered Accountants

S.No	Case No	Court	Details of the case	Status
5	O.S.18/2007	Before Principal District Court at Pondicherry	Claim of loss and interest of Rs 40,00,288/- towards sale of Molasses by Pondicherry Co-Op Sugar Mills Ltd against ESCL	Written statement filed posted for evidence.
6	S.A.183 of 2015 IANo.766/2015	Before the Debt Recovery Tribunal Vishahapattinam	Against notice issued by Indian bank and Union bank of India under Sec13(4) of SARFASI ACT. Issued for possession of hypothecated property and machineries at Nayudupet against loan obtained	Consequent to Edelweiss taking over the debts of IB, UBI, the SA has become infructuous.
7	Civil suit No.39 of 2006	Before High Court of Madras	For recovery of claim against M/s Oriental insurance Co.Ltd under fire policy towards flood happened by act of God taken place during 2001 a Nayudupettah factory site	Pending Defendants evidence not completed
8	Wp No.23748 of 2014	High Court of AP	Against Demand of Value Added Tax for Rs. 1,19,36,620/- by Sales tax against ESCL	Interim Stay granted Main writ Petition is pending
9	Appeal	Customs and Excise Tribunal-SZ Bench at Chennai	The Order dt. 12-03-2014 by commissioner of Customs, Tuticorin directed to pay differential duty in the purchase of coal amounting to Rs.6,11,51,119/- with penalty of Rs. 8,50,00,000/- and penalty of Rs. 1,00,000/- against individual name of GM of ESCL company.	Stay granted and posted before larger bench.
10	SMA1027 of 2015	Before the High Court of Madras- Madurai Bench	In the above matter vide sl. No:9 against reference made by Tribunal to full bench	Pending Entered appearance





VENKATESH & CO
Chartered Accountants

S.No	Case No	Court	Details of the case	Status
11	Appeal No C/41475/2014-DB	Before Customs,Excise &Service Tax Appellate Tribunal,Chennai	The Commissioner of customs, Tuticorin has filed an appeal against its order granting exemption for customs duty to the tune of Rs.2,89,24,422/- under notification 46/2011 for import of coal from Asian Countries against ESCL	Pending counter to be filed
12	S.A 127 of 2016	Before DRT at Madurai	Against notice issued by consortium of banks under Sec 13(4) of SARFACI Act for possession of hypothecated property and machineries at Ambasamudram unit against loan obtained	Since all the debts of banks except BOI and IOB were assigned to ARC, Edelweiss, the appeal has not been pressed for hearing.
13	OA 502/2016 filed by PNB	Before DRT 2, Chennai filed by PNB	Against due of Rs. 121 crs PNB filed an OA 502/2016 before DRT-2, Chennai. DRT vide its interim orders dated 2-9-2016 and 12-9-2016 took over the possession of the assets situated at Ambasamudram through Advocate Commissioner Mr. Tirumalaisamy. We have filed a CRP ptn. In the High Court on 19-9-2016 for stay and court granted interim stay up to 21-9-2016. Again on 21-9- 2016 the High court passed a detailed order and asked us to pay 25% of the claim of PNB within four weeks otherwise stay on DRT orders automatically vacated. Since we did not pay, the stay was vacated and hence we went to Supreme Court and filed a SLP. The SLP was dismissed with the order of extending another 6 weeks from 26-10-2016 FOR	Since PNB has assigned the debts to ARC, Edelweiss, the DRT case has become infructuous and to be withdrawn.





VENKATESH & CO
Chartered Accountants

S.No	Case No	Court	Details of the case	Status
			Payment of 25% of the PNB's claim amount.	

- II. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- III. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company.
- IV. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (**Refer Note No: 37**)

Place: CHENNAI
Date:29/05/2017

For VENKATESH&CO.,
Chartered Accountants
F.R.No.004636S


CA DASARATYV
M.No.026336
Partner





'Annexure A' to Independent Auditors' Report

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date)

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us during the course of the audit, we report that,

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) As per the information provided to us, the title deeds of immovable properties are held in the name of the Company.
2. In our opinion and according to the information and explanations given to us, the inventories have been physically verified during the year by the management and no material discrepancies were noticed during the physical verification.
3. The company has given interest free loan to Empee Power Company India Limited of Rs. 49.89 crores and EDL Marketing Private Limited of Rs. 5.45 crores without stipulation as to the repayment of principal.
 - a) The terms and conditions of the loan are not prejudicial to the interests of the Company.
 - b) The schedule of repayment of principal has not been stipulated.
4. According to information and explanations given to us, the company has complied with Sections 185 and 186 of the Companies Act 2013.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore the provisions of section 73 to section 76 the Companies Act 2013 and rules framed there under are not applicable.



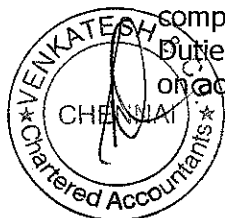


VENKATESH & CO
Chartered Accountants

6. In our opinion and according to the explanations given to us, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. We, are not made available with the cost records with a view to determine whether they are accurate or complete.
7. a) According to the records of the company, there have been delays in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Duty of Excise, Value Added Tax, Cess and other statutory dues to the appropriate authorities. The details of the same as on the last day of the financial year concerned for a period of more than six months from the date they became payable are as follows:

Name of the State Act	Nature of Dues	Amount involved Rs. in Lacs	Period to which the case relates	Status
A.P. Sugar Cane regulation of Sugar Cane Act	Andhra Pradesh Purchase tax payable	522.66	1994 – 2001	Paid Rs. 133.49Lakhs towards said dues
Finance Act, 1994	Service Tax under Reverse Charge Mechanism – GTA	25.85	2014-2015	
Income Tax Act, 1961	Tax Deducted at Source	6.6	2015-2016	
Central Excise Act, 1944	Excise Duty	31.00	2015-2016	
Finance Act, 1994	Service Tax Reverse Under Charge Mechanism	1.99	2016-2017	
Income Tax Act, 1961	Tax Deducted at Source	5.77	2016-2017	
Central Excise Act, 1944	Excise Duty	5.98	2016-2017	

- b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duties of Customs, Duties of Excise, Value Added Tax which have not been deposited on account of any dispute, except the following.

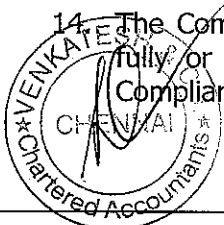




VENKATESH & CO
Chartered Accountants

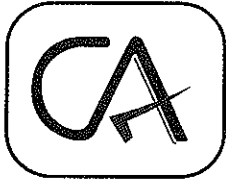
Name of the State Act	Nature of Dues	Amount involved Rs. in Lacs	Period to which the case relates	Dispute is pending before
A.P. Sugar Cane regulation of Sugar Cane Act	Andhra Pradesh Purchase tax payable	729.59	1994 – 2001	Asst Cane Commissioner
AP Value Added Tax Act, 2005	Value Added Tax	119.37	2012	High Court of Ap
Customs Act,1962	Duty of Customs	1462.51	2014	Customs and Excise Tribunal – SZ Bench at Chennai
Customs Act,1962	Duty of Customs	289.24	2014	Customs, Excise & Service Tax Appellate Tribunal, Chennai

8. Based on our audit procedures and according to the information and explanations given to us, the entire borrowings of company over due. The company's application at BIFR has been abated. The company is to make an application under Insolvency and Bankruptcy Code, 2016
9. According to the records of the company, the company has not raised moneys by way of initial public offer or further public offer and has not obtained any term loans during the financial year. Hence, comments under the clause are not called for.
10. According to information and explanations furnished to us, no fraud by or on the company by its officers or employees has been noticed or reported during the year.
11. In view of Default in repayment of Loans, the Managerial remuneration of Rs.57.04 Lakhs provided during the year is in excess of the Limits provided under section 197 read with schedule V of Companies Act 2013.
12. As the Company is not a Nidhi Company, we do not comment on Net Owned Funds to Deposit ratio and unencumbered term deposits as specified in Nidhi Rules 2014.
13. All transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. The Company has not made any Preferential Allotment or Private placement of shares or fully or partly convertible debentures during the year. Hence we do not comment on Compliance of section 42 of Companies Act 2013.



"SRI RANGA", New No.151, Mambalam High Road, T.Nagar, Chennai - 600 017.

Telefax : 2814 4763/64/65/66 Email : venkateshandco@gmail.com



VENKATESH & CO
Chartered Accountants

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Venkatesh & Co.,
Chartered Accountants
F.R.No.004636S**

**CA Dasaraty V
M.No.026336
Partner**



**Place: Chennai
Date: 29/05/2017**



'ANNEXURE B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

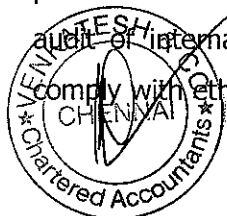
We have audited the internal financial controls over financial reporting of EMPEE SUGARS AND CHEMICALS LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("The Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance





VENKATESH & CO

Chartered Accountants

about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

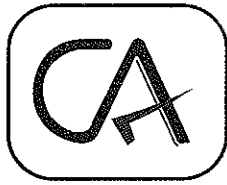
In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Place: Chennai
Date: 29/05/2017

For Venkatesh & Co.,
Chartered Accountants
F.R.No.004636S

CA Dasaraty V
M.No.026336
Partner





VENKATESH & CO
Chartered Accountants

Independent Auditor's Report

To
The Members of
EMPEE SUGARS & CHEMICALS LIMITED

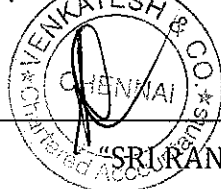
Report on Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of EMPEE SUGARS & CHEMICALS LIMITED ("the Holding Company"), and its subsidiaries (subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements")

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group are responsible for maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free



"SRI RANGA", New No.151, Mambalam High Road, T.Nagar, Chennai - 600 017.

Telefax : 2814 4763/64/65/66 Email : venkateshandco@gmail.com



VENKATESH & CO
Chartered Accountants

from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

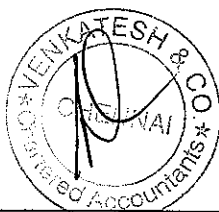
Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



"SRI RANGA", New No.151, Mambalam High Road, T.Nagar, Chennai - 600 017.

Telefax : 2814 4763/64/65/66 Email : venkateshandco@gmail.com



Basis for Qualified Opinion

- a) *The accumulated losses of the company have exceeded the net worth of the company. Hence the company has made a reference to BIFR under the sick industrial companies Act and the Company has been registered under BIFR vide case no:69/2014. However, effective from December 2016 BIFR proceedings have been abated. The Company is to make an application under Insolvency and Bankruptcy Code, 2016 before NCLT, Hyderabad. However, the accounts have been prepared on a going concern basis.*
- b) *The company has received amount of Rs. 140.37 crores from 7th July 2008 to 30th September 2012 (refer note no 4) towards share application money from holding company Empee Distilleries Ltd. These shares could not be allotted to the applicant company in view of the non-receipt of approval from the SEBI and stock Exchange. By virtue of the Rules of the Companies Acceptance and Deposit Rules, these are public deposits to be repaid. However the Company is of Opinion that this issue will have to be decided by NCLT, Hyderabad as the proceedings under BIFR have since been abated.*
- c) *Confirmation of Sundry debtors, Trade payables, Advance to suppliers, Cane advances, Harvester Advances and other deposit is subject to confirmation and reconciliation.(refer note no 8, 16, 18 & 38)*
- d) *The Sugar Unit at Ambasamudram has not been functioning for the last 4 years, However no impairment of assets in accordance with AS 28 (Impairment of Assets) at the sugar unit at Ambasamudram has been considered in accounts and the financial impact of the same is not presently ascertainable.*
- e) *Interest has not been provided on loans amounting in all to Rs.486 Crores availed from banks and including Loans assigned by the banks in favor of Edelweiss Asset Reconstruction Company Ltd.*
- f) *Bank Balances amounting to Rs.35.63 lakhs included in Note.17 is subject to Confirmation.*





VENKATESH & CO
Chartered Accountants

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of the consolidated state of affairs of the Group as at 31st March, 2017,
- b) In case of consolidated profit/ loss statement and
- c) In case consolidated cash flow statement for the year ended on the date.

Other Matters

Consolidation of financial statements consists of M/s. EmpeeSugars and chemicals Limited, M/s.EmpeePower Company (India) Limited and Appollo Wind Energy Private limited.

We did not audit the financial statements of M/s. Empee Power Company (India) Limited whose financial statements reflects total assets of Rs.10,777.89lakhs as at 31st March, 2017, total revenue(net)of Rs.388.26 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements M/s. Empee Power Company (India) Limited have been audited by other auditors for the year ended 31st March 2017 and whose report have been furnished to us by the management and our opinion is based solely on the reports of the other auditors.

We did not audit the financial statements of M/s. Appollo Wind Energy Private Limited whose financial statements reflects total assets of Rs 1 Lakh as at 31st March, 2017, total revenue(net) of Rs. Nil/- for the year ended on that date, as considered in the consolidated financial statements.

These financial statements of M/s. Appollo Wind Energy Private Limited have been audited by other auditors for the year ended 31st March 2017 and whose report have been furnished to us by the management and our opinion is based solely on the reports of the other auditors.



"SRI RANGA", New No.151, Mambalam High Road, T.Nagar, Chennai - 600 017.

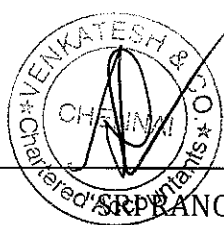
Telefax : 2814 4763/64/65/66 Email : venkateshandco@gmail.com



VENKATESH & CO
Chartered Accountants

Report on Other Legal and Regulatory Requirements:-

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion proper books of account as required by law relating to the preparation of aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books and the report of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the Auditors' Report of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the company and its subsidiary companies incorporated in India.
 - f) On the basis of written representations received from the directors of the Holding Company as on March 31st, 2017, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies are disqualified as



SRIPRANGA", New No.151, Mambalam High Road, T.Nagar, Chennai - 600 017.

Telefax : 2814 4763/64/65/66 Email : venkateshandco@gmail.com



VENKATESH & CO
Chartered Accountants

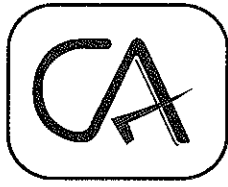
on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

- g) With respect to the matter to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The group does not have any pending litigations which would impact its financial position except the cases listed below:

S.No	Case No	Court	Details of the case	Status
1	OP by way of Appeal against Arbitration award by three member arbitral tribunal	Before High Court of Madras	M/s ISGEC raised disputes against M/s ESCL regarding settlement of dues in the supply and erection of boilers/turbines for our Ambai and Naidupet projects about Rs 13 crores with future interest @24% awarded by the tribunal.	Pending for hearing
2	OP No.2580of 2014	High Court of Madras	Petition under Arbitration Act seeking to furnish Security against ESCL for their claim under Arbitration by ISGEC Ltd.	Since BIFR has been abolished, the company is in the process of filing IBC application before NCLT, Hyderabad.
3	Writ Petition no 244944of 2011	Before High Court of Madras	Against payment due of Rs 10,00,00,000/- from TNEB for ESCL Ambai unit (Electricity purchase charges issue)	Pending for final disposal
4	WP No. 211147of 2014	High court of Madras	Against demand of E-Tax for Rs.4,56,21,938/-against ESCL, Ambasamudram unit	Notice ordered Pending for final disposal. (date not yet fixed)

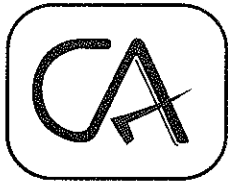




VENKATESH & CO
Chartered Accountants

S.No	Case No	Court	Details of the case	Status
5	O.S.18/2007	Before Principal District Court at Pondicherry	Claim of loss and interest of Rs 40,00,288/-towards sale of Molasses by Pondichery Co-OpSugar Mills Ltd against ESCL	Written statement filed posted for evidence.
6	S.A.183of 2015 IANo.766/ 2015	Before the Debt Recovery Tribunal Vishahapattinam	Against notice issued by Indian bank and Union bank of India under Sec13(4) of SARFASI ACT. Issued for possession of hypothecated property and machineries at Nayudupet against loan obtained	Consequent to Edelweiss taking over the debts of IB, UBI, the SA has become infructuous.
7	Civil suit No.39 of 2006	Before High Court of Madras	For recovery of claim against M/s Oriental insurance Co.Ltd under fire policy towards flood happened by act of God taken place during 2001 a Nayudupettah factory site	Pending Defendants evidence not completed
8	Wp No.23748 of 2014	High Court of AP	Against Demand of Value Added Tax for Rs. 1,19,36,620/- by Sales tax against ESCL	Interim Stay granted Main writ Petition is pending
9	Appeal	Customs and Excise Tribunal-SZ Bench at Chennai	The Order dt. 12-03-2014 by commissioner of Customs, Tuticorin directed to pay differential duty in the purucase of coal amountin to Rs.6,11,51,119/- with penalty of Rs. 8,50,00,000/- and penalty of Rs. 1,00,000/- against individual name of GM of ESCL company.	Stay granted and posted before larger bench.

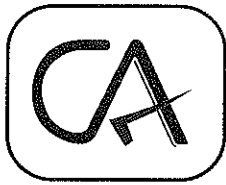




VENKATESH & CO
Chartered Accountants

S.No	Case No	Court	Details of the case	Status
10	CMA1027 of 2015	Before the High Court of Madras-Madurai Bench	In the above matter vide sl. No:9 against reference made by Tribunal to full bench.	Pending Entered appearance
11	Appeal No C/41475/2014-DB	Before Customs, Excise & Service Tax Appellate Tribunal, Chennai	The Commissioner of customs, Tuticorin has filed an appeal against its order granting exemption for customs duty to the tune of Rs.2,89,24,422/- under notification 46/2011 for import of coal from Asian Countries against ESCL	Pending counter to be filed
12	S.A 127 of 2016	Before DRT at Madurai	Against notice issued by consortium of banks under Sec 13(4) of SARFACI Act for possession of hypothecated property and machineries at Ambasamudram unit against loan obtained	Since all the debts of banks except BOI and IOB were assigned to ARC, Edelweiss, the appeal has not been pressed for hearing.
13	OA 502/2016 filed by PNB	Before DRT 2, Chennai filed by PNB	Against due of Rs. 121 crs PNB filed an OA 502/2016 before DRT-2, Chennai. DRT vide its interim orders dated 2-9-2016 and 12-9-2016 took over the possession of the assets situated at Ambasamudram through Advocate Commissioner Mr. Tirumalaisamy. We have filed a CRP ptn. In the High Court on 19-9-2016 for stay and court granted interim stay upto 21-9-2016. Again on 21-9-2016 the High court passed a detailed order and asked us to pay 25% of the claim of PNB within four weeks otherwise stay on DRT orders automatically	Since PNB has assigned the debts to ARC, Edelweiss, the DRT case has become infructuous and to be withdrawn.



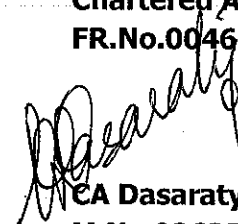


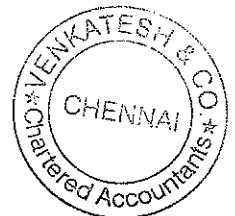
VENKATESH & CO
Chartered Accountants

S.No	Case No	Court	Details of the case	Status
			vacated. Since we did not pay, the stay was vacated and hence we went to Supreme Court and filed a SLP. The SLP was dismissed with the order of extending another 6 weeks from 26-10-2016 FOR Payment of 25% of the PNB's claim amount.	

2. The Group any did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
4. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on the audit procedures adopted in respect of those company's audited by us and relying on the report of the respective auditors of the subsidiaries and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For Venkatesh&Co.,
Chartered Accountants
FR.No.004636S


CA Dasaraty V
M.No.026336
Partner



Place: Chennai
Date: 29/May/2017



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (e) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

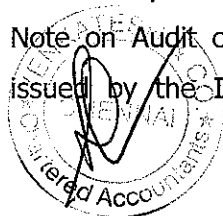
We have audited the internal financial controls over financial reporting of EMPEE SUGARS & CHEMICALS LIMITED ("the Company") and its Subsidiary Companies as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective of the Board of Directors of the Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the company and its subsidiary companies incorporated in India considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("The Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing





VENKATESH & CO
Chartered Accountants

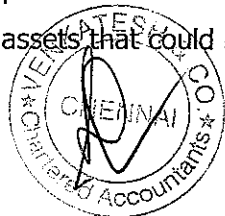
prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

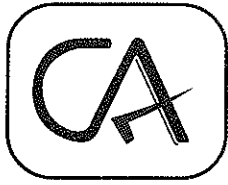
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





VENKATESH & CO
Chartered Accountants

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

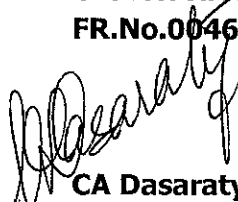
In our opinion to the best of our information and according to the explanations given to us, the Company and its subsidiaries companies incorporated in India, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal controls over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Other Matter:

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over the financial reporting insofar as it relates to 2 subsidiary companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Place: Chennai
Date: 29/May/2017

For Venkatesh & Co.,
Chartered Accountants
FR.No.004636S


CA Dasaraty V
M.No.026336
Partner

