

EMPEE DISTILLERIES LIMITED

MINUTES BOOK

PROCEEDINGS OF THE 32nd ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF M/s. EMPEE DISTILLERIES LIMITED HELD ON WEDNESDAY THE 27TH SEPTEMBER, 2017 FROM 11.30 A.M. TO 01.45 P.M. AT SRI P. OBUL REDDY HALL, VANI MAHAL, T. NAGAR, CHENNAI - 600 017.

No. of Members present in person and by proxy : 459

Directors Present

Mr. M.P.Purushothaman - Chairman
Ms. Nisha Purushothaman - Joint Managing Director
Mr. R. Rangachari - Independent Director & Chairman-Audit Committee
Mr Suresh Raj Madhok - independent Director

By invitation

Mr. Dasarathy - Partner, representing M/s. Venkatesh & Co., Chartered Accountants.

By invitation

Mr.N.Ramanathan, Partner, M/s.S.Dhanapal & Associates, Practising Company Secretaries.

In Attendance

Mr. N Chandrasekharan - Chief Financial Officer
Mr. R. Venkatesh - Company Secretary

1. Chairman:

The Chairman, Mr. M.P. Purushothaman took the Chair.

Having ascertained that the necessary quorum was present and the Register of Directors and Key Managerial Personnel and their shareholding and Register of Proxies were placed on the table for inspection of the Members, the Chairman called the meeting to order and welcomed the shareholders present.

Thereafter, the Chairman introduced the Directors to the Shareholders.

2. Notice of the Meeting:

With the consent of all the members present, the Notice convening the meeting as already circulated was taken as read. Thereafter the Chairman addressed the meeting.

3. Chairman's Address :

On behalf of the Board of Directors and on his personal behalf, Chairman welcomed all members to the 32nd Annual General Meeting of the Company and rendered his speech.

High lights of the Chairman's Speech:

During the year under review, the Company has marketed 34.07 lakh cases of IMFL as compared to 47.76 lakh cases of IMFL in the previous year. The down turn in the performance was due to various factors such as demonetization of high value currencies, desolate cyclone "Vardah" in Dec 2016, closure of 3000 retail shops by the TN Govt and liquor ban on highways as per Supreme Court directives.

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With the robust business plan and the new projects that will be commissioned in next year the management is confident that the company can deliver the value to all the stakeholders. In this direction, the company has made improvement in marketing and sale activities and continuously increasing the sale of IMFL products right from June 2017 onwards. Further the Company has devised plans to cut costs and improve efficiency in all manufacturing activities. These corrective actions would definitely tell upon the performance in coming years.

New Brands:

The introduction of new brands namely Carte Royale brandy, Chevalier de Paris Brandy, Blue –Crystal Vodka commands good response from TN, Karnataka and export markets like Dubai and Singapore. The company is in continuous exercise to prune old brands which are obsolete and introduce new brands in its place.

Performance:

During the year under review, the Company registered a total income of Rs.501.60 crs and incurred a loss of Rs.54.41 crs, after extra-ordinary item ie. loss on sale of investments amounting to Rs.21 crs. But the operating loss stood at Rs.33.79 crs mainly due to loss from Chotkur unit to the extent of Rs.27 crs (approx.) and IMFL unit incurred a net loss of Rs. 7 crs. (approx.) As reported in the last year, the power unit at Aranthangi could not be operated due to government restrictions. Sooner such restrictions are removed, we are sure of re-commencing the power generation at our Aranthangi unit. The Company continues to suffer for working capital requirements especially for Choutkur grain based alcohol. And hence Choutkur plant was non-operational for the most part of the year.

Future Outlook :

We are making strategies to increase production and sales of IMFL products in the coming years. Various measures such as enhancing production capacities, controlling cost, marketing in new markets are being explored. With the corrective mechanism on the cards, the management is hopeful that there is every chance to better performance.

4. Auditors' Report:

After Chairman's address, the Company Secretary read the Report of the Auditors to the Members.

The Chairman informed the members that pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended till date, the Company had extended the e-voting facility to the members of the Company in respect of the businesses to be transacted at the Annual General Meeting. The e-voting commenced at on Sunday the 24th September, 2017 (10:00 a.m.) and ended on Tuesday, the 26th September, 2017 (5:00 p.m.). Mr.N. Ramanathan, Partner, M/s. S.Dhanapal & Associates, Practising Company Secretaries, Chennai was appointed as Scrutinizer by the Board for the purpose of carrying out the e-voting process in a fair and transparent manner.

The Chairman further informed that, in view of giving similar rights to the members present in the Annual General Meeting, the Company has arranged for a poll on all the resolutions to be passed at the meeting. Mr. N. Ramanathan, Partner, M/s. S.Dhanapal & Associates, Practising Company Secretaries, Chennai was appointed as Scrutinizer for

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independently carrying out the Poll. Meanwhile, for administrative convenience, poll papers were distributed by the Scrutinizer appointed for carrying out the poll proceedings. MINUTES BOOK

Before formally ordering Poll, the Chairman invited members (other than those present through proxies) for their queries and observations on the Agenda-items as set out in the Notice of the 32nd Annual General Meeting.

Some members addressed the meeting, gave their suggestions and raised queries on the Company's accounts and businesses, which were replied by the Chairman, Joint Managing Director and Chairman of the Audit Committee.

Thereafter, the Chairman ordered for a poll to be taken at the meeting and requested the members to participate in the Poll who have not casted their vote through remote e-voting portal.

The Chairman informed that the results of voting on each resolution shall be determined by consolidating the votes of the poll in favour / against a resolution with the electronic votes in favour/ against the same resolution.

The Chairman informed the members that the results would be declared and submitted to the Stock Exchanges (BSE and NSE) within 48 hours of the conclusion of the AGM and also placed on the website of the Company.

The Chairman invited the Scrutinizer appointed for the Poll, to take over the poll proceedings and requested him to submit the Scrutinizer Report after the closure of the meeting.

Thanking the members for their participation, suggestions and comments, the Chairman announced the formal closure of the 32nd Annual General Meeting.


5. Conduct of Poll :

Mr. N. Ramanathan, Scrutinizer appointed for the Poll, conducted the poll which included distribution of polling papers, showing empty polling box to the members, locking and sealing of empty polling boxes in the presence of members. After ensuring that all members and proxies participating in the poll had casted their votes, the Scrutinizer closed the poll at around 1.45 p.m.

6. Result of the Electronic Voting and Poll on the Ordinary and Special Businesses at the 32nd Annual General Meeting of the Company held on 27th September 2017 :

On the basis of the Scrutinizers Report for the Electronic Voting (remote e-voting) and Poll taken at the Annual General Meeting the summary of which is mentioned hereunder, the results of the voting were announced on 28th September 2017 at 5.00 p.m. that all the resolutions for the Ordinary and Special Businesses as set out in item no. 1 to 7 in the Notice of the 32nd AGM have been duly passed by requisite majority.

Resolution No. as given in the Notice of AGM	Particulars of Votes cast			Result Declared
	Voting Result			
		Nos. (shares)		
1. Ordinary Resolution for Adoption of the financial statements for the year ended the 31 st March, 2017.	Votes cast in favour	11676173	87.09	Passed with requisite majority
	Votes cast against	704	12.91	



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2. Ordinary Resolution for re-appointment of Mr. M P Purushothaman (DIN: 00088631), who retires by rotation.	Votes cast in favour	11676076	90.32	Passed with requisite majority
	Votes cast against	1701	9.68	
3. Ordinary Resolution for re-appointment of statutory auditors M/s. Venkatesh & Co, Chartered Accountants the Auditors of the Company by ratification and to fix their remuneration.	Votes cast in favour	11676075	90.00	Passed with requisite majority
	Votes cast against	702	10.00	
4. Ordinary Resolution for Ratification of Remuneration payable to Cost Auditor.	Votes cast in favour	11676075	90.00	Passed with requisite majority
	Votes cast against	702	10.00	
5. Ordinary Resolution for Appointment of Mr. Suresh Raj Madhok as an Independent Director.	Votes cast in favour	11676075	87.09	Passed with requisite majority
	Votes cast against	1702	12.91	
6. Special Resolution for ratification of remuneration paid to Ms. Nisha Purushothaman, Joint Managing Director.	Votes cast in favour	11676076	90.32	Passed with requisite majority
	Votes cast against	1701	9.68	
7. Special resolution for approval of Related parties transaction.	Votes cast in favour	11676073	83.87	Passed with requisite majority.
	Votes cast against	1704	16.13	

The Resolutions for the Ordinary and Special Businesses as set out in Item Nos. 1 to 7 in the Notice of the 32nd AGM, duly approved by members as above, are recorded hereunder as part of the proceedings of 32nd AGM of the members held on 27th September, 2017.

ORDINARY BUSINESS:

1. Adoption of the Financial Statements for the year ended the 31st March, 2017:

"RESOLVED THAT the Audited Balance Sheet as at 31st March, 2017 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors of the Company, be and are hereby approved and adopted."

2. Re-appointment of Mr. M.P.Purushothaman (DIN: 00088631), who retires by rotation:

"RESOLVED THAT Mr.M.P. Purushothaman, who retires by rotation and being eligible for re-appointment, be and is hereby appointed as a Director of the Company liable to retire by rotation."



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3. Re-Appointment/Ratification of M/s.Venkatesh & Co., as Statutory Auditors:

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"RESOLVED THAT pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s. Venkatesh & Co, Chartered Accountants, (Firm Registration No. 004636S) be and are hereby re-appointed as Auditors of the Company for the financial year 2017-18 and to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company, by means of ratification of their appointment at such remuneration plus service tax as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS:

4. Ratification of Remuneration paid to Cost Auditor (Ordinary Resolution):

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to Mr. N.Thiagarajan, Cost Accountant (Reg. No. 103955) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial period 2016-17, amounting to Rs.30,000/- (Rupees Thirty thousand only) as also the payment of service tax as applicable and re-imbusement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

5. Appointment of Mr.Suresh Raj Madhok as an Independent Director (Ordinary Resolution):

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr.Suresh Raj Madhok, (DIN 00220582) a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria to be an Independent Director as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, signifying his intention to propose Mr.Shankar Menon as a candidate for the office of director along with the deposit of one lakh rupees which shall be refunded if he gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a period of 5 years with effect from 26.12.2016.

6. Ratification of Remuneration paid to Ms.Nisha Purushothaman, Joint Managing Director (Special Resolution):

"RESOLVED THAT pursuant to the provisions of Section,197 and other applicable provisions if any, of the Companies Act, 2013 (Act) and the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule V of the Act and Article 94 of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to ratify

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the remuneration of Rs. 85.04 lacs (remuneration comprising of Fixed Compensation , PF and other perquisites as approved by the shareholders in the AGM held on September 26, 2016) paid to Ms. Nisha Purushothaman from 01.04.2016 to 31.12.2017.

7. Approval for Related Parties Transaction (Special Resolution):

"RESOLVED THAT pursuant to the provisions of Section 188 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, and all other applicable provisions if any of the Companies Act, 2013, consent of the members of the Company, be and is hereby accorded to enter into transactions for the financial year 2017-18 as per details given below.

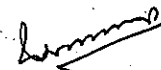
Particulars	Amount (Rs. in lakhs)
Business & Auxilliary Services – M/s. Empee Holdings Ltd	159.69
Rent payable for Head Office – M/s. Aruna Constructions	60.93

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, as may be necessary in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, agreements, applications and documents that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be involved in the proposed transaction from time to time within the overall limits stated above and the terms and conditions related thereto and all other matters arising out of or incidental to the proposed transaction."

Vote of Thanks:

There being no other business to transact, the meeting ended with a vote of thanks to the Chair.



**M.P.PURUSHOTHAMAN
CHAIRMAN**

Place: Chennai
Date : 23.10.2017



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