



Board of Directors

Mr. M. P. Purushothaman
Ms. Nisha Purushothaman
Mr. Shaji Purushothaman
Mr. T. S. Raghavan
Mr. M. K. Mohan
Mr. M. P. Mehrotra

Chairman
Vice Chairperson & Jt.Managing Director

Auditors

M/s.D.SAMPATHKUMAR & CO.,
Chartered Accountants
New No.5, Old No.3,
South Boag Road,
T.Nagar
Chennai – 600 017.

Bankers

Andhra Bank
Union Bank of India

Factories

IMFL:

1. Tamilnadu Unit :

Mevalookuppam Village, Sriperumpudur Taluk,
Kancheepuram District, Tamil Nadu.

2. Kerala Unit :

NIDA, Menonpara Road, Kanjikode Post
Palakkad District, Kerala.

3. Karnataka Unit :

Arabikothanur Village,
Kolar District, Karnataka.

4. Power Plant :

Kottadivayal Village, Aranthangi Taluk,
Pudukottai District, Tamil Nadu.

5. Grain Based Alcohol Plant:

Choutkur Village, Pulkal Mandal,
Medak District, Andhra Pradesh.

Registered Office

Empee Tower,
No. 59, Harris Road,
Pudupet
Chennai – 600 002.



INDEX	Page Nos.
Notice of Annual General Meeting	3
Directors' Report	6
Auditors' Report	21
Balance Sheet	26
Statement of Profit & Loss	28
Notes to the Accounts	31
Auditors' Report on Consolidated Accounts	49
Consolidated Balance Sheet	51
Consolidated Statement of Profit & Loss	53
Notes to the Consolidated Accounts	56

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses in respect of their holdings in demat form through their concerned Depository Participants. Members who hold shares in physical form are requested to fill in and forward the e-mail address Registration Form given in this Annual Report to M/s.Cameo Corporate Services Ltd, No.1, Subramaniam Building, Club House Road, Chennai – 600 002.

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the 29th Annual General Meeting of Empee Distilleries Limited will be held on Monday, the 30th December 2013 at 11.30 a.m. at Conference Hall II, IMAGE Auditorium, MRC Nagar, Raja Annamalaipuram, Chennai - 600 028, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit & Loss for the year ended 30th September, 2013, the Balance Sheet as on that date, the report of the Board of Directors and the report of the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr.M.P.Purushothaman who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr.M.K.Mohan who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and to fix their remuneration.

**By Order of the Board
For Empee Distilleries Limited**

**Place : Chennai
Date : 11.11.2013**

**M.P.Purushothaman
Chairman**

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll on his behalf and the proxy need not be a member. The proxy form duly completed and stamped must reach the registered office of the company not less than 48 hours before commencement of the Meeting.
2. The Register of members and share transfer books of the company will be closed from 23rd December 2013 to 30th December 2013 (Both days inclusive).
3. Members/proxies should bring the attendance slip duly filed along with copy of Annual report for attending the meeting.
4. Members are requested to intimate changes if any, in their address to the Registrars and Share Transfer Agents of the Company at M/s. Cameo Corporate Services Limited, "Subramanian Building", V Floor, 1, Club House Road, Chennai - 600 002.
5. The Company's equity shares are listed on the Bombay Stock Exchange Ltd and National Stock Exchange of India Limited.
6. The information/details pertaining to Mr.M.P.Purushothaman and Mr.M.K.Mohan are provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as annexure.



1. INFORMATION AS PER SCHEDULE XIII OF THE COMPANIES ACT, 1956

I. GENERAL INFORMATION:

1. Nature of Industry:
The Company is engaged in the business of manufacture of Indian Made Foreign Liquor and Power.
2. Date or expected date of commencement of Commercial production:
Not applicable as the Company is an existing Company.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
Not applicable as the Company is an existing Company.
4. Financial Performance based on given indicators.

(₹. in Lacs)

Particulars	Year ended 31-3-2011 (12 months)	Period ended 30-9-2012 (18 months)	Year ended 30-9-2013 (12 months)
Sales / Income	87848.52	100681.25	58382.34
PBID	4319.78	7623.43	3901.68
Net Profit	2120.23	2280.11	1108.64

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

II. OTHER INFORMATION:

Sl. No.	DESCRIPTION	PARTICULARS
1.	Reason of loss or inadequate profits.	None. The Company is making adequate profit.
2.	Steps taken or proposed to be taken for improvement	As applicable
3.	Expected increase in productivity and profits in measurable terms	Not ascertainable.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING:

The brief resume of the Directors seeking reappointment is given below:

Mr.M.P.Purushothaman (77)

He is presently the Chairman of our Company. He has been a Promoter-Director of the Company since inception. He has 35 years of experience with over 25 years of business in the liquor industry. He has promoted over 20 companies in the Empee Group which pertain to various industry areas such as sugars, hotels, education, property development, transport and power including alternative sources and generation of power. He is the



Honorary President of South India Hotels and Restaurants Association and Executive Committee Member of the Federation of Hotel and Restaurants Associations of India.

He holds the following Directorship and Membership in Committees of other Companies as follows:

Directorship in other Companies	Membership in Committee
1. EMPEE SUGARS AND CHEMICALS LTD	Nil
2. EMPEE INT'L HOTELS AND RESORTS LTD	Audit Committee
3. EMPEE LEASING & FINANCE LTD	Nil
4. SOUTH (INDIA) HOTELS PVT LTD	Nil
5. ARUNA EXPORTS PVT LTD	Nil
6. EMPEE HOLDINGS LTD	Audit Committee
7. APPOLLO ALCHOBEV LTD	Nil
8. ARUNA CONSTRUCTIONS (INDIA) LTD	Nil
9. EMPEE HOTELS LTD	Audit Committee
10. UNIVERSAL SPIRITS LTD	Nil
11. EMPEE CONSTRUCTION CO. LTD	Nil
12. EMPEE POWER & INFRASTRUCTURE PVT LTD	Nil
13. EDL PROPERTIES LTD	Nil
14. EMPEE HOSPITALITY PVT LTD	Nil
15. EMPEE POWER COMPANY (I) LTD	Audit Committee
16. APPOLLO DISTILLERIES & BREWERIES PVT LTD	Nil
17. EDL MARKETING PVT LTD	Nil

He is holding 21,37,788 equity shares in the Company.

Mr.M.K.Mohan (58)

He has joined our Company as an Independent Director. He has been engaged for over 30 years in the field of finance, transportation services, construction and import and export and the manufacture of bricks. He is a Trustee of the Vishakapattanam Port Trust, a former financial trustee of Pachaiappa Trust, Member of Council (Anna Nagar), Corporation of Chennai, former Member of the Water Board, Chennai, former Executive Member of the Tirupathi Tirumala Devasthanam, Chennai and active member of Tamil Nadu Brick Manufacturers Association.

He holds the following Directorship and Membership in Committees of other Companies as follows:

Directorship in other Companies	Membership in Committee
1. Five Star Business Credits Ltd	Nil
2. Kurunji Chit Funds Pvt Ltd	Nil
3. Emkay Holiday Inn Pvt Ltd	Nil
4. Empee Sugars and Chemicals Ltd	Share Transfer Committee

He is not holding any shares in the Company.

**By order of the Board
For Empee Distilleries Limited**

**Place : Chennai
Date : 11.11.2013**

**M.P.Purushothaman
Chairman**



DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting their Report together with the audited Accounts for the year ended 30th September 2013.

Financial Results

(₹. in lacs)

Particulars	2012-13 (For the year ended 30.09.2013) (12 months)	2011-12 (For the period ended 30.09.2012) (18 months)
Total Income	58382.34	100681.25
Operating Profit before Interest and Depreciation	3901.68	7623.43
Less Interest	2360.00	2658.72
Depreciation	968.01	1025.21
Profit before Tax	573.67	3939.50
Provision for Taxation	119.81	1793.65
Provision for Deferred Tax	69.79	-134.26
Earlier Tax provision reversed	-724.57	0.00
Profit /(Loss) After Tax	1108.64	2280.11
Profit brought forward	6361.97	4302.79
Transfer of profit to General Reserve	-	-
Proposed Dividend	190.09	190.09
Dividend tax on proposed dividend	30.84	30.84
Profit carried forward	7249.69	6361.97

DIVIDEND

The Board of Directors have recommended a dividend of ₹.1/-per share for the year ended 30.09.2013.

FINANCIAL PERFORMANCE

Your Company achieved a total income of ₹.583.82 crores and net profit after tax of ₹.11.08 crores during the financial year 2012-13 as against the total income of ₹.1006.81 crores and net profit after tax of ₹.22.80 crores during the previous financial period 2011-12 (18 months). The revenue from the Power Division was ₹.34.71 crores with a net profit of ₹.0.44 crores during the financial year as against the revenue of ₹.52.12 crores and net profit of ₹.0.27 crores during the previous financial period ended 30th September, 2012 (18 Months). The performance in power division has improved due to higher realization from third party sales. During the current year the new 60 KLPD unit at Chotkur, Andhra Pradesh earned a revenue of ₹.4.20 crores with a net loss of ₹.5.37 crore.

REVIEW OF OPERATIONS

The two factories at Mevalooruppam and Palakkad produced 4653443 cases for the year ended 30th September 2013 as against the production of 8332516 cases for the period ended 30th September 2012(18 months). The sales was 4677190 cases for the year ended 30th September 2013 as against 8354524 cases for the period ended 30th September 2012 (18months).

During the year under review your Company has been able to maintain its market share. However the off take of profitable brands by Tasmac were lower which has affected the profitability. The activities on the real estate business of the company are put on hold temporarily due to prevailing unfavorable market conditions.

**FUTURE OUTLOOK**

The 60 KLPD grain based Distillery at Sanga Reddy, Medak District, Andhra Pradesh was commissioned in March 2013 and reached full production capacity in July, 2013. The company also expects to earn sizable revenues from the new brands to be introduced in the coming year. The Company has entered into manufacturing agreement for manufacture of Indian made foreign liquor which will be initially for a period of three years with United Spirits limited for production at its unit in Kolar District in Karnataka which will improve the top line and bottom line growth of the Company.

DIRECTORS

The term of appointment of Mr. Shaji Purushothaman, Managing Director expired on 9th March 2013. Mr. Shaji Purushothaman has expressed his inability to continue as the Managing Director. The Board places on record its appreciation of the services rendered by Mr. Shaji Purushothaman during his tenure as Managing Director. He however continues as a non executive Director.

Mr M.P.Purushothaman and Mr M.K.Mohan, Directors retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

SUBSIDIARIES

The consolidated accounts of the company includes the Un-audited accounts of subsidiaries M/s.Empee Sugars and Chemicals Limited, Empee Power Company (India) Ltd, EDL Properties Ltd, M/s.Appollo Distilleries Pvt Ltd and Appollo Wind Energy Private Limited. The accounts of the subsidiaries can be made available to the members upon request.

AUDITORS

M/s.D.Samathkumar & Co., Chartered Accountants, the Auditors of the company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The company has received a certificate from them to the effect that their re-appointment if made would be in accordance with Section 224(1B) of the Companies Act, 1956.

FIXED DEPOSITS

The Company has not accepted public deposits.

COMPANY SECRETARY

The Company is taking steps to appoint Company Secretary.

REPORT OF EMPLOYEES UNDER SECTION 217(2A)

There are no employees falling within the provision of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

Information regarding conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Directors) Rules 1988 is given as annexure 1 to this Report.

STATUS ON AMALGAMATION

The Scheme of Amalgamation of your company with Empee Sugars and Chemicals Ltd., has been approved by the Honorable High Court of Madras subject to the similar approval being received from the Honorable High Court of Andhra Pradesh.

**CORPORATE GOVERNANCE REPORT**

A Report in line with the requirement of clause 49 of the Listing Agreement on the Corporate Governance practices followed by the Company and the Certificate from the Statutory Auditors on Compliance of mandatory requirements along with Management Discussion and Analysis, are given as Annexure 2 to this report.

INDUSTRIAL RELATIONS

The Industrial relations continued to remain congenial during the year.

QUALIFICATIONS IN AUDITORS REPORT:

The Explanations to the qualifications made by the Auditors respectively are as under:

- a) The investment of ₹.140.36 Crores in Company's subsidiary Empee Sugars and Chemicals Limited (ESCL) was incurred for the implementation of Integrated Sugar Complex at Ambasamudram. The Composite Scheme of Arrangement for amalgamation with ESCL is in progress. The said Scheme has already been approved by the High Court of Madras subject to similar approval being obtained from the Honorable High Court of Andhra Pradesh. This investment will be squared off in the post amalgamated Balance Sheet of the Company.
- b) The qualification is self explanatory.
- c) Tax provision has been made under section 115JB of the Income Tax Act, 1961.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' responsibility.

We confirm

1. That in the preparation of the accounts for the year ended 30th September 2013, the applicable accounting standards have been followed.
2. That such Accounting Policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 30th September 2013 and of the profit of the Company for the year ended on that date.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts for the year ended 30th September, 2013 have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to express their gratitude for the continuous assistance and support extended by the Banks, Financial Institutions, Customers and Government authorities and also to the shareholders for their forbearance and their confidence in the management. Further, your Directors also place on record their deep sense of appreciation for the contributions made by employees at all levels to the growth and success of the company.

For and on behalf of the Board of Directors

Place: Chennai
Date: 11.11.2013

M.P.Purushothaman
Chairman



ANNEXURE - 1 TO THE DIRECTORS REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988 and forming part of the Directors report for the year ended 30th September 2013.

A. Conservation of Energy:

The company constantly adopts energy efficient practices in its operations and implement energy saving measures wherever possible.

- AVRs, Turbo vents installed to reduce energy consumption.
- Conventional lamps have been replaced with CFL lamps maximum possible.
- Capacitors have been installed in motors to reduce power consumption.

B. Technology absorption:

1 Specific areas in which R&D carried out by the company.	Nil
2. Benefits derived as a result of the above R&D	Nil
3. Future plan of action	Nil
4. Expenditure on R&D	
a. Capital	: Nil
b. Recurring	: Nil
c. Total	: Nil
d. Total R & D expenditure as a percentage of total turnover	: Nil

Technology absorption, adaptation and innovation

1. Efforts, in brief made towards technology absorption, adaptation and innovation. Nil
2. Benefits derived as a result of the above efforts, e.g product improvement, cost reduction, product development, import substitution. Nil

(C) Foreign Exchange earnings	Nil
Foreign Exchange outgo	Nil



ANNEXURE – 2 TO DIRECTORS REPORT

Report on Corporate Governance in terms of Clause 49 of the Listing Agreement

1. Company's Philosophy on Corporate Governance

The company firmly believes that good corporate governance is the foundation of corporate excellence. A sound governance process consists of a combination of business practices which result in enhancement of shareholder value and enable the company to fulfill its obligations to customers, employees, financiers and to the society in general. The company aims to increase and sustain its corporate value through growth and innovation. Your Company has been observing the key principles of the code and is committed to take adequate measures towards achieving full compliance of the Corporate Governance code. The areas where the Company is observing the recommendation of SEBI code are given below:

2. Board of Directors

Board of Directors of the company consists of two executive Director and four non-executive directors. Three non-executive directors are independent and they have no pecuniary relationship with the Company in their capacity as Director. During the year 2012-13, the Board met five times and the maximum gap between two meetings was three months. The above composition of the Board meets the recommendation of SEBI code of corporate governance.

Details of Board Meetings attended by Directors during 01/10/2012 to 30/09/2013:

Name	No. of Board meetings attended	Whether attended last AGM	Number of other Boards in which Directorship held	Number of other Board Committees in which membership held
Mr.M.P.Purushothaman	5	Yes	17	5
Mr.Shaji Purushothaman	2	-	14	2
Ms.Nisha Purushothaman	5	Yes	8	6
Mr.T.S.Raghavan	5	Yes	11	3
Mr.M.K.Mohan	3	-	4	2
Mr.M.P.Mehrotra	5	-	15	6

During the period, Board Meetings were held on 3.12.2012, 7.2.2013, 13.2.2013, 11.5.2013 and 9.8.2013.

3. Audit Committee:

The Audit Committee of the Company comprises of the following Directors as members of the Committee.

Mr.T.S.Raghavan	Independent Non-Executive (Chairman)
Mr.M.P.Mehrotra	Independent Non-Executive (Member)
Ms.Nisha Purushothaman	Promoter - Executive (Member)

The terms of reference of the audit committee cover the matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred to by the Board of Directors.



Meeting and the attendance during the year were as follows :

Sl. No.	Name of Member	No. of meetings Held	No. of meetings attended
1	Mr.T.S.Raghavan	5	5
2	Ms.Nisha Purushothaman	5	5
3	Mr.M.P.Mehtrotra	5	5

4. Remuneration Committee:

The Remuneration committee, comprising of Mr.M.K.Mohan, Mr.T.S.Ragavan and Ms.Nisha Purushothaman, has been constituted under the Chairmanship of Mr.M.K.Mohan to determine the quantum and components of the remuneration to be paid to the Wholtime Directors. A meeting was held on 11.5.2013 during the period under review. All the three members of the Committee have attended the same.

Details of the remuneration of Executive Directors and Non-Executive Directors for the year ended 30th September 2013 are as follows:

Executive Directors/ Whole Time Directors

Name	Designation	(₹. in lakhs)
Mr. Shaji Purushothaman	Managing Director (Upto 09.03.2013)	23.70
Ms. Nisha Purushothaman	Joint Managing Director	84.17

Non-Executive Directors

Name of the Director	Sitting Fee (₹.)
1. Mr.M.P.Purushothaman	1,00,000
2. Mr.Shaji Purushothaman	20,000
3. Mr.M.K.Mohan	85,000
4. Mr.T.S.Raghavan	1,55,000
5. Mr.M.P.Mehrotra	1,50,000

5. Share Transfer Cum Shareholders' / Investors' Grievance Committee:

The Share transfer cum shareholders'/Investors' Grievance and Share Transfer Committee consists of the following:

- | | |
|-----------------------------|---------------------------|
| i) Mr. M.K.Mohan | Chairman of the Committee |
| ii) Mr.T.S.Raghavan | Member |
| iii) Ms.Nisha Purushothaman | Member |

The Committee, inter alia, approves share transfers, transmissions and also requests for issue of duplicate certificates, split/consolidation of shares etc and oversees all matters connected with securities transfers and other processes and meetings are held frequently. The Committee also looks into redressal of shareholders' complaints related to share transfers, non receipt of balance sheets, non-receipt of dividend etc. The committee oversees the performance of the R&TA and recommends overall improvement of the quality of investor services. During the year 2012-13, eight complaints were received and were redressed to the satisfaction of the complaining investors. No investor complaint was pending as on 30.9.2013.



6. General Body Meetings:

The last three Annual General Meetings were held as under:

Year	Location	Date	Time	Whether special resolutions passed
2011-12	Hall II, IMAGE Auditorium, R.A.Puram, Chennai – 600 028.	28/12/2012	3.00 P.M.	—
2010-11	Hall II, IMAGE Auditorium, R.A.Puram, Chennai – 600 028.	29/09/2011	3.00 P.M.	—
2009-10	Vani Mahal, G.N.Chetty Road, T.Nagar, Chennai – 600 017.	29/09/2010	3.00 P.M.	—

Details of directors who have attended the last three general meetings held by the Company:

Sl . No.	Name	Designation	Held on 28-12-2012	Held on 29-09-2011	Held on 29-09-2010
1	Mr.M.P.Purushothaman	Chairman	Attended	Attended	Attended
2	Ms.Nisha Purushothaman	JMD	Attended	Attended	Attended
3	Mr.Shaji Purushothaman	Director	-	-	-
4	Mr.M.K.Mohan	Director	-	Attended	-
5	Mr.M.P.Mehrotra	Director	-	-	-
6	Mr.T.S.Raghavan	Director	Attended	Attended	Attended

7. Postal Ballot / Extra Ordinary General Meeting :

No resolution were put through Postal Ballot or Extra Ordinary General Meeting during the year under review.

8. Composite Scheme of Arrangement :

The Board approved the Composite Scheme of arrangement under Section 391 and 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 (the Scheme) with effect from 1st April 2011. In terms of the Scheme, the Company is to be merged with Empee Sugars and Chemicals Ltd. The said Scheme has been approved by the Shareholders in their meeting held on 10.8.2012 with requisite majority. The said Scheme has been approved by the honorable High Court of Madras on 24-10-2013 which is subject to the similar approval from the honorable High Court of Andhra Pradesh..

9. Code of Conduct

In consonance with the requirements of the amended Clause 49 of the listing agreement, Board of Directors has laid down a code of conduct for the Board members and senior management of the Company. The said code of conduct has also been posted on the Website of the company, www.empeegroup.co.in. The directors and senior management are committed to strict adherence of the code and to conduct the business in an ethical and transparent manner.

10. Risk Management

The company has laid down procedures to inform board members about the risk assessment and minimization procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation process being taken up.

**11. Prevention of Insider Trading**

The company has framed a code of conduct for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all directors/officers/designated employees. The code ensures the prevention of dealing in company's shares by persons having access to unpublished price sensitive information.

12. Disclosures:

- i. There were no materially significant related party transactions that may have potential conflict with the interests of company at large.
- ii. There are no non-compliance by the Company on any matter related to capital markets, during the last three years. There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- iii. The Company does not have a Whistle Blower policy. However no personnel has been denied access to the audit committee.
- iv. The Company has complied with all the mandatory requirements of this clause. With regard to adoption of non mandatory requirements, the non-Executive Chairman has been provided with a Chairman's office at the Company's expense and a remuneration committee has been formed to determine the remuneration of executive directors.
- v. Investor complaints of non-receipt of dividends, non-receipt of annual report etc., forwarded by SEBI are periodically resolved and updated into SCORES (SEBI Complaints Redress System) website and no complaints is pending during the year under review.

13. Subsidiary Companies :

The minutes of the board meetings of the subsidiary companies namely M/s.Empee Sugars and Chemicals Ltd, M/s.Empee Power Company (India) Ltd., M/s.Appollo Wind Energy Pvt Ltd., M/s.EDL Properties Ltd and M/s.Appollo Distilleries Pvt Ltd is placed before the Board of Directors of the Company for their review.

14. Compliance with Corporate Governance Norms

The Company has complied with the mandatory requirements of the code of corporate governance as stipulated in clause 49 and 54 of the listing agreement with the stock exchanges. The certificate from statutory auditors is annexed to the Directors' Report.

15. Means of communication:

The Company is publishing quarterly unaudited / annual audited financial results in the Business Standard and Makkal Kural (vernacular language). The Company has posted the quarterly/ annual results in the Company's website www.empeegroup.co.in. No presentations were made to institutional investors or to the analysts during the period.

**16. General Shareholder Information:**

i. AGM Date, time and venue	30 th December 2013, 11.30 a.m. Conference Hall II, Image Auditorium MRC Nagar, Raja Annamalaipauram Chennai – 600 028.
ii. For the year ended 2013-14 First quarter result Second quarter result Third quarter results Fourth quarter results	Before 14 th November, 2013 Before 14 th February, 2014 Before 14 th May, 2014 Before 14 th August, 2014
iii. Date of Book closure	23 rd December 2013 to 30 th December 2013
iv. Dividend Payment Date	Within 30 days from the date of declaration. (AGM date)
v. Listing on Stock Exchanges	National Stock Exchange of India Limited Bombay Stock Exchange Limited
vi. Stock Code National Stock Exchange of India Limited Bombay Stock Exchange Limited	: EDL : 532920

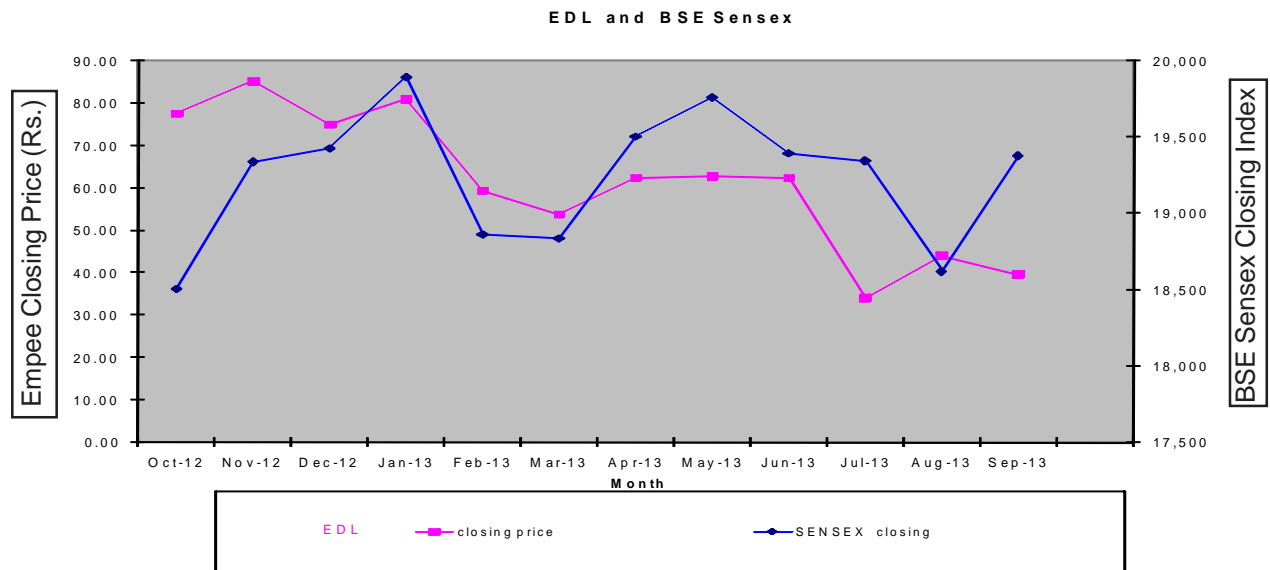
Stock Market Data

Bombay Stock Exchange Ltd (BSE) & National Stock Exchange of India Ltd (NSE);
(Face value of ₹.10/-each)

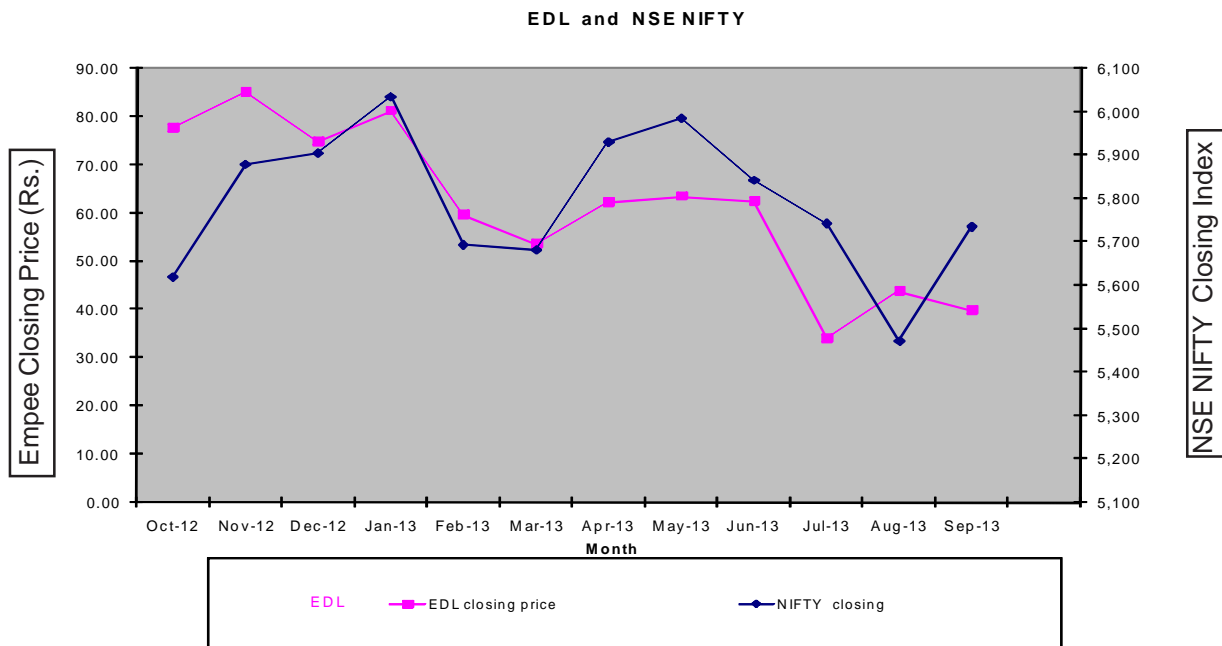
Months	NSE			BSE		
	High Price (₹.)	Low Price (₹.)	Closing Price (₹.)	High Price (₹.)	Low Price (₹.)	Closing Price (₹.)
Oct-12	90.90	68.00	77.60	90.70	69.25	77.60
Nov-12	97.15	71.10	85.10	96.25	71.55	85.20
Dec-12	89.50	69.50	74.80	89.00	69.55	74.95
Jan-13	87.40	74.75	81.25	94.00	67.10	81.00
Feb-13	89.00	55.55	59.70	83.15	65.05	59.30
Mar-13	62.90	44.55	53.65	64.00	44.00	53.70
Apr-13	63.50	52.50	62.25	63.90	48.05	62.35
May-13	76.65	60.55	63.50	76.95	61.85	62.75
Jun-13	65.00	60.45	62.40	64.90	60.05	62.35
Jul-13	62.85	33.70	34.00	62.70	33.05	33.92
Aug-13	43.80	29.00	43.80	43.92	31.00	43.95
Sep-13	48.20	39.30	39.80	48.30	39.50	39.60



viii. Stock Price performance in comparison to BSE Sensex :



Stock Price performance in comparison to NSE Nifty :



ix. Registrars and Share Transfer Agents

M/s.Cameo Corporate Services Limited
No.1, Subramaniam Building,
Club House Road, Chennai – 600 002

x. Share Transfer system

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects, by the Committee which meets every week.

xi. Distribution of shareholding as on 30th September 2013

No. of equity shares held	No. of folios	No. of shares held	% of share-holding
1 to 100	26804	1023356	5.3835
101 to 500	4292	1079408	5.6784
501 to 1000	754	588238	3.0945
1001 to 2000	369	538180	2.8312
2001 to 3000	95	249272	1.3113
3001 to 4000	59	208821	1.0985
4001 to 5000	39	1822763	0.9614
5001 to 10000	62	454997	2.3936
10001 and above	59	14683858	77.2473
Total	32533	19008893	100.0000

xii. Shareholding pattern as on 30th September 2013

No. of equity shares held	No. of folios	No. of shares held	% of share-holding
Promoters	2	8409117	44.2375
Directors and their relatives	6	4816054	25.3360
FIs/ Banks	1	13623	0.0716
Private Corporate Bodies	398	956488	5.0317
Indian Public	31843	4650444	25.3198
NRIs and OCBs	283	163167	0.0034
Total	32533	19008893	100.0000

xiii. Dematerialisation of shareholding and liquidity

98.73% of total equity share capital is held in dematerialized form with NSDL and CDSL.

xiv. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity

Nil

xv. Plant locations

- 1. Tamilnadu Unit :**
Mevalooruppam, Sriperumpudur,
Kancheepuram, Tamil Nadu.
- 2. Kerala Unit :**
Kanjikode, Palakad District,
Kerala.
- 3. Karnataka Unit :**
Arabikothanur Village,
Kolar District, Karnataka.
- 4. Power Plant:**
Aranthangi Taluk, Pudukkottai District,
Tamilnadu.
- 5. Grain Based Alcohol Plant:**
Choutkur Village, Pulkal Mandal,
Medak District Andhra Pradesh.



xvi. Address for correspondence

'Empee Tower', No.59, Harris Road
Pudupet, Chennai – 600 002
E-mail ID: cs@empeegroup.co.in

xvii The following are the details of dividends declared by the Company and the respective due dates for transfer of unclaimed / unpaid dividend to the Investor Education and Protection Fund (IEPF).

Date of declaration of dividend	Dividend for the financial year	Due date of credit to the Central Government	Due date of transfer to the Central Government
29-04-2008	2007-08 (Interim)	28-04-2015	28-05-2015
08-12-2008	2007-08 (Final)	07-12-2015	07-01-2016
29-09-2009	2008-09	28-09-2016	28-10-2016
29-09-2010	2009-10	28-09-2017	28-10-2017
29-09-2011	2010-11	03-10-2018	03-11-2018
28-12-2012	2011-12	03-01-2019	03-02-2019

It may be noted that no claim of the shareholders will be entertained for the unclaimed / unpaid dividends after their credit to the Investors Education & Protection Fund.

In view of the above, the shareholders are advised to send their unencashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for credit to the IEPF.

Chief Executive Officer and Chief Financial Officer Certificate:

The Joint Managing Director has submitted to the Board of Directors the certification as per clause 49(V) of the Listing Agreement, pertaining to CEO/CFO Certification for the financial year ended 30th September 2013.

Declaration under Clause 49 of the Listing Agreement

I, confirm that the Company has, in respect of the year ended 30th September 2013, received from the members of the Board and Senior Management Personnel of the Company, a declaration of compliance with the code of conduct as applicable to them.

Place : Chennai
Date : 11.11.2013

M.P.Purushothaman
Chairman



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH
CORPORATE GOVERNANCE**

To the Members of Empee Distilleries Ltd

We have reviewed the compliance of conditions of Corporate Governance by Empee Distilleries Ltd, for the year ended 30th September 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the compliance of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

No investor grievances are pending against the Company as per the records maintained by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Chennai
Date : 11.11.2013**

**For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No :003556S)**

**M Thiyagarajah
(Partner)
M.No: 018460**



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

i. Industry structure and Over view.

The total size of liquor market in India is estimated at USD 35 billion (Rs. 227500 crores) . Around 80% market is contributed by IMFL and Beer. India is the third largest liquor market in the world. However, per capita consumption in India is 0.8 liters as against global consumption of 4.6 liters.

Low penetration, favorable demographics and increasing disposable income are expected to drive growth. Rising income & education levels is driving the shift in consumption from country liquor (which poses health risks) to the branded products (IMFL & Beer). These segments are contributing maximum in growth.

The IMFL industry in India is subject to strict licensing and regulations by the concerned State Governments. Despite relatively high growth in the white spirits (vodka, gin & white rum), India continues to be 'brown spirits' territory with Whisky, Brandy & Rum hogging over 95% of the spirits market. For many years now, the Indian spirits market has been growing in double digits. During fiscal 2012-13, however, this dropped to a low 3.4%. In our opinion, this was due to the continuous enhancement in duties and taxes by State Governments which impact the consumption of discretionary goods like alcoholic beverages.

ii. Opportunities and Threats.

The company has planned to introduce new premium brands in Tamilnadu. These brands are slated to be launched by January', 2014. In Kerala seven new Brands have been planned to be launched in the coming year. Of these seven brands five are in the premium segment and two are in the medium segment. With the introduction of these new brands in Kerala we estimate that our monthly volume will be in excess of one lakh cases per month. The Company is also planning to utilize the Karnataka and Andhra facility for exports in South East Asian markets especially Singapore where there is significant presence of Tamil population. The Company is also planning to supply to the Canteen Sales Department (CSD-for supplies to defence related employees) from its Karnataka facility. The plant is already approved by CSD.

There is also an opportunity to obtain new licenses for bottling in Andhra Pradesh after separate state of Telangana is formalized. Also in the existing manufacturing locations, the licensed capacity is higher than the current installed capacity.

Due to increase in the cost of all the inputs like bottles, caps, labels, transport charges etc, there is a strain on the overall profitability of the company.

iii. Segment-wise or product-wise performance.

During the year ended 30.9.2013, the Company produced 46, 53,443 cases as against the production of 83, 32,516 cases during the period ended on 30.9.2012 (18 months). The sales was 46, 77,190 cases during the year ended 30.9.2013 as against 83.54,524 cases sold in the previous period ended 30.09..2012 (18 months).

The power division produced 5, 72,94,240 units during the year ended 30.9.2013 and generated a sales revenue of ₹. 34.71 crores and profit before tax of ₹.0.44 crores as against production of 7,91,17,300 units, sales revenue of ₹.52.12 crores and profit before tax of ₹.0.27 crores during the previous period ended 30.09.2012 (18 months).

**iv. Financial performance and Outlook**

The financial performance and outlook is furnished in the Directors' Report.

v. Risks and concerns.

The liquor industry in India is highly Government regulated in terms of constraints on manufacturing, storage as well as distribution. The industry faces threats of prohibition, high excise duties, exorbitant import duty, restrictions on advertisement, restrictions on inter-state movement, besides there are barriers on control over distribution and monopoly status of the State Government which is the sole purchaser of the product.

The existing distilleries use molasses based spirit as their basic raw material. Considering the impetus given to ethanol blending program by the Central Government, a demand-supply mismatch may push up cost and high supply of the raw material.

vi. Internal control systems and their adequacy.

The company has a well established internal control system in the form of well documented policies, authorization guidelines commensurate with the level of responsibility and standard operating procedures, to ensure proper functioning of operations. Independent internal auditors are in place to periodically review and make continuous assessment of the adequacy and effectiveness of the internal control and systems. The Board, Audit Committee and the Management review the findings and recommendation of the Internal Auditors and take appropriate action wherever necessary.

vii. Cautionary Statement:

Statements in the Management discussion and analysis report outlining the Company's estimates, perceptions and expectations may be forward looking statements within the meaning of applicable laws and regulations. The Actual results may differ materially from those expressed hereinabove due to certain factors which may be beyond the control of the Company.



INDEPENDENT AUDITORS' REPORT

To

The Members of Empee Distilleries Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Empee Distilleries Ltd ("the company")**, which comprises the Balance Sheet as at **September 30, 2013**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the 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 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 qualified audit opinion.

**Independent Auditors' Report****Basis for Qualified Opinion**

- a) The company has made an investment of Rs.1.59 Crores and given share application money of Rs.140.36 Crores to its subsidiary Empee Sugars and Chemicals Limited towards promoters share for its Integrated Sugar Complex at Ambasamudram. The plant is partly functional and subsidiary company is incurring losses. This may result in diminution in the value of investments. Refer Note No.2 (12.1) to the Balance Sheet.
- b) The composite scheme of arrangement among the company and Empee Sugars and Chemicals Ltd and Apollo Wind Energy Private Limited and their respective shareholders with effect from April 01, 2011 for amalgamation and with effect from April 01, 2012 for demerger has been sanctioned by the Honorable High Court of Madras vide its order dated 24th October, 2013. However, similar sanction by the Honorable High Court of Andhra Pradesh is still pending. Hence, no effect is given for scheme of amalgamation in the accounts.
- c) The Provision for Taxation has been made under section 115JB of the Income Tax Act, 1961. Refer Note No.2 (10.1) to the Balance Sheet.

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, 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 September 30, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- 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. Except for the effects / possible effects of the matter described in the Basis for Qualified Opinion, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
- e. On the basis of the written representations received from the directors as on September 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place: Chennai

Date: 11.11.2013

**For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No :003556S)**

**M Thiyagarajah
(Partner)
M.No: 018460**



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of " Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Empee Distilleries Ltd., on the financial statement for the year ended Septmeber 30, 2013)

i) In respect of Fixed Assets:

- 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) In our opinion, the company has not disposed off its fixed assets during the year and the going concern status of the company is not affected

ii) In respect of its Inventories:

- a) The inventories has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to book records.

iii) In respect of loans and advances, secured or unsecured, granted or taken by the company to / from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :

- a) The company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, the requirements of Clauses (iii)(b), (c) and (d) of paragraph 4 of the Order are not applicable.
- b) The company has not taken any loans during the year from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the requirements of Clauses (iii)(f) and (g) of paragraph 4 of the Order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 :

- a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.



- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 Lakhs in respect of each party during the year have been made at prices which appear reasonable as per the information available with the company
- vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of Paragraph 4 of the Order are not applicable to the Company.
- vii) *The internal audit system of the company needs to be strengthened with regard to the coverage of areas and periodicity to be commensurate with the size and nature of its business.*
- viii) According to the information and explanations given to us, the Central Government has not prescribed the Maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.

ix) In respect of statutory dues :

- a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the company examined by us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at September 30, 2013 for a period of more than six months from the date of becoming payable.
- c) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

S No	Name of the Statute	Nature of Dues	Amount in Lacs	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act 1961	Income Tax	190.00	2005-06	Income Tax Appellate Tribunal Commissioner of Income Tax (Appeals)
2	Income Tax Act 1961	Income Tax	24.49	2008-09	
3	Income Tax Act 1961	Income Tax	346.09	2009-10	Commissioner of Income Tax (Appeals)
4	Income Tax Act 1961	Income Tax	154.10	2010-11	Commissioner of Income Tax (Appeals)

- x) The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks. The company has approached its lenders for reschedulement of such loans.



- xii)** In our opinion and according to the information and explanations given to us and based on the information available, no loans and advance have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii)** In our opinion, the company is not chit fund or nidhi / mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv)** In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xv)** According to the information and explanations given to us and based on the documents and records produced to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi)** On the basis of review of utilization of funds on an overall basis, in our opinion, the term loans taken by the company were applied for the purposes for which the loans were obtained.
- xvii)** On the basis of review of utilization of funds on an over all basis, in our opinion, the funds raised on short term basis have not been used for long term investment
- xviii)** According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- xix)** The company has not issued any debentures during the year.
- xx)** The company has not raised any money by public issues during the year.
- xxi)** During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

Place: Chennai
Date : 11.11.2013

For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No :003556S)

M Thiyagarajah
(Partner)
M.No: 018460



BALANCE SHEET AS AT SEPTEMBER 30, 2013

(Currency: Indian Rupees ₹.in Lakhs)

Particulars	Note No.	As at Sept. 30, 2013	As at Sept. 30, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2 (1)	1,900.89	1,900.89
(b) Reserves and surplus	2 (2)	27,593.93	26,726.00
		29,494.82	28,626.89
(2) Non-current liabilities			
(a) Long-term borrowings	2 (3)	4,145.13	6,154.98
(b) Deferred tax liabilities (Net)	2 (4)	1,147.05	1,077.26
(c) Other long term liabilities	2 (5)	3,276.42	1,511.98
(d) Long-term provisions	2 (6)	96.89	93.12
		8,665.49	8,837.34
(3) Current liabilities			
(a) Short-term borrowings	2 (7)	7,011.08	6,212.28
(b) Trade payables	2 (8)	3,883.32	3,494.85
(c) Other current liabilities	2 (9)	3,715.79	4,114.47
(d) Short-term provisions	2 (10)	5,973.22	5,173.42
		20,583.41	18,995.02
TOTAL		58,743.72	56,459.25



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	As at Sept. 30, 2013	As at Sept. 30, 2012
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	2 (11)		
(i) Tangible assets		18,491.51	10,413.13
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		382.29	8,365.07
(iv) Intangible assets under development		-	-
		18,873.80	18,778.20
(a) Non-current investments	2 (12)	27,997.15	22,889.35
(b) Long-term loans and advances	2 (13)	313.14	312.27
(c) Other non-current assets	2 (14)	593.18	621.81
		47,777.27	42,601.63
(2) Current Assets			
(a) Inventories	2 (15)	3,703.16	2,686.06
(b) Trade receivables	2 (16)	4,539.28	5,373.97
(c) Cash and cash equivalents	2 (17)	176.51	299.54
(d) Short-term loans and advances	2 (18)	-	5,129.94
(e) Other Current assets	2 (19)	2,547.50	368.11
		10,966.45	13,857.62
TOTAL		58,743.72	56,459.25
Significant Accounting Policies	1		
Notes to the Balance Sheet	2		
Other Notes	4		

As per our report of even date
For D Sampathkumar & Co.,
 Chartered Accountants
 (Firm Registration No :003556S)

For and on behalf of the Board of Directors
EMPEE DISTILLERIES LTD

M Thiyagarajah
 (Partner)
 M.No: 018460

M.P.Purushothaman
 Chairman

Nisha Purushothaman
 Vice Chairperson & Jt.Mg. Director

Place : Chennai
 Date : 11.11.2013



**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(Currency: Indian Rupees ₹.in Lakhs)

Particulars	Note No.	Year ended Sept. 30, 2013 (12 Months)	Period ended Sept. 30, 2012 (18 Months)
I. Revenue from operations	3 (1)	57,823.18	99,789.07
II. Other income	3 (2)	559.16	892.18
III. Total Revenue (I + II)		58,382.34	100,681.25
IV. Expenses:			
Cost of materials consumed	3 (3)	17,904.76	30,727.10
Changes in inventories of finished goods, work-in-progress	3 (4)	(209.86)	(111.26)
Employee benefits expense	3 (5)	1,616.27	1,982.10
Finance costs	3 (6)	2,360.00	2,658.72
Depreciation and amortization expense	2 (11)	968.01	1,025.21
Other expenses	3 (7)	35,169.49	60,459.88
Total Expenses		57,808.67	96,741.75
V. Profit before exceptional and extraordinary items and tax (III-IV)		573.67	3,939.50
VI. Extraordinary items		-	-
VII. Profit before tax (VII - VIII)		573.67	3,939.50
VIII. Tax Expenses:			
(1) Current Tax		119.81	1,793.65
(2) Earlier tax provision reversed		(724.57)	-
(2) Deferred Tax	2 (4)	69.79	(134.26)
IX. Profit/(Loss) for the year (XI + XIV)		1,108.64	2,280.11
XIV. Earnings per equity share of face value of Rs.10 each Basic & Diluted	3 (8)	5.83	11.99

As per our report of even date
For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No :003556S)

For and on behalf of the Board of Directors

EMPEE DISTILLERIES LTD

M Thiyagarajah
(Partner)
M.No: 018460

M.P.Purushothaman
Chairman

Nisha Purushothaman
Vice Chairperson & Jt.Mg. Director

Place : Chennai
Date : 11.11.2013



CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2013

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Year ended Sept. 30, 2013	Period ended Sept. 30, 2012
<u>A. Cash Flow from Operating Activities</u>		
Net Profit before taxation	573.67	3,939.50
<u>Adjustments for:</u>		
Depreciation on fixed assets	968.01	1,025.21
Loss on sale of fixed assets	-	0.23
Interest expense	2,348.48	2,648.07
Preliminary expenses written off	-	26.84
Profit on sale of fixed assets	-	(101.07)
Dividend Income	(0.05)	(0.12)
Interest income	(2.46)	(0.33)
Operating Profit before Working Capital changes	3,887.65	7,538.33
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	(1,017.09)	59.68
(Increase) / Decrease in trade receivables	834.68	(2,359.71)
(Increase) / Decrease in loans and advances	2,978.32	1,340.85
Increase/(Decrease) in liabilities	1,757.99	4,040.92
Increase/(Decrease) in provisions	957.67	571.13
CASH GENERATED FROM OPERATIONS	9,399.22	11,191.20
Income tax	(119.81)	(1,793.65)
Income tax Reversal	724.57	
Net Cash inflow from/ (outflow) from Operating activities	10,003.98	9,397.55
<u>B. Cash Flow from Investing Activities</u>		
(Purchase) of investments	(5,107.80)	(2,147.50)
Purchase of fixed assets (including CWIP)	(1,083.40)	(4,231.47)
Sale Proceeds from fixed assets	-	102.59
Interest received	2.46	0.33
Margin money deposit	0.85	(0.85)
Dividend received	0.05	0.12
Net Cash inflow from/ (outflow) from Investing activities	(6,187.84)	(6,276.78)



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Year ended Sept. 30, 2013	Period ended Sept. 30, 2012
<u>C. Cash Flow from Financing Activities</u>		
Increase in Working Capital Loan	798.80	911.47
Increase in Term Loan	(2,009.84)	(708.97)
Interest paid	(2,348.48)	(2,648.07)
Dividend paid	(190.09)	(954.35)
Dividend distribution tax paid	(188.71)	-
Net Cash inflow from/ (outflow) from Financing activities	(3,938.32)	(3,399.92)
Net increase / (decrease) in cash and cash equivalents	(122.18)	(279.15)
Opening Cash and Cash Equivalents		
Cash in hand	89.79	40.69
Bank balances	190.77	519.01
	280.56	559.70
Closing Cash and Cash Equivalents		
Cash in hand	66.72	89.79
Bank balances	91.66	190.77
	158.38	280.56

As per our report of even date
For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No :003556S)

M Thiyagarajah
Partner)
M.No: 018460

Place : Chennai
Date : 11.11.2013

For and on behalf of the Board of Directors

EMPEE DISTILLERIES LTD

M.P.Purushothaman
Chairman

Nisha Purushothaman
Vice Chairperson & Jt.Mg. Director



Notes forming part of financial statements for the year ended September 30, 2013

Note 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting:

The financial statements have been prepared under historical cost convention and following the accrual method of accounting in accordance with the applicable mandatory accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 1956. The accounting is on the basis of going concern concept. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Current and Non Current Classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current-non current classification of assets and liabilities.

1.3 Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting year. Differences between the actual results and the estimates are recognized in the year in which the results are known / materialized.

1.4 Revenue Recognition

Revenue is recognized only when it can be readily measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, sales tax, service tax and excise duty adjusted for discounts(net) and Value added tax. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion taking into account the amount outstanding and rate applicable.

1.5 Fixed Assets and Depreciation/Amortization

Fixed assets are stated at cost less accumulated depreciation /amortization. Direct costs are capitalized until fixed assets are ready for use. These costs include freight, installation costs, duties and taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.

Depreciation on fixed assets is provided using the straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation is calculated on a pro-rata basis for assets purchased / sold during the year with reference to the month in which the fixed assets are put to use or commissioned. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of acquisition.

Capital Work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Capital work-in progress is stated at cost.



1.6 Borrowing cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

1.7 Impairment of Fixed Assets

As asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.8 Cash flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

1.9 Investments

Current investments are carried at lower of cost and quoted/fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is only if such a decline is other than temporary.

1.10 Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares are determined on first-in-first-out basis while finished goods are determined on weighted average basis.

1.11 Foreign Currency Transaction

a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction.

b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

c) Non monetary foreign currency items are carried at cost.

d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**1.12 Prior Period and Extra Ordinary Items**

Prior Period and Extra Ordinary items having material impact on the financial affairs of the Company are disclosed, wherever applicable. There is no major deviation in the accounting policy during the current year.

1.13 Provision for Current Tax and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

1.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

1.15 Earnings per Share

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard-20. Basic earnings per equity share have been computed dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings during the year adjusted for effects of all dilutive potential equity shares per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For Basic and diluted earnings before extra-ordinary items, the amount of extra-ordinary items and tax thereon are excluded for computation.

1.16 Employee Benefits

a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Post-employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

1.17 Segment Reporting

As per the Accounting Standard (AS-17) on “Segment Reporting”, segment information has been furnished under the note to Consolidated Financial Statements.



**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2013**

(Currency: Indian Rupees in Lakhs)

NOTE 2 : Notes to the Balance Sheet

1 - SHARE CAPITAL**a. Details of authorized, issued and subscribed share capital**

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Authorized Capital 3,00,00,000 Equity Shares of Rs10/- each	3,000.00	3,000.00
Issued ,Subscribed and fully paid Share Capital 1,90,08,893 Equity Shares of Rs10/- each	1,900.89	1,900.89
	1,900.89	1,900.89

b. Informations on shareholders

Name of Shareholder	Relationship	As at September 30, 2013		As at September 30, 2012	
		No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mr.M.P.Purushothaman	Promoter	2137788	11.25%	2137788	11.25%
Mrs.Aruna Purushothaman	Promoter	1800000	9.47%	1800000	9.47%
Mrs.Nisha Purushothaman	Promoter	1002000	5.27%	1002000	5.27%
Mr.Sheeju Purushothaman	Promoter	1002000	5.27%	1002000	5.27%
Mrs.Sheena Purushothaman	Promoter	1002044	5.27%	1002044	5.27%
M/s.Empee Holding Ltd	Promoter	6307472	33.18%	6307472	33.18%

c. Reconciliation of number of shares

Particulars	As at September 30, 2013		As at September 30, 2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	19008893	1900.89	19008893	1900.89
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	19008893	1900.89	19008893	1900.89

d. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back

Particulars	Year				
	March 31, 2009	March 31, 2010	March 31, 2011	Sept. 30, 2012	Sept. 30, 2013
Fully paid up pursuant to contract's without payment being received in cash	---	---	---	---	---
Fully paid up by way of bonus shares	---	---	---	---	---
Shares bought back	---	---	---	---	---



(₹. in Lakhs)

2 - RESERVES AND SURPLUS

Particulars	As at Sept. 30, 2013	As at Sept.30, 2012
a. Securities Premium Account		
Opening Balance	17,414.59	17,414.59
Closing Balance	17,414.59	17,414.59
b. Revaluation Reserve		
Opening Balance	1,652.28	1,672.06
(-) Written Back in Current Year	19.78	19.78
Closing Balance	1,632.50	1,652.28
c. General Reserve		
Opening Balance	1,297.16	1,297.16
Closing Balance	1,297.16	1,297.16
d. Surplus in the statement of profit and loss		
Opening balance	6,361.97	4,302.79
(+) Net Profit For the current year	1,108.64	2,280.11
	7,470.61	6,582.90
(-) Appropriations		
(-) Proposed Dividends on Equity shares (Re.1 per share)	190.09	190.09
(-) Tax on Proposed Dividends	30.84	30.84
Closing Balance	7,249.68	6,361.97
GRAND TOTAL	27,593.93	26,726.00

3 - LONG-TERM BORROWINGS

Particulars	As at Sept. 30, 2013	As at Sept.31, 2012
SECURED BORROWINGS		
From Banks		
(a) Term loans *		
Power Project in Aranthangi, Trichy (Refer Note 3.1 (i))		
Andhra Bank	282.92	552.40
60 klpd project in Chotkur, Andhrapradesh (Refer Note 3.1 (ii))		
Andhra Bank	2,145.22	2,495.73
Union Bank of India	1,446.35	1,788.85
Corporate Loan (Refer Note 3.1 (iii))		
Andhra Bank	185.10	668.00
UNSECURED		
(b) Others * From NBFC	85.54	650.00
TOTAL	4,145.13	6,154.98

*Principal amounts due within next one year has been reclassified under other current liabilities.

3.1 Security & Other Terms

(i) Paripassu first charge on fixed assets including plant and machineries of Aranthangi Division and by personal guarantee of three Directors. The term loans are repayable on quarterly installments.

(ii) Secured by way of first charge on pari-pass basis on the fixed assets including plant and machineries of grain based division at Sangareddy, Andhrapradesh. Second paripassu charge on current assets and by personal guarantee of three directors.

The term loans are repayable in quarterly installments.

(iii) Secured by collateral security of Vacant land in Survey no.262/10A 265/9,266/2 of Mevalooruppam & Kattagaram village, Sriperumbudur taluk, Kanchipuram Dist.of 12.665 acres and by hypothecation of 55.47 acres of wind mill land situated at Periyakumarapalayalam Dharapuram Taluk and by personal guarantee of three directors. Corporate loan is repayable in monthly equal installments.

EMPEE DISTILLERIES LIMITED

Annual Report 2012 - 2013


4 - DEFERRED TAX LIABILITY (Net)

The major components of deferred tax liability / asset as recognized in the financial statement is as follows:

(₹. in Lakhs)

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Deferred Tax Liability		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	1,077.26	1,093.75
	1,077.26	1,093.75
Deferred Tax Asset		
Provision for gratuity	(3.28)	3.63
Leave Encashment	(2.36)	2.82
Depreciation	(64.15)	-
Bonus		10.04
	(69.79)	16.49
Net	1,147.05	1,077.26
Deferred Tax Charge / (Credit) for the year	69.79	(134.26)

5 - OTHER LONG-TERM LIABILITIES

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Trade Payables	716.14	1,511.98
Payable to related parties (Net)	2,560.28	-
Total	3,276.42	1,511.98

6 - LONG-TERM PROVISIONS

Particulars	As at Sept. 30, 2013	As at Sept.30, 2012
Provision for Employee Benefits:		
Gratuity payable	78.76	74.99
Unpaid dividends	18.13	18.13
Total	96.89	93.12

7 - SHORT-TERM BORROWINGS

Particulars	As at Sept. 30, 2013	As at Sept.30, 2012
SECURED		
(a) Loans repayable on demand		
From Banks		
Cash Credit Loan*	5,051.44	3,974.14
Factoring facility - NBFCs	1,956.22	2,214.32
(d) Other loans and advances	3.42	23.82
Secured by hypothecation of vehicles		
GRAND TOTAL	7,011.08	6,212.28
*(Cash Credit facilities are secured by hypothecation of current assets located at Mevalurkuppam, Palakkad, Aranthangi and Chotkur and second charge on the fixed assets including plant and machineries of respective locations and also by personal guarantee of three of the directors.)		

**8 - TRADE PAYABLES**

(₹. in Lakhs)

Particulars	As at Sept. 30, 2013	As at Sept.30, 2012
Trade Payables	3,883.32	3,494.85
	3,883.32	3,494.85

The vendors of the company are yet to submit their status under Micro, Small and Medium Enterprises; hence the relevant information is not available with the company. Therefore, no disclosure relating to Micro, Small and Medium Enterprises have been made in accounts.

9 - OTHER CURRENT LIABILITIES

Particulars	As at Sept. 30, 2013	As at Sept.30, 2012
Current maturities of long-term debt	2,409.14	2,453.28
Income received in advance	1,306.65	1,661.19
Total	3,715.79	4,114.47

10 - SHORT-TERM PROVISIONS

Particulars	As at Sept. 30, 2013	As at Sept.30, 2012
Provision for employee benefits:		
Salary & wages payable	71.57	78.09
Gratuity Payable	6.23	5.93
Bonus payable	30.31	30.19
Others:		
Provision for taxation (net of advance tax)	872.91	1,649.46
Proposed dividend (Re.1 per share)	190.09	190.09
Tax on proposed dividend	30.84	188.71
PF payable	3.45	6.95
Sales tax payable	4,532.15	2,837.34
Service Tax payable	25.68	13.00
Tds payable	20.53	29.06
Provisions for expenses	184.68	142.07
Provision for audit fees	4.78	2.53
Total	5,973.22	5,173.42

10.1 The company has made provision for taxation on the Book Profits under section 115JB of the Income Tax Act, 1961. Further, the company has taken into consideration proposed composite scheme of arrangements and reversed excess tax provided in earlier years.

11 - FIXED ASSETS

(₹. in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at Oct. 1, 2012	Additions (Deletions) during the Year	Deductions/ adjustments	As at Sept.30, 2013	As at Oct.1, 2012	Depreciation charge for the year	Deductions/ adjustments	As at Sept.30, 2013	As at Sept.30, 2013	As at Sept.30, 2012
Tangible Assets										
Freehold Land	3,064.71	8.81	-	3,073.52	-	-	-	-	3,073.52	3,064.71
Factory Building	3,047.80	2,786.11	-	5,833.91	649.72	139.80	-	789.52	5,044.39	2,398.08
Plant & Machinery	7,642.83	6,262.84	-	13,905.67	3,025.55	788.08	-	3,813.62	10,092.05	4,617.28
Furniture & Fittings	34.84	1.73	-	36.57	21.44	1.34	-	22.78	13.79	13.40
Vehicles	544.50	-	-	544.50	357.78	25.32	-	383.10	161.40	186.72
Office Equipment	111.00	5.70	-	116.70	41.51	6.93	-	48.44	68.26	69.49
Computers	264.00	0.97	-	264.97	200.55	26.32	-	226.87	38.10	63.45
Total	14,709.68	9,066.16	-	23,775.84	4,296.55	987.79	-	5,284.33	18,491.51	10,413.13
Previous Year	12,781.38	1,928.30	-	14,709.68	3,251.56	1,044.99	-	4,296.55	10,413.13	9,529.83
*Depreciation for the year amounting to Rs.19.78 lacs is charged to fixed asset revaluation reserve										
Intangible Assets	-	-	-	-	-	-	-	-	-	-

Capital Work in Progress:

Particulars	As on 30.09.2013	As on 30.09.2012
60KLPD Project, AP	72.25	8,046.62
Brewery Project, AP	255.35	263.76
Land Development expenses	54.69	54.69
Total	382.29	8,365.07





12 - NON-CURRENT INVESTMENTS

(₹. in Lakhs)

Particulars	Face Value	No. of Shares	As at Sept.30, 2013	As at Sept.30, 2012
A. Trade Investments (Refer A below)				
(a) Investment in Equity instruments				
Quoted : Empee Sugars & Chemicals Ltd	Rs.10	26622102	159.73	159.73
Quoted : Andhra Bank	Rs.10	1000	0.96	0.96
Unquoted: Empee Hotels Ltd	Rs.10	19512997	9,532.80	4,425.00
Unquoted: EDL Properties Ltd	Rs.10	750000	75.00	75.00
Unquoted: Appollo Distilleries Pvt Ltd	Rs.10	14089400	4,184.65	4,184.66
(b) Investments in preference shares				
Ceat Finance Ltd	Rs.10	25000	2.50	2.50
(c) Investments in Mutual Funds				
Union KBC Asset Management Pvt Ltd			5.00	5.00
			13,960.64	8,852.85
B. Other Investments (Refer B below)				
(a) Other non-current investments				
Share Application money in Subsidiaries				
Appollo Distilleries Pvt Ltd			0.01	-
Empee Sugars & Chemicals Ltd			14,036.50	14,036.50
			14,036.51	14,036.50
TOTAL (A+B)			27,997.15	22,889.35

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
Aggregate amount of quoted investments		
- Cost	160.69	160.69
- Market Value	1,331.11	2,403.97
Aggregate amount of unquoted investments	13,799.95	8,692.16

12.1 The company has made share application money for allotment of 0% convertible preference shares of Rs.10 each at a premium of Rs.140 each from 7th July, 2008 to 30th September, 2012. The allotment could not be made as necessary approvals are yet to be received.

The company has gone for composite scheme of arrangements with Empee Sugars & Chemicals Ltd and Apollo Wind Energy Pvt Ltd and their respective shareholders. The scheme is already approved by the Hon'ble High Court of Madras. On approval by the Hon'ble High Court of Andhra Pradesh, the scheme will come into effect and the above share application money will get squared off and will become nil.

13 - LONG-TERM LOANS AND ADVANCES

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
a. Capital Advances	313.14	312.27
	313.14	312.27

14 - OTHER NON-CURRENT ASSETS

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
a. Trade receivables		
Unsecured, considered good	328.01	357.63
b. Others		
Deposits - with government departments	190.02	189.03
c. Other Deposits	75.15	75.15
	593.18	621.81

15 - INVENTORIES

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
a. Raw Materials	2,624.00	1,816.77
b. Work-in-progress	774.57	588.83
c. Finished goods	304.59	280.46
TOTAL	3,703.16	2,686.06

16 - TRADE RECEIVABLES

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
Trade receivables outstanding for a period less than six months		
Unsecured, considered good	4,420.76	5,278.45
	4,420.76	5,278.45
Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	118.52	95.52
	118.52	95.52
TOTAL	4,539.28	5,373.97

17 - CASH AND CASH EQUIVALENT

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
Cash and Cash Equivalent:		
a. Balances with banks	91.66	190.76
b. Cash on hand	66.72	89.79
	158.38	280.56
Other Bank Balance:		
a. Margin Money deposit with Andhra Bank	0.00	0.85
b. Balances lying in unpaid dividend account	18.13	18.13
	18.13	18.98
Total	176.51	299.54

**18 - SHORT-TERM LOANS AND ADVANCES**

(₹. in Lakhs)

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
a. Loans and advances to related parties	-	5,129.94
	-	5,129.94

19 - OTHER CURRENT ASSETS

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
Prepaid Expenses	9.15	20.00
Deposits - Others	304.47	290.47
Other loans & advances	2,233.88	57.64
	2,547.50	368.11

Accompanying notes to the financial statements

(Currency: Indian Rupees in Lakhs)

NOTE 3: Notes to the Statement of Profit and Loss

1 - REVENUE FROM OPERATIONS

Particulars	Year ended Sept. 30, 2013	Period ended Sept. 30, 2012
Sale of Products (Gross)	87,638.90	151,198.53
Less: Excise Duty	30,186.35	52,072.45
	57,452.55	99,126.08
Other operating Revenues	370.63	662.99
	57,823.18	99,789.07

2 - OTHER INCOME

Particulars	Year ended Sept. 30, 2013	Period ended Sept. 30, 2012
Dividend Received	0.05	0.12
Scrap Sales	36.36	71.45
Miscellaneous Income	522.75	820.61
	559.16	892.18

**3 - COST OF MATERIAL CONSUMED****(₹. in Lakhs)**

Particulars	Year ended Sept. 30, 2013	Period ended Sept. 30, 2012
Opening Stock of Raw Materials	1,816.77	1,987.71
Add: Purchases of Raw Materials	18,711.99	30,556.16
Less: Closing Stock of Raw Materials	2,624.00	1,816.77
	17,904.76	30,727.10

4 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS

Particulars	Year ended Sept. 30, 2013	Period ended Sept. 30, 2012
Opening Inventory		
Finished Goods	280.46	552.44
Work-In-Progress	588.83	205.59
	869.29	758.03
Closing Inventory		
Finished Goods	304.59	280.46
Work-In-Progress	774.57	588.83
	1,079.15	869.29
	(209.86)	(111.26)

5 - EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended Sept. 30, 2013	Period ended Sept. 30, 2012
Salaries and incentives	1,478.72	1,766.89
Contributions to -		
Provident fund & ESI	51.31	75.19
Gratuity fund contributions	18.27	21.62
Staff welfare expenses	67.97	118.40
	1,616.27	1,982.10

6 - FINANCE COST

Particulars	Year ended Sept. 30, 2013	Period ended Sept. 30, 2012
Bank Charges	11.52	10.65
Interest Expenses	2,348.48	2,648.07
	2,360.00	2,658.72



7 - OTHER EXPENSES

(₹. in Lakhs)

Particulars	Year ended Sept. 30, 2013	Period ended Sept. 30, 2012
Manufacturing expenses	1,613.59	1,828.84
Excise Label	444.03	689.74
VAT	29,771.05	51,834.25
Label Registration /Approval fee	3.53	7.87
Rent	99.87	115.13
Rates & Taxes	406.14	772.06
Audit Fees	5.62	8.42
Postage & Telegram	10.45	23.99
Printing and Stationery	12.76	35.55
Repairs and Maintenance	35.59	44.04
Donations	13.13	34.85
Sitting Fee	5.10	6.80
Telephone Expenses	25.31	35.60
Managerial Remuneration	107.87	200.79
Consulting Charges	42.75	93.33
Travelling Expenses	29.80	529.55
Travelling Expenses - Directors	6.55	22.63
Miscellaneous Expenses	287.41	419.74
Discounting Charges	411.19	321.69
Advertisement & Publicity	7.97	8.58
Travelling Expenses - Marketing	18.06	34.39
Freight & Handling Charges	355.82	965.24
Loading & Unloading charges	157.87	199.59
Sales Promotion expenses	0.96	1.14
Cash Discount	637.04	1,148.76
Other Selling expenses	660.03	1,077.31
	35,169.49	60,459.88

*The managerial remuneration paid by the company has exceeded the limit by ₹.34.83 Lakhs due to inadequacy of profits for the financial year. The company is in the process of making application to the Central Government to seek its approval .

8 - EARNINGS PER EQUITY SHARE

Particulars	Year ended Sept. 30, 2013	Period ended Sept. 30, 2012
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders (₹.in Lakhs)	1,108.64	2,280.11
Weighted average number of equity shares (Nos.)	19,008,893	19,008,893
Basic Earnings Per Share	5.83	11.99
Face value per Share	10.00	10.00
Weighted average number of potential equity shares	19008893	19008893
Diluted Earnings Per Share	5.83	11.99
Face value per Share	10.00	10.00



4. NOTES ON ACCOUNTS

The Company has closed the accounting year on 30.09.2013 for 12 months period from 01.10.2012 to 30.09.2013.

4.1 Contingent Liabilities, Guarantees & Capital commitments

A. Contingent Liabilities

(₹. in Lakhs)

Particulars	30.09.2013	30.09.2012
a) Claims against the company not acknowledged as debts	—	—
b) Disputed Income tax demand	714.68	560.58

B. Capital Commitments

(₹. in Lakhs)

Particulars	30.09.2013	30.09.2012
Estimated amount of capital contracts remaining	654.96	1176.85

4.2 Employee Benefits

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

a) Defined Contribution Plans: Contribution to defined contribution plan, recognized as expenses for the year is amount to Rs. 69.58 Lakhs (previous year Rs.96.81 Lakhs) pertaining to employers' contribution to provident fund, Employees State Insurance Funds, Gratuity fund.

b) Defined Benefit Plans:

Leave encashment:

The company has dispensed off the leave encashment policy during the current period; hence no provision had been recognized in the books of accounts for the period.

Gratuity:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefit vests after five years of continuous service.

(i) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

(₹. in Lakhs)

Particulars	As at 30 Sept. 2013	As at 30 Sept 2012
1 Present value of obligation at the beginning of the year	80.92	74.80
2 Interest cost	6.43	8.00
3 Current service cost	21.04	37.62
4 Benefits paid	(14.21)	(15.50)
5 Actuarial (gain) / loss on obligation	(9.20)	(24.00)
6 Present value of obligation at the end of year	84.98	80.92



(ii) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows: (₹. in Lakhs)

Particulars	As at 30 Sept. 2013	As at 30 Sept. 2012
1 Fair value of plan assets at the beginning of the year	13.77	-
2 Expected return on plan assets	1.10	-
3 Contributions	14.21	15.50
4 Benefits paid	(14.21)	(15.50)
5 Actuarial gain / (loss) on plan assets	(0.28)	-
6 Fair value of plan assets at the end of year	14.60	13.77

(iii) Actuarial gain / loss recognized as follows: (₹. in Lakhs)

Particulars	As at 30 Sept. 2013	As at 30 Sept. 2012
1 Actuarial gain / (loss) for the year – obligation	9.20	24.00
2 Actuarial gain / (loss) for the year – plan assets	(0.28)	-
3 Total gain / (loss) for the year	8.93	24.00
4 Actuarial gain / (loss) recognized in the year	8.93	(21.62)
5 Unrecognized actuarial gains (losses) at the end of year	-	-

(iv) The amounts recognized in Balance Sheet are as follows: (₹. in Lakhs)

Particulars	As at 30 Sept. 2013	As at 30 Sept. 2012
1 Present value of obligation as at the end of the year	(84.98)	(80.92)
2 Fair value of plan assets as at the end of the year	(14.60)	0.00
3 Funded / (unfunded) status	(70.38)	(80.92)
4 Excess of actual over estimated	-	-
5 Net assets / (liability) recognized in balance sheet	(70.38)	(80.92)

(v) The amounts recognized in Profit and Loss Account are as follows: (₹. in Lakhs)

Particulars	As at 30 Sept. 2013	As at 30 Sept. 2012
1 Current service cost	21.04	37.62
2 Past service cost		
3 Interest cost	6.43	8.00
4 Expected return on plan assets	-1.1	-
5 Net actuarial (gain)/loss recognized in the year	(8.93)	(24.00)
6 Expenses recognized in the statement of profit and losses	17.44	21.62



(vi) Principal actuarial assumptions at the balance sheet date are as follows:

A. Economic Assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 30 September 2013	As at 30 September 2012
1. Discount rate	8.71%	8.5%
2. Salary growth rate	6%	6%

B. Demographic Assumption

1. Retirement Age	58 Years	
2. Mortality table	LIC (1994-96) duly modified	
3. Withdrawal Rates	Ages	Withdrawal Rate (%)
	Up to 30 Years	5%
	Up to 44 Years	5%
	Above 44 Years	5%

4.3 Sundry Creditors and Debtors balances are subject to confirmation by the parties concerned

4.4 Trade Deposits and advance from customer includes Rs.1306.65 lakhs (Previous year Rs.1661.19 lakhs) received from TASMAC on adhoc basis during the month of September 2013.

4.5 Related party transactions

Related Parties

Subsidiary Company

Empee Sugars & Chemicals Limited
EDL Properties Limited
Appollo Distilleries Private Limited

Fellow Subsidiary Company

Empee Power Company (India) Limited
Appollo Wind Energy Pvt. Ltd

Key Management Personnel

Mr.M.P.Purushothaman Chairman
Ms.Nisha Purushothaman Jt.Mg. Director & Vice Chair Person
Mr.Shaji Purushothaman Director

Relatives of Key Management Personnel

Ms.Sheena.Purushothaman


Other related parties

Empee Holdings Limited
 Empee International Hotels & Resorts Limited
 South (India) Hotels Pvt Ltd
 Appollo Alchobev Limited
 Aruna Exports Pvt Ltd
 Empee Hotels Limited
 Aruna Constructions (India) Limited
 Empee Agro Farm Products Pvt Ltd
 Empee Marine Products Limited
 Appollo Beers Pvt Ltd
 Empee Leasing & Finance Limited
 Empee Communication Limited
 Universal Spirits Ltd
 Empee Construction Company Ltd
 Empee Power & Infrastructure Pvt Ltd
 Empee Packaging Industries
 Aruna Constructions
 Empee Hospitality Pvt. Ltd
 EDL Marketing Pvt. Ltd

Transactions with Related parties

(₹. in Lakhs)

Particulars	Subsidiary Companies	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	For the period ended 30.09.13
Remuneration	Nil (-)	107.87 (200.79)	Nil (-)	Nil (-)	107.87 (200.79)
Receiving of Services	Nil (-)	Nil (-)	Nil (-)	198.26 (214.45)	198.26 (214.45)
Interest Paid	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil
Interest Received	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil
Sale of assets	Nil (-)	Nil (-)	Nil (-)	Nil 102.6	Nil 102.6
Purchase of investments	Nil (-)	Nil (-)	Nil (-)	5107.80 (-)	5107.80 (-)
Purchase of goods	Nil (-)	Nil (-)	Nil (-)	Nil (-)	Nil
Rent paid	Nil (-)	Nil Nil	12.00 -18.00	52.92 -83.88	64.92 -101.88
Balance Outstanding	Nil	Nil	Nil	2560.28	2560.28



4.6 .Quantum of Excise Duty included in closing stock of finished goods is ₹.60.11 Lakhs.

4.7 Payment to auditors

(₹. in Lakhs)

Particulars	Period ended 30 September 2013	Year ended 30 September 2013
Statutory audit fee	4.50	6.74
Limited Review Fees	1.12	1.68

4.8 Details of Subsidiary Companies

(₹. in Lakhs)

Particulars	Appollo Distilleries Pvt. Ltd		EDL Properties Ltd		Empee Sugars & Chemical Ltd	
Share Capital	4492.65	4492.65	100	100	4197.29	4197.29
Reserves&Surplus	150.31	74.18	Nil	Nil	(12511.08)	(10042.32)
Total Liabilities	14483.19	15884.82	709.30	506.48	81623.20	80627.19
Total Assets	14483.19	15884.82	709.30	506.48	81623.20	80627.19
Total Income	18476.54	3907.96	Nil	Nil	32433.77	34483.23
Profit before tax	634.84	103.66	Nil	Nil	(3100.09)	(9828.83)
Provisions for tax	210.88	34.43	Nil	Nil	448.26	2676.64
Profit after tax	423.96	69.23	Nil	Nil	(2651.83)	(7152.19)
Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil

4.9 The company is in the process of appointing Company Secretary

4.10 Figures for the previous year have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors of
EMPEE DISTILLERIES LTD

D.Sampathkumar & co
Chartered Accountants
(Firm Regn.no.003556S)

M.P.Purushothaman
Chairman

Nisha Purushothaman
Vice Chairperson & Jt.Mg.Director

(M.Thiyagarajah)
Partner_(M.No.18460)

Place: Chennai
Date: 11.11.2013



Independent Auditors' Report

To the Board of Directors of
Empee Distilleries Limited

We have audited the accompanying consolidated financial statements of **EMPEE DISTILLERIES LIMITED** (the "company") and its subsidiaries (collectively referred to as "the group") which comprise the Consolidated Balance Sheet as at 30th September, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the act"). This responsibility includes the design, implementation and maintenance of internal control 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 consolidated financial statements base on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 judgement , including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Group's preparation and presentation 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

a) The company has made an investment of Rs.1.59 Crores and given share application money of Rs.140.36 Crores to its subsidiary Empee Sugars and Chemicals Limited towards promoters share for its Integrated Sugar Complex at Ambasamudram. The plant is partly functional and subsidiary company is incurring losses. This may result in diminution in the value of investments. No adjustment has been made in the consolidated financial statement towards minority interest in this respect. Refer Note No.2(11.1) to the Balance Sheet.

b) The Composite scheme of Arrangement among the company and Empee Sugars and Chemicals Limited and Apollo Wind Energy Private Limited and their respective shareholders with effect from April



01, 2011 for amalgamation and with effect from April 01, 2012 for demerger has been sanctioned by the Honorable High Court of Madras vide its order dated 24th October, 2013. However, similar sanction by the Honorable High Court of Andhra Pradesh is still pending. Hence, no effect is given for scheme of amalgamation in the accounts.

c) Provision of Taxation has been made under section 115JB of the Income Tax Act, 1961. Refer Note No.2(9.1) to the Balance Sheet.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the group as at September 30, 2013
- b) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the group for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

Financial Statements of Empee Sugars & Chemicals Limited which reflect a total assets(net) of Rs.81,623.20 Lakhs as at September 30, 2013, total revenue(net) of Rs.32433.77 Lakhs and net cash flows amounting to Rs.3.92 Lakhs for the year then ended, have been audited by us as at 31st March, 2013. Significant adjustments which were made by the management after the close of the balance sheet was not audited and we relied on the management certified information.

We did not audit the financial statements of subsidiaries (EDL Properties Limited, Apollo Distilleries Private Limited, Empee Power Company (India) Limited and Apollo Wind Energy Private Limited) whose financial statements / consolidated financial statements reflect total assets(net) of Rs.15,192.49 Lakhs as at September 30, 2013, total revenue(net) of Rs.18476.54 Lakhs and net cash flows amounting to Rs.8.7 Lakhs for the year ended on that date. These financial statements and other financial information have been audited by other Auditors for the year ended 31st March, 2013 and whose report have been furnished to us, and our opinion is based solely on the reports of the other Auditors. Significant adjustments which were made by the management after the close of the balance sheet were not audited and we relied on the management certified information.

Our opinion is not qualified in respect of other matters.

Place : Chennai
Date : 11.11.2013

For D Sampathkumar & Co.,
Chartered Accountants
Firm Registration No.003556S

M Thiyagarajah
(Partner)
M.No.018460



CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2013

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	As at Sept. 30, 2013	As at Sept. 30, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2 (1)	1,900.89	1,900.89
(b) Reserves and surplus	2 (2)	19,260.42	20,616.35
		21,161.31	22,517.24
(2) Share application money pending allotment		231.51	85.01
Minority Interest		343.30	314.24
(3) Non-current liabilities			
(a) Long-term borrowings	2 (3)	58,118.36	58,409.47
(b) Other long term liabilities	2 (4)	2,108.14	2,641.94
(c) Long-term provisions	2 (5)	221.60	214.80
		60,448.10	61,266.21
(4) Current liabilities			
(a) Short-term borrowings	2 (6)	23,387.41	22,646.49
(b) Trade payables	2 (7)	17,256.62	15,043.98
(c) Other current liabilities	2 (8)	5,874.98	6,187.02
(d) Short-term provisions	2 (9)	5,898.51	5,783.59
		52,417.52	49,661.08
TOTAL		134,601.74	133,843.78



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	As at Sept. 30, 2013	As at Sept. 30, 2012
I. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	2 (10)		
(i) Tangible assets		72,953.02	67,985.94
(ii) Intangible assets		-	
(iii) Capital work-in-progress		2,176.14	8,854.20
		75,129.16	76,840.14
(a) Non-current investments	2 (11)	9,541.26	4,433.46
(b) Deferred tax assets (Net)		3,276.49	2,737.89
(b) Long-term loans and advances	2 (12)	903.15	1,457.37
(c) Other non-current assets	2 (13)	593.18	621.81
		89,443.24	86,090.67
(2) Current Assets			
(a) Inventories	2 (14)	15,316.41	15,303.78
(b) Trade receivables	2 (15)	22,866.79	21,617.06
(c) Cash and cash equivalents	2 (16)	1,310.20	877.82
(d) Short-term loans and advances	2 (17)	1,667.94	4,801.16
(e) Other Current assets	2 (18)	3,997.16	5,153.29
		45,158.50	47,753.11
TOTAL		134,601.74	133,843.78
Significant Accounting Policies	1		
Notes to the Balance Sheet	2		
Other Notes	4		

As per our report of even date
For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No :003556S)

M Thiyagarajah
(Partner)
M.No: 018460
Place : Chennai
Date : 11.11.2013

For and on behalf of the Board of Directors
EMPEE DISTILLERIES LTD

M.P.Purushothaman Nisha Purushothaman
Chairman Vice Chairperson & Jt.Mg. Director



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Note No.	Year ended Sept 30, 2013 (12 Months)	Period ended Sept 30, 2012 (18 Months)
I. Revenue from operations	3 (1)	108,330.30	137,975.38
II. Other income	3 (2)	657.34	1,097.06
III. Total Revenue (I + II)		108,987.64	139,072.44
IV. Expenses:			
Cost of materials consumed	3 (3)	45,501.85	61,733.87
Changes in inventories of finished goods, work-in-progress	3 (4)	3,378.84	(1,148.92)
Employee benefits expense	3 (5)	2,950.51	3,681.99
Finance costs	3 (6)	10,066.78	12,961.98
Depreciation and amortization expense	2 (10)	4,081.96	4,957.09
Other expenses	3 (7)	44,899.27	63,187.63
Total Expenses		110,879.21	145,373.64
V. Profit before exceptional and extraordinary items and tax	(III-IV)	(1,891.57)	(6,301.20)
VI. Extraordinary items			
VII. Profit before tax (V - VI)		(1,891.57)	(6,301.20)
VIII. Tax Expenses:			
(1) Current Tax		490.82	1,793.65
(2) Earlier tax provision reversed		(724.57)	-
(2) Deferred Tax	2 (4)	(538.60)	(2,942.33)
IX. Profit/(Loss) for the year		(1,119.22)	(5,152.52)
Minority Interest		29.07	(19.23)
Net Profit / (Loss) for the year		(1,148.29)	(5,133.29)
X. Earnings per equity share of face value of Rs. 10 Each Basic and Diluted	3 (8)	-6.04	-27.00
Significant Accounting Policies	1		
Notes to the Statement of Profit and Loss	3		
Other Notes	4		

As per our report of even date
For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No :003556S)

For and on behalf of the Board of Directors

EMPEE DISTILLERIES LTD

M.Thiyagarajah
(Partner)
M.No: 018460

M.P.Purushothaman
Chairman

Nisha Purushothaman
Vice Chairperson & Jt.Mg. Director

Place : Chennai
Date : 11.11.2013



**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Year ended Sept 30, 2013 (12 Months)	Period ended Sept 30, 2012 (18 Months)
A. Cash Flow from Operating Activities		
Net Profit before taxation	(1,891.57)	(6,301.20)
<u>Adjustments for:</u>		
Depreciation on fixed assets	4,081.96	4,957.09
Interest expense	10,066.78	12,961.98
Prior Period Items	33.07	(519.26)
Dividend Income	(0.05)	(0.12)
Interest income	(2.46)	(0.35)
Operating Profit before Working Capital changes	12,287.73	11,099.06
<u>Adjustments for :</u>		
(Increase) / Decrease in inventories	(12.63)	2,312.31
(Increase) / Decrease in trade receivables	(1,249.73)	(10,810.60)
(Increase) / Decrease in loans and advances	5,030.06	7,124.64
Increase/(Decrease) in liabilities	1,373.60	7,921.12
Increase/(Decrease) in provisions	114.92	1,054.76
CASH GENERATED FROM OPERATIONS	17,543.95	18,701.29
Income tax Paid	(490.82)	(1,793.65)
Income tax Reversal	724.57	-
Net Cash inflow from/ (outflow) from Operating activities	17,777.70	16,907.64
B. Cash Flow from Investing Activities		
(Purchase) of investments	(5,107.80)	(440.00)
Purchase of fixed assets (including CWIP)	(2,390.76)	(13,376.60)
Interest received	2.46	-
Margin money deposit	(567.18)	(33.64)
Dividend received	0.05	-
Net Cash inflow from/ (outflow) from Investing activities	(8,063.23)	(13,850.24)



(Currency: Indian Rupees ₹ in Lakhs)

Particulars	Year ended Sept 30, 2013 (12 Months)	Period ended Sept 30, 2012 (18 Months)
<u>C. Cash Flow from Financing Activities</u>		
Increase in Working Capital Loan	740.92	2,797.27
Increase in Term Loan	(291.11)	8,368.18
Share Application money received	146.50	85.01
Interest paid	(10,066.78)	(12,961.98)
Dividend paid	(190.09)	(954.35)
Dividend distribution tax paid	(188.71)	-
Net Cash inflow from/ (outflow) from Financing activities	(9,849.27)	(2,665.87)
Net increase / (decrease) in cash and cash equivalents	(134.80)	(391.53)
Opening Cash and Cash Equivalents		
Cash in hand	99.92	65.38
Bank balances	293.93	720.00
	393.85	785.38
Closing Cash and Cash Equivalents		
Cash in hand	75.83	99.92
Bank balances	183.22	293.93
	259.05	393.85

As per our report of even date
For D Sampathkumar & Co.,
Chartered Accountants
(Firm Registration No :003556S)

M Thiyagarajah
(Partner)
M.No: 018460

Place : Chennai
Date : 11.11.2013

For and on behalf of the Board of Directors

EMPEE DISTILLERIES LTD

M.P.Purushothaman
Chairman

Nisha Purushothaman
Vice Chairperson & Jt.Mg. Director



Notes forming part of financial statements for the year ended September 30, 2013

Note 1: SIGNIFICANT ACCOUNTING POLICIES

A. Principles of consolidation

The consolidated statements relate to Empee Distilleries Limited (“the company”) and its subsidiary companies viz Empee Sugars & Chemicals Limited, EDL Properties Limited, Apollo Distilleries Private Limited, Empee Power Company (India) Limited and Apollo Wind Energy Private Limited. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses as per the respective financial statements duly certified by the management of the respective companies, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - “Consolidated Financial Statements”
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiary companies is recognized as Goodwill or Capital Reserve as the case may be.
- c) Minority Interest’s share of net profit of consolidated subsidiary companies for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.
- d) Minority Interest’s share of net assets of consolidated subsidiary companies is identified and presented in the consolidated balance sheet separate from liabilities and equities of the company’s shareholders.
- e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s separate financial statements.

B. Investments other than in subsidiary companies have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investments”.

C. Other significant accounting policies

These are set out under “Significant Accounting Policies” as given in the company’s separate financial statements.

The subsidiary companies considered in the consolidated financial statements are:

Name of the company	Proportion of ownership Interest
Empee Sugars & Chemicals Limited	63.43% (Direct)
EDL Properties Limited	75.00% (Direct)
Apollo Distilleries Private Limited	93.14% (Direct)
Empee Power Company (India) Limited	63.43% (Indirect)
Apollo Wind Energy Private Limited	63.43% (Indirect)



**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2013**

NOTE 2 : Notes to the Balance Sheet

1 - SHARE CAPITAL**a. Details of authorized, issued and subscribed share capital**

(Currency: Indian Rupees ₹ in Lakhs)

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Authorized Capital 3,00,00,000 Equity Shares of Rs10/- each	3,000.00	3,000.00
Issued ,Subscribed and fully paid Share Capital 1,90,08,893 Equity Shares of Rs10/- each	1,900.89	1,900.89
	1,900.89	1,900.89

2 - SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
0% Convertible Preference Share Application Money	231.51	85.01
	231.51	85.01

Name of Shareholder	Relationship	As at September 30, 2013		As at September 30, 2012	
		No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mr.M.P.Purushothaman	Promoter	2137788	11.25%	2137788	11.25%
Mrs.Aruna Purushothaman	Promoter	1800000	9.47%	1800000	9.47%
Mrs.Nisha Purushothaman	Promoter	1002000	5.27%	1002000	5.27%
Mr.Sheeju Purushothaman	Promoter	1002000	5.27%	1002000	5.27%
Mrs.Sheena Purushothaman	Promoter	1002044	5.27%	1002044	5.27%
M/s.Empee Holding Ltd	Promoter	6307472	33.18%	6307472	33.18%

c. Reconciliation of number of shares

Particulars	As at September 30, 2013		As at September 30, 2012	
	Number	Rs.(Lacs)	Number	Rs.(Lacs)
Shares outstanding at the beginning of the year	19008893	1900.89	19008893	1900.89
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	19008893	1900.89	19008893	1900.89



d. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back

Particulars	Year				
	March 31, 2009	March 31, 2010	March 31, 2011	Sept. 30, 2012	Sept. 30, 2013
Fully paid up pursuant to contract's without payment being received in cash	---	---	---	---	---
Fully paid up by way of bonus shares	---	---	---	---	---
Shares bought back	---	---	---	---	---

2 - RESERVES AND SURPLUS

Particulars	As at Sept 30, 2013	As at Sept 30, 2012
a. Securities Premium Account		
Opening Balance	17,414.59	17,414.59
Closing Balance	17,414.59	17,414.59
b. Revaluation Reserve		
Opening Balance	1,652.28	1,672.06
(-) Written Back in Current Year	19.78	19.78
Closing Balance	1,632.50	1,652.28
c. General Reserve		
Opening Balance	1,297.16	1,297.16
Closing Balance	1,297.16	1,297.16
d. Capital Reserve		
Opening Balance	296.35	296.35
Closing Balance	296.35	296.35
e. Discount on issue of Shares		
f. Surplus in the statement of profit and loss		
Opening balance	(44.03)	5,829.45
(+) Net Profit For the current year	(1,148.29)	(5,133.29)
	(1,192.32)	696.16
(-) Prior Period Expenses	(33.07)	519.26
(-) Proposed Dividends	190.09	190.09
(-) Tax on Proposed Dividends	30.84	30.84
		-
Closing Balance	(1,380.18)	(44.03)
GRAND TOTAL	19,260.42	20,616.35



3 - LONG-TERM BORROWINGS

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
SECURED BORROWINGS		
From Banks		
(a) Term loans *		
Power Project in Aranthangi, Trichy (Refer Note 3.1 (i))		
Andhra Bank	282.92	552.40
60 klpd project in Chotkur, Andhrapradesh (Refer Note 3.1 (ii))		
Andhra Bank	2,145.22	2,495.73
Union Bank of India	1,446.35	1,788.85
Empee Sugars & Chemicals Limited		
Ambasamudram (Refer Note 3.1 (iii))		
Andhra Bank	6,054.01	683.65
Bank of India	6,747.27	1,055.11
Indian Overseas Bank	3,253.10	369.07
Punjab National Bank	5,326.52	587.82
Indian Bank	2,562.92	244.09
Oriental Bank of Commerce	5,029.53	664.45
Union Bank of India	2,424.37	316.17
Naidupet (Refer Note 3.1 (iv))		
Indian Bank	332.17	434.77
Union Bank of India	192.16	336.23
Bank of Maharashtra	117.78	135.14
Federal Bank	77.50	111.98
Funded Interest on Term Loan - Ambasamudram (Refer Note 3.1 (v))		
Andhra Bank	1,092.77	5,920.08
Bank of India	1,353.26	6,584.01
Indian Overseas Bank	559.26	3,180.78
Punjab National Bank	978.02	5,283.58
Indian Bank	423.12	2,529.19
Oriental Bank of Commerce	1,005.81	4,950.70
Union Bank of India	557.36	2,393.53
Empee Sugars & Chemicals Limited - Power Division		
Indian Overseas Bank	799.49	977.19
Corporate Loan (Refer Note 3.1 (vi))		
Andhra Bank	185.10	668.01
Appollo Distilleries Pvt Limited (Refer Note 3.1 (vii))		
Punjab National Bank	5,922.42	5,794.24
From Others		
Sugar Development Fund Loan (Refer Note 3.1 (iii))	4,715.02	4,740.02
Power Finance Corporation	2,798.09	3,670.69
UNSECURED		
(b) Others *		
From NBFC	539.12	1,545.29
Others	1,197.70	396.71
TOTAL	58,118.36	58,409.47

*Principal amounts due with in next one year has been reclassified under other current liabilities



3.1 Security & Other Terms

- (i) Paripassu first charge on fixed assets including plant and machineries of Aranthangi Division and by personal guarantee of three Directors. The term loans are repayable on quarterly installments .
- (ii) Secured by way of first charge on pari-pass basis on the fixed assets including plant and machineries of grain based division at Sangareddy, Andhrapradesh. Second paripassu charge on current assets and by personal guarantee of three directors. The term loans are repayable in quarterly installments.
- (iii) Pari passu first charges on fixed assets of the Ambasamudram unit of the company with other members of the consortium. Second paripassu charge on the current assets of the Ambasamudram unit and Naidupet unit of the company with other members of the consortium. Second paripassu charge on the fixed assets for naidupet unit of the company with other members of the consortium and also personal guarantee of the three directors and pledge of 51% of the promoters shareholding in the company. The repayment of all the term loan are as per the package mentioned in CDR Scheme.
- (iv) Pari passu first charge on the fixed assets of the Naidupet unit of the company with other members of the consortium financed for this project. Second paripassu charge on the current assets of the naidupet unit of the company with other members and personal guarantee of three directors. The term loans are repayable in quarterly installments.
- (v) Paripassu first charge by way of a hypothecation of all moveable assets (except book debts) including moveable machinery, machinery spares, tools and accessories both present and future pertaining to bagasse based cogeneration power plant at idaikkal village, Ambasamudram Taluk, Tirunelveli Dist, Tamilnadu. The term loan is repayable in quaterly installments.
- (vi) Secured by collateral security of Vacant land in Survey no.262/10A 265/9,266/2 of Mevalooruppam & Kattagaram village, Sriperumbudur taluk, Kanchipuram Dist.of 12.665 acres and by hypothecation of 55.47 acres of wind mill land situated at Periyakumarapalayalam Dharapuram Taluk and by personal guarantee of three directors. Corporate loan is repayable in monthly equal installments.
- (vii) Secured by way of first charge on entire immovable and monvable project assets including mortgage/charge on land & building, Plant & Machineries of Brewery unit at Gummidipoony.

4 - OTHER LONG-TERM LIABILITIES

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
Trade Payables	716.14	1,598.53
Payable to related parties	1,392.00	1,043.41
Total	2,108.14	2,641.94

**5 - LONG-TERM PROVISIONS**

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
Provision for Employee Benefits:		
Gratuity payable	163.22	172.23
Compensated Absences	40.25	38.66
Unpaid dividends	18.13	3.91
Total	221.60	214.80

6 - SHORT-TERM BORROWINGS

Particulars	As at Sept.30, 2013	As at Sept.30, 2012
SECURED		
(a) Loans repayable on demand		
From Banks		
Cash Credit Loan	20,624.95	20,408.35
Letter of Credit	502.82	
Bill discounting from banks	300.00	
Factoring facility - NBFCs	1,956.22	2,214.32
(b) Other loans and advances		
Secured by hypothecation of vehicles	3.42	23.82
GRAND TOTAL	23,387.41	22,646.49

(Cash Credit facilities are secured by hypothecation of current assets located at Mevalurkuppam, Palakkad, Aranthangi, Chotkur and Gummidipoondi and second charge on the fixed assets including plant and machineries of respective locations and also by personal guarantee of three of the directors.)

(Cash credit from banks availed at Naidupet and Ambasamudram Plant are secured by floating Charge on assets under hypothecation and other current assets at respective locations)

7 - TRADE PAYABLES

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Trade Payables	17,256.62	15,043.98
	17,256.62	15,043.98

The vendors of the Company are yet to submit their status under Micro, Small and Medium Enterprises; hence the relevant information is not available with the company. Accordingly no disclosures relating to Micro, Small and Medium Enterprises have been made in the Accounts.

**8 - OTHER CURRENT LIABILITIES**

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Current maturities of long-term debt	2,656.21	3,747.10
Statutory dues	25.65	20.98
Liabilities for Expenses	970.17	104.85
Purchase Tax Payable	399.17	465.17
Other Liabilities	508.61	32.71
Unpaid dividends	8.52	8.52
Income received in advance	1,306.65	1,661.19
Share Application Money pending for allotment	-	146.50
Total	5,874.98	6,187.02

9 - SHORT-TERM PROVISIONS

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Provision for employee benefits:		
Salary & wages payable	183.32	232.99
Gratuity Payable	6.23	5.93
Bonus payable	30.31	30.19
Others:		
Provision for taxation (net of advance tax)	686.44	1,409.16
Proposed dividend (Re.1 per share)	190.09	190.09
Tax on proposed dividend	30.84	188.71
PF payable	3.45	12.42
Sales tax payable	4,532.15	3,502.04
Service Tax payable	25.68	20.49
Tds/TCS payable	20.53	31.58
Provisions for expenses	184.69	157.22
Provision for audit fees	4.78	2.78
Total	5,898.51	5,783.59

9.1. The Company has made provision for taxation on the book profits under section 115JB of the Income Tax Act, 1961 further, the Company has taken into consideration proposed composite scheme of arrangement and reversed excess tax provided in earlier years.

11 - FIXED ASSETS

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	As at Oct. 1, 2012	Additions during the Year	Deductions	As at Sept.30, 2013	As at Oct.1, 2012	Depreciation charge for the year	Deductions/ adjustments	As at Sept.30, 2013	As at Sept.30, 2013	As at Sept.30, 2012
Tangible Assets										
Land & Site	4,203.87	16.13	-	4,220.00	-	-	-	-	4,220.00	4,203.87
Buildings	13,620.40	2,786.11	-	16,406.51	1,637.82	492.93	-	2,130.75	14,275.76	11,982.57
Plant & Machinery	61,611.42	6,262.84	-	67,874.26	10,813.41	3,470.99	-	14,284.40	53,589.86	50,798.01
Furniture & Fittings	80.98	1.73	-	82.71	41.22	3.34	-	44.56	38.15	39.76
Vehicles	1,387.17	-	6.04	1,381.13	620.42	98.40	1.39	717.44	663.69	766.75
Computer	294.43	0.97	-	295.40	231.98	25.75	-	257.73	37.67	62.45
Office Equipments	182.84	5.70	-	188.54	50.31	10.34	-	60.65	127.89	132.53
Total	81,381.10	9,073.48	6.04	90,448.54	13,395.16	4,101.74	1.39	17,495.52	72,953.02	67,985.94
Previous Year	79,435.44	1,945.64	-	81,381.10	9,843.90	3,551.26	-	13,395.16	67,985.94	69,591.55

*Depreciation for the year amounting to Rs.19.78 lacs is charged to fixed asset revaluation reserve

Capital Work in Progress:

Particulars	As on 30.09.2013	As on 30.09.2012
60KLPD Project, andhra	72.25	8,046.62
Breweri Project, andhra	255.35	263.76
Land Development expenses	54.69	54.69
Empee Sugars , Ambai	1,153.60	489.13
EDL Properties, Pre-operative Expenses	640.25	0.00
Total	2,176.14	8,854.20



**11 - NON-CURRENT INVESTMENTS**

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
A. Trade Investments (Refer A below)		
(a) Investment in Equity instruments		
Quoted : Andhra Bank (1000 equity shares)	0.96	0.96
Unquoted: Empee Hotels Ltd (1,95,12,997 shares)	9,532.80	4,425.00
(b) Investments in preference shares	2.50	2.50
Union KBC Asset Management Pvt Ltd	5.00	5.00
	9,541.26	4,433.46
B. Other Investments (Refer B below)		
(a) Other non-current investments		
TOTAL (A+B)	9,541.27	4,433.46
Less : Provision for dimunition in the value of Investments	9,541.27	4,433.46

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Aggregate amount of quoted investments		
- Cost	8.46	8.46
- Market Value	8.02	8.03
Aggregate amount of unquoted investments	9,532.80	4,425.00

11.1 Refer Note No.2(12.1) to the standalone statements.

12 - LONG-TERM LOANS AND ADVANCES

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Capital Advances	313.14	961.94
Rent Advance	96.49	119.29
Electricity and other deposits	119.38	191.63
Other Deposits	374.14	184.51
	903.15	1,457.37

13 - OTHER NON-CURRENT ASSETS

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
a) Trade receivables		
Unsecured, considered good	328.01	357.63
b. Others		
Deposits - with government departments	190.02	189.03
c. Other Deposits	75.15	75.15
	593.18	621.81

**14 - INVENTORIES**

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
a. Raw Materials	10,146.64	6,686.38
b. Work-in-progress	1,033.13	1,293.46
c. Finished goods	3,034.58	6,153.09
d. Raw Materials	1,102.06	1,170.85
TOTAL	15,316.41	15,303.78

15 - TRADE RECEIVABLES

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Trade receivables outstanding for a period less than six months Unsecured, considered good	20,636.51	19,724.46
	20,636.51	19,724.46
Trade receivables outstanding for a period exceeding six months Unsecured, considered good	2,244.87	1,907.19
Less: Provision for doubtful debts	14.59	14.59
	2,230.28	1,892.60
TOTAL	22,866.79	21,617.06

16 - CASH AND CASH EQUIVALENT

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Cash and Cash Equivalent:		
a. Balances with banks	183.22	293.93
b. Cash on hand	75.83	99.92
	259.05	393.85
Other Bank Balance:		
a. Margin Money deposit with Andhra Bank	1033.02	480.06
b. Balance lying in HDFC bank un paid dividend account	18.13	3.91
	1,051.15	483.97
Total	1,310.20	877.82

17 - SHORT-TERM LOANS AND ADVANCES

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Employee Advance	110.97	478.57
Interest Accrued but not due	29.80	13.22
Advance to Suppliers	421.36	2,005.61
Cane Suppliers Advance	617.28	554.39
Harvester Advance	91.18	93.51
Prepaid Expenses	43.05	41.42
Other Deposits	354.30	1,614.44
	1,667.94	4,801.16

**18 - OTHER CURRENT ASSETS**

Particulars	As at Sept. 30, 2013	As at Sept. 30, 2012
Prepaid Expenses	9.14	20.43
Deposits - Others	304.47	342.77
Other loans & advances	3683.55	4,790.09
	3,997.16	5,153.29

NOTE 3 : Notes to the Profit and Loss

1 - REVENUE FROM OPERATIONS

Particulars	For the year ended Sept.30, 2013	For the period ended Sept.30, 2012
Sale of Products (Gross)	140,281.13	190,727.38
Less: Excise Duty	32,321.46	53,414.99
	107,959.67	137,312.39
Sale of Services		
Other operating Revenues	370.63	662.99
	108,330.30	137,975.38

2 - OTHER INCOME

Particulars	For the year ended Sept.30, 2013	For the period ended Sept.30, 2012
Dividend Received	0.05	0.12
Scrap Sales	81.73	130.06
Miscellaneous Income	575.56	966.88
	657.34	1,097.06

3 - COST OF MATERIAL CONSUMED

Particulars	For the year ended Sept.30, 2013	For the period ended Sept.30, 2012
Opening Stock of Raw Materials	7,857.24	4,993.67
Add: Purchases of Raw Materials	48,893.31	64,597.43
Less: Closing Stock of Raw Materials	11,248.70	7,857.23
	45,501.85	61,733.87

**4 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS**

Particulars	For the year ended Sept.30, 2013	For the period ended Sept.30, 2012
<u>Opening Inventory</u>		
Finished Goods	6,153.09	5,214.58
Work-In-Progress	1,293.46	1,083.05
	7,446.56	6,297.63
<u>Closing Inventory</u>		
Finished Goods	3,034.58	6,153.09
Work-In-Progress	1,033.13	1,293.46
	4,067.71	7,446.55
	3,378.84	(1,148.92)

5 - EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended Sept.30, 2013	For the period ended Sept.30, 2012
Salaries and incentives	2,716.49	3,370.92
Contributions to -		
Provident fund & ESI	97.22	138.59
Gratuity fund contributions	(6.73)	(22.24)
Staff welfare expenses	143.53	194.72
	2,950.51	3,681.99

6 - FINANCE COST

Particulars	For the year ended Sept.30, 2013	For the period ended Sept.30, 2012
Bank Charges	20.14	10.65
Other Borrowing Costs	340.48	171.83
Interest Expenses	9,706.16	12,779.50
	10,066.78	12,961.98



7 - OTHER EXPENSES

Particulars	For the year ended Sept.30, 2013	For the period ended Sept.30, 2012
Manufacturing expenses	2,143.28	2,154.64
Excise Label	444.03	689.75
VAT	36,227.59	51,834.25
Label Registration /Approval fee	3.53	7.87
Rent	136.65	175.10
Rates & Taxes	466.49	860.30
Audit Fees	7.30	12.31
Postage & Telegram	25.93	53.99
Printing and Stationery	26.58	95.11
Repairs and Maintenance	334.83	584.55
Donations	19.87	39.01
Sitting Fee	8.60	12.00
Telephone Expenses	27.17	36.29
Managerial Remuneration	107.87	200.79
Consulting Charges	149.89	336.21
Travelling Expenses	68.42	628.65
Travelling Expenses - Directors	6.55	22.63
Miscellaneous Expenses	613.14	957.97
Discounting Charges	411.19	321.69
Advertisement & Publicity	18.63	23.57
Travelling Expenses - Marketing	18.06	40.16
Freight & Handling Charges	355.82	1,114.08
Loading & Unloading charges	157.87	199.59
Sales Promotion expenses	0.96	1.14
Cash Discount	658.03	1,183.91
Other Selling expenses	2,448.87	1,398.66
Cane Dev. Council Fund	11.02	17.03
Cane Development Expenses	0.55	108.85
Loss on sale of Fixed Assets	0.56	31.40
Export Sugar Handling Charges	-	46.15
	44,899.27	63,187.63

8 - EARNINGS PER EQUITY SHARE

Particulars	For the year ended Sept.30, 2013	For the period ended Sept.30, 2012
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders	(1,148.29)	(5,133.29)
Weighted average number of equity shares	19,008,893	19,008,893
Basic Earnings Per Share	(6.04)	(27.00)
Face value per Share	10.00	10.00
Weighted average number of potential equity shares	19008893	19008893
Diluted Earnings Per Share	(6.04)	(27.00)
Face value per Share	10.00	10.00



4. NOTES ON ACCOUNTS

The Company has closed the accounting year on 30.09.2013 for 12 months period from 01.10.2012 to 30.09.2013.

4.1 Contingent Liabilities, Guarantees & Capital commitments

A. Contingent Liabilities

Particulars	(₹. In Lakhs)	
	30.09.2013	30.09.2012
a) Claims against the company not acknowledged as debts	—	—
b) Disputed Income tax demand	714.68	560.58

B. Capital Commitments

Particulars	(₹. In Lakhs)	
	30.09.2013	30.09.2012
Estimated amount of capital contracts remaining	654.96	2119.92

C. Others

Particulars	(₹. In Lakhs)	
	30.09.2013	30.09.2012
i) Disputed Interest on Purchase Tax <i>(The company has applied for waiver of interest, which the company is hopeful of getting waiver)</i>	729.59	729.59
ii) Guarantees		
Indian Bank, Chennai	20.50	20.50
Indian Bank, Naidupet	43.00	-
Andhra Bank, Chennai	2.03	2.03

4.2 Employee Benefits

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below:

a) Defined Contribution Plans: Contribution to defined contribution plan, recognized as expenses for the year is amount to ₹.97.22 Lakhs (previous year ₹.139.59 Lakhs) pertaining to employers' contribution to provident fund, Employees State Insurance Funds, Gratuity fund.

b) Defined Benefit Plans:

Leave encashment:

The company has dispensed off the leave encashment policy during the current period; hence no provision had been recognized in the books of accounts for the period.

**Gratuity:**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefit vests after five years of continuous service.

(i) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

		₹.in Lakhs	
Particulars		As at 30 Sept. 2013	As at 30 Sept 2012
1	Present value of obligation at the beginning of the year	80.92	74.80
2	Interest cost	6.43	8.00
3	Current service cost	21.04	37.62
4	Benefits paid	(14.21)	(15.50)
5	Actuarial (gain) / loss on obligation	(9.20)	(24.00)
6	Present value of obligation at the end of year	84.98	80.92

(ii) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

		₹.in Lakhs	
Particulars		As at 30 Sept. 2013	As at 30 Sept. 2012
1	Fair value of plan assets at the beginning of the year	13.77	-
2	Expected return on plan assets	1.10	-
3	Contributions	14.21	15.50
4	Benefits paid	(14.21)	(15.50)
5	Actuarial gain / (loss) on plan assets	(0.28)	-
6	Fair value of plan assets at the end of year	14.60	13.77

(iii) Actuarial gain / loss recognized as follows:

		₹.in Lakhs	
Particulars		As at 30 Sept. 2013	As at 30 Sept 2012
1	Actuarial gain / (loss) for the year – obligation	9.20	24.00
2	Actuarial gain / (loss) for the year – plan assets	(0.28)	-
3	Total gain / (loss) for the year	8.93	24.00
4	Actuarial gain / (loss) recognized in the year	8.93	(21.62)
5	Unrecognized actuarial gains (losses) at the end of year	-	-



(iv) The amounts recognized in Balance Sheet are as follows:

₹.in Lakhs

Particulars	As at 30 Sept. 2013	As at 30 Sept 2012
1 Present value of obligation as at the end of the year	(84.98)	(80.92)
2 Fair value of plan assets as at the end of the year	(14.60)	0.00
3 Funded / (unfunded) status	(70.38)	(80.92)
4 Excess of actual over estimated	-	-
5 Net assets / (liability) recognized in balance sheet	(70.38)	(80.92)

(v) The amounts recognized in Profit and Loss Account are as follows:

₹. in. Lakhs

Particulars	As at 30 Sept. 2013	As at 30 Sept. 2012
1 Current service cost	21.04	37.62
2 Past service cost		
3 Interest cost	6.43	8.00
4 Expected return on plan assets	-1.1	-
5 Net actuarial (gain)/loss recognized in the year	(8.93)	(24.00)
6 Expenses recognized in the statement of profit and losses	17.44	21.62

(vi) Principal actuarial assumptions at the balance sheet date are as follows:

A. Economic Assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 30 September 2013	As at 30 September 2012
1. Discount rate	8.71%	8.5%
2. Salary growth rate	6%	6%

B. Demographic Assumption

1. Retirement Age	58 Years (60 years) previous yr	
2. Mortality table	LIC (1994-96) duly modified	
3. Withdrawal Rates	Ages	Withdrawal Rate (%)
	Up to 30 Years	5%
	Up to 44 Years	5%
	Above 44 Years	5%



- 4.3 Sundry Creditors and Debtors balances are subject to confirmation by the parties concerned
- 4.4 Trade Deposits and advance from customer includes ₹.1306.65 lakhs (Previous year ₹.1661.19 lakhs) received from TASMAC on adhoc basis during the month of September 2013.

4.5 Related party transactions**Related Parties****Key Management Personnel**

Mr.M.P.Purushothaman	Chairman
Ms.Nisha Purushothaman	Vice Chair Person & Jt.Mg. Director
Mr.Shaji Purushothaman	Director

Relatives of Key Management Personnel

Ms.Sheena.Purushothaman

Other related parties

Empee Holdings Limited
Empee International Hotels & Resorts Limited
South (India) Hotels Pvt Ltd
Appollo Alchobev Limited
Aruna Exports Pvt Ltd
Empee Hotels Limited
Aruna Constructions (India) Limited
Empee Agro Farm Products Pvt Ltd
Empee Marine Products Limited
Appollo Beers Pvt Ltd
Empee Leasing & Finance Limited
Empee Communication Limited
Universal Spirits Ltd
Empee Construction Company Ltd
Empee Power & Infrastructure Pvt Ltd
Empee Packaging Industries
Aruna Constructions
Empee Hospitality Pvt. Ltd
EDL Marketing Pvt. Ltd



Transactions with Related parties

₹. In Lacs

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Other related parties	For the period ended 30.09.13
Remuneration	107.87 (200.79)	Nil (-)	Nil (-)	107.87 (200.79)
Receiving of Services	Nil (-)	Nil (-)	198.26 (214.45)	198.26 (214.45)
Interest Paid	Nil (-)	Nil (-)	Nil (-)	Nil
Interest Received	Nil (-)	Nil (-)	Nil (-)	Nil
Sale of assets	Nil (-)	Nil (-)	Nil 102.6	Nil 102.6
Purchase of investments	Nil (-)	Nil (-)	5107.80 (-)	5107.80 (-)
Purchase of goods	Nil (-)	Nil (-)	Nil (-)	Nil
Rent paid	Nil Nil	12.00 (18.00)	52.92 (83.88)	64.92 (101.88)
Receivables / Payables	Nil (-)	Nil (-)	1392.00 (1042.41)	1392.00 (1042.41)

4.6 .Quantum of Excise Duty included in closing stock of finished goods is ₹.60.11 Lakhs.

4.7 Payment to auditors

(₹. In Lacs)

Particulars	Period ended 30 September 2013	Year ended 30 september 2012
Statutory audit fee	5.30	6.74
Limited Review Fees	2.00	1.68

4.8 The company is in the process of appointing Company Secretary

4.9 **Segment Reporting:** The company has identified two reportable segments viz Liquor and Power. However, the company's segments identified do not satisfy the criteria as given in the Accounting Standard (AS) 17 on "Segment Reporting". Hence, disclosure requirements pertaining to reportable segments are not given.

4.10 Figures for the previous year has been regrouped/reclassified wherever necessary.

D.Sampathkumar & co
Chartered Accountants
(Firm Regn.no.003556S)
M.Thiyagarajah
(Partner)
M.No.018460

For and on behalf of the Board of Directors of
EMPEE DISTILLERIES LTD

M.P.Purushothaman **Nisha Purushothaman**
Chairman Vice Chair person & Jt.Mg. Director

Chennai
11.11.2013

ATTENDANCE SLIP

EMPEE DISTILLERIES LIMITED

Regd Office : Empee Tower, 59, Harris Road, Pudupet, Chennai – 600 002.

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Only members or their proxies are entitled to be present at the meeting.

Folio No./Client ID No.	Sl. No.
Name and Address	No. of shares

I hereby record my presence at the 29th Annual General Meeting being held at Conference Hall-II, Image Auditorium, MRC Nagar, Raja Annamalaipuram, Chennai – 600 028 at 11.30 a.m. on Monday, the 30th December 2013 and at any adjournment thereof.

SIGNATURE OF THE MEMBER / PROXY*

*strike out whichever is not applicable

PROXY

EMPEE DISTILLERIES LIMITED

Regd. Office : Empee Tower, 59, Harris Road, Pudupet, Chennai – 600 002.

I/We..... Folio No..... of
Being Member / Members of EMPEE DISTILLERIES LIMITED hereby appoint
.....offailing him.....
.....of.....

As my / our Proxy to attend and vote for me / us and on my / our behalf at the 29th Annual General Meeting being held at Conference Hall-II, Image Auditorium, MRC Nagar, Raja Annamalaipuram, Chennai – 600 028 at 11.30 a.m on Monday, the 30th December 2013.

Date this Day of December 2013

Re.1
Revenue
Stamp

Note: The Proxy must be deposited at the Registered office of the Company at Empee Tower, 59, Harris Road, Pudupet, Chennai – 600 002 not less than 48 hours before the time of holding the meeting.

No. 28834453469

EMPEE TOWER*
59 HARRIS ROAD
PUDUPET, CHENNAI - 600 002.



Tel : 28531111, 28522510, 28523514
28413151, 28413161, 28413191

Fax : 91 - 44 - 28555163

E-mail : info@empeegroup.co.in

FORM A

1.	Name of the Company	EMPEE DISTILLERIES LTD
2.	Annual financial statements for the year ended	30 th September 2013.
3.	Type of Audit observation	<p>Matter of Emphasis:</p> <p>a) The company has made an investment of Rs.1.59 Crores and given share application money of Rs.140.36 Crores to its subsidiary Empee Sugars and Chemicals Limited towards promoters share for its Integrated Sugar Complex at Amba- samudram. The plant is partly functional and subsidiary company is incurring losses. This may result in diminution in the value of investments. Refer Note No.12.1 to the Balance Sheet.</p> <p>b) THE COMPOSITE SCHEME OF ARRANGEMENT among the company and Empee Sugars and Chemicals Ltd and Apollo Wind Energy Private Limited and their respective shareholders with effect from April 01, 2011 for amalgamation and with effect from April 01, 2012 for demerger has been sanctioned by the Honorable High Court of Madras vide its order dated 24th October, 2013. However, similar sanction by the Honorable High Court of Andhra Pradesh is still pending. Hence, no effect is given for scheme of amalgamation in the accounts.</p> <p>c) The Provision for Taxation has been made under section 115JB of the Income Tax Act, 1961. Refer Note No.10.1 to the Balance Sheet.</p>



A UNIT OF
EMPEE

Regd. Office : "EMPEE TOWER" 59, Harris Road, Pudupet, Chennai - 600 002.
AP Distillery : Choutkur Village, Pulkal Mandal, Medak District,
Andhra Pradesh. Tel : 08450-200010 Fax : 08455-270046

No. 28834453469

EMPEE TOWER*
59 HARRIS ROAD
PUDUPET, CHENNAI - 600 002.



Tel : 28531111, 28522510, 28523514
28413151, 28413161, 28413191

Fax : 91 - 44 - 28555163

E-mail : info@empeegroup.co.in

-2-

4.	Frequency of observation	a) Appeared second time since financial year 2011-12. b) Appeared first time. c) Appeared first time.
5.	Signed by Mr.M.P. Purushothaman Chairman Ms.Nisha Purushothaman Joint Managing Director Mr. T.S.Raghavan Chairman – Audit Committee M/s.D.Sampathkumar & Co. Auditors of the Company.	* * For D. SAMPATH KUMAR & CO., FIRM REGN. No. 3556S

M. THIYAGARAJA
(PARTNER)
Chartered Accountants
M.No.18-80



No. 28834453469

EMPEE TOWER*
59 HARRIS ROAD
PUDUPET, CHENNAI - 600 002.



Tel : 28531111, 28522510, 28523514
28413151, 28413161, 28413191

Fax : 91 - 44 - 28555163

E-mail : info@empeegroup.co.in

FORM B

1.	Name of the Company	EMPEE DISTILLERIES LTD
2.	Annual financial statements for the year ended	30 th September 2013.
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	a) Appeared second time since financial year 2011-12. b) Appeared first time. c) Appeared first time.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors report.	<p>The following are the responses given in the Directors' Report.</p> <p>a) The investment of Rs.140.36 Crores in Company's subsidiary Empee Sugars and Chemicals Limited (ESCL) was incurred for the implementation of Integrated Sugar Complex at Ambasamudram. The Composite Scheme of Arrangement for amalgamation with ESCL is in progress. The said Scheme has already been approved by the High Court of Madras subject to similar approval from the Honourable High Court of Andhra Pradesh, which once received, the investment will be squared off in the post amalgamated Balance Sheet of the Company. Further the company is taking steps to shift the Sugar Plant to the nearby rich sugar cane areas in Karnataka State.</p> <p>b) The qualification is self explanatory.</p> <p>c) Tax provision has been made under section 115JB of the Income Tax Act, 1961 as applicable to the current situation.</p>

