



Administrative Office : "Empee Tower", 59 Harris Road, Pudupet, Chennai - 600 002.
Tel : 28523514 / 28522510 Fax : 91-44-28555163 Web : www.empeegroup.co.in

1. Merger Appointed Date: 01 April 2011.
2. All assets, liabilities and business of EDL would be vested with ESCL
3. The share capital of ESCL would be re-organised in the ratio of 2:1 i.e. for every 2 equity shares of Rs. 10/- each that are cancelled, 1 new equity share of Rs. 10/- would be issued. Thus, post re-organisation of capital, the equity capital would be reduced to 20,986,450 equity shares of Rs. 10/- each.
4. As consideration for merger, 4 equity shares of Rs. 10/- each would be issued for every 1 equity share of Rs. 10/- held by shareholders of EDL. The share exchange ratio has been arrived at on the recommendation provided by SSPA & Co, Chartered Accountants. The Fairness Opinion has been provided by Fortress Capital management Services Private Limited, a SEBI registered Category I Merchant Banker.



ISO 9001:2000 Company

Empee Sugars and Chemicals Limited

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5. All the shares of ESCL that are owned and held by EDL would be cancelled pursuant to the merger. The Promoter shareholding in EDL of 71.10% would be reduced to 65.93% in the merged entity, pursuant to this Scheme.
6. The fully diluted equity capital of the Company is 41,972,900 equity shares of Rs. 10/- each (prior to giving effect of the reduction of capital as envisaged in the Scheme), which will increase on account of this Composite Scheme of Arrangement and Amalgamation to 83,710,971 equity shares of Rs. 10/- each. Further, the Sugar Units of the Company at Naidupet and Ambasamudram would be demerged into a separate wholly owned subsidiary.
7. Subject to requisite approvals, the name of the merged entity would be changed to "Empee Distilleries Limited"

Thanking you,

Yours faithfully,
For Empee Sugars and Chemicals Limited

M.P. Purushothaman
Chairman & Managing Director