

Empee Sugars and Chemicals Limited

Regd. Office Ayyapareddipalem, Naidupet, Nellore District-524 126

PROCEEDING OF THE POSTAL BALLOT PROCESS AND RESULT DECLARATION BY THE CHAIRMAN AT THE REGISTERED OFFICE OF THE COMPANY AT 4.30 P.M. ON MONDAY, THE 23rd AUGUST, 2010.

Item No.1:

SPECIAL RESOLUTION TO ALTER THE ARTICLES OF THE COMPANY TO ENABLE THE COMPANY TO ISSUE CUMULATIVE CONVERTIBLE PREFERENCE SHARES OF RS.10/-EACH

Resolution 1:	No. of Postal Ballot forms	No. of Shares	Vote %
Total Postal Ballot Forms Received	505	-	-
Less: Invalid Postal Ballot Forms	35	-	-
Net Valid Postal Ballot Forms	470	29002785	100.00
Postal Ballot Forms with assent for the Resolution	429	28985865	99.94
Postal Ballot Forms with dissent for the Resolution	25	12140	0.04
Postal Ballot Forms with no votes cast for this resolution	16	4780	0.02

"RESOLVED THAT in accordance with the provisions of Section 31 and other applicable provisions, if any, of the Companies Act 1956 the existing Article No 5 of the Articles of Association of the Company be and is hereby replaced with the following new Article.

"5 The Company shall have power to issue all kinds of preferences shares, including cumulative convertible preference shares with or without premium if any, liable to be redeemed in any manner permissible under the Act, and Directors may, subject to the provisions of the Act, exercise such power in any manner they think fit and provide for the redemption of such shares on such terms including the right to redeem at a premium or otherwise as they think fit."

The Chairman declared that the resolution was passed with requisite majority.

Item No. 2:

SPECIAL RESOLUTION PURSUANT TO SECTION 81(1A) OF THE COMPANIES ACT, 1956, AUTHORIZING THE COMPANY TO ISSUE 1,00,00,000 NO'S OF 0% CUMULATIVE CONVERTIBLE PREFERENCE SHARES OF RS.10/ EACH AT A PREMIUM OF RS.140/- EACH AGGREGATING TO RS.150 CRORES ON PREFERENTIAL BASIS TO M/S. EMPEE DISTILLERIES LIMITED

Resolution 2:	No. of Postal Ballot forms	No. of Shares	Vote %
Total Postal Ballot Forms Received	505	-	-
Less: Invalid Postal Ballot Forms	35	-	-
Net Valid Postal Ballot Forms	470	29002785	100.00
Postal Ballot Forms with assent for the Resolution	404	28981815	99.93
Postal Ballot Forms with dissent for the Resolution	31	13670	0.05
Postal Ballot Forms with no votes cast for this resolution	70	7300	0.02

CHAIRMAN'S
INITIALS

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any of the Companies Act, 1956 (including any statutory amendments thereto and all modifications or re-enactments thereof for the time being in force) and in accordance with the provision of the Memorandum and Articles of Association of the Company and subject to the rules/regulations/guidelines/clarifications issued by the Securities and Exchange Board of India (hereinafter referred to as "SEBI"), including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 on Preferential Issue (hereinafter referred to as "SEBI Regulations for Preferential Issue"), Listing Agreements entered into by the Company with the Bombay Stock Exchanges Limited and Madras Stock Exchange Limited, where the equity shares of the company are listed and all other applicable laws and regulations and subject to the company obtaining all such approvals, permissions, sanctions and consents as may be required from any Government or Regulatory Authorities and/or other institutions and bodies including banks, provided that such terms, conditions, alterations, modifications, corrections, changes and variations, if any, that may be stipulated or imposed or prescribed under such approvals, permissions, sanctions and consents, are acceptable to the Board of Directors (which term shall include any duly constituted and authorized "Committee of Directors" thereof), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot upto 1,00,00,000 no's (One Crore only) of 0% Convertible Preference Shares of Rs.10/-each at a premium of Rs.140/- per share aggregating to Rs.150 Crores (One Hundred and Fifty Crores only) in one or more tranches to M/s.Empee Distilleries Limited as mentioned in the Explanatory Statement attached to notice on preferential basis on such terms and conditions and in such manner as the Board may think fit, without offering the same to person(s)/Shareholders/member on the date of offer are holders of the equity shares in the Company.

FURTHER RESOLVED that the said Convertible Preference Shares shall be converted into Equity Shares of the Company on or after one month from the date of allotment..

FURTHER RESOLVED that the said shares on conversion into equity shares shall be subject to the lock-in as per the SEBI Regulations for Preferential Issue.

FURTHER RESOLVED that the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions including to execute any documents on behalf of the Company and to represent the Company before any governmental authorities, and to appoint any professional adviser/consultants/lawyers.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Board be and is hereby authorized, on behalf of the Company do all such acts, deeds, matters and things as the board may, in its absolute discretion, deem necessary or desirable, for such purpose, including without limitation to enter into arrangements/agreements and to settle all questions, difficulties or doubts that may arise in regard to such issue as the Board, in its absolute discretion deem fit and take all steps which are incidental, consequential, relevant or ancillary in this connection "

The Chairman declared that the resolution was passed with requisite majority.

MINUTES BOOK

Item No. 3:

ORDINARY RESOLUTION PURSUANT TO SECTION 293(1)(D) OF THE COMPANIES ACT, 1956, TO ENABLE THE BOARD OF DIRECTORS OF THE COMPANY TO BORROW UP TO RS.1500 CRORES

	No. of Postal Ballot forms	No. of Shares	Vote %
Resolution 3 :			
Total Postal Ballot Forms Received	505	-	-
Less: Invalid Postal Ballot Forms	35	-	-
Net Valid Postal Ballot Forms	470	29002785	100
Postal Ballot Forms with assent for the Resolution	375	28973735	99.90
Postal Ballot Forms with dissent for the Resolution	47	17550	0.06
Postal Ballot Forms with no votes cast for this resolution	48	11500	0.04

"RESOLVED that in supersession of the earlier resolutions passed pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors borrowing any sum or sums of money from time to time from any one or more of the Company's Bankers and/or from any one or more other persons, firms, bodies corporate, banks or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the company's assets and properties whether movable or immovable or stock-in-trade (including raw materials, and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.1500 Crores (Rupees One thousand five hundred crores only) only exclusive of interest, and the directors are hereby further authorized to execute such deeds of debentures and debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings containing such conditions and covenants as the Directors may think fit."

The Chairman declared that the resolution was passed with requisite majority.

Ayyapareddipalem
23.08.2010


M.P. Purushothaman
Chairman