



## EMPEE SUGARS & CHEMICALS LIMITED

Registered Office: Ayyapareddipalem, Naidupet - 524 126, Nellore Dist.,

Email:investor@cameoindia.com

### NOTICE OF POSTAL BALLOT

Dear Member,

#### Notice pursuant to Section 192A of the Companies Act, 1956

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956, read with the Companies (passing of the Resolution by Postal Ballot) Rules, 2001, for the consent of the members through postal ballot for alteration of other object clause, commencement of newly inserted business as set out in other objects clause of the Memorandum of Association under Section 17 and 149 (2A) of the Companies Act, 1956 and restructuring of the borrowing limits which is sought to be obtained by means of Postal Ballot.

Accordingly, the said draft of the Resolutions along with its Explanatory Statement setting out all material facts and the reasons thereto, the requisite Postal Ballot Form and the Self-addressed postage prepaid envelope is enclosed for your consideration.

Place: Chennai.  
Date: 16/06/2008

By Order of the Board

M.P.Purushothaman  
Chairman & Managing Director

#### Notes:

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed and signed in the attached self addressed, postage prepaid envelope, so as to reach the Scrutinizer before the closing of working hours (17.30 Hrs.) on or before 23<sup>rd</sup> July, 2008. Please note that any Postal Ballot forms(s) received after the said date will be treated as not having been received. No other form or photocopy thereof is permitted.

The Board of Directors has appointed M/s. Damodaran & Dhanapal Associates, Practicing Company Secretaries, as the Scrutinizer for conducting this postal ballot voting process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman or any Director of the Company as soon as possible after the last date for receipt of Postal Ballot Forms, but not later than the closing business hours of 26<sup>th</sup> July, 2008. Result of the Postal Ballot shall be declared and confirmed by the Chairman or any other director of the company as authorised by the Board on Saturday, the 26<sup>th</sup> July, 2008 at 5.30 p.m. at the Registered Office of the Company mentioned above.

Encl: 1.Draft Resolution with explanatory statement  
2.Postal Ballot Form & Self addressed postage envelope.

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### DRAFT RESOLUTION

#### SPECIAL BUSINESS

##### Item No.1:

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 17 and other applicable provisions , if any, of the Companies Act 1956 and subject to the consents, approvals and permissions from appropriate authorities as may be necessary, consent of the Company be and is hereby accorded for the alteration of the other objects under Clause III(C) of the Memorandum of Association of the Company by insertion of the following sub clauses after sub clause 43 as sub-clauses 44 to 45 and if required, to renumber sub-clauses in the other objects under Clause III(C) in the Memorandum of Association of the Company:

44. To generate electric power by using wind, solar, water, coal, naphtha, fuel oil, furnace oil, natural gas, liquefied natural gas, biomass including bagasse or any other carbohydrate available above the earth or by from offshore or onshore site in India or outside India.

45. To transmit, distribute and market the power generated/transmitted by stepping up voltage or not to load centre in India or outside India at such voltages as required by the customers and invest in research & development of power from conventional or non-conventional or renewable energy sources for generation and also to offer consultancy for power generation, power transmission, distribution and power marketing to any customer.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts/deeds, matters and things and give such directions as may be necessary or expedient, and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.

RESOLVED FURTHER that the Company Secretary of the Company be and is hereby authorized to make, prepare, sign and file the necessary Forms with the concerned Registrar of the Companies, Andhra Pradesh and to do all such acts as may be required in this regard.”

**Item No.2:**

To consider and if thought fit, to pass with or without modification, through postal ballot of the following Resolution as a Special Resolution:

Resolved that pursuant to the provisions of section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded for commencing and undertaking all of the business and activities embodied in clauses 44 to 45. of the Other Object Clause III (c) of the Memorandum of Association of the Company as and when deemed fit by the Board of Directors.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution.”

**Item No.3:**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“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.800 Crores (Rupees Eight 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.”

Place: Chennai  
Date: 16/6/2008

By Order of the Board

M.P.Purushothaman  
Chairman & Managing Director

**Explanatory Statement pursuant to Section 173 of the Companies Act, 1956:**

**Item No.1: Consent for alteration of other object clauses in the Clause III (C ) of Memorandum of Association**

Your Company proposes to enter into generation of power by making use of the bagasse generated by the sugar mill for which the objects of the company are to be amended by inserting the power related business as stated in the Special resolution into the other object clauses in the Clause III (C) of Memorandum of Association.

As stated above, your Board is approaching you to have your approval under Section 17 of the Companies Act, 1956 by way of good corporate governance for initiation and commencement of power business and your approval is sought through postal ballot under Section 192A of the Companies Act, 1956.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of the shares held by them in the Company. None of the Director is concerned or interested in the resolution.

The Board of the Company recommends the Special resolution for approval by the Members, by exercising their vote through postal ballot. A Postal Ballot Form sent along with the Notice.

**Item No:2:**

As per provisions of section 149 (2A) of the Companies Act, 1956, approval of the shareholders in General Meeting is required for commencement of any business as set out in Other Objects clause of the Memorandum of Association.

As a matter of expediency, approval of the shareholders is sought to enable the Directors at such time or times as they may consider appropriate and in the interest of the Company to commence and undertake all or any of the business specified in the sub clauses 44 to 45 other objects Clause (III) (C) of the Memorandum of Association of the Company.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of the shares held by them in the Company. None of the Director is concerned or interested in the resolution.

The Directors recommend the said resolution for acceptance by the members, by exercising the vote through the postal ballot form, which is sent along with the Notice.

**Item No.3: Consent for increasing the Borrowing Limits of the Board:**

Your Company is in the process of establishing an integrated Sugar Complex near Ambasamudram which necessitates the Board to borrow from banks and financial institutions by way of loans for funding the project. Earlier the Board was authorized by the Company to make borrowings up to Rs.150 Crores which in the opinion of the Board be raised to Rs.800 Crores to enable the company to make borrowings to part finance the expansion into integrated Sugar Complex.

As stated above, your Board is approaching you to have your approval under Section 293(1) (d) of the Companies Act, 1956 by way of good corporate governance for increasing the Borrowing powers of the Board.

None of the Director is concerned or interested in the resolution.

The Board of the Company commends the Ordinary resolution for approval by the Members, by exercising their vote through postal ballot. A Postal Ballot Form sent along with the Notice.

Place: Chennai.  
Date: 16/06/2008

By Order of the Board

M.P.Purushothaman  
Chairman & Managing Director

## NOTES/INSTRUCTIONS:

1. Pursuant to the provision of Section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the assent or dissent of the members in respect of the resolution included in the Postal Ballot Notice dated 16/06/2008 are being determined through a Postal Ballot.
2. A Member desiring to exercise his/her vote by Postal Ballot may complete the attached Form and sent it to the Scrutinizer appointed by the company in the enclosed postage prepaid self-addressed envelope. Postage will be borne by the company. However, envelopes containing the postal ballot if sent through courier at the cost of the member will also be accepted. The members residing outside India should stamp the envelopes appropriately.
3. The Board of Directors has appointed Mr S.Dhanapal, Partner, Damodaran & Dhanapal Associates, Practicing Company Secretary, Chennai as the Scrutinizer for conducting the Postal Ballot process. The self-addressed envelope attached to this Notice bears the address of the Scrutinizer to whom duly completed Postal ballot Forms are to be sent.
4. There shall be one Postal ballot for every folio, irrespective of the number of joint holders. A proxy shall not exercise the Postal Ballot. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the date of dispatch of this Notice.
5. The Postal Ballot Form should be completed and signed by the Shareholder. In case of joint holding this Form should be completed and signed (as per specimen signatures registered with the company) by the first named shareholder and failing him, by the next named shareholder and so on. In case, shares are held by Companies, Trusts, Societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authorization.
6. Duly completed Postal Ballot Forms should be received by the Scrutinizer not later than 23<sup>rd</sup> July, 2008. Postal Ballot forms received after this date will be treated as if no reply from the Shareholder has been received.
7. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot shall be final and binding.
8. The Board of Directors of your company has appointed Mr.S.S.K.Swarup, Company Secretary as person responsible for the entire Postal Ballot process.
9. In case the Postal Ballot Form is signed by a Power of Attorney (POA) holder, POA registration number should be mentioned
10. Member may request for a duplicate Postal Ballot Form, if required. However, the duly filled in duplicate Postal ballot Form should reach the Scrutinizer not later than the date specified as above. Members are requested not to send any other paper along with the postal ballot paper form in the enclosed self-addressed envelope.