

SRI ARUMUGA ENTERPRISE LIMITED

(CIN: L17111TZ1984PLC015887)

Registered Office: No.1, Sundaram Brothers' Layout, Opp. All India Radio, Trichy Road, Coimbatore – 641 045. Phone : 0422-2322340 / 4227300, Fax : 0422-4365828, Email : investors@arumuqaenterprise.com, sangeetha@arumuqaenterprise.com

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Monday, 29th September 2014 at 10.00 a.m. at the Registered Office at No.1, Sundaram Brothers' Layout, Opp. All India Radio, Trichy Road, Coimbatore – 641045 to transact the following business.

Please make it convenient to attend the meeting.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, the Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity shares for the year ended 31st March 2014.
3. To appoint a Director in place of Sri K Dhanakumar who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and fix their remuneration. M/s S Lakshminarayanan Associates, Chartered Accountants, Coimbatore retire and are eligible for reappointment.

SPECIAL BUSINESS

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

“RESOLVED that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of clause 49 of the listing agreement entered by the Company with Stock Exchange(s), Sri. Vaibhav Duvvur, (DIN:03477028) Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and whose terms expires at this Annual General Meeting and in respect whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years commencing from 29th September, 2014”.

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

"RESOLVED that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of clause 49 of the listing agreement entered by the Company with Stock Exchange(s), Sri. Sanjay S, (DIN: 03414023) Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and whose terms expires at this Annual General Meeting and in respect whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years commencing from 29th September, 2014".

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

"**RESOLVED THAT** pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, 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 stock-in trade (including raw materials, stores, spare parts and component in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the 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 monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 100 Crores (Rupees Hundred Crores only)."

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

"**RESOLVED THAT** pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for creation by the Board of Directors on behalf of the Company, of such mortgages/ charges/ hypothecation and *floating charges (in addition to the existing mortgages / charges / hypothecation* created by the Company in favour of the lenders) in such form and in such manner as may be agreed to between the Board of Directors and the lenders, on all or any of the present and future immovable and / or movable properties of the Company wherever situated, of every nature and kind whatsoever to secure any Indian Rupee or foreign currency loans, Debentures, advances and all other moneys payable by the Company to the

lenders concerned, subject, however, to an overall limit of ₹100 Crores (Rupees Hundred Crores only) of loans or advances already obtained or to be obtained from, in any form including by way of subscription to debentures issued or to be issued by the Company to, any financial institution, bank, body corporate, company, insurer or to the general public.”

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

“RESOLVED THAT Pursuant to Section 106 of the Companies Act,1956 consent of the Equity shareholders of the Company be and is hereby accorded for extending the term of redemption of 10,00,000 Cumulative Redeemable Non-Convertible Preference Shares of ₹100 each which are due to be redeemed on completion of seven years and be extended for a further period of eleven years from 16th June 2020, being the original due date for redemption provided that the entire amount of shares shall be redeemed on due date with other terms and conditions remain unchanged”.

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

“RESOLVED THAT pursuant to Section 186 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors including any Committee thereof (hereinafter referred to as “the Board”) to (i) give any loans to any person or other body corporate, or (ii) give any guarantees or to provide security in connection with a loan to any other body corporate or person, or (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty percent of company’s paid up capital, its free reserves and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more as the Board of Directors may think fit, provided that the total loans or investments made, guarantees given, and securities provided shall not any time exceed ₹100 Crores over and above the paid up capital of the Company and its free reserves”.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Proxies, in order to be effective, must be received at the Company’s Registered Office not less than 48 hours before the meeting.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting in item no. 5 to 10 are annexed hereto.

4. The relevant details of the Director seeking appointment/reappointment under Item No. 3, 5 & 6 above, as required by Clause 49 of the Listing Agreements entered into with the Bombay Stock Exchange is annexed.
5. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 22nd September 2014 to Friday, 29th September 2014 (both days inclusive).
6. Dividend, if declared at the Annual General Meeting will be paid within 30 days thereof to those members whose names appear on the Register of Members of the Company, after giving effect to valid transfers in respect of the Shares lodged with the Company on or before the close of business hours on 29th September, 2014. The dividend in respect of Shares held in electronic form would be payable to the beneficial owners of Shares recorded with the Depositories as of the end of 29th September, 2014 as per details furnished by the Depositories for the purpose.
7. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund established under section 205C of the Companies Act, 1956 on the respective due dates; upon such transfer, no claim shall lie against the Company or the Central Government for such unclaimed dividend.
8. Members/Proxies are requested to bring their attendance slip along with the Annual Report to the meeting.
9. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members.
10. **The voting through electronic means** will be available from 23.09.2014 (9.00 a.m.) to 24.09.2014 (5.00 p.m.). The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.
11. The Company has appointed Mr. R. Dhanasekaran, Company Secretary in Practice, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
12. **The instructions for members for voting electronically are as under:-**

In case of members receiving e-mail

- i. The voting period begins on 23.09.2014 (9.00 a.m.) and ends on 24.09.2014 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website: www.evotingindia.com during the voting period
- iii. Click on "Shareholders" tab.
- iv. Now, select the "**SRI ARUMUGA ENTERPRISE LIMITED**" from the drop down menu and click on "SUBMIT"
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • *Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • Incase the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.

- x. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the **"SRI ARUMUGA ENTERPRISE LIMITED"** on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Institutional Shareholders & Custodians:
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

13. In case of members receiving the physical copy:

- a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- b) The voting will be available from 23.09.2014 (9.00 a.m.) to 24.09.2014 (5.00p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 14.08.2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

14. In case of members desiring to exercise vote by Postal Ballot:

- a) A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed envelope properly sealed. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.
- b) As the Company, being a Listed Company is compulsorily required to provide e-voting facility to its members in terms of Section 108 of the Companies Act, 2013 read with the Rules made thereunder and Clause 35 B of the Listing Agreement, voting by show of hands will not be available to the members at the Annual General Meeting in lieu of further provisions of Sec 107 read with Sec 114 of the said Act. Hence the items of Business given in this notice is proposed to be transacted through electronic voting/postal ballot system and the Company is providing e-voting facility to the members who are the members as on 14th August 2014 (cut off date for the purpose of exercising voting rights).
- c) In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Postal Ballot Form is annexed. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and sent it to **Mr R Dhanasekaran**, Company Secretary in Practice (CP No.7745), 156/ 29, II Floor, Parsn Trade Plaza, Dr. Nanjappa Road, Coimbatore- 641 018, so as to reach him on or before 26.09.2014. Any Postal Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.

15. Kindly note that members can opt for only one mode of voting i.e., either by physical ballot or through e-voting. If members are opting for e-voting then do not vote by Physical Ballot or vice versa. However, in case of Members casting their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

16. Members holding shares in physical form are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses either to the Company or to the Registrar and Share Transfer Agents, Purva Shareregistry (India) Private Limited, Mumbai – 400 001 or to their respective Depository Participant (DP) in case the shares are held in dematerialized form.
17. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management.
18. SEBI vide its Circular No.CIR/MRD/DP/10/2013 dated 21st March 2013 has mandated all the listed companies to make cash payments including dividend to the investors through electronic mode of payment. In this regard, the investors holding shares in demat mode are requested to update their bank account details with their Depository Participants and investors holding shares in physical form are requested to furnish the details in the form appended herewith to the Company or our Share Transfer Agent at the earliest.
19. The Ministry of Corporate Affairs, Government of India ('MCA'), vide its Circular No.18/2011 dated 29th April 2011, has introduced 'Green Initiative in Corporate Governance' by allowing paperless compliance by companies, i.e. service of any document can be made through electronic mode. Those members, who desire to receive notice/documents including Annual Report through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to the Depository Participant/Company's Registrar and Share Transfer Agent, Purva Shareregistry Private Limited.
20. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.arumugaenterprise.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@arumugaenterprise.com. If any shareholders not received annual report, shareholders shall write to companies mail_id or contact Secretarial Department or Company Secretary- 0422-232234

By Order of the Board

14th August 2014
Coimbatore

Sangeetha C
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3 & 5

Details of Director seeking appointment at the Annual General Meeting as required under Clause 49(iv)(G) of the Listing Agreement

Name of the Director	K Dhanakumar	Vaibhav Duvvur
Director Identification Number	00048730	03477028
Date of Birth	11th November 1969	5th December 1984
Date of Appointment	30th September 2010	14th August 2012
Qualifications	B.Sc., M.B.A.,	B.Sc., M.B.A.,
Expertise in specific functional areas	Has got rich experience in Production Processes	Has got rich experience in manufacturing industry
Directorships held in other public companies	Imperial Spirits Limited Sri Arumuga Sugars Limited Sri Mahasakthi Mills Limited	Nil
Memberships / Chairmanships of committee across public companies	Sri Arumuga Enterprise Limited	Sri Arumuga Enterprise Ltd
No of equity shares held	204500	Nil
Relationship with other directors	Brother of Sri. T. Rajkumar	Nil

Item No.6

Details of Director seeking appointment at the Annual General Meeting as required under Clause 49(iv)(G) of the Listing Agreement

Name of the Director	S Sanjay
Director Identification Number	03414023
Date of Birth	12th December 1969
Date of Appointment	28th January 2011
Qualifications	B.Sc., M.B.A.,
Expertise in specific functional areas	Has got rich experience in Financial Management
Directorships held in other public companies	Sri Mahasakthi Mills Limited Sri Arumuga Cottspin Private Limited
Memberships / Chairmanships of committee across public companies	Sri Arumuga Enterprise Ltd
No of equity shares held	Nil
Relationship with other directors	Nil

Item No. 7

The Board of Directors of the Company envisages requirements of funds in future. As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board can borrow money subject to the condition that the money to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose unless the Shareholders have authorized the Board to borrow the monies upto some higher limits.

Hence, it is proposed to empower and authorize the Board of Directors of the Company to borrow money from any Bank(s), Financial Institutions (FIs,) Bodies Corporate or Business Associates or other any person or entity etc., in excess of paid up capital and free reserves of the Company by a sum not exceeding ₹100 crores for the purposes of business activities of the Company.

The resolution as set out at item no.7 of the notice is placed for your approval on the aforesaid limits of borrowing by the Board.

As per Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, approval of the members is sought by way of Special resolution.

Hence, the Board of Directors recommends passing of the enabling resolution mentioned at item No.7 in the notice.

None of the Directors or KMPs or their relatives is concerned or interested either financially or otherwise, in the resolution.

Item No. 8

As the members are aware, your Company is exploring various opportunities for the all round growth of the Company. With a view to meet fund requirements for the aforesaid purpose, the Company would be required to borrow funds from time to time by way of loans or in any other form whatsoever and / or issue of bonds, debentures or other securities.

The said borrowings/ issue of securities may be required to be secured by way of mortgage / charge over all or any part of the movable and / or immovable properties of the Company and as per the provisions of Section 180 (1) (a) of the Companies Act, 2013, the mortgage or charge on all or any part of the movable and /or immovable properties of the Company, may be deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company and hence the approval of the shareholders of the Company is required by way of special resolution.

As per Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, approval of the members is sought by way of special resolution.

Hence, the Board of Directors recommends passing of the enabling resolution mentioned at item No.8 in the notice.

None of the Directors or KMPs or their relatives is concerned or interested either financially or otherwise, in the resolution.

Item No. 9

The Company has allotted 10,00,000 Cumulative Redeemable Non- Convertible Preference shares of ₹100 each with a premium of ₹100 each on 17th June 2013. According to the terms of issue, the said shares are to be redeemed in five equal installments after the Completion of seven years from the date of issue. In order to conserve the financial resources and improve the Working Capital base, the Board of Director at their meeting held on 21st May 2014 has decided to extend the period of redemption of Preference shares by a further period of eleven years.

It is therefore, proposed to extend the date of redemption in respect of the said shares by a further period of 11 years from their due date of redemption of entire amount, provided that other terms of issue shall remain unchanged.

The Company has obtained the Consent in writing from the Preference Shareholders required under Section 106 of the Companies Act, 1956.

As the above proposal may be considered as affecting the rights of existing equity shareholders of the Company, their consent being sought.

The Board of Directors of the Company commends passing of the resolution as set out in the notice.

None of the Directors or KMPs or their relatives is concerned or interested either financially or otherwise, in the resolution.

Item No. 10

The Company makes investments in and gives loans to the subsidiary companies as and when needed. The Company also provides corporate guarantees on behalf of its subsidiary companies to the banks/financial institutions for the financial assistance provided by them.

As per the provisions of Section 186 of the Companies Act, 2013, No company shall directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Where such giving of any loan or guarantee or providing any security or the acquisition exceeds the limits specified, under Section 186 of the Companies Act, 2013 prior approval by means of a special resolution passed at a general meeting is necessary.

The Directors recommend the Item No. 10 of the Notice for consent and approval by the shareholders.

None of the Directors or KMPs or their relatives is concerned or interested either financially or otherwise, in the resolution.