

SRI ARUMUGA ENTERPRISE LIMITED

**ANNUAL REPORT
2016 – 2017**

SRI ARUMUGA ENTERPRISE LIMITED

(CIN : L17111TZ1984PLC015887)

ANNUAL REPORT 2016 – 2017

Board of Directors

Sri T. Rajkumar
Chairman & Managing Director

Sri K. Dhanakumar
Sri Vaibhav Duvvur
Smt Manonmani Kandavel

Registered Office:

No.1, Sundaram Brothers Layout,
Opp. All India Radio, Trichy Road,
Coimbatore – 641 045
Phone : 0422 – 2322340
Email : investors@arumugaenterprise.com

Works – Garment Division

S.F. No. 281/3A,
Sekkampalayam, Arulpuram
Palladam Road,
Tirupur – 641 605.

Statutory Auditors

M/s. Lakshminarayanan Associates
Chartered Accountants
Coimbatore.

Bankers

The South Indian Bank Limited
Coimbatore

Registrar and Share Transfer Agents

Purva Sharegistry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Estate
J.R. Boricha Marg
Opp. Kasturba Hospital
Lower Parel (E), Mumbai – 400 011
Phone : 022-2301 6761 / 8261
Fax : 022-2301 2517
Email : busicomp@vsnl.com

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 / 2322440, Fax : 0422-2323899, Email : investors@arumugaenterprise.com,

NOTICE is hereby given that the 32nd Annual General Meeting of the members of the Company will be held on Wednesday, 18th April, 2018 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 Financial Statements for the year ended 31st March 2017 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri K. Dhanakumar (DIN: 00048730) who retires by rotation and is eligible for reappointment.
3. To consider and to thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

RESOLVED that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, Mr. R. Natarajan, Chartered Accountant, Pollachi bearing ICAI Regn. No. 24306 be and is hereby appointed as a Statutory Auditor of the company for a term Five Years i.e., from the conclusion of the 32nd Annual General Meeting till the Conclusion of 37th Annual General Meeting, subject to ratification at every Annual General Meeting, at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Managing Director and the Auditor.

SPECIAL BUSINESS

4. 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 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) read with Schedule IV to the Companies Act, 2013, Mr.Vaibhav Duvvur (DIN 03477028), who fulfills the criteria required for appointment as Independent Director, be and is hereby appointed as an Independent Director to hold office for a term of five consecutive years, i.e., from the date of the ensuing 32nd Annual General Meeting and he is not liable to retire by rotation.

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 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) read with Schedule IV to the Companies Act, 2013, Smt Manonmani Kandavel (DIN 07143912), who fulfills the criteria required for appointment as Independent Director, be and is hereby appointed as an Independent Director to hold office for a

term of five consecutive years, i.e., from the date of the ensuing 32nd Annual General Meeting and she is not liable to retire by rotation.

By Order of the Board

Coimbatore
28.02.2018

T. Rajkumar
Chairman & Managing Director
DIN : 00048665

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. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund on the respective due dates; upon such transfer, no claim shall lie against the Company or the Central Government for such unclaimed dividend.
4. Members/Proxies are requested to bring their attendance slip along with the Annual Report to the meeting.
5. 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.
6. **The voting through electronic means** will be available from 15.04.2018 to 17.04.2018. 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.
7. 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.

8. The instructions for members for voting electronically are as under:-

In case of members receiving e-mail

- i. The voting period begins on 15.04.2018 (10.00 a.m.) and ends on 17.04.2018 (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 11.04.2018, 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 170505001 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.

9. 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 15.04.2018 (10.00a.m.) to 17.04.2018 (5.00p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 23.05.2017 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.

10. Kindly note that members can opt for only one mode of voting i.e., either by voting at the venue or through remote e-voting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote thro remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the venue.
11. 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 Sharegistry (India) Private Limited, Mumbai – 400 001 or to their respective Depository Participant (DP) in case the shares are held in dematerialized form.
12. 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.
13. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2017 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 - 0422-2322340

By Order of the Board

Coimbatore
28.02.2018

T. Rajkumar
Chairman & Managing Director
DIN : 00048665

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

Item No. 2

Details of Director seeking appointment at the Annual General Meeting

Name of the Director	K. Dhanakumar
Director Identification No.	00048730
Date of Birth	11.11.1969
Qualifications	B.Sc. M.B.A
Expertise in specific functional areas	Has got rich experience in Production Processes
Directorships held in other public Companies	Imperial Spirits Limited Sri Arumuga Sugars Limited Sri Mahasakthi Mills Limited
Memberships/ Chairman ships of committee across	Sri Arumuga Enterprise Limited
No of equity shares held	204500
Relationship with other directors	Brother of Sri T.Rajkumar

ITEM 4

In terms of Section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, it is proposed to re-appoint Mr.Vaibhav Duvvur, (DIN: 03477028) as an Independent Director for a term of five consecutive years from the date of the ensuing 32nd Annual General Meeting.

The company has received from his consent to act as Independent Director and a Declaration stating that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr.Vaibhav Duvvur fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Copy of the draft letter for appointment of Mr.Vaibhav Duvvur as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day. The Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for being appointed as an Independent Director together with the requisite deposit.

The Board considers that his association would be of beneficial to the Company and it is desirable to avail services of Mr.Vaibhav Duvvur as an Independent Director. The Board of Directors recommend the Ordinary Resolution set out in this item of the notice for approval of members.

Except Mr.Vaibhav Duvvur, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

Name of the Director	Vaibhav Duvvur
Director Identification No.	03477028
Date of Birth	05.12.1984
Qualifications	B.Sc. M.B.A
Expertise in specific functional areas	Has got rich experience in manufacturing industry
Directorships held in other public Companies	Nil
Memberships/ Chairman ships of committee across	Sri Arumuga Enterprise Limited
No. of equity shares held	Nil
Relationship with other directors	Nil

ITEM 5

In terms of Section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint Smt Manonmani Kandavel (07143912), as an Independent Director for a term of five consecutive years from the date of the ensuing 32nd Annual General Meeting.

The company has received from her the consent to act as Independent Director and a Declaration stating that she meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013

In the opinion of the Board, Smt Manonmani Kandavel fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director (Woman Director) of the Company and is independent of the management. She does not hold by herself or for any other person on a beneficial basis, any shares in the Company. Copy of the draft letter for appointment of Smt Manonmani Kandavel as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day. The Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing her candidature for being appointed as an Independent Director together with the requisite deposit.

The Board considers that her association would be of beneficial to the Company and it is desirable to avail services of Smt Manonmani Kandavel as an Independent Director.

The Board of Directors recommend the Ordinary Resolution set out in this item of the notice for approval of members.

Except Smt Manonmani Kandavel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested.

Name of the Director	Manonmani Kandavel
Director Identification No.	07143912
Date of Birth	29.08.1954
Qualifications	B.A.,
Expertise in specific functional areas	Agriculture
Directorships held in other public Companies	Nil
Memberships/ Chairman ships of committee across	Sri Arumuga Enterprise Limited
No. of equity shares held	Nil
Relationship with other directors	Nil

Annexure to the Notice

Your board of directors would like to inform you that the Annual General Meeting of the company for the year ended 31st March, 2016 was belatedly held on 29th May, 2017, due to the reasons that the computer systems in which data were stored got corrupted entirely. Consequent of this delay, the company could not held the Annual General Meeting for the financial year ended 31st March 2017 on or before 30th September, 2017, being the statutory time limit to hold the Annual General Meeting for the financial year ended 31st March, 2017.

In the above circumstances, your board decided to conduct the Annual General Meeting for the financial year ended 31st March, 2017 on Wednesday, 18th April 2018.

By Order of the Board

Coimbatore
28.02.2018

T. Rajkumar
Chairman & Managing Director
DIN : 00048665