SRI ARUMUGA ENTERPRISE LIMITED
Registered Office :
1, Sundaram Brothers' Layout
Opp. All India Radio, Trichy Road
Coimbatore - 641 045. INDIA
Phone : +91 (422) 2322340 / 4227300
Fax : +91 (422) 4365828

FORM – A

1.	Name of the Company	**Sri Arumuga Enterprise Limited**
2.	Annual Financial Statements for the year ended	**31st March 2014**
3.	Type of Audit observation	**Un-qualified**
4.	Frequency of observation	**N.A**
5.	To be signed by	
	• Chairman & Managing Director	
	• Officiating Head of Finance	
	• Auditor	
	• Chairman - Audit Committee	

SRI ARUMUGA ENTERPRISE LIMITED

ANNUAL REPORT 2013 - 2014

SRI ARUMUGA ENTERPRISE LIMITED

(CIN: L17111TZ1984PLC015887)

ANNUAL REPORT 2013-14

Board of Directors
Sri T Rajkumar
Chairman & Managing Director
Sri K Dhanakumar
Sri S Sanjai
Sri Vaibhav Duvvur

Company Secretary
Ms Sangeetha C

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

Works - Garment Division
S.F.IN0.43/A2, Door No.2/525
Venus Gardens,
Mangalam Main Road,
Andipalayam Post
Tirupur - 641 687

Statutory Auditors
M/s S Lakshminarayanan Associates
Chartered Accountants
Coimbatore - 641 018

Bankers
The South Indian Bank Limited
Axis Bank Limited

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

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NOTICE TO MEMBERS

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 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 along with 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 along with 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 (9.00a.m) and ends on 24.09.2014 (5.00p.m) during this period shareholders of the company, holding shares either in physical form or in dlematricalised form, as on the cut-off date 14.08.2014, may cast their vote electronically form. The e-voting module shall be disabled by CDSL for evoting 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*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● *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 last 8 digits of the sequence number in the PAN field. ● In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 100 then enter RA 00000001 in the PAN field.
DOB#	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.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. ● 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 and 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. (xviii) above to cast vote.

b) The voting will be available from 23.09.2014 (9.00 a.m) to 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 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 Sharegistry (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 Sharegistry 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 : 0422-2322340

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 Enterprise Ltd
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 Section180(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 deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company.

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.

DIRECTORS' REPORT

To the Members

Your directors are pleased to present their Annual Report together with the audited accounts of the Company for the financial year ended 31st March 2014.

FINANCIAL RESULTS

` Lakhs

Particulars	2013-14	2012-13
Income from Operations	911.05	141.62
Other Income	62.33	0.49
Total Income	**973.38**	**142.11**
Profit before Tax	129.62	28.80
Provision for Current Tax	47.00	9.00
Prior year Tax	4.05	0.00
Provision for Deferred Tax	(2.46)	0.00
Profit after Tax	**81.03**	**19.80**
Add: Opening balance in Profit and Loss account	76.39	64.61
Less: Prior year Expenses	1.15	0.00
Balance available for appropriations	**156.27**	**84.41**
Proposed Dividend	10.00	6.00
Dividend Tax	1.70	1.02
Transfer to General Reserve	1.00	1.00
Profit carried to Balance Sheet	143.57	76.39
Total appropriations	**12.70**	**8.02**
Profit carried to Balance Sheet	**143.57**	**76.39**

Dividend

Your Directors are glad to recommend for your approval, a dividend of 10% (` 1 per share), [Previous year ` 0.60 per share] for the year ended 31st March 2014, involving an outgo of ` 10.00 lakhs. Additionally, the dividend distribution tax will involve an outlay of ` 1.70 lakhs.

Operations

During the year, the Company reported a Profit after Tax (PAT) of ` 82.43 lakhs as against ` 19.80 lakhs for the previous year. During the year under review, the sales and other income were at ` 973.38 lakhs as against ` 141.62 lakhs for the previous year.

Garment Unit

Your Company has successfully completed its first year of operations with manufacturing of garments which has huge potential on export target of textiles set by the Government of India. The Management is confident by bagging new orders from Direct buyers, which will contribute higher margin on our exports by improving capacity utilization of units during the financial year 2014-15.

Depository System

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31st March 2014, 84.55% of the Company's total paid-up Capital representing 8,45,490 Shares is in dematerialised form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the Depositories.

Deposits
The Company has not accepted any deposit from the public within the meaning of Section 58A of the Companies Act, 1956 for the year ended 31st March 2014.

Subsidiary Companies
In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss and other documents of the subsidiary companies, Sri Mahasakthi Mills Limited and Sri Arumuga Cottspin Private Limited are not being attached with the Balance Sheet of the Company. The summary of the key financials of the Company's Subsidiaries is included in this Annual Report.

The annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders seeking such information at any point of time. The annual accounts of the subsidiary companies shall be kept for inspection by any shareholders at Registered Office of the holding company.

Disclosure of Particulars
As required under Section 217(1)(e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988:

a. The Company has no activity involving conservation of energy or technology absorption;

b. The details of Foreign Exchange Earnings and Foreign Exchange Outgo are annexed in Annexure - I of the Directors' Report.

Personnel
The Company has no employee drawing remuneration more than the limits prescribed under Section 217(2A) of the Companies Act 1956.

Corporate Governance Report
As required under Clause 49 of the Listing Agreement, a report on Corporate Governance (including Management Discussion and Analysis Report) and a certificate from the Auditors of the Company regarding compliance of the conditions of corporate governance as stipulated under the Listing Agreement forms part of the Annual Report.

Consolidated Financial Statements
The Directors also present the audited consolidated financial statements incorporating the audited financial statements of the subsidiaries prepared in accordance with the Accounting Standards and Listing Agreement as prescribed by SEBI.

Directors' Responsibility Statement
The Board of Directors of the Company confirm:

i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;

ii. that the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the profit of the Company for the year ended on that date;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the annual accounts have been prepared on a going concern basis.

Directors

Sri K Dhanakumar, Director retires from the Board by rotation and is eligible for re-appointment and Sri Vaibhav Duvvur and Sri S Sanjay, Independent Directors appointed as required under Companies Act,2013 for a period of five years commencing from 29th September 2014.

The profile of the director, as required under Clause 49(IV)(G) of the Listing Agreement entered into with stock exchanges are given in the Annexure to the Notice of the Annual General Meeting.

Audit Committee

The Audit Committee consists of three Non-Executive Directors out of which two are Independent Directors. The present members of the Committee are Sri S Sanjai, Mr K Dhanakumar and Sri Vaibhav Duvvur. Sri S Sanjai is the Chairman of Audit Committee.

The role, terms of reference, the authority and power of Chairman are in conformity with the requirements of the Companies Act, 1956.

Auditors

The Auditors, M/s S Lakshminarayanan Associates, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Acknowledgements

Your Directors wish to place on record the valuable assistance and co-operation extended by the members and other stakeholders.

For and on behalf of the Board

30th May 2014
Coimbatore

T Rajkumar
Chairman & Managing Director

ANNEXURE 'I' TO THE DIRECTORS' REPORT

Conservation of Energy

Your Company, continues to ensure measures for conservation of energy wherever possible.

Research & Development

The Company does not carry any research and development activity on its own. However, as a member of Apparel Export Promotion Council, the Company adopts the tested and proven technology recommended by the Council.

Technology Absorption

Wherever applicable, the Company adopts the technology recommended by Council. Also, in order to gain updated knowledge, the technicians of the Company are frequently undergoing various developmental programmes conducted by the Council and Trade bodies.

Foreign Exchange Earnings and Outgo

a. Foreign Exchange earned during the year- ` 886.38 Lakhs
   (FOB Value of Exports)
b. Foreign Exchange Outgo - ` 9.15 Lakhs

Form A
Conservation of Energy

A. Power and Fuel Consumption — **31.03.2014** — **31.03.2013**

1. Electricity

a) Purchased		
Units	**91559**	4564
Amount - `	**602017**	29665
Rate per Unit - `	**6.57**	6.50

2. Own Generation

a) Through Diesel Generator		
Amount - `	**225546**	79952
Units per liter of Diesel Oil	**3.52**	3.52
Cost per Unit - `	**15.71**	17.60

2. Other Fuels — **Not Used**

B. Consumption per unit:

a) Through Diesel Generator Production at actual no. of garments(Unit)	**403370**	1198
Electricity (KWH)	**29.35**	6.02

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

Sri Arumuga Enterprise Limited ("The Company") adopts good practices that enable an organization to perform efficiently and ethically, and to generate long term wealth and create value for all its stakeholders. The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and ethical conduct. At the highest level, the Company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation.

2. Board of Directors

Composition and size of the Board

The Company's policy is to have an appropriate mix of Executive and Non- Executive Directors. As on date, the Board comprises a Chairman & Managing Director and 3 Non-Executive Directors who bring in a wide range of skills and experience to the Board. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

The Board of Directors and its Committees meet at periodic intervals. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board. The Board has constituted four Committees, namely, Audit Committee, Nomination and Remuneration Committee, Share Allotment Committee, Shareholders' / Investors' Grievance Committee.

None of the Directors on the Company's Board is a member of more than ten Committees and Chairman of more than five Committees across all Companies in which he is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

Number of Board Meetings held during the year

The Meetings of the Board are generally held at the Registered Office of the Company. During the year under review, 9 Board Meetings were held on 30th May 2013, 28th June 2013, 15th July 2013, 10th August 2013, 04th October 2013, 1st November 2013, 10th January 2014, 5th February 2014 and 12th March 2014 and the gap between two meetings did not exceed four months. The Board meets at least once every quarter inter alia to review the quarterly results. Additional meetings are held, when necessary. The information as required under Annexure - IA to Clause 49 of the Listing Agreement is being made available to the Board for discussion and consideration at Board Meetings. The Board has also taken on record the certificates given by the senior management personnel regarding compliance with the applicable laws on quarterly basis.

Attendance and other Directorships

The composition of the Board of Directors, category and relationship with other Board Members, attendance at board meetings held during the financial year and at the last Annual General Meeting, number of other directorships and committee Chairmanship / Membership held are given below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Name and Director Identification Number of the Director	Category of Directors	Relationship with other Directors	Financial Year *2013 - 2014 attendance at		As on 30th May 2014		
					No.of other Directorship	*Committee Position**	
						Chairman	Member
			Board Meeting	Last AGM	(in other public companies excluding Sri Arumuga Enterprise Limited)		
Sri T Rajkumar Chairman and Managing Director DIN:00048665	Non-Independent and Executive	Brother of Sri K Dhana Kumar	9	Yes	12	-	-
Sri K Dhanakumar DIN:00048730	Non-Independent and Non-executive	Brother of Sri T Raj Kumar	9	Yes	3	-	-
Sri S Sanjai DIN:03414023	Independent and Non-executive	None	7	Yes	2	-	-
Sri Vaibhav Duvvur DIN: 03477028	Independent and Non executive	None	8	Yes	-	-	-

* Excludes Directorships in associations, private, foreign and Section 25 companies.

** Represents Chairmanships/Memberships of Audit Committee and Shareholders' / Investors' Grievance Committee.

Code of Conduct

As per requirement of Clause 49 of the Listing Agreement with the Bombay Stock Exchange, the Board has laid down a Code of Conduct ("the Code") to ensure compliance with the legal requirements and standards of business conduct. The Code applies to all Directors and members of Senior Management of the Company. All Board Members and Senior Management personnel of the Company have affirmed compliance with the Code. A declaration to this effect, signed by Chairman & Managing Director is attached to this report.

3. Committees of the Board Audit Committee

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement read with Section 292 A of the Companies Act, 1956.

The terms of reference of the Audit Committee are broadly as follows :

a. To review the Quarterly and the Annual financial statements before they are submitted to the Board of Directors;

b. To review the compliance with Listing Agreement and various other legal requirements concerning financial statements and related party transactions;

c. To make recommendations to the Board on any matter relating to the financial management of the Company;

d. Any other matters that are relevant.

The Committee consists of 3 non-executive directors, of which 2 are independent directors.

The composition of the Audit Committee and the attendance of its members as on 31st March 2014 are given below:

Name	No. of meetings held	No. of meetings attended
Sri S Sanjai, Chairman	4	4
Sri K Dhanakumar, Member	4	4
Sri S Vaibhav Duvvur, Member**	4	4

The Committee met four times during the financial year on 30th May 2013, 10th August 2013, 1st November 2013 and 1st February 2014.

All members of Audit Committee are financially literate. The minutes of the Audit Committee are placed before the Board of Directors at their meetings. The Chairman of Audit Committee was present at the last Annual General Meeting.

Nomination and Remuneration Committee

The Company has set up a Nomination and Remuneration Committee with Independent Directors as its members. The Nomination and Remuneration Committee determines and recommends to the Board, the appointment of independent directors to the Board. It also recommends remuneration including commission, perquisites and allowances payable to Chairman & Managing Director. The Company has complied with the non-mandatory requirement of Clause 49 regarding Nomination and Remuneration committee.

The Composition of the Nomination and Remuneration Committee as on 31st March 2014 is given below:

Sri S Sanjai, *Chairman*
Sri Vaibhav Duvvur, Member

The Committee did not meet during the year.

Remuneration policy of the Company is given below:
For Chairman & Managing Director

The total remuneration, subject to members' approval, consists of a fixed component of salary as per Company's Rules.

For Non-Executive Directors

At present, no Non-Executive Director is paid any sitting fees for attending the Board and Audit Committee meetings. Non-executive directors are not being paid any commission.

Notes :

1. The appointment of Chairman & Managing Director is governed by the Articles of Association of the Company and the resolutions passed by the Board of Directors. Sri T Rajkumar was appointed as a Managing Director of the Company for a period of 5 years with effect from 1st April 2011 by the Board of Directors. He will hold office up to 31st March 2016. The Company does not have any service contract with Chairman & Managing Director.
2. No severance fee is payable to the Directors on termination of employment.
3. The company has no stock option scheme either to its directors or to employees.
4. None of the non-executive directors have any pecuniary relationship or transactions with the company.

Shareholders' / Investors' Grievance Committee

The function of the Committee is to redress the grievances of Shareholders' / investors' and to create and review the systems for improving the services.

The composition of the Shareholders'/Investors' Grievance Committee as on 31st March 2014 is given below:

Sri K Dhanakumar, Chairman
Sri S Sanjai, Member
Sri Vaibhav Duvvur, Member
Ms Sangeetha C , Company Secretary, is the Compliance Officer w.e.f.17th March 2014

The Committee meets periodically to attend to transfer / transmission of shares, issue of duplicate share certificates and other grievances of shareholders. During the year, the Committee met three times on 22nd June 2013, 20th July 2013 and 08th March 2014.

During the year, the Company received 18 complaints regarding investor grievances from shareholders in addition to the requests for transfer / transmission of shares and issue of duplicate share certificates. They were expeditiously attended to the satisfaction of shareholders. No complaint was pending as at the close of the financial year.

4. Subsidiary Company

The Company has two Indian subsidiary companies. The details of the Subsidiary Companies are as follows:

1. Sri Mahasakthi Mills Limited
2. Sri Arumuga Cottspin Private Limited

The Company has appointed Sri S Sanjai, Independent Director of the Company as Director in its subsidiaries as per requirement of Listing Agreement. The Audit Committee reviews the financials of the subsidiary companies. The minutes of the meeting of Board of Directors of subsidiaries are being placed before the Board of Directors of the Company.

5. General Body Meetings

a. Details of date, time and venue where the last three Annual General Meetings held are given below:

Year	Date & Time	Venue
2013	25th September 2013, 9.30 a.m	#1, Sundaram Brothers' Layout Opp. All India Radio, Trichy Road Coimbatore - 641 045
2012	5th December 2012, 4.00 p.m	
2011	29th September 2011, 4.30 p.m	

b. Extra-Ordinary General Meeting of the shareholders was held on 29th April 2013 during the year.

c. Special Resolutions passed in previous three Annual General Meetings and One Extra-Ordinary General Meeting:

1. No special Resolutions were passed in the Annual General Meetings held on 2011, 2012 and 2013
2. At an Extra- Ordinary General Meeting held on 29th April 2013, Special Resolutions were passed for Alteration of Memorandum and Alteration of Articles with regard to allotment of 10,00,000 Redeemable Cumulative Preference Shares of `100 each.

6. Disclosures

Related Party Transactions

During the financial year 2013-14, there were no materially significant transactions entered into between the Company and its promoters, directors or the management or relatives etc., that may have potential conflict with the interest of the Company at large. Declarations have been received from the senior management personnel to this effect.

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Bombay Stock Exchange/SEBI and Statutory Authority on all matters related to capital markets during the last three years except during the period of suspension of the scrip from trading for procedural reasons.

Accounting police The Company follows Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in an Accounting Standard.

7. Means of communication

The quarterly/half-yearly and annual results are published in the newspapers and posted on the website of the Company. The quarterly / half-yearly and annual results are generally published in Business Standard, Trinity Mirror, Malai Malar and Makkal Kural and also displayed on the website of the Company www.arumugaenterprise.com. The quarterly / half-yearly results are not individually sent to the shareholders.

8. Management

A detailed Management Discussion and Analysis Report forms part of the Annual Report.

9. Directors' reappointment

Details of disclosure regarding re-appointment of directors liable to retireby rotation are given in the Annexure to the Notice.

10. General Shareholder Information

Annual General Meeting

Date and Time	:	29th September 2014 at 10.00 a.m
Venue	:	#1, Sundaram Brothers Layout, Opp. All India Radio, Trichy Road Coimbatore - 641 045
Financial year	:	April to March
Book Closure Date	:	22nd September 2014 to 29th September 2014 (both days inclusive)
Dividend Payment Date	:	On and from 03rd October 2014
Listing	:	Bombay Stock Exchange, Mumbai
Scrip Code & ID	:	507918 & ARUMUGA
Demat ISIN	:	INE240L01011

Market Price Data

	BSE Price (`)		BSE Sensex	
Month	**High**	**Low**	**High**	**Low**
April 2013	86.55	74.50	19,623	18,144
May 2013	86.55	74.50	20,444	19,451
June 2013	86.55	74.50	19,680	18,467
July 2013	86.55	74.50	20,351	19,127
August 2013	74.50	74.50	19,569	17,449
September 2013	74.50	74.50	20,740	18,166
October 2013	74.50	74.50	21,205	19,265
November 2013	74.50	74.50	21,322	20,138
December 2013	74.50	74.50	21,484	20,569
January 2014	74.50	74.50	21,410	20,344
February 2014	78.20	78.20	21,141	19,963
March 2014	81.00	74.60	22,467	20,921

Registrars and Share Transfer Agents

For Share related matters, Members are requested to correspond with the Company's Registrar & Transfer Agents-Purva Sharegistry (India) Private Limited quoting their folio no./DP ID & Client ID at the following address:-

Purva Sharegistry (India) Private Limited
Unit: Sri Arumuga Enterprise Limited
No.9, Shiv Shakti Industrial Estate
Ground Floor, J. R. Boricha Marg
Opp. Kasturba Hospital, Lower Parel
Mumbai - 400 011
Fax: 022-2301 2517
Email: busicomp@vsnl.com

Share Transfer System

All transfers received are processed by the Registrars and Share transfer agents and are approved by the Share Transfer Committee of the Company. Share transfers are registered and returned to the shareholders within the stipulated time if the documents are in order.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half yearly basis, have been issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participant's) Regulations 1996, certificates have also been received from a Company Secretary in Practice for timely dematerialisation of shares of the company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

Distribution of Shareholding as on 31st March 2014

Shareholdings	No of share holders	% to share holders	No of Shares	% to capital
1 - 5000	714	98.07	137810	13.78
5001 - 10000	4	0.55	45400	4.54
10001 - 20000	3	0.41	50100	5.01
20001 - 30000	1	0.14	30000	3.00
30001 - 40000	2	0.28	79690	7.97
40001 - 50000	1	0.14	42500	4.25
50001 - 10000	0	0.00	0	0.00
100001 & above	3	0.41	614500	61.45
Total	**728**	**100.00**	**1000000**	**100.00**

Shareholding Pattern as on 31st March 2014

Category	Percentage
Promoters	61.45
Resident Individuals	33.20
Bodies corporate	4.68
Hindu Undivided Family	0.67
Total	**100.00**

Dematerialisation of shares

The Company's shares are compulsorily traded in dematerialized form and are admitted for trading under both the depositories of India viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

The number of shares held in dematerialized and physical mode is as under:

Shareholding Pattern as on 31st March 2014

Particulars	No. of Shares	% of total capital issued
Held in dematerialized form in NSDL	19430	1.94
Held in dematerialized form in CSDL	826060	82.61
Physical	154510	15.45
Total	**1000000**	**100.00**

Nomination Facility

The Company is accepting nomination forms from shareholders in the prescribed Form No.2B. Any member, who is desirous of making a nomination, is requested to contact the Registrar and Share Transfer Agents. Members holding shares in dematerialised form are requested to forward their nomination instructions to the depository participant concerned. Nomination is only optional and can be cancelled or varied by the member at any time.

Address for correspondence

Sri Arumuga Enterprise Limited
#1, Sundaram Brothers Layout
Opp. All India Radio, Trichy Road
Coimbatore - 641 045
Tel: 0422 - 2322340 / 4227300 Fax: 0422 - 4365828

Investor Correspondence

All shareholders' correspondence should be addressed to the Company's registrars and share transfer agents at the address mentioned above.

Shareholders may also contact Ms. Sangeetha, Company Secretary and Compliance Officer at the Registered Office of the company for any investor grievance related matters.

Tel: 0422 - 2322340 / 4227300
E- mail : sangeetha@arumugaenterprise.com

Pursuant to Clause 47(f) of the Listing Agreement, the Company has designated the following exclusive e-mail id viz. investors@arumugaenterprise.com to enable the investors to register their grievance.

Compliance with Non-mandatory requirements

The Company has adopted all mandatory requirements of Clause 49 of the Listing Agreement and the status of compliance in respect of non-mandatory requirements stipulated by the said clause is as under:

* The Company has set up a Nomination & Remuneration committee pursuant to Clause 49 of the Listing agreement.
* The half-yearly financial results are published in newspapers as mentioned above. Therefore, the results are not being separately circulated to the shareholders.
* The Company takes concrete and conscious steps in ensuring that the Auditors do not have any qualifications on the financial statements. Queries and suggestions on financial statements, if any, are addressed by the Company officials to the satisfaction of auditors.

For and on behalf of the Board

30th May 2014 **T Rajkumar**

Coimbatore Chairman & Managing Director

DECLARATION

I, T Rajkumar, Chairman & Managing Director of Sri Arumuga Enterprise Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(I)(D)(ii) of the Listing Agreement entered into with Stock Exchange for the year ended 31st March 2014.

For Sri Arumuga Enterprise Limited

30th May 2014 **T Rajkumar**

Coimbatore Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The spinning industry is continuously expanding in South Asia and China in the last few years and is becoming growth engine of these economics.

At present the contribution of the Indian Textile Industry to its GDP is about 4.8%. Role of Textile Industry in India GDP has been quite beneficial in the economic life of the country. The worldwide trade of textiles and clothing has boosted up the GDP of India to a great extent as this sector has brought in a huge amount of revenue in the country.

India's textile industry is one of the leading textile industries in the world, exporting to over 100 countries. It contributes a significant 17 percent to India's overall export earnings and employs over 35 million people directly, making it the second largest source of employment after agriculture

After the removal of quotas by European Union in 2005 and because of Textile Upgradation Fund (TUF) interest susbsidy, huge capacity expansions have taken place in Textile Industry in India.

The government has set the target for textile exports in the 2014-15 financial year at US$60 billion. Policies of Government of India provides opportunities for the Indian Textile Export during the financial year 2014-2015.

Outlook

The outlook for Textile Industry in India is optimistic. It is expected that Indian Textile Industry would continue to grow at an impressive rate. The fundamental strength of this industry flows from its strong production base of wide range of fibres/ yarns from natural fibres like cotton, jute, silk and wool to synthetic / man-made fibres like polyester, viscose, nylon and acrylic. In fact, apart from China, no other country can boast of such strong and diverse base in textile fibres/ yarns. The complex and varied structure of industry coupled with India's close linkage with culture and multi-fibre raw material base enables it to produce variety of products for varying consumer needs and preferences. The growth pattern of the Indian Textile Industry in the last decade has been considerably more than the previous decades, primarily on account of liberalization of trade and economic policies initiated by the Indian Government in the 1990s.

The inherent strengths of the Textile Industry have seen the Textile Industry through rough days and hard times. There have been many periods of adversity, when growth charts have dipped and it has appeared that misfortune will overtake. But like phoenix, the Textile Industry has risen each time from the ashes.

Risk & Concerns

High volatility of cotton, yarn prices, rupee exchange rate, high attrition and shortage of work force are the major concerns for us. In order to mitigate the above risks, we have been taking several initiatives like lowering inventory levels, reducing manpower requirement by modernization of machines, application of autonomous maintenance philosophy, rationalization of workforce, Employee training and development, etc.

Internal Controls

There is proper and adequate system of Internal Controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized recorded and reported correctly. The internal control systems are supplemented by Internal Audits and review of the same by Audit Committee at corporate level.

Acknowledgement

Your Directors are pleased to place on record their sincere gratitude to the Government, Financial Institutions, Bankers and Business Constituents for their continued and valuable co-operation and support to the Company. They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the operations of the Company during the year.

For and on behalf of the Board

30th May 2014 **T Rajkumar**

Coimbatore Chairman & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE
TO THE MEMBERS OF
M/S SRI ARUMUGA ENTERPRISE LIMITED

WE have examined the compliance of the conditions of Corporate Governance by SRI ARUMUGA ENTERPRISE LIMITED for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said company, with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, We certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders / Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s **S Lakshminarayanan Associates**
Chartered Accountants
Firm Reg. No.6609S

L.Kamesh
(M.No : 209388)
Partner

Coimbatore
30th May 2014

INDEPENDENT AUDITOR'S REPORT
To the Members of Sri Arumuga Enterprise Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sri Arumuga Enterprise Limited ('The Company') which comprise the balance sheet as at 31st March 2014, the statement of profit & loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Mangement's Responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.(" the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance in the Standards of Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in confirming with the accounting principles generally accepted in India :

(i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31stMarch, 2014

(ii) in the case of the Statement of Profit & Loss of the Profit for the year ended on that date ; and

(iii) in the case of Cash Flow Statement of the Cash Flows for the year ended on that date

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order "), as amended , issued by the Central Government of India in terms of Subsection (4A) of Section 227 of the Act , we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

2. As required by Section 227(3) of the Act , we report that

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit ;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with in this Report are in agreement with the Books of Account;

   d) In our opinion the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956 and read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

   e) On the basis of written representation received from the Directors as of 31st March, 2014 and taken on record by the Board of Directors, We report that none of the Directors is disqualified as of 31st March, 2014 from being appointed as a Director in terms of clause (g) of Subsection (1) of Section 274 of the Companies Act, 1956.

For M/s S Lakshminarayanan Associates

Chartered Accountants
Firm Reg. No.6609S

L.Kamesh
(M.No. 209388)
Partner

Coimbatore
30th May 2014

Annexure to the Auditors' Report :

The Annexure referred to in our report to the members of Sri Arumuga Enterprise Limited ('the Company') for the year ended 31st March 2014. We report that :

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The Company has not disposed off substantial part of fixed assets.

(ii) (a) The Stock in trade (including raw material) and stores, spare parts of the Company at all its locations have been physically verified by the Management during the year.

(b) In our opinion, the procedures for physical verification of stock followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.

(iii) (a) The Company has taken Unsecured Loans from parties listed in the register maintained under Section 301 of the Companies Act, 1956. Loan for ` 1045.34 lakhs has been taken during the year under report from four parties and balance as of 31st March 2014 is ` 295.96 lakhs. The company has not paid any interest on the loans taken.

(b) The Company has granted interest free advances to parties listed in the register maintained under section 301 of the Companies Act, 1956. Advances for ` 3.84 Lakhs has been given during the year under report to one party and balance as of 31st March 2014 is Nil. The company has not received any interest on loans advanced.

(iv) In our opinion, the internal control procedures of the company relating to purchases of stores, raw materials including components, plant & machinery, equipments and other similar assets and for sale of goods & services are commensurate with its size and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevalent market prices at the relevant time.

(vi) The company has not accepted any deposits from the Public during the year.

(vii) In our opinion, the Company's internal audit system is commensurate with its size and nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Report) Rules 2011, prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

(ix) (a) The Company is regular in depositing with the appropriate authorities the undisputed statutory dues relating to income tax, sales tax, excise duty, PF, ESI, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us and the records of the Company examined by us there were no dues of income tax, excise duty, PF, ESI, cess and service tax which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions and banks.

(xii) The Company has not granted loans and advances on the basis of security of pledge of shares, debentures and other securities.

(xiii) In our opinion the Company is not a chit fund / nidhi / mutual benefit fund/society. Therefore, Clause 4 of the Companies (Auditors Report) Order 2003 is not applicable to the company.

(xiv) The Company is not dealing or trading in shares, securities, debentures other investments.

(xv) In our opinion, and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from bank or financial institutions.

(xvi) In our opinion, accordingly to the information and explanations given to us, as on overall basis , the term loans have been applied for the purposes for which they were obtained.

(xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment .

(xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act.

(xix) The company has not issued any debentures.

(xx) The company has not raised funds by public issues during the year covered by our audit report.

(xxi) According to the information and explanations given to us and on the basis of our examination of books & records of the company in accordance with the generally accepted auditing practices, no fraud on or by the company has been noticed or reported during the year.

For M/s S Lakshminarayanan Associates
Chartered Accountants
Firm Reg. No.6609S

L.Kamesh
(M.No. 209388)
Partner

Coimbatore
30th May 2014

BALANCE SHEET as at 31st March 2014

Particulars	Note No	As at 31-03-2014 `	As at 31-03-2013 `
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	**110000000**	10000000
(b) Reserves and Surplus	3	**114557993**	7739509
(2) Non - Current Liabilities			
(a) Long Term Borrowings	4	**33340189**	204216286
(3) Current liabilities			
(a) Short Term Borrowings	5	**34867799**	0
(b) Trade payables	6	**13277475**	499714
(c) Other current liabilities	7	**4672107**	294397
(d) Short-term provisions	8	**7272787**	2486416
TOTAL		**317988350**	225236322
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	9	**4934561**	0
(ii) Intangible Assets	9a	**218517**	0
(b) Non-Current Investments	10	**200000000**	200000000
(c) Long-term loans and advances	11	**32624311**	2609959
(d) Deffered Tax Asset	12	**358070**	112070
(2) Current Assets			
(a) Inventories	13	**36704193**	3827367
(b) Trade Receivables	14	**38233607**	3791439
(c) Cash and cash equivalents	15	**183749**	11504937
(d) Short-term loans and advances	16	**4731342**	3390550
TOTAL		**317988350**	225236322

Significant Accounting Policies 1

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date

For and on Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

For M/s S Lakshminarayanan Associates
Chartered Accountants
Firm Reg No.6609S

30th May, 2014
Coimbatore

Sangeetha C
Company Secretary

L.Kamesh
Partner
(M.No.209388)

STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2014

Particulars	Note No	Year Ended 31-03-2014 `	Year Ended 31-03-2013 `
I INCOME			
a Revenue from Operations (Gross)	17	**91105094**	14161733
Less: Excise Duty		**0**	0
Revenue from operations (Net)		**91105094**	14161733
b Other Operating Income	18	**6232898**	0
II Other Income	19	**0**	12105
III Total Revenue (I + II)		**97337992**	14173838
IV EXPENSES			
Cost of material consumed	20	**70454386**	2830836
Change in Inventory of Finished Goods and Work In Progress	21	(**21122055**)	(3788229)
Purchase of Traded Goods	22	**0**	9215058
Other Direct Manufacturing Expenses	23	**13712765**	1368542
Employee benefits expenses	24	**9262586**	120000
Finance Cost	25	**2840093**	0
Other expenses	26	**8475831**	1547607
Depreciation		**752675**	0
Total expenses		**84376281**	11293814
V Profit before tax (III - IV)		**12961711**	2880024
VI Less: Tax expenses			
Income Tax			
1) Current Year		**4700000**	900000
2) Prior year		**404526**	0
3) Deferred tax		(**246000**)	0
VII Profit for the year (V - VI)		**8103185**	1980024
VIII Earnings per Equity Share			
(a) Basic		**8.10**	1.98
(b) Diluted		**8.10**	1.98

Significant Accounting Policies 1

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date

For and on Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

For M/s S Lakshminarayanan Associates
Chartered Accountants
Firm Reg No.6609S

30th May, 2014
Coimbatore

Sangeetha C
Company Secretary

L.Kamesh
Partner
(M.No.209388)

CASH FLOW STATEMENT for the year ended 31st March 2014

Particulars	31-03-2014 `	31-03-2013 `
A. Cash Flow from Operating Activities:		
Net Profit before tax and extra ordinary items:	**12961711**	2880024
Adjustments for :		
Depreciation	**752675**	0
Effect on Exchange Rate Change	**(366775)**	12105
Prior year expenses	**(114751)**	0
Interest Paid	**2840093**	0
Provisions for Taxation	**(5104526)**	(900000)
	10968427	1992129
Operating Profit Before Working Capital Changes:		
Adjustments for :		
(Increase)/Decrease in Trade and other receivables	**(34075393)**	(2771154)
(Increase)/Decrease in Advances & Deposits	**(1340792)**	4465804
(Increase)/Decrease in Inventories	**(32876826)**	(3827367)
Increase/(Decrease) in Trade payables and other payables	**56341661**	4936707
	(11951350)	2803990
Changes in working Capital	**(982922)**	4796119
B. Cash Flow From Investing Activities:		
Fixed Asset Additions	**(5905753)**	0
Purchase of Investments	**0**	(10000000)
	(5905753)	(10000000)
C. Cash Flow From Financing Activities:		
Increase/(Decrease) in Long Term Borrowings	**(170876097)**	10383870
Increase/(Decrease) in Share Capital (incl share premium)	**200000000**	0
(Increase)/Decrease in Advances & Deposits	**(30014352)**	0
Interest Paid	**(2840093)**	0
Dividend Paid	**(600000)**	0
Tax On dividend	**(101970)**	0
	(4432512)	10383870
Net Increase In Cash & Cash Equivalents (a+b+c)	**(11321187)**	5179989
Opening Balance of Cash & Cash Equivalents	**11504937**	6324948
Closing Balance of Cash & Cash Equivalents	**183749**	11504937
Reconciliation of Cash and Cash Equivalents with Balance Sheet :		
Cash and Cash Eqivalents as per Balance Sheet (Refer Note No. 12)	**183749**	11504937
Net Cash and Cash Equivalents as per Cash Flow Statement(As per AS 3)	**183749**	11504937

For and on Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

For M/s S Lakshminarayanan Associates
Chartered Accountants
Firm Reg No.6609S

30th May, 2014
Coimbatore

Sangeetha C
Company Secretary

L.Kamesh
Partner
(M.No.209388)

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1Accounting Convention: The financial statements of the company are prepared under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Policies (GAAP) to comply with the Accounting Standards notified by the Government of India/issued by the Institute of Chartered Accountants of India (ICAI) , as applicable and the relevant provisions of the Companies Act, 1956.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous years.

1.2 An asset has been classified as current when it satisfies any of the following criteria:

a. It is expected to be realized in, or is intended for sale or consumption in the companies normal operating cycle;

b. It is held primarily for the purpose of being traded.

c. It is expected to be realized within 12 months after the reporting date.; or

d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability has been classified as current when it satisfies any of the following criteria:

a. It is expected to be settled in the Companies normal operating cycle;

b. It is held primarily for the purpose of being traded;

c. It is due to be settled within 12 months after the operating cycle; or

d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could at the option of counter party result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities have been classified as non-current.

1.3Use of Estimates :

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and Liabilities (Including Contingent Liabilities) as of the date of the financial statements and the reported income and expenses like provision for employee benefit , provision for doubtful trade receivables/ advances/ contingencies, provision for warranties, allowance for slow/ non-moving inventories, useful life of fixed assets, provision for taxation, etc., during the reporting year. The management beleives that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

1.4Tangible Fixed Assets:

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes related taxes, duties, freight, etc. attributable to the acquisition and installation of the fixed assets but excludes duties and taxes that are recoverable from tax authorities. Borrowing costs are capitalised as part of qualifying fixed assets. Exchange differences arising on restatement/ settlement of long term foreign currency borrowings relating to acquisition of depreciable fixed assets are recognised in the statement of profit and loss.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Susequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the balance sheet

Capital work in progress: projects under which assets are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost and attributable interest.

1.5 Impairment of Assets:

The carrying values of assets/ cash generating units are reviewed at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use . Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. when there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

1.6 Investments:

a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non current investments.

b) Non-Current investments are carried at cost. Dimunision in the value of such investments, other than temporary, is provided for.

c) Current investments are carried at lower of cost and fair value.

1.7 Inventories:

a) Raw materials, stores & spare parts and traded goods are valued at lower of weighted average cost(net of allowances) and estimated net realisable value. Cost includes freight, taxes and duties and is net of credit under VAT and CENVAT scheme, Where applicable.

b) Work-in-process and finished goods are valued at lower of weighted average cost (net of allowances) and estimated net realisable value. Cost includes all direct costs and appropriate Proportion of overheads to bring the goods to the present location and condition.

c) Due allowance is made for slow/ non-moving items, based on management estimates.

1.8 Revenue and other income:

a) Sales are recognised on shipment or on unconditional appropriation of goods and comprise amounts invoiced for the goods, including excise dutiy, but excluding sales tax/ value added tax.

b) Service revenues are recognised when services are rendered.

c) Dividend income is accounted for when the right to receive it is established as on the date of balance sheet.

d) Interest income is recognised on time proportion basis.

1.9 Government Grants, Subsidies and Export incentives:

Government grants and subsidies are recognised when there is reasonable assurance that the company will complywith the conditions attached to them and the grants/ subsidy will be received.

when the grant or subsidy from the government relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the period necessary to match them with the related costs, which they are intended to compensate.

When the grant or subsidy from the government is in the nature of promoters' contribution, where no repayment is ordinarily expected in respect thereof, it is credited to capital reserve and treated as a part of the shareholders' funds on receipt basis.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

1.10. Employee Benefits:

I. Defined Contribution Plan:

a. Provident Fund

Contributions are made to Regional Provident Fund in accordance with the Fund Rules. The interest rate payable to the beneficiaries every year is being notified by the government.

II. Defined Benefit Plan:

Gratuity

The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the projected unit credit method . Actuarial gains/Losses are immediately recognised in the Statement of Profit and Loss.

III. Short Term Employee Benefit

Short Term employee benefits includes short term compensated absences which is recognizes based on thee ligible leave at credit on the Balance sheet date, and the estimated cost is based on the terms of the employment contract.

IV. Voluntary Retirement Scheme:

Compensation to employees under voluntary Retirement Schemes is expensed in the period in which the liability arises.

1.11 Operating Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases . Operating lease payments are recognised as an expense in the revenue account as per the lease terms.

1.12 Foreign Currency Transactions:

Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement

Foreign currency monetary items (other than derivative contracts) of the company outstanding at the balance sheet date are restated at year end exchange rates.

Treatment of Exchange Differences

Exchange differences arising on settlement/restatement of short term foreign currency monetary assets and liabilities of the company are recognised as income or expense in the statement of profit and loss.

Accounting of forward contracts

The company enters into forward exchange contracts and other instruments that are in substance a forward exchange contract to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of a forward exchange contract (other than for a firm commitment or a highly probable forecast transaction) or similar instrument is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the statement of Profit and Loss in the year in which the exchange rates change. Any profit or Loss arising on cancellation of such a contract is recognised as income or expense for the year.

1.13 Depreciation :

Depreciation has been provided on written down value method as laid down in Section 205(2)(b) of the Companies Act 1956 and as per the rates provided in accordance with Schedule XIV of the Companies Act, 1956 . Individual fixed assets whose actual cost does not exceed ` 5000 is fully depreciated in the year of acquisition. Pro-rata Depreciation has been charged to Assets purchased during the accounting year 31.03.2014

1.14 Taxes on Income :

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act,1961.

Deffered tax is recognised on timing difference ; being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deffered Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainity that there will be sufficient future taxable income available to realise such assets. Other deferred tax assets are recognised if there is reasonable certainity that there will be sufficient future taxable income available to realise such assets.

1.15 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that mey never be realised.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Year Ended 31-03-2014 `	Year Ended 31-03-2013 `
2. Share Capital		
Authorised		
1000000 Equity Shares of `10 each	**10000000**	100000000
1000000 Preference Shares of `100 each	**100000000**	0
	110000000	100000000
Issued Subscribed And Fully Paid-up		
1000000 Equity Shares of `10 each	**10000000**	10000000
1000000 Preference Shares of `100 each	**100000000**	0
Total	**110000000**	10000000
(a) Reconciliation of Share Capital		
Shares outstanding as at 1st April 2013 / 1st April 2012 Equity Shares	**10000000**	10000000
Shares outstanding as at 31st March 2014 / 31st March 2013 Equity Shares	**10000000**	10000000
Shares outstanding as at 1st April 2013 / 1st April 2012 Preference Shares	**0**	0
Shares outstanding as at 31st March 2014 / 31st March 2013 Preference Shares	**1000000**	0
(b) List of shareholders holding more than 5% of the total number of shares issued by the Company :		
Equity Shares		
Name of the share holder		
T Rajkumar	**205500**	205500
T Dhanakumar	**204500**	204500
TK Dhanashekar	**204500**	204500
Preference Shares		
Name of the share holder		
T Rajkumar	**244000**	0
T Dhanakumar	**215813**	0
TK Dhanashekar	**215813**	0
K.Karpagavalli	**75000**	0

The Company has issued only one class of equity shares having a par value of `10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

3. Reserves & Surplus		
(a) General Reserve		
Opening Balance	**100000**	0
Transfer From Surplus in Statement of Profit	**100000**	100000
Closing Balance	**200000**	100000
(b) Share Premium		
Opening Balance	**0**	0
Add: Share premium on preference shares issued	**100000000**	0
Closing Balance	**100000000**	0

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Year Ended 31-03-2014 `	Year Ended 31-03-2013 `
(c) Surplus in statement of Profit		
Opening Balance	**7639509**	6461455
Add: Profit for the year	**8103185**	1980024
Less: Appropriations		
Transfer to General Reserve	**100000**	100000
Proposed Dividend	**1000000**	600000
Tax on Proposed Dividend	**169950**	101970
Prior year expenses - Arrears of ESI , PF & Rent	**114751**	0
	1384701	801970
Closing Balance	**14357993**	7639509
Total Reserves & Surplus (a)+(b)+(c)	**114557993**	7739509
4. Long Term Borrowings		
(a) Secured - Bank	**3743903**	0
(b) Unsecured - Related Parties	**29596286**	204216286
(Refer Note no:29)	**33340189**	204216286
5. Short Term Borrowings		
(a) Secured - Banks - Loans Repayable on demand	**34867799**	0
Total	**34867799**	0
6. Trade Payables:		
(a) Dues to micro, Small & Medium Enterprises	**0**	0
(b) Goods & Services	**13277475**	499714
Total	**13277475**	499714

Based on, and to the extent of information received from the suppliers regarding their status under the micro, Small & medium Enterprises Development Act, 2006 (MSMED Act), and Relied upon by the Auditors, there are no dues to such suppliers.

7. Other current liabilities		
Unsecured		
(a) Advance from customers	**240417**	0
Trade Payables	**0**	0
(b) Current Maturity of Long Term Debts	**272400**	0
(c) Current Maturity of Leased Assets	**789080**	0
(d) Creditor For capital goods	**300832**	0
(e) Employee Related Expenses	**958606**	0
(f) Other Current Liabilities	**2110771**	294397
Total	**4672107**	294397
8. Short-term provisions		
Provision For Compensated Absences	**153894**	0
Provision for Taxation (Net)	**5948943**	1784446
Provision for Proposed Dividend	**1000000**	600000
Tax on Proposed Dividend	**169950**	101970
Total	**7272787**	2486416

SCHEDULE : 9
FIXED ASSETS : TANGIBLE

(Amount in `)

Particulars	%	As on 01.04.13	Additions	Sales / Transfer	As on 31.03.14	Depreciation				Net Block	
						01.04.13	For the year	Withdrawn	31.03.2014	W.D.V as on 31.03.2014	W.D.V as on 31.03.2013
Land	0%	0	0	0	0	0	0	0	0	0	0
Plant & Machinery	14%	0	2505106	0	2505106	0	155947	0	155947	2349159	0
Furniture & Fittings	18%	0	237301	0	237301	0	22670	0	22670	214631	0
Office Equipments	18%	0	19809	0	19809	0	2790	0	2790	17019	0
Vehicles	30%	0	1890736	0	1890736	0	389160	0	389160	1501576	0
Vehicles(Car)	26%	0	721882	0	721882	0	125962	0	125962	595920	
Computers	40%	0	216369	0	216369	0	43263	0	43263	173106	0
Electrical Fittings	14%	0	88550	0	88550	0	5400	0	5400	83150	0
Total		**0**	**5679753**	**0**	**5679753**	**0**	**745192**	**0**	**745192**	**4934561**	**0**

SCHEDULE : 9 a
FIXED ASSETS : INTANGIBLE

(Amount in `)

Particulars	%	As on 01.04.13	Additions	Sales / Transfer	As on 31.03.14	Depreciation				Net Block	
						01.04.13	For the year	Withdrawn	31.03.2014	W.D.V as on 31.03.2014	W.D.V as on 31.03.2013
ERP Software	40%	0	210000	0	210000	0	5063	0	5063	204937	0
Biometric Software	40%	0	16000	0	16000	0	2420	0	2420	13580	0
Total		**0**	**226000**	**0**	**226000**	**0**	**7483**	**0**	**7483**	**218517**	**0**

Particulars	Year Ended 31-03-2014 `	Year Ended 31-03-2013 `
10.Non-Current Investments		
(Valued at Cost)		
Investment in Equity Instruments - Unquoted, Fully paidup)		
Investment in Subsidiaries		
a. 10000000 Equity shares of `10 each fully paid in Sri.Mahasakthi Mills Ltd.	**100000000**	100000000
b. 10000000 Equity shares of `10 each fully paid in Sri Arumuga Cottspin Pvt. Ltd.	**100000000**	100000000
	200000000	200000000
Cost	**200000000**	200000000
Face Value	**200000000**	200000000
11. Long-term loans and advances		
(Unsecured, considered good)		
(a) Capital advances	**29714000**	0
(b) Rental Advance	**2000000**	2000000
(c) Loans & advances related parties	**0**	0
(c) Others	**910311**	609959
Total	**32624311**	2609959
* Represents Cash and cash equivalents that are restricted from being exchanged or used to settle a liability for more than 12 months from the Balance Sheet date		
12. Deffered Tax Asset		
a) Deferred Tax Liability		
Depreciation on Fixed Assets	**(11000)**	0
b) Deferred Tax Asset		
43B liabilities/disallowance	**369070**	112070
Total	**358070**	112070
13. Inventories		
(at lower of cost or net estimated realisable value)		
Finished Goods	**8010400**	2078426
Raw material	**11094294**	0
Stores	**699615**	39138
Semifinished Goods	**16899884**	1709803
Total	**36704193**	3827367
14.Trade Receivables		
(Unsecured, considered good)		
Outstanding For a period exceeding six months from the day they are due for payment	**874149**	0
Others *	**37359458**	3791439
Total	**38233607**	3791439

*Includes an amount receivable from related parties (` 64408)

Particulars	Year Ended 31-03-2014 `	Year Ended 31-03-2013 `
15.Cash and Cash Equivalents		
Cash on hand	**13887**	23195
Balance with Banks		
Current Accounts	**169862**	11481742
Total	**183749**	11504937
16. Short Term loans and advances		
(Unsecured, considered good)		
Others		
(a) Advances recoverable in cash or kind or for value to be received		
Goods & Services	**4590421**	3390550
Prepaid Expenses	**140921**	0
Total	**4731342**	3390550
17. Revenue from Operations (Gross)		
Sale of products	**89003666**	10480268
Sale of Services	**2101428**	3681465
Total	**91105094**	14161733
18.Other Operating Income		
Duty Drawback on Export Goods	**6232898**	0
Total	**6232898**	0
19. Other Income		
Sales - Waste	**0**	0
Exchange Fluctuation (Net)	**0**	12105
Total	**0**	12105
20. Cost of Materials Consumed		
Opening stock	**39138**	0
Add: Purchases of Raw material, Stores and Labour Charges	**83424462**	2907174
	83463600	2907174
Less: Sales	**1215306**	37200
Less: Closing stock of Stores	**11793909**	39138
Cost of material consumed	**70454386**	2830836
Material Consumed Comprises of		
Raw Materials	**64229607**	1683876
Stores	**6224779**	1146960
Total	**70454386**	2830836
21. Change in inventories of finished goods and work in progress		
Inventories at the end of the year:		
Finished Goods	**8010400**	2078426
Work in Progress	**16899884**	1709803
Total	**24910284**	3788229
Inventories at the beginning of the year:		
Finished Goods	**2078426**	0
Work in Progress	**1709803**	0
Total	**3788229**	0
Net (increase) / decrease	**21122055**	3788229

Particulars	Year Ended 31-03-2014 `	Year Ended 31-03-2013 `
22.Purchases		
Purchases - Traded Goods	**0**	9215058
Total	**0**	9215058
23. Other Direct Manufacturing Expenses		
Power and Fuel	**602017**	105018
Wages	**7789662**	1028414
Freight Charges	**3609436**	35110
Other direct Expenses	**1711650**	200000
Total	**13712765**	1368542
24.Employees benefits expenses		
Salaries, Wages and Bonus	**7561644**	0
Contibution to Provident & other Funds	**607558**	0
Managing director remuneration	**120000**	120000
Staff Welfare Expenses	**973384**	0
Labour Contract Charges	**0**	0
Total	**9262586**	120000
25. Finance Cost		
Interest	**1230736**	0
Other Borrowing cost	**1609357**	0
Total	**2840093**	0
26.Other expenses:		
Factory Rent	**0**	0
Business Promotion Expenses	**1866611**	49344
Machinery repairs & Maintenance	**383604**	39686
Building Repairs & Maintenance	**580275**	393
Other Repairs & Maintenance	**1374579**	125647
Auditor Remuneration	**95225**	56180
Bank charges	**455232**	13903
Taxes and licenses	**618958**	266530
Postage Telegram and Telephone charges	**515005**	11820
Printing and stationery	**275456**	10200
Professional charges	**800339**	928802
Travelling expenses	**1399170**	15069
Loss on Exchange Fluctuation (Net)	**19090**	0
Other Administrative Expenses	**92287**	30034
Total	**8475831**	1547607
27.Earnings in Foreign Currency		
FOB Value of Exports	**88638428**	
28. Expenditure in Foreign Currency		
Labour Charges (Sampling Expenses)	**12843**	
Packing Expenses	**902592**	
Total	**915435**	

Particulars	Year Ended 31-03-2014 `	Year Ended 31-03-2013 `

29. The Term loans and Cash credit facility availed from South Indian Bank are secured against the Fixed Assets & Current Assets of the company as detailed below:

Name of the Bank	Particulars of loan	Security
South Indian Bank	Particulars of loan FSL ` 16 lacs, Packing Credit ` 200 lacs, Foreign Bills purchase ` 275 lacs and Forward Credit ` 300 lacs.Term Loan is repayable in 60 monthly installments of ` 37700/- each commencing after initial holiday period of 3 Months.Base rate of Term loan is 12.80%	Hypothecation of goods, Machinery, Vehicles, Book debts and other movable assets both present and future. Collatelal Security of Property at SF No. 761/2,762/1,Chettipalayam Village. 3.60 Acres & Personal Guarantee of Directors.

30. Employee Benefits under defined benefit plans

Gratuity	2013-14
Employee Profile	
Age of Retirement	58
No. of Employees	116
Total monthly relevant Salary for Gratuity - `	**692950**
Average Age	28.9
Average Past Service	0.6
Decrement adjusted estimated future service	9.9
Assumptions	
Discount Rate	9%
Future salary Increase	8%
Attrition Rate	9%
Expected Rate of return on plan Assets	0%
Present Value of Obligation(Gratuity with ` 10 Lakhs Ceiling)	**153894**

Notes: The Estimate of future salary increase takes into Account inflation, likely increaments, promotions and other Relevant Factors.

31. Segment Reporting

The company's main business is textiles . There is no separate reportable segment as per Accounting Standard 17.

32. Disclosure in respect of Related parties pursuant to Accounting Standard 18

List of Related Parties

Key Management Personal :

Sri T.Rajkumar, Managing Director

Sri K.Dhanakumar, Director

Subsidiaries :

M/s Sri Arumuga Cottspin Private Limited

M/s Sri Mahasakthi Mills Limited

Associated Enterprises

M/s Nethravathi Distilleries Private Limited

M/s Overseas Beverages Private Limited

M/s Imperial Spirits ltd

M/s Imperial Spirits and Wines Private Limited

M/s Sri Arumuga Sugars Limited

(Amount in `)

S No.	Particulars	Key Managerial Persons	Associated Enterprises	Total
1.	Purchases	0	107940	107940
2.	Sales	0	149558	149558
3.	Remuneration	120000	0	120000
4.	Finance	0	25380000	25380000
5.	Receivable as of 31.3.2014	0	0	0
6.	Payable as of 31.03.2014	0	29596286	29596286

Note: Related party relationships are as identified by the Management and relied upon by the Auditors.

33. Earnings Per share

Particulars	As at 31.03.2014 `	As at 31.03.2013 `
Profit After Tax	**8103185**	1980024
Weighted Average Number of Shares		
Basic	**1000000**	1000000
Diluted	**1000000**	1000000
Earnings Per shareof `10/-		
Basic	**8.10**	1.98
Diluted	**8.10**	1.98

Note: Earnings Per Share Calculations are done in accordance with Accounting Standard 20 (AS 20)" Earnings Per Share".

34. Income tax assessments completed upto A.Y. 2011-12

35. Previous year figures have been re-grouped wherever necessary to correspond with the current year classification/disclosure

Signature to notes to Financial Statements

For and on Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

For M/s S Lakshminarayanan Associates
Chartered Accountants
Firm Reg No.6609S

30th May, 2014
Coimbatore

Sangeetha C
Company Secretary

L.Kamesh
Partner
(M.No.209388)

Auditors' Report to the Board of Directors of Sri Arumuga Enterprise Limited.

1. We have audited the attached Consolidated Balance Sheet of SRI ARUMUGA ENTERPRISE LIMITED (the Parent) and its subsidiaries (together the Group) as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of SRI ARUMUGA ENTERPRISE LIMITED. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statement of subsidiaries Sri Mahasakthi Mills Ltd and Sri Arumuga Cottspin Private Ltd whose financial statements reflect total assets of ` 11610.61 lakhs as at 31st March, 2014 and total revenue of ` 11971.58 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

4. We report that the consolidated financial statements have been prepared by Sri Arumuga Enterprise Limited Group's Management in accordance with the requirements of the accounting standard (AS) 21, "Consolidated Financial Statements" as prescribed under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true ands fair view in conformity with the accounting principles generally accepted in India.

a) In the case of the Consolidated Balance Sheet, of the state of affairs of Sri Arumuga Enterprise Limited, the Group as at 31st March 2014;

b) In the case of the Consolidated Statement of Profit & Loss of the profit of the Sri Arumuga Enterprise Limited, the Group for the year ended on that date and

c) In the case of the Consolidated Cash Flow Statement, of the cash flows of Sri Arumuga Enterprise Limited, the Group for the year ended on that date.

30th May 2014
Coimbatore

For M/s S Lakshminarayanan Associates
Chartered Accountants
Firm Reg. No.6609S
L.Kamesh
M.No.209388
Partner

CONSOLIDATED BALANCE SHEET as at 31st March 2014

Particulars	Note No	As at 31-03-2014 `	As at 31-03-2013 `
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	**110000000**	10000000
(b) Reserves and Surplus	3	**288560351**	168017524
(c) Minority Interest		**7492200**	7492200
(2) Non - Current Liabilities			
(a) Long Term Borrowings	4	**423363664**	439409631
(b) Deffered Tax Asset	5	**8825639**	13457303
(3) Current liabilities			
(a) Short Term Borrowings	6	**247069299**	213677671
(b) Trade payables	7	**13169535**	499714
(c) Other current liabilities	8	**79448569**	72673168
(d) Short-term provisions	9	**52771058**	42826842
TOTAL		**1230700314**	968054053
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	10	**274995373**	254139514
(ii) Intangible Assets	10a	**218517**	0
(c) Long-term loans and advances	11	**156049417**	128634524
(2) Current Assets			
(a) Inventories	12	**282085104**	218857137
(b) Trade Receivables	13	**483318217**	326557633
(c) Cash and cash equivalents	14	**19053760**	28711236
(d) Short-term loans and advances	15	**14979926**	11154009
TOTAL		**1230700314**	968054053

Significant Accounting Policies 1

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date

For and on Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

For M/s S Lakshminarayanan Associates
Chartered Accountants
Firm Reg No.6609S

30th May, 2014
Coimbatore

Sangeetha C
Company Secretary

L.Kamesh
Partner
(M.No.209388)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st march 2014

Particulars	Note No	Year Ended 31-03-2014 `	Year Ended 31-03-2013 `
I INCOME			
a Revenue from Operations (Gross)	16	**1267475788**	1126750520
Less: Excise Duty		**0**	0
Revenue from operations (Net)		**1267475788**	1126750520
b Other Operating Income	17	**6232898**	2606465
II Other Income	18	**3470880**	2667581
III Total Revenue (I + II)		**1277179566**	1132024566
IV EXPENSES			
Cost of material consumed	19	**948110951**	800254226
Change in Inventory of Finished Goods and Work In Progress	20	**(38339634)**	12851294
Other Direct Manufacturing Expenses	21	**100721009**	36131401
Employee benefits expenses	22	**61150750**	47430286
Finance Cost	23	**58419475**	57945323
Other expenses	24	**50527694**	94322467
Depreciation		**40611187**	37802328
Total expenses		**1221201431**	1086737325
V Profit before tax (III - IV)		**55978135**	45287241
VI Less: Tax expenses			
Income Tax			
1) Current Year		**20313872**	22327614
2) Prior year		**404526**	0
3) Deferred tax		**(4631664)**	(3448802)
VII Profit for the year (V - VI)		**39891401**	26408429
VIII Earnings per Equity Share			
(a) Basic		**55.98**	45.29
(b) Diluted		**55.98**	45.29

Significant Accounting Policies 1

The Notes referred to above form an integral part of the Financial Statements
As per our report of even date

For and on Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

For M/s S Lakshminarayanan Associates
Chartered Accountants
Firm Reg No.6609S

30th May, 2014
Coimbatore

Sangeetha C
Company Secretary

L.Kamesh
Partner
(M.No.209388)

CASH FLOW STATEMENT for the year ended 31st march 2014

Particulars	As at 31-03-2014 `	As at 31-03-2013 `
A. Cash Flow From Operating Activities		
Net Profit Before Tax and Extra Ordinary Items:	**55978135**	45287241
Adjustments for :		
Depreciation	**40611187**	37802328
Loss on sale of asset	**0**	12835372
Income Tax Paid	**(11396056)**	(10354242)
Interest and Finance Charges	**58419475**	57945323
	143612741	**143516022**
Operating Profit Before Working Capital Changes		
Adjustments for :		
Prior year Expenses	**(114751)**	0
(Increase)/Decrease in Trade and other receivables and other Current assets	**(160586501)**	115845976
(Increase)/Decrease in Inventories	**(63227967)**	(62649137)
Increase/(Decrease) in Current liabilities and Provisions	**1535242**	(78860510)
Cash flow from investing activities	**(787812361)**	17852351
B. Cash flow from operating activities		
Purchase of Fixed Assets	**(61685563)**	(71154843)
Sale of Fixed Asset	**0**	8700000
Long Term Advances	**(27414893)**	(83185944)
	(89100456)	(145640787)
C. Cash Flow From Financing Activities:		
Increase/(Decrease) in Share Capital and Share Premium	**200000000**	0
Increase/(Decrease) in Long Term Liabilities	**(16045967)**	52818667
Increase/(Decrease) in Secured	**33391628**	54244380
Interest and Financial Charges	**(58419475)**	(57945323)
Dividend Paid	**(600000)**	0
Tax On dividend	**(101970)**	0
	158224216	**49117724**
Net Increase In Cash & Cash Equivalents (a+b+c)		
Opening Balance of Cash & Cash Equivalents	**(9657476)**	21329288
Closing Balance of Cash & Cash Equivalents	**28711236**	7381948
Reconciliation of Cash and Cash Equivalents with Balance Sheet :		
Cash and Cash Equivalents as per Balance Sheet (Refer Note No.12)	**19053760**	28711236
Net Cash and Cash Equivalents as per Cash Flow Statement (As per AS 3)	**19053760**	28711236

For and on Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

For M/s S Lakshminarayanan Associates
Chartered Accountants
Firm Reg No.6609S

30th May, 2014
Coimbatore

Sangeetha C
Company Secretary

L.Kamesh
Partner
(M.No.209388)

Notes Annexed to and Forming Part of Accounts for the year ended 31st March 2014

1Significant Accounting Policies:

a. The accounts have been prepared on the accrual basis of accounting, under historical cost convention and in accordance with the generally accepted accounting principles, Companies Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and the provisions of Companies Act, 1956 and General Circular 15/2013 dated 13th September 2013 of the ministry of corporate affairs in respect of section 133 of Companies Act 2013., except where otherwise stated.

b. Principles of consolidation

The Consolidated Financial Statements include the Financial Statements of Sri Arumuga Enterprise Limited and its subsidiaries, namely Sri Mahasakthi Mills Limited and Sri Arumuga Cottspin Private Limited.

The Consolidated Financial Statements have been prepared on the following basis:

i. The Financial Statements of the Parent Company and its Subsidiary Companies have been consolidated on a line-by-line basis, by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or losses.

ii. The Consolidated Financial Statements are prepared by adopting Uniform Accounting policies.

iii. The Financial statements of the following subsidiaries have been incorporated for consolidation.

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest (%)
Sri Mahasakthi Mills Ltd	India	100%
Sri Arumuga Cottspin Private Limited	India	100%

c. Income:

i. Refunds from government department are accounted for on receipt basis.

ii. Sales/Purchase of shares is accounted based on Brokers Contract Note/Company's Debit Note.

iii. Commission income is accounted on the basis of Bill/ Debit Note raised.

iv. Sale of goods is recognized based on the invoice raised.

d. Expenditure:

Revenue expenses are accounted on accrual basis.

e. Fixed Assets:

Fixed Assets are stated at historical cost of acquisition, installation and commissioning less accumulated depreciation and modvat benefits on capital goods. Depreciation is charged on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

f. Inventories:

Raw materials are valued at cost. Work in progress and finished goods are valued at selling price or net realizable value whichever is lower. Stores and spares are valued at cost.

g. Retirement Benefits:

Retirement benefits are accounted on actual payment basis.

h. Cash Flow Statements:

Cash Flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are not available for use by the company.

i. Provision for Taxation:

i. Provision for current tax has been made in accordance with the Income Tax Act, 1961.

ii. Deferred Tax is recognized on timing differences being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period, at the current rate of tax.

j. Provisions and Contingent liabilities:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31-03-2014 `	As at 31-03-2013 `
2. Share Capital		
Authorised		
1000000 Equity Shares of Rs.10 each	**10000000**	100000000
1000000 Preference Shares of Rs.100 each	**100000000**	0
	110000000	100000000
(Issued Subscribed and Fully Paid-up)		
1000000 Equity Shares of Rs.10 each	**10000000**	10000000
1000000 Preference Shares of Rs.100 each	**100000000**	0
Total	**110000000**	10000000
3. Reserves & Surplus		
(a) General Reserve		
Opening Balance	**100000**	
Transfer From Surplus in Statement of Profit	**100000**	100000
Closing Balance	**200000**	100000
(b) Share Premium		
Opening Balance	**0**	0
Add: Share premium on preference shares issued	**100000000**	0
Closing Balance	**100000000**	**0**
(c) Surplus in statement of Profit		
Opening Balance	**85465026**	59858567
Add: Profit for the year	**39891401**	26408429
Less: Appropriations		
Transfer to General Reserve	**100000**	100000
Proposed Dividend	**1000000**	600000
Tax on Proposed Dividend	**169950**	101970
Prior year expenses - Arrears of ESI , PF & Rent	**114751**	0
	1384701	801970
Closing Balance	**105907853**	85465026
(d) Capital Reserve	**82452498**	82452498
Total Reserves & Surplus (a)+(b)+(c)	**288560351**	168017524
4. Long Term Borrowings		
(a) Secured - Bank	**78633189**	79266993
(Refer Note no:27)		
(b) Unsecured - Related Parties	**293517107**	296602673
(c) Loan from KMBL against promoters Asset	**51213368**	63539965
	423363664	439409631
5. Deffered Tax Asset		
a) Deferred Tax Liability		
- Depreciation on Fixed Assets	**13580373**	17018175
b) Deferred Tax Asset		
- 43B liabilities/disallowance	**(4754734)**	(3560872)
	8825639	13457303

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31-03-2014 `	As at 31-03-2013 `
6. Short Term Borrowings		
(a) Secured - Banks - Loans Repayable on demand	**238501299**	213677671
(b) Term Loan Maturing within one year	**8568000**	0
Total	**247069299**	213677671
7. Trade Payables:		
(a) Dues to micro, Small & Medium Enterprises	**0**	0
(b) Goods & Services	**13169535**	0
Total	**13169535**	0

Based on, and to the extent of information received from the suppliers regarding their status under the micro, Small & medium Enterprises Development Act, 2006 (MSMED Act), and Relied upon by the Auditors, there are no dues to such suppliers.

8. Other current liabilities		
Unsecured		
(a) Advance from customers	**240417**	0
(b) Current Maturity of Long Term Debts	**272400**	0
(c) Current Maturity of Leased Assets	**789080**	0
(d) Creditor For capital goods	**300832**	0
(e) Employee Related Expenses	**5204651**	3760244
(f) Other Current Liabilities	**72641188**	68912924
Total	**79448569**	72673168
9. Short-term provisions		
Provision For Compensated Absences	**153894**	0
Provision for Taxation (Net)	**51447214**	42124872
Provision for Proposed Dividend	**1000000**	600000
Tax on Proposed Dividend	**169950**	101970
Total	**52771058**	42826842

SCHEDULE : 10
FIXED ASSETS : TANGIBLE

(Amount in `)

Particulars	%	Cost as at 01.04.2013	Additions	Sales / Transfer	As on 31.03.14	Depreciation				Net Block	
						01.04.13	For the year	Withdrawn	31.03.2014	W.D.V as on 31.03.2014	W.D.V as on 31.03.2013
Land	0%	4700743	42579700	0	47280443	0	0	0	0	47280443	4700743
Buildng		55362821	0	0	55362821	12517505	1849118		14366623	40996198	42845316
Plant & Machinery	14%	339841960	2505106	0	342347066	144437337	35295606	0	179732943	162614123	195404623
Furniture & Fittings	18%	282076	237301	0	519377	121427	40525	0	161952	357425	160649
Office Equipments	18%	275361	58579	0	333940	136494	53711	0	190205	143735	138867
Vehicles	30%	1731235	1890736	0	3621971	733020	553627	0	1286647	2335324	998215
Vehicles(Car)	26%	0	721882	0	721882	0	125962	0	125962	595920	0
Computers	40%	113000	216369	0	329369	112716	43547	0	156263	173106	284
Electrical Fittings	14%	25348150	88550	0	25436700	15457333	2641608	0	18098941	7337759	9890817
Building WIP			13161340		13161340				0	13161340	
Total		**427655346**	**61459563**	**0**	**489114909**	**173515832**	**40603704**	**0**	**214119536**	**274995373**	**254139514**

SCHEDULE : 10 a
FIXED ASSETS : INTANGIBLE

(Amount in `)

Particulars	%	As on 01.04.13	Additions	Sales / Transfer	As on 31.03.14	Depreciation				Net Block	
						01.04.13	For the year	Withdrawn	31.03.2014	W.D.V as on 31.03.2014	W.D.V as on 31.03.2013
ERP Software	40%	0	210000	0	210000	0	5063	0	5063	204937	0
Biometric Software	40%	0	16000	0	16000	0	2420	0	2420	13580	0
Total		**0**	**226000**	**0**	**226000**	**0**	**7483**	**0**	**7483**	**218517**	**0**

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31-03-2014 `	As at 31-03-2013 `
11. Long-term loans and advances		
(Unsecured, considered good)		
(a) Capital advances	29714000	0
(b) Rental Advance	13460969	2000000
(c) Loans & advances related parties	111964137	114810061
(c) Others	910311	11824463
Total	**156049417**	128634524
* Represents Cash and cash equivalents that are restricted from being exchanged or used to settle a liability for more than 12 months from the Balance Sheet date		
12.Inventories		
(at lower of cost or net estimated realisable value)		
Finished Goods	**26522248**	20106208
Raw material	**224597149**	182831800
Waste	**43470**	36091
Stores	**3751565**	2564708
Semifinished Goods	**27170672**	13318330
Total	**282085104**	218857137
13.Trade Receivables		
(Unsecured, considered good)		
Outstanding For a period exceeding six months from the day they are due for payment	**874149**	0
Others *	**482444068**	326557633
Total	**483318217**	326557633
*Includes an amount receivable from related parties (` 64408)		
14.Cash and Cash Equivalents		
Cash on hand	**3163634**	1581498
Balance with Banks		
- Current Accounts	**890126**	27129738
- Fixed Deposit	**15000000**	0
Total	**19053760**	28711236
15.Short Term loans and advances		
(Unsecured, considered good)		
Others		
(a) Advances recoverable in cash or kind or for value to be received		
Goods & Services	**14553145**	10917941
Prepaid Expenses	**426781**	236068
Total	**14979926**	11154009
16.Revenue from Operations (Gross)		
Sale of products	**1265374360**	1126750520
Sale of Services	**2101428**	0
Total	**1267475788**	1126750520

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31-03-2014 `	As at 31-03-2013 `
17. Other Operating Income		
Duty Drawback on Export Goods	**6232898**	2606465
Total	**6232898**	2606465
18. Other Income		
Interest on Bank Deposit	**3208380**	2530799
Other Receipt	**262500**	136782
Total	**3470880**	2667581
19. Cost of Materials Consumed		
Opening stock	**185396508**	109896884
Add: Carriage Inward	**2060980**	182570
Add: Purchases of Raw material, Stores and Labour Charges	**1007088869**	875571280
	1194546357	985650734
Less: Sales	**18086693**	0
Less: Closing stock of Stores	**228348714**	185396508
Cost of material consumed	**948110951**	800254226
Material Consumed Comprises of		
Raw Materials	**922980894**	781239563
Packing Materials and consumables	**25130057**	19014663
Total	**948110951**	800254226
20.Change in inventories of finished goods and work in progress		
Inventories at the end of the year:		
Finished Goods	**8010400**	0
Yarn	**18511848**	20106208
Waste	**43470**	36091
Work in Progress	**27170672**	13318330
Total	**53736390**	33460629
Inventories at the beginning of the year:		
Finished Goods	**2078426**	0
Yarn	**18027782**	31147858
Waste	**36091**	1494200
Work in Progress	**13318330**	13669865
Total	**15396756**	46311923
Net (increase) / decrease	**38339634**	(12851294)
21.Other Direct Manufacturing Expenses		
Power and Fuel	**87582270**	35054332
Wages	**7789662**	1028414
Freight Charges	**3609436**	35110
Cotton and Yarn Testing Charges	**27991**	13545
Other direct Expenses	**1711650**	0
Total	**100721009**	36131401

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31-03-2014 `	As at 31-03-2013 `
22. Employees benefits expenses		
Salaries, Wages and Bonus	**55790250**	42720266
Contibution to Provident & other Funds	**1430203**	1247112
Managing director remuneration	**120000**	120000
Staff Welfare Expenses	**3810297**	3342908
Labour Contract Charges	**0**	0
Total	**61150750**	47430286
23. Finance Cost		
Interest	**55421640**	45282373
Other Borrowing cost	**2997835**	12662950
Total	**58419475**	57945323
24. Other expenses:		
Business Promotion Expenses	**2460543**	79930
Machinery repairs & Maintenance	**830002**	130798
Building Repairs & Maintenance	**809634**	177179
Other Repairs & Maintenance	**12995919**	64165203
Auditor Remuneration	**245225**	206180
Bank charges	**16995829**	13903
Taxes and licenses	**1161353**	863320
Postage Telegram and Telephone charges	**910442**	504606
Printing and stationery	**382197**	164456
Professional charges	**1415399**	1468742
Travelling expenses	**1717200**	2315782
Donation	**0**	202601
Loss on sale of asser	**0**	12835372
Loss on Exchange Fluctuation (Net)	**19090**	0
Other Administrative Expenses	**10584861**	11194395
Total	**50527694**	94322467
25. Earnings in Foreign Currency		
FOB Value of Exports	**88638428**	
26. Expenditure in Foreign Currency		
Labour Charges (Sampling Expenses)	**12843**	
Packing Expenses	**902592**	
Total	**915435**	

27.The Term loans and Cash credit facility availed from Banks are secured against the Fixed Assets & Current Assets . of the company as detailed below:

Name of the Company	Name of the Bank	Particulars of loan	Security
Sri Arumuga Enterprise Limited	South Indian Bank	FSL ` 16 lacs, Packing Credit Rs.200 lacs, Foreign Bills purchase ` 275 lacs and Forward Credit ` 300 lacs.Term Loan is repayable in 60 monthly installments of ` 37700/- each commencing after initial holiday period of 3 Months. Base rate of Term loan is 12.80%.	Hypothecation of goods, Machinery, Vehicles, Book debts and other movable assets both present and future. Collatelal Security of Property at SF No. 761/2,762/1, Chettipalayam Village. 3.60 Acres & Personal Guarantee of Directors.
Sri Mahasakthi Mills Limited	State Bank of Bikaner And Jaipur	Term Loan - 99668000.00 Outstanding as on 31.03.14 - 47236764.00 Cash Credit - 150000000.00 Outstanding as on 31.03.14 - 93070179.00	**Primary:** i. Hyp. Of the 5 Autoconer machines, spindles & rings ii. Extension of Equitable mortage charge on Land & Building already constructed and proposed to be constructed at S.F.No.497/2, 514/1 at Kozhinjampara Village, Nattukal, Chittur, Palakkad, Kerala registered in the name of the Company. **Collateral:** (a) Land measuring 9.35 acres (Sl.No.497/1-3, 514/1-2) and Factory/Office Buildings (about 42000 sq. ft) at 36 Kozhinjampara Village, Nattukal, Chittur, Palakkad, Kerala. (b) Landed property admeasuring 1.371/2 acres at S.F.No.240, Puliakulam, Nanjundapuram, Coimbatore. © Landed property admeasuring 1.371/2 acres at S.F.No.240, Puliakulam, Nanjundapuram, Coimbatore. (d) Landed property admeasuring 0.9015 acres at S.F.No.732/1B, Chettipalayam Village, Coimbatore. (3) Landed property admesuring 0.801/4 acres at S.F.No.729/4, Chettipalayam Village, Coimbatore (f) Landed property admeasuring 2.811/2 acres at S./F.No. 728/723, Chettipalayam Village, Coimbatore.
	Axis Bank	Mpower Loan - 16000000.00 Outstanding as on 31.03.14 - 11936567.00	
Sri Arumuga Cottspin Private Limited	Axis Bank	Term Loan - 50557000.00 Outstanding as on 31.03.14 - 27652522.0 Cash Credit - 130000000.00 Outstanding as on 31.03.14 - 87007352.00 Outstanding as on 31.03.14 - 87007352.00	Hypothecation of Land, Building and Personal guarantee of Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31-03-2014 `
28. Employee Benefits under defined benefit plans	
GRATUITY	2013-14
Employee Profile	
Age of Retirement	58
No. of Employees	116
Total monthly relevant Salary for Gratuity - `	692950
Average Age	28.9
Average Past Service	0.6
Decrement adjusted estimated future service	9.9
Assumptions	
Discount Rate	9%
Future salary Increase	8%
Attrition Rate	9%
Expected Rate of return on plan Assets	0%
Present Value of Obligation (Gratuity with ` 10 Lakhs Ceiling)	153894

Notes:

The Estimate of future salary increase takes into Account inflation, likely increments, promotions and other Relevant Factors.

29. Segment Reporting

The company's main business is textiles . There is no separate reportable segment as per Accoiunting Standard 17.

30.Disclosure in respect of Related parties pursuant to Accounting Standard 18 (List of Related Parties)

- **Key Management Personal :**
  - ✓ Sri T.Rajkumar, Managing Director
  - ✓ Sri K.Dhanakumar, Director
- **Subsidiaries :**
  - ✓ M/s Sri Arumuga Cottspin Private Limited
  - ✓ M/s Sri Mahasakthi Mills Limited
- **Associated Enterprises**
  - ✓ M/s Nethravathi Distilleries Private Limited
  - ✓ M/s Overseas Beverages Private Limited
  - ✓ M/s Imperial Spirits ltd
  - ✓ M/s Imperial Spirits and Wines Private Limited
  - ✓ M/s Sri Arumuga Sugars Limited

(Amount in `)

S. No	Particulars	Key Managerial Persons	Associated Enterprises	Total
1.	Purchases	0	2216184	2216184
2.	Sales	0	149558	149558
3.	Remuneration	120000	0	120000
4.	Finance (Dr)	0	110809937	110809937
5.	Receivable as of 31.3.2014	0	23952576	23952576
6.	Payable as of 31.03.2014	0	85821257	85821257

Note:

Related party relationships are as identified by the Management and relied upon by the Auditors.

31.Earnings Per share

	As at 31-03-2014 `	As at 31-03-2013 `
Profit After Tax	**55978135**	45287241
Weighted Average Number of Shares		
Basic	**1000000**	1000000
Diluted	**1000000**	1000000
Earnings Per share of Rs.10/-		
Basic	**55.98**	45.29
Diluted	**55.98**	45.29

Note:

Earnings Per Share Calculations are done in accordance with Accounting Standard 20 (AS 20) " Earnings Per Share".

32. Previous year figures have been re-grouped wherever necessary to correspond with the current year classification/disclosure

Signature to notes to Financial Statements

For and on Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

For M/s S Lakshminarayanan Associates
Chartered Accountants
Firm Reg No.6609S

30th May, 2014
Coimbatore

Sangeetha C
Company Secretary

L.Kamesh
Partner
(M.No.209388)

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

(`. in Lakhs)

1. Name of the Subsidiary Company	Sri Mahasakthi Mills Ltd.	Sri Arumuga Cottspin Pvt. Ltd.
2. Financial period of the subsidiary	31st March 2014	31st March 2014
3. ended on Holding Company's Interest	100% of Equity Share Capital	100% of Equity Share Capital
4. Share Capital	1074.92	1000.00
5. Reserves	1099.96	640.06
6. Total assets	6605.01	5005.59
7. Total liabilities	4430.13	3365.53
8. Investments	Nil	Nil
9. Turnover	6203.76	5767.83
10. Profit / (Loss) before taxation	137.80	117.73
11. Provision for taxation	118.57	42.42
12. Profit after taxation	67.94	69.29
13. Proposed dividend	Nil	Nil
14. Net aggregate amount of profits/ (losses) of the subsidiary for the above financial year of the subsidiary, so far as they concern the members of the Company :		
a) dealt with in the accounts of the Company for the year ended 31st March, 2014	Nil	Nil
b) not dealt with in the accounts of the Company for the year ended 31st March, 2014	67.94	69.29
15. Net aggregate amount of profits/ (losses) for previous financial yearsof the subsidiary, since it became a subsidiary so far as they concern the members of the Company :		
a) dealt with in the accounts of the Company for the year ended 31st March, 2014	Nil	Nil
b) not dealt with in the accounts of the Company for the year ended 31st March, 2014	538.39	640.07

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@arumugaenterprise.com, sangeetha@arumugaenterprise.com

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the members of the Company held on Monday, 29th September 2014 at 10.00 a.m. at No.1, Sundaram Brothers Layout, Opp. All India Radio, Trichy Road, Coimbatore - 641 045

Folio No. / DP ID. No. / Client ID No. :

Name and Address :

Signature of Member / Proxy

NOTE : 1. Admission restricted to Members / Proxies only.

2. A member / proxy attending the meeting must complete this attendance slip and hand it over at the entrance.

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@arumugaenterprise.com, sangeetha@arumugaenterprise.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ANNUAL GENERAL MEETING

29th September 2014

Name of the member(s):

Registered Address:

E-mail ID:

Folio No / Client ID:DP ID :

I / We being the member(s) of _____ shares of Sri Arumuga Enterprise Limited hereby appoint

1.Name_____ Address _____
E-mail ID _____ Signature _____or failing him;

2.Name_____Address_____
E-mail ID _____ Signature _____or failing him;

3.Name_____Address_____
E-mail ID _____ Signature _____or failing him;

as my / our Proxy to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Monday, 29th September 2014 at 10.00 a.m. at No.1, Sundaram Brothers Layout, Opp. All India Radio, Trichy Road, Coimbatore - 641 045 and at any adjournment thereof in respect of such resolutions as are indicated overleaf.

S.No	Resolutions	Optional*	
	Ordinary Business	For	Against
1	Adoption of the audited Financial Statements for the year ended March 31, 2014.		
2	Declaration of Dividend on equity shares for the year 2013-2014.		
3	Appointment of Director, Sri K Dhanakumar		
4	Appointment of Auditors and fixing of their remuneration		
	Special Business		
5	Appointment of Independent Director,Sri Vaibhav Duvvur		
6.	Appointment of Independent Director, Sri S Sanjay		
7.	Limits of Borrowing u/s 180(1)(c) of the Companies Act, 2013		
8.	Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company		
9.	Variation in terms of 10,00,000 10% Redeemable Cumulative Preference Shares of ` 100 each		
10.	Inter corporate Loans/ guarantees / securities u/s 186 of the Companies Act,2013 in excess of paid up capital and free reserves of the Company		

Affix Revenue Stamp of ` 1

Signed this _____ day of _____ 2014.

Signature

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the meeting.
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of the Annual General Meeting.
3. * It is optional to put '✓ ' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.