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

***CIN**:L17111TZ1984PLC015887*

07.05.2018

To
The Manager
Listing Department
The Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001.

Scrip Code: 507918

Dear Sir/Madam,

Submission of Annual Report 2016-17

As per Listing Agreement, we are submitting Annual Report for the Financial year 2016 -17 along with the Consolidated Balance Sheet of its subsidiaries duly approved by the share holders of the company at the Annual General Meeting held on 18th April 2018.

This is for your information and records.

Thanking you,
For Sri Arumuga Enterprise Limited

T Rajkumar
Managing Director/ Compliance Officer
DIN : 00048665

SRI ARUMUGA ENTERPRISE LIMITED

ANNUAL REPORT
2016 – 2017

SRI ARUMUGA ENTERPRISE LIMITED

(CIN : L17111TZ1984PLC015887)

ANNUAL REPORT 2016 – 2017

Board of Directors

Sri T. Rajkumar
Chairman & Managing Director

Sri K. Dhanakumar
Sri Vaibhav Duvvur
Smt Manonmani Kandavel

Registered Office:

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

Works – Garment Division

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

Statutory Auditors

M/s. Lakshminarayanan Associates
Chartered Accountants
Coimbatore.

Bankers

The South Indian Bank Limited
Coimbatore

Registrar and Share Transfer Agents

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

SRI ARUMUGA ENTERPRISE LIMITED

(CIN: L17111TZ1984PLC015887)

Registered Office: No.1, Sundaram Brothers' Layout**,** Opp. All India Radio**,** Trichy Road, Coimbatore – 641 045. Phone : 0422-2322340 / 2322440, Fax : 0422-2323899, Email : investors@arumugaenterprise.com,

NOTICE is hereby given that the 32nd Annual General Meeting of the members of the Company will be held on Wednesday, 18th April, 2018 at 10.00 A.M at the Registered Office at No.1, Sundaram Brothers' Layout, Opp. All India Radio, Trichy Road, Coimbatore – 641045 to transact the following business.

Please make it convenient to attend the meeting.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March 2017 and the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Sri K. Dhanakumar (DIN: 00048730) who retires by rotation and is eligible for reappointment.

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

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

SPECIAL BUSINESS

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

   Resolved that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.Vaibhav Duvvur (DIN 03477028), who fulfills the criteria required for appointment as Independent Director, be and is hereby appointed as an Independent Director to hold office for a term of five consecutive years, i.e., from the date of the ensuing 32nd Annual General Meeting and he is not liable to retire by rotation.

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

   Resolved that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Smt Manonmani Kandavel (DIN 07143912), who fulfills the criteria required for appointment as Independent Director, be and is hereby appointed as an Independent Director to hold office for a

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

By Order of the Board

T. Rajkumar
Chairman & Managing Director
DIN : 00048665

Coimbatore
28.02.2018

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting.

3. The dividend remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund on the respective due dates; upon such transfer, no claim shall lie against the Company or the Central Government for such unclaimed dividend.

4. Members/Proxies are requested to bring their attendance slip along with the Annual Report to the meeting.

5. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at a meeting. Please note that the voting through electronic means is optional for the members.

6. **The voting through electronic means** will be available from 15.04.2018 to 17.04.2018. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter.

7. The Company has appointed Mr. R. Dhanasekaran, Company Secretary in Practice, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

8. **The instructions for members for voting electronically are as under:-**
In case of members receiving e-mail

i. The voting period begins on 15.04.2018 (10.00 a.m.) and ends on 17.04.2018 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 11.04.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The shareholders should log on to the e-voting website: www.evotingindia.com during the voting period

iii. Click on "Shareholders" tab.

iv. Now, select the **"SRI ARUMUGA ENTERPRISE LIMITED"** from the drop down menu and click on "SUBMIT"

v. Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	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 8 digits of the sequence number in the PAN field. • Incase the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	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 170505001 for the **"SRI ARUMUGA ENTERPRISE LIMITED"** on which you choose to vote.

xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xviii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix. Note for Institutional Shareholders & Custodians:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

9. In case of members receiving the physical copy:

a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

b) The voting will be available from 15.04.2018 (10.00a.m.) to 17.04.2018 (5.00p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on23.05.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at

www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

10. Kindly note that members can opt for only one mode of voting i.e., either by voting at the venue or through remote e-voting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote thro remote e-voting may attend the meeting but shall not be entitled to cast their votes again at the venue.

11. Members holding shares in physical form are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses either to the Company or to the Registrar and Share Transfer Agents, Purva Sharegistry (India) Private Limited, Mumbai – 400 001 or to their respective Depository Participant (DP) in case the shares are held in dematerialized form.

12. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management.

13. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2017 will also be available on the Company's website www.arumugaenterprise.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@arumugaenterprise.com. If any shareholders not received annual report, shareholders shall write to companies mail_id or contact Secretarial Department - 0422-2322340

By Order of the Board

T. Rajkumar
Chairman & Managing Director
DIN : 00048665

Coimbatore
28.02.2018

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

ItemNo. 2

Details of Director seeking appointment at the Annual General Meeting

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

ITEM 4

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

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

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

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

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

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

ITEM 5

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

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

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

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

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

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

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

Annexure to the Notice

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

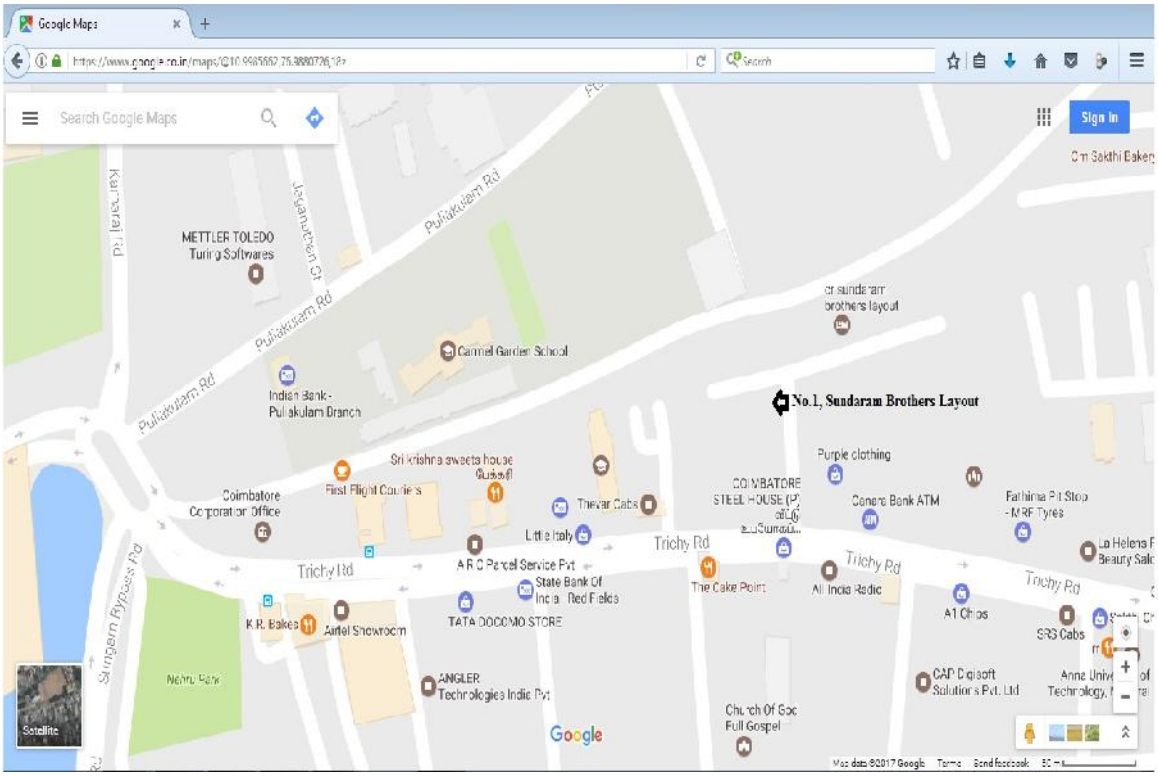
In the above circumstances, your board decided to conduct the Annual General Meeting for the financial year ended 31st March, 2017 on Wednesday, 18th April 2018.

By Order of the Board

T. Rajkumar
Chairman & Managing Director
DIN : 00048665

Coimbatore
28.02.2018

Location Map:



DIRECTORS' REPORT

To the Members

Your directors are pleased to present their 32nd Annual Report together with the audited accounts of the Company for the financial year ended 31st March 2017.

FINANCIAL RESULTS

(Rs. lakhs)

Particulars	2016-17	2015-16
Income from Operations	840.70	415.85
Other Income	1.28	2.26
Total Income	**841.98**	**418.11**
Profit before Tax	27.92	29.64
Provision for Current Tax	12.30	9.60
Prior year Tax	7.83	0.00
Provision for Deferred Tax	1.34	0.91
Profit after Tax	**9.13**	**20.95**
Add: Opening balance in Profit and Loss account	190.05	169.10
Balance available for appropriations	**199.18**	**190.05**

DIVIDEND

Your board has not declared any dividend during the year under review.

OPERATIONS

During the year, the Company reported a Profit after Tax (PAT) of Rs. 9.13 lakhs as against Rs. 20.95 lakhs for the previous year. During the year under review, the sales and other income were at Rs. 841.98 lakhs as against Rs. 418.11 lakhs for the previous year.

GARMENTS UNIT

Your Company has successfully completed its Third 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 2017-18.

DEPOSITORY SYSTEM

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on 31st March 2017, 87.26% of the Company's total paid-up Capital representing 872590 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 73 of the Companies Act, 2013 for the year ended 31st March 2017.

SUBSIDIARY COMPANIES

Particulars as required under section 129(3) of the Companies Act, 2013 in respect of subsidiary companies are furnished in the annexure to this report in Form AOC-1.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to section 129 (3) of the Companies Act, 2013, Consolidated Financial Statements of the company and its subsidiary company have been prepared and attached to this Annual Report

STATUTORY DISCLOSURES

Conservation of Energy and others:- The particulars required to be included in terms of Section 134 (3) (m) of the Companies Act, 2013 read with rule 8(3) of the Companies Accounts) rules 2014 for the year ended 31.03.2017 relating to conservation of energy etc is enclosed as Annexure 1.

Remuneration of directors and other details:-

The company has no employees in receipt of remuneration exceeding the limits prescribed under section 197(12) of the Companies Act, 2013 read with Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014.

CORPORATE GOVERNANCE REPORT

In line with requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your company is committed to the

principles of good Corporate Governance and continues to adhere good Corporate Governance practice consistently.

Additional disclosures as stipulated under regulations 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been given appropriate places and forms part of this Annual Report.

As the Company's paid up equity share capital is not exceeding Rs. 10 Crore and net worth of the company was not exceeding Rs. 25 Crore, as on previous financial year (31.03.2017), regulations 17 to 27 and clauses (b) to (i) of sub-regulations (2) of regulation 46 and paras C,D and E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the company.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134 (5) of the Companies Act, 2013 your directors confirm that:

a) Your Directors have followed in the preparation of the annual accounts, the applicable accounting standards with proper explanation relating to material departures;

b) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) Your Directors have prepared the annual accounts on a going concern basis;

e) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

DIRECTORS

Sri K. Dhanakumar (DIN: 00048730), Director retires from the Board by rotation and is eligible for re-appointment at the ensuing Annual General Meeting.

The profile of the director seeking reappointment, as required under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 are given in the Annexure to the Notice of the Annual General Meeting.

During the year under review, the company has appointed Mr.Vaibhav Duvvur (DIN 03477028) and Mrs. Manonmani Kandavel (DIN 07143912) as Independent directors of the company for the period of five years with effect from the date of ensuing Annual General Meeting.

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

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 Vaibhav Duvvur, Sri K Dhanakumar, Smt. Manonmani Kandavel and Sri Vaibhav Duvvur is the Chairman of Audit Committee.

The board has implemented the suggestions made by the auditor committee from time to time.

AUDITORS

In terms of Section 139 of the Companies Act, 2013 M/s. S. Lakshminarayanan Associates, Chartered Accountants, Coimbatore, the existing statutory auditor of the company, the appointment periods expires at the ensuing Annual General Meeting. Your board has received necessary consent from Mr. R. Natarajan, Chartered Accountant, bearing Registration No. 24306 to be appointed as a statutory auditor of the company at the ensuing Annual General Meeting for a period of five years. Your board has placed necessary resolution in this regard for the approval of members.

The Company has received a certificate from the auditor to the effect that he is eligible to be appointed and he is not disqualified for reappointment.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and on the date of this report

THE EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is given in Annexure 2.

KEY MANAGERIAL PERSONNEL

The company has the following Key Managerial Person as on 31.03.2017.

1. Sri T. Rajkumar: Managing Director

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the rules made there under, independent directors at their meeting without participation of non-independent directors and management considered and evaluated the boards' performance, performance of the chairman and Managing Director.

The board has carried out an annual evaluation of its own performance, of the individual directors as well as the Committees of directors.

BOARD MEETINGS

During the year under review, 4 board meetings were conducted. (30.05.2016, 13.08.2016, 14.11.2016 and 13.02.2017)

The details of the attendance of the directors are given below:

Sl.No.	Name of the Directors	No. of meetings attended
1.	Mr. T. Rajkumar	4
2.	Mr. K. Dhanakumar	4
3.	Mr. Vaibhav Duvvur	4
4.	Mrs. Manonmani Kandavel	4

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, the company has not made any investment and no loan or guarantee was given or security was provided by the company covering under Section 186 of the Companies Act, 2013.

ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY

The company has established a vigil mechanism for directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics. The policy has been posted in the website of the company.

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

The board of directors have framed a policy setting out the framework for payment of remuneration to directors, Key Managerial Personnel and Senior Management Personnel of the company. The policy is explained as part of the Corporate Governance report. The committee ensures that:

a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year in the ordinary course of business and the prices were at arm's length basis. Hence, the provisions of Section 188 of the Companies Act, 2013 are not attracted. Further no materially significant related party transactions were made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Hence reporting in

AOC-2 is not made. Approval of Audit Committee was obtained for transactions of repetitive nature on annual basis. All related party transactions are placed before the Audit Committee and Board of Directors for their review. The policy on Related Party Transactions is available in the website of the company.

Additional disclosures as required under Schedule V of the SEBI (Listing obligations and Disclosure requirements)

Sl. No.	Name of the Subsidiary	Nature	Balance at the end of the year	Maximum amount outstanding
1	Sri Arumuga Cottspin Pvt Ltd	Investments	Rs. 10 Crore	Rs. 10 Crore
		Loans and Advances	Rs. 60,99,331/-	
2	Sri Mahasakthi Mills Ltd	Investments	Rs. 10 Crore	Rs. 10 Crore
		Loans and Advances	Rs. 55,63,360/-	

SECRETARIAL AUDIT REPORT

Secretarial Audit Report for the year under 31st March, 2017, as required under section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed and your board has separately replied for the observations / qualifications of the Secretarial Audit Report made in his report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee & to the Chairman and Managing Director.

The Company has an Internal Audit Department which monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, corrective actions are taken in the respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

STATEMENT ON RISK MANAGEMENT POLICY

Pursuant to Section 134(3) (n) of the Companies Act, 2013, the Company has developed a Risk Management Committee. The committee has developed a risk Management policy and implemented the same. The board is of the opinion that there is no threaten to the existence of the company.

CORPORATE SOCIAL RESPONSIBILITY:

As your company is not covered under any of the conditions prescribed under Section 135 of the Companies Act, 2013, the Company is not required to develop and implement any Corporate Social Responsibility initiatives, during year ended 31st March, 2016.

DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS /COURTS/ TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE.

There were no significant material orders passed by the Regulators/ Courts/Tribunal which would impact the going concern status of the company and its future operations.

The Stock Exchange has suspended trading of Company's securities with effect from 02.08.2016 due to non compliance of certain provisions of SEBI regulations. However, the said order does not affect the ongoing concern status of the Company's operation in future.

MANAGEMENT DISCUSSION AND ANALYSIS DISCLOSURE AS STIPULATED UNDER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)

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.

Opportunities and Threats

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 huge the target for textile exports for the current year. Policies of Government of India provides opportunities for the Indian Textile Export during the current year.

Segment-wise or Product Wise Performance and Financial performance with respect to operational performance

The company deals with only one product i.e Garments. The disclosure of the performance has been given in the financial statement.

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.

Material developments in Human Resources/Industrial Relations front, including number of people employed.

The company's industrial relations are cordial. There was no significant changes in the human resources during the period under review. The total number of people employed during the year was twenty five (including temporary employees).

Disclosure of Accounting Treatment as stipulated under Schedule V of the SEBI (Listing obligations and Disclosure requirements)

The company has prepared financial statements prescribed accounting standard has been following and there was no deviation in the treatment.

Disclosure of demat suspense account/unclaimed suspense account as stipulated under Schedule V of the SEBI (Listing obligations and Disclosure requirements)

Details of shares in the demat suspense/unclaimed suspense account:

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (01.04.2016): Nil
(b) Number of shareholders who approached the company for transfer of shares from suspense account during the year (2016-17) : Nil
(c) Number of shareholders to whom shares were transferred from

suspense account during the year (2016-17) : Nil

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (31.03.2017) : Nil

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

28.02.2018
Coimbatore

T.Rajkumar
Chairman & Managing Director
DIN: 00048665

Addendum to observations/qualifications made in the Secretarial Audit Report for the year ended 31st March, 2017.

1. *The Company is taking steps to appoint a qualified whole time Company Secretary.*

2. *The essential data stored in a computer data were corrupted and it took substantial time to retrieve. Due to this unexpected situation, the company could not send documents to hold Annual General Meeting for the year ended 31st March, 2016. However, the Annual General Meeting was held belatedly on 29th May, 2017.*

3. *Steps are being taken to file the resolutions passed by the board of directors approving the financial statements and boards report for the year ended 31st March, 2016 with required additional fees.*

4. *Arrangements are being made to pay listing fees.*

5. *Due to lack of sufficient staff, the company could not submit the periodical financial results and shareholding pattern within the due date with Stock exchange. Effective steps are being taken to file the above said documents and also to publish the results in news papers within the time.*

6. *Necessary steps are being taken to submit copies of Annual Report and proceedings of the Annual General Meeting for the year ended*

31st March, 2016 as required under regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

7. *Steps are being taken to file the compliance certificate to the exchange as required under regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 31st March, 2017.*

8. *Steps are being taken to update the company's website (arumugaenterprise.com) as required under regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

9. *The company has belatedly filed the annual forms (consisting AOC-4 and MGT 7) for the financial year ended 31.03.2016 with Registrar of Companies, with required additional fee.*

10. *Steps are being taken to file the proceedings of the Annual General Meeting with Registrar of Companies as required under 121 of the Companies Act, 2013.*

For and on behalf of the Board

28.02.2018
Coimbatore

T.Rajkumar
Chairman & Managing Director
DIN: 00048665

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. In Lakhs)

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	Sri Mahasakthi Mills Ltd	Sri Arumuga Cottspin P Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4.	Share capital	1074.92	1000.00
5.	Reserves & surplus	586.65	-551.76
6.	Total assets	4758.20	4146.91
7.	Total Liabilities	4758.20	4146.91
8.	Investments	0	0
9.	Turnover	2282.29	2977.77
10.	Profit before taxation	-151.37	184.79
11.	Provision for taxation	113.53	75.14
12.	Profit after taxation	-37.83	109.65
13.	Proposed Dividend	0	0
14.	% of shareholding	100 %	100 %

ANNEXURE

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information under section 134 (3) (m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31st 2017 is given here below, and forms part of the Director's Report.

A.CONSERVATION OF ENERGY

i) The steps taken or impact on conversation of energy;

i. Energy Audit and conservation measure is being adopted periodically.

(ii) the steps taken by the company for utilising alternate source of energy;

Steps are being taken to utilize alternate source of energy wherever possible

(iii) the capital investment on energy conversation equipments;

NIL

B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption; - Nil

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution; - Nil

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year); - Nil

(iv) the expenditure incurred on Research and Development;- Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review

Foreign exchange earnings were Rs. 73.58 Lakhs (previous year Rs. 25.31 Lakhs).

Foreign exchange outgo was Nil (previous year Nil).

Coimbatore
28.02.2018

By Order of the Board
T. Rajkumar
Chairman & Managing Director

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I **REGISTRATION & OTHER DETAILS:**

i	CIN	L17111TZ1984PLC015887
ii	Registration Date	05-04-1984
iii	Name of the Company	SRI ARUMUGA ENTERPRISE LIMITED
iv	Category/Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	No. 1. Sundaram Brothers Layout, Opp. All India Radio, Trichy Road, Coimbatore 641045
vi	Whether listed company	Company limited by shares
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Private Limited No.9, Shiv Shakti Industrial Estate Ground Floor, J. R. Boricha Marg Opp. Kasturba Hospital, Lower Parel Mumbai - 400 011

II **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Textile Garments	14101	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Sri Mahasakthi Mills Limited	U17111TZ1995PLC016298	Subsidiary	100	
2	Sri Arumuga Cottspin Private Limited	U17111TZ2004PTC011160	Subsidiary	100	

IV **SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	614500		614500	61.45%	614500	0	614500	61.45%	0	0
b) Central Govt.or State Govt.										
c) Bodies Corporates										
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)	614500	0	614500	61.45%	614500	0	614500	61.45%	0	0
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other…										
SUB TOTAL (A) (2)										
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**614500**	**0**	**614500**	**61.45%**	**614500**	**0**	**614500**	**61.45%**	**0**	**0**
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
C) Cenntral govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):										
(2) Non Institutions										
a) Bodies corporates	46512	50	46562	**4.66%**	1250	50	1300	**0.13%**	4.53%	
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	32930	139860	172790	**17.28%**	102490	127360	229850	**22.99%**	-5.71%	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	149690	10100	159790	**15.98%**	153335	0	153335	**15.33%**	0.65%	
c) Others (specify)	5758	600	6358	**0.64%**	1015	0	1015	**0.10%**	0.54%	
SUB TOTAL (B)(2):	234890	150610	385500	**38.56%**	258090	127410	385500	**38.55%**	0.01%	
Total Public Shareholding (B)= (B)(1)+(B)(2)	234890	150610	385500	**38.56%**	258090	127410	385500	**38.55%**	0.01%	
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	**849390**	**150610**	**1000000**	**100%**	**872590**	**127410**	**1000000**	**100%**		

(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the begginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to	
1	Mr. T. RAJKUMAR	205500	20.55%	-	205500	20.55%	-	NIL
2	Mr. K. DHANAKUMAR	204500	20.45%	-	204500	20.45%	-	NIL
3	Mr. T.K. DHANASHEKAR	204500	20.45%	-	204500	20.45%	-	NIL
	Total	614500	61.45%		614500	61.45%		

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING - THERE IS NO CHANGE**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	N/a	N/a	N/a	N/a
	At the end of the year				

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
1	**DIPTI D. SHAH**	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	43645	4.36%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0.00%	0	0.00%
	At the end of the year (or on the date of separation, if separated during the year)	43645	4.36%		
2	**GANESH G**	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	40000	4.00%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N/a	N/a	N/a	N/a
	At the end of the year (or on the date of separation, if separated during the year)	40000	4.00%		

3	**ARUNGIRI P V B**	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	39690	3.97%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N/a	N/a	N/a	N/a
	At the end of the year (or on the date of separation, if separated during the year)	39690	3.97%		

4	**PALANISAMY D**	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	30000	3.00%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N/a	N/a	N/a	N/a
	At the end of the year (or on the date of separation, if separated during the year)	30000	3.00%		

5	**K S NANDA KUMAR**	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	20000	2.00%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N/a	N/a	N/a	N/a
	At the end of the year (or on the date of separation, if separated during the year)	20000	2.00%		

6	**KUPPUSAMY S**	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	20000	2.00%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N/a	N/a	N/a	N/a
	At the end of the year (or on the date of separation, if separated during the year)	20000	2.00%		

7	**PRATIK KANTILAL PALEJA**	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	11361	1.14%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): During the period there are 31 Transactions	-50	-0.01%	11311	1.13%
	At the end of the year (or on the date of separation, if separated during the year)	11311	1.13%		

8	**ROSY ANTOO**	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**

	At the beginning of the year	10000	1.00%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N/a	N/a	N/a	N/a
	At the end of the year (or on the date of separation, if separated during the year)	10000	1.00%		

9	**MARIA TONY PHILIP**	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	10000	1.00%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N/a	N/a	N/a	N/a
	At the end of the year (or on the date of separation, if separated during the year)	10000	1.00%		

10	**S SUDHA**	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	10000	1.00%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N/a	N/a	N/a	N/a
	At the end of the year (or on the date of separation, if separated during the year)	10000	1.00%		

(v) **Shareholding of Directors & KMP**

Sl. No		**Shareholding at the end of the year**		**Cumulative Shareholding during the**	
	For Each of the Directors & KMP	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year				
	Mr. T. RAJKUMAR	205500	20.55%	205500	20.55%
	Mr. K. DHANAKUMAR	204500	20.45%	204500	20.45%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-		
	At the end of the year				
	Mr. T. RAJKUMAR	205500	20.55%	205500	20.55%
	Mr. K. DHANAKUMAR	204500	20.45%	204500	20.45%

V **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**	
Indebtness at the beginning of the financial year					
i) Principal Amount	4,83,09,152.12	3,16,87,731.97	-	7,99,96,884.09	
ii) Interest due but not paid	-	-	-		
iii) Interest accrued but not due	-	-	-		
Total (i+ii+iii)	**4,83,09,152.12**	**3,16,87,731.97**	**-**	**7,99,96,884.09**	
Change in Indebtedness during the financial year					
Additions		59,01,574.70	-	59,01,574.70	
Reduction	3,78,84,288.19		-	3,78,84,288.19	
Net Change	**3,78,84,288.19**	**59,01,574.70**	**-**	**4,37,85,862.89**	
Indebtedness at the end of the financial year					
i) Principal Amount	1,04,24,863.93	3,75,89,306.67	-	4,80,14,170.60	
ii) Interest due but not paid	-	-	-		
iii) Interest accrued but not due	-	-	-		
Total (i+ii+iii)	**1,04,24,863.93**	**3,75,89,306.67**	**-**	**4,80,14,170.60**	
	-	-	-	-	

VI **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. **Remuneration to Managing Director, Whole time director and/or Manager:**

Sl.No	**Particulars of Remuneration**		**Name of the MD**	**Total Amount**
1	**Gross salary**		T. RAJKUMAR	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		3,00,000.00	3,00,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	-
2	Stock option		-	-
3	Sweat Equity		-	-
4	Commission		-	-
	as % of profit			
	others (specify)			
5	Others, please specify		-	-
	Total (A)		3,00,000.00	3,00,000.00
	Ceiling as per the Act			

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors		
	(a) Fee for attending board committee meetings	-	-
	(b) Commission	-	-
	(c) Others, please specify	-	-
	Director Remuneration		
	Director Remuneration		
	Total (1)	-	-
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings	-	-
	(b) Commission	-	-
	(c) Others, please specify.	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration		
	Overall Cieling as per the Act.		

C. **REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
1	**Gross Salary**	**CEO**	**Company Secretary**	**CFO**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit				
	others, specify				
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII **PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES**

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty/Punishment/Compounding fees imposed**	**Authority (RD/NCLT/Court)**	**Appeall made if any (give details)**
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Sri Arumuga Enterprise Limited
(CIN: L17111TZ1984PLC015887)
No. 1. Sundaram Brothers Layout
Opp All India Radio,
Trichy Road, Coimbatore 641045

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sri Arumuga Enterprise Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sri Arumuga Enterprise Limited** (**"The Company"**) for the financial year ended on 31st March 2017) ('Audit Period') according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;

ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act')** to the extent applicable to the Company;

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the Audit Period)

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the Audit Period)

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

vi. The following other laws specifically applicable to the company :

1. Textile Committee Act, 1963.

The company is also complying the regulations of Apparel Export Promotion Council of India.

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of

India.

ii) The Listing Agreements entered into by the Company with the BSE Limited, and also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc except to the extent as mentioned below:

1. *The company has to appoint a qualified Company Secretary as a Compliance Officer as required in Regulation No. 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 203 of the Companies Act,2013 and the rules made thereunder.*

2. *The Company has not complied the provisions Section 96 of the Companies Act, 2013 with respect to hold the Annual General Meeting for the financial year ended 31st March,2016 within a period of six month , from the date of closing of the financial year.*

3. *The company has not complied the provisions of section 117 of the Companies Act, 2013 in respect of filing of resolutions passed by the board approving the financial statement and board's report for the year ended 31st March, 2016.*

4. *The company has to pay the listing fees and other charges to the stock exchange since from the financial year ended 31.03.2015.*

5. *There were discrepancies and delay in reporting/submission of periodical financial results, share holding pattern to the Stock exchange, and also in publication of the results in news papers.*

6. *The company has to submit copies of Annual Report with enclosures as required under regulation No. 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2016.*

7. *The company has to submit a compliance certificate to the exchange as required under regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 31st March, 2017.*

8. *The company has to update its website (arumugaenterprise.com) as required under regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

9. *The company has belatedly filed the annual forms (consisting AOC-4 and MGT 7) for the financial year ended 31.03.2016 with Registrar of Companies, with required additional fee.*

10. *The has to file the proceedings of the Annual General Meeting with Registrar of Companies as required under 121 of the Companies Act, 2013.*

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of periodical compliance reports by respective department heads/company secretary/CFO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable financial/general laws like, direct and indirect tax laws, labour laws, and environmental laws.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

(a) the company has not taken any events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place : Coimbatore
Date : 28.02.2018

R. Dhanasekaran
Company Secretary in Practice
Membership No. FCS 7070/ CP. No. 7745

Independent Auditor's Report on Financial Statement

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 2017 and the statement of profit & loss for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (' the act) with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance of the company in accordance with the Generally Accepted Accounting Principles (GAAPs) in India, including the accounting standards specified u/s 133 of the Act, read with rule 7 of the Companies (Accounts) Rules,2014 .This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate policies making judgements and estimates that are reasonable and prudent ;and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for insuring the accuracy and completeness of the accounting records 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 have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with 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 financial 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 but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls systems over

financial reporting and the operating effectiveness of such controls. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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.

Emphasis of Matter

We draw your attention to

1. Note No. 26 wherein it is reported that the Company has not Complied the Provision of Section 123, 124 of Companies Act 2013 in respect of Payment of Dividend and Dividend Distribution Tax .

Our opinion is not modified in respect of above matter.

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its 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 2016 ("the Order), issued by the Central Government of India in terms of Subsection (11) of section 143 of the Act, we give in the Annexure a Statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that

a) We have sought and 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 it appears from our examination of those books
c) The Balance Sheet, Statement of Profit & Loss Account dealt with in this Report are in agreement with the Books of Account;
d) In our opinion the aforesaid financial statements comply with the Accounting Standards specified u/s 133 of the act read with rule 7 of the Companies (Accounts) Rules, 2014.
e) On the basis of written representation received from the Directors as of 31st March, 2017 and taken on record by the Board of Directors, We report that none of the Directors is disqualified as of 31st March, 2017 from being appointed as a Director in terms of u/s 164 (2) of the Act.
f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and

g) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company did not have any pending litigations that would impact the financial positions in its financial statements.

II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

IV. The company has provided adequate disclosure as to the holding as well as dealings in specified bank notes during the period from 08.11.2016 to 30.12.2016 and these are in accordance with Books of accounts maintained by the company. Refer (No.Sch 15 forming part of accounts)

As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India, in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.

Place: Coimbatore
Dated: **28-02-2018**

For S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.06609S

(CA.L.KAMESH)
Membership No. 209388
PARTNER.

Annexure –B 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 2017. We report that:

1. (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 in accordance with the regular program of the verification which in our opinion provides for physical verification of fixed assets at reasonable intervals and no material discrepancies were noticed on such verification.
   (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.
3. The Company has granted loans to One body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The maximum amount outstanding during the year was Rs. 60.99 Lacs and the year–end balance of such loan amounted to 60.99 Lacs.
   (a) No interest has been charged to the loans given to the One body corporate

   (b) There are no overdue amounts in respect of the loan granted to One body corporate listed in the register maintained under section 189 of the Act

4. In our opinion and according to the information and explanations given to us, the company has compiled with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The company has not accepted any deposits from the Public.
6. The Central Government has not prescribed the maintenance of Cost Records u/s 148(1) of the Act for any of the services rendered by the company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues excluding Income Tax, Dividend, Dividend Distribution tax , ESI and PF other Material Statutory dues have been regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us on the basis of our examination of the records of the company, no undisputed amounts were payable except dividend distribution tax , Listing Fee and Income

   Tax as detailed below as at 31st march 2017 for a period of more than 6 months from the date they became payable.

FINANCIAL YEAR	SECTION CODE	PARTICULARS	AMOUNT
2008-09	154	INCOME TAX	53430
2009-10	1431a	INCOME TAX	721630
2011-12	1431a	INCOME TAX	1061560
2014-15	115-O	DIVIDEND DISTRIBUTION TAX	122148
2013-14	115-O	DIVIDEND DISTRIBUTION TAX	169950
2015-16	Clause 38 of Listing Agreement	Listing Fee	253762

(b) According to the information and explanations given to us on the basis of our examination of the records of the company, there are no material dues of income tax which have not been deposited with the appropriate authorities on account of any dispute.

8. Based on our audit procedures and on the basis of information and explanations given by the management, the Company did not have any outstanding debentures or dues to the financial institution during the year. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks.

9. Based on information and explanations given to us and records of the Company examined by us, in our opinion, the term loans have been applied for the purpose for which they were obtained.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the prerequisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of

such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Coimbatore
Dated: **28-02-2018**

For S. LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO.06609S

(L.KAMESH)
Membership No. 209388
PARTNER

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sri Arumuga Enterprise Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Coimbatore
Dated: 28.02.2018

For S. LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO.06609S

(L.KAMESH)
Membership No. 209388
PARTNER

SRI ARUMUGA ENTERPRISE LIMITED
BALANCE SHEET AS AT 31st MARCH 2017

PARTICULARS	Note No.	As At 31.03.2017 Rs	As At 31.03.2016 Rs
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	110000000.00	110000000.00
(b) Reserves and Surplus	3	120218111.63	119304837.84
(2) Non - Current Liabilities			
(a) Long Term Borrowings	4	40173195.30	32444795.44
(3) Current liabilities			
(a) Short Term Borrowings	5	7840975.30	47552088.65
(b) Trade payables	6	12662158.51	4828733.25
(c) Other current liabilities	7	6455764.85	4130467.71
(d) Short-term provisions	8	12297167.74	10228223.00
TOTAL		**309647373.33**	**328489145.89**
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	9	44156461.40	33475772.40
(ii) Intangible Assets	9a	12170.00	29122.43
(b) Non-Current Investments	10	200000000.00	200000000.00
(c) Long-term loans and advances	11	8660075.50	11613645.00
(d) Deffered Tax Asset	12	1084944.00	950395.00
(2) Current Assets			
(a) Inventories	13	26736695.60	48854759.00
(b) Trade Receivables	14	14498652.31	4984875.33
(c) Cash and cash equivalents	15	3520475.86	2148706.04
(d) Short-term loans and advances	16	10977898.65	26431870.69
TOTAL		**309647373.33**	**328489145.89**

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

For S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
F.NO.6609S

T.Rajkumar
Chairman &
Managing Director

CA.L.KAMESH
PARTNER
M.NO.209388

K.Dhanakumar
Director

Coimbatore
Date : 28.02.2018

SRI ARUMUGA ENTERPRISE LIMITED
STATEMENT OF PROFIT & LOSS

	PARTICULARS	Note No.	Year Ended 31.03.2017 Rs.	Year Ended 31.03.2016 Rs.
	INCOME			
I a	Revenue from Operations (Gross)	17	84070342.92	41401607.91
I b	Other Operating Income	18	0.00	183596.00
II	Other Income	19	128138.00	225546.26
III	**Total Revenue (I + II)**		**84198480.92**	**41810750.17**
IV	**EXPENSES**			
	Cost of material consumed	20	38656467.12	22465600.69
	Change in Inventory of Finished Goods and Work In Progress	21	22390810.00	-420450.00
	Employee benefits expenses	22	8118999.58	4983919.00
	Finance Cost	23	5438166.06	3692800.39
	Other expenses	24	4519746.95	7226758.76
	Depreciation		2282531.42	898296.57
	Total expenses		**81406721.13**	**38846925.41**
V	**Profit before tax (III - IV)**		2791759.79	2963824.76
VI	**Less: Tax expenses**			
	Income Tax			
	1) Current Year		1230000.00	960000.00
	2) Prior year		783035.00	0.00
	3) Deferred tax		-134549.00	-90895.00
VII	**Profit for the year (V - VI)**		**913273.79**	**2094719.76**
VIII	**Earnings per Equity Share**			
	(a) Basic		0.91	8.10
	(b) Diluted		0.91	8.10

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

For S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
F.NO.6609S

T.Rajkumar
Chairman &
Managing Director

CA.L.KAMESH
PARTNER
M.NO.209388

K.Dhanakumar
Director

Coimbatore
Date : 28.02.2018

Notes to Financial Statements

1. Significant Accounting Policies

1.1 Accounting 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.

1.3 Use 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 believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

1.4 Tangible 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. Subsequent 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 duty, 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 comply with 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:
Employee Benefits are estimated and accounted as per company's policy and terms of employment contract.

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 123(2) and schedule-II of the Companies Act, 2013 and as per the rates provided in accordance with Schedule XIV of the Companies Act, 2013. Individual fixed assets whose actual cost does not exceed Rs.5000 is fully depreciated in the year of acquisition. Pro-rata Depreciation has been charged to Assets purchased during the accounting year 31.03.2017

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 may never be realised.

For and On Behalf of the Board

For S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
F.NO.6609S

T. Rajkumar
Chairman & Managing Director
DIN: 00048665

CA.L.KAMESH
PARTNER
M.NO.209388

K. Dhanakumar
Director
DIN: 00048730

Coimbatore
Date : 28.02.2018

SRI ARUMUGA ENTERPRISE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
2. Share Capital		
AUTHORISED		
1000000 Equity Shares of Rs.10 each	10000000.00	10000000.00
1000000 Preference Shares of Rs.100 each	100000000.00	100000000.00
	110000000.00	**110000000.00**
ISSUED SUBSCRIBED AND FULLY PAID-UP		
1000000 Equity Shares of Rs.10 each	10000000.00	10000000.00
1000000 Preference Shares of Rs.100 each	100000000.00	100000000.00
Total	**110000000.00**	**110000000.00**
(a) Reconciliation of Share Capital		
Shares outstanding as at 1st April 2016 / 1st April 2015- Equity Shares	10000000	10000000
Shares outstanding as at 31st March 2017 / 31st March 2016 - Equity Shares	10000000	10000000
Shares outstanding as at 1st April 2016 / 1st April 2015- Preference Shares	1000000	1000000
Shares outstanding as at 31st March 2017 / 31st March 2016 - Preference Shares	1000000	1000000
(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	205500.00	205500.00
T Dhanakumar	204500.00	204500.00
TK Dhansekar	204500.00	204500.00
Preference Shares		
Name of the share holder		
T Rajkumar	244000.00	244000.00
T Dhanakumar	215813.00	215813.00
TK Dhansekar	215813.00	215813.00
K.Karpagavalli	75000.00	75000.00

The Company has issued only one class of equity shares having a par value of Re.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	300000.00	200000.00
Transfer From Surplus in Statement of Profit	0.00	100000.00
Closing Balance	**300000.00**	**300000.00**
(b) Share Premium		
Opening Balance	100000000.00	100000000.00
Add: Share premium on preference shares issued	0.00	0.00
Closing Balance	**100000000.00**	**100000000.00**
(c) Surplus in statement of Profit		
Opening Balance	19004837.84	16910118.08
Add: Profit for the year	913273.79	2094719.76
Less: Appropriations		
Transfer to General Reserve	0.00	0.00
Proposed Dividend	0.00	0.00
Tax on Proposed Dividend	0.00	0.00
Closing Balance	**19918111.63**	**19004837.84**
Total Reserves & Surplus (a)+(b)+(c)	**120218111.63**	**119304837.84**

4. Long Term Borrowings			
(a) Secured - Bank		2583888.63	757063.47
(Refer Note no:29)			
(b) Unsecured - Related Parties		28589306.67	29387731.97
(c) Unsecured - Others		9000000.00	2300000.00
		40173195.30	**32444795.44**
5. Short Term Borrowings			
(a) Secured - Banks - Loans Repayable on demand		7840975.30	47552088.65
(Refer Note no:29)			
	Total	**7840975.30**	**47552088.65**
6. Trade Payables:			
(a) Goods & Services		12662158.51	4828733.25
	Total	**12662158.51**	**4828733.25**

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) Current Maturity of Long Term Debts		1065239.00	372000.00
(b) Current Maturity of Leased Assets		232953.14	647023.00
(c) Employee Related Expenses		2437544.00	1080728.00
(d) Other Current Liabilities		2720028.71	2030716.71
	Total	**6455764.85**	**4130467.71**
8. Short-term provisions			
Provision For Compensated Absences		620775.00	486234.00
Provision for Taxation (Net)		10784294.74	8849891.00
Provision for Proposed Dividend		600000.00	600000.00
Tax on Proposed Dividend		292098.00	292098.00
	Total	**12297167.74**	**10228223.00**
10.Non-Current Investments			
(Valued at Cost)			
Investment in Equity Instruments - Unquoted, Fully paidup)			
Investment in Subsidiaries			
a.10000000 Equity shares of Rs.10 each fully paid in			
Sri.Mahasakthi Mills Ltd.		100000000.00	100000000.00
b.10000000 Equity shares of Rs.10 each fully paid in			
Sri Arumuga Cottspin Pvt. Ltd.		100000000.00	100000000.00
		200000000.00	**200000000.00**
Cost		200000000.00	200000000.00
Face Value		200000000.00	200000000.00
11. Long-term loans and advances			
(Unsecured, considered good)			
(a) Rental Advance		1150000.00	1000000.00
(b) Loans & Advance - Capital Advance		200000.00	200000.00
(c) Loans & Advance - Others		7310075.50	10413645.00
	Total	**8660075.50**	**11613645.00**

* 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

SRI ARUMUGA ENTERPRISE LIMITED

DEPRECIATION FOR BOOK PURPOSE

PARTICULARS	COST AS AT 01.04.2016	ADDITIONS	SALE	COST AS AT 31.03.2017	DEPRECIATION				WDV AS ON 31.03.2017	WDV AS ON 31.03.2016
					01.04.2016	FOR THE YEAR	WITHDRAWN	31.03.2017		
LAND	30563100.00	518645.00	0.00	31081745.00	0.00	0.00	0.00	0.00	31081745.00	30563100.00
PLANT & MACHINERY	2505106.00	4768340.00	0.00	7273446.00	960221.92	501738.84	0.00	1461960.76	5811485.24	1544884.08
OFFICE EQUIPMENTS	19809.00	1945.00	0.00	21754.00	16149.81	2199.96	0.00	18349.77	3404.23	3659.19
FURNITURE & FITINGS	237301.00	1138789.00	0.00	1376090.00	123976.93	319337.46	0.00	443314.39	932775.61	113324.07
ELECTRICAL EQUIPMENT	88550.00	1212649.00	0.00	1301199.00	40261.39	221233.17	0.00	261494.55	1039704.45	48288.61
VEHICLES	2612618.00	5305900.00	0.00	7918518.00	1430168.61	1214120.35	0.00	2644288.97	5274229.03	1182449.39
COMPUTERS	216369.00	0.00	0.00	216369.00	196301.94	6949.21	0.00	203251.15	13117.85	20067.06
	36242853.00	12946268.00	0.00	49189121.00	2767080.60	2265579.00	0.00	5032659.60	44156461.40	33475772.40

PARTICULARS	COST AS AT 01.04.2016	ADDITIONS	SALE	COST AS AT 31.03.2017	DEPRECIATION				WDV AS ON 31.03.2017	WDV AS ON 31.03.2016
					01.04.2016	FOR THE YEAR	WITHDRAWN	31.03.2017		
SOFTWARE	226000.00	0.00	0.00	226000.00	196877.57	16952.42	0.00	213830.00	12170.00	29122.43
	226000.00	0.00	0.00	226000.00	196877.57	16952.42	0.00	213830.00	12170.00	29122.43

12. Deffered Tax Asset

a) Deferred Tax Asset		
- Depreciation on Fixed Assets	284242.00	190459.00
b) Deferred Tax Asset		
- 43B liabilities/disallowance	800702.00	759936.00
	1084944.00	**950395.00**

13. Inventories

(at lower of cost or net estimated realisable value)

Finished Goods	1025600.00	14713805.00
Work-in-Progress	7569880.00	16272485.00
Raw material & Stores	18141215.60	17868469.00
Total	**26736695.60**	**48854759.00**

14. Trade Receivables

(Unsecured, considered good)		
Outstanding For a period exceeding six months from the day they are due for payment	3709788.90	427180.90
Others *	10788863.41	4557694.43
Total	**14498652.31**	**4984875.33**

***Includes an amount receivable from related parties (Rs.0)**

15. Cash and Cash Equivalents

Cash on hand	8827.00	337.00
Balance with Banks		
- Current Accounts	933748.86	1178369.04
Deposits Held For more than 12 Months	2577900.00	970000.00
Total	**3520475.86**	**2148706.04**

Cash in hand as on 08.11.2016

Particulars	SBN	Other Currency	Total
Cash Balance as on 08/11/2016	5,97,22,000	630420.00	60352420.00
(+) Permitted Receipts	-	0.00	0.00
(-) Permitted Payments	-	581733.00	581733.00
(-) Amount deposited in Banks	5,97,22,000	0.00	59722000.00
Closing Balance as on 30.12.2016	**-**	**48687.00**	**48687.00**

Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

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	774443.00	16778780.00
Interest Receivable	48988.00	0.00
Prepaid Expenses	49678.00	47721.00
(b) Loans & Advance - Related Parties	6099331.00	5850097.00
(c) Advance From Customers	2570879.66	2570879.66
(d) Balance With Government Authorities	1434578.99	1184393.03
Total	**10977898.65**	**26431870.69**

17. Revenue from Operations (Gross)

Sale of products	79127342.72	40309324.91
Sale of Services	4943000.20	1092283.00
Total	**84070342.92**	**41401607.91**

18. Other Operating Income

Duty Drawback on Export Goods	0.00	183596.00
	0.00	**183596.00**

19. Other Income

Interest Receipts	128138.00	0.00
Exchange Fluctuation (Net)	0.00	225546.26
	128138.00	**225546.26**

20. Cost of Materials Consumed

Opening stock	17868469.00	8696830.00
Add: Purchases of Raw material, Stores, Labour Charges and other direct manufacturing Expenses	39013105.72	32593957.69
	56881574.72	41290787.69
Less: Sales	83892.00	956718.00
Less: Closing stock	18141215.60	17868469.00
Cost of material consumed	**38656467.12**	**22465600.69**
Material Consumed Comprises of		
Raw Materials	34017691.07	19769728.61
Stores	4638776.05	2695872.08
	38656467.12	**22465600.69**

21. Change in inventories of finished goods and work in progress

Inventories at the end of the year:		
Finished Goods	1025600.00	14713805.00
Work in Progress	7569880.00	16272485.00
	8595480.00	**30986290.00**
Inventories at the beginning of the year:		
Finished Goods	14713805.00	9036173.00
Work in Progress	16272485.00	21529667.00
	30986290.00	**30565840.00**
Net (increase) / decrease	**-22390810.00**	**420450.00**

22. Employees benefits expenses

Salaries, Wages and Bonus	6559052.00	4651788.00
Managing director remuneration - T.Rajkumar	300000.00	120000.00
Staff Welfare Expenses	1259947.58	212131.00
Total	**8118999.58**	**4983919.00**

23. Finance Cost

Interest	4984404.06	3692800.39
Processing charges	453762.00	0.00
Total	**5438166.06**	**3692800.39**

24. Other expenses:

Rent	1276665.00	1372000.00
Business Promotion Expenses	55490.00	1865653.84
Machinery repairs & Maintenance	279853.70	51876.00
Building Repairs & Maintenance	202539.00	329205.00
Other Repairs & Maintenance	401539.16	520512.00
Auditor Remuneration :		
Statutory Audit	100000.00	75000.00
Bank charges	808715.25	896620.44
Taxes and licenses	525262.00	772027.00
Postage Telegram and Telephone charges	134814.84	192803.00
Printing and stationery	27977.00	43122.00
Professional charges	208346.00	175633.00
Travelling expenses	143450.00	139196.00
Other Administrative Expenses	355095.00	793110.48
Total	**4519746.95**	**7226758.76**

25. A. Earnings in Foreign Currency

FOB Value of Exports	7358256
B. Expenditure in Foreign Currency	Nil

26. Dividend

The company has not complied the provisions of section 123,124 of the Companies Act, 2013

27. Segment Reporting

The company's main business is textiles . There is no separate reportable segment as per Accoiunting Standard 17.
in respect of payment of dividend for the financial year ended 31.03.2017

The Secondary segment reporting is based on geographical location of customers & assets.

	2017	2016
Revenue by Geographic Market:		
India	76712087	38870433
Rest of the World	7358256	2531175
Segment Assets by Geographic Market:		
India	-	-
Rest of the World	-	-
Capital Expenditure by Geographic Market:		
India	-	-
Rest of the World	-	-

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

List of Related Parties

º 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 Mahasakthi Mills Limited
M/s Sri Arumuga Sugars Limited

Particulars	Key Manegerial Persons	Subsidiaries	Associated Enterprises	Total
1.Purchases	0	0.00	0.00	0
2.Remuneration	300000	0.00	0.00	300000
3. Finance	0	4863360.00	-5661785.00	-798425
4. Advances	0	249234.00	0.00	249234
5. Payable as of 31.03.2017	0	5563360.00	23025946.67	28589307
6. Receievable as of 31.03.2017	0	6099331.00	0.00	6099331

Note:

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

29.The Term loans and Cash credit facility availed from South Indian Bank are secured against the Fixed Assets, Current Assets of the company and Guarantees given by directors and relative of directors as detailed below:

Name of th Bank	Particulars of loan		Security
South Indian Bank	Packing Credit	Rs.250 Lacs	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, SF No 298/1A of Velampalayam Village, Tirupur
	Cash Credit open loan	Rs. 200 Lac	
	Inland Letter of Credit	Rs.100 Lac	
	Foreign Bills purchase	Rs.200 Lacs	
	Forward Contract Credit	Rs.300 Lac	
	Term Loan is repayable in 60 monthly installments of Rs.37700/- each commencing after initial holiday period of 3 Months.Base rate of Term loan is 12.80%.		

30. Employee Benefits under defined benefit plans

GRATUITY	**2016-17**
Details of Actuarial Valuation	
Change in Benefit Obligation	
Projected benefit obligation as at year beginning	
Service cost	
Interest cost	
Actuarial(gains)/Losses	
Benefits Paid	
Projected benefit obligation as at year End	
Change in plan Assets	
Fair value of plan Assets as at year Beginning	
Expected return on plan assets	
Actuarial(gains)/Losses	
Employer's contribution	
Benefits Paid	
Fair value of plan Assets as at year End	
Amounts Recognised in Balance Sheet	
Projected benefit obligation as at year End	
Fair value of plan Assets as at year End	
Asset recogised in the Balance Sheet	
Cost of Defined Benefit Plan for the Year	
Current Service Cost	
Interest on Obligation	
Expected return on plan assets	
Net Actuarial(gains)/Losses Recognised in the Year	
Net cost recognised in the Profit and Loss Account	
Other Disclosures	
Benefit	
Projected Benefit Obligation	
Fair value of plan Assets	
Surplus/(deficit)	
Employee Profile	
Age of Retirement	58.00
No. of Employees	50.00
Total monthly relevant Salary for Gratuity	199950.00
Average Age	32.40
Average Past Service	2.10
Decrement adjusted estimated future service	11.20
Assumptions	
Discount Rate	0.074
Future salary Increase	0.00
Attrition Rate	0.07
Expected Rate of return on plan Assets	0.00
Present Value of Obligation(Gratuity with Rs. 10 Lakhs Ceiling)	**134541.00**

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

31. Earnings Per share

	As at 31.03.2017 Rs. Ps	**As at 31.03.2016 Rs. Ps**
Profit After Tax(Cr)	913273.79	2094719.76
Weighted Average Number of Shares		
Basic	1000000.00	1000000.00
Diluted	1000000.00	1000000.00
Earnings Per shareof Rs.10/-		
Basic	0.91	2.09
Diluted	0.91	2.09

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

For S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
F.NO.6609S

T.Rajkumar
Chairman &
Managing Director

CA.L.KAMESH
PARTNER
M.NO.209388

K.Dhanakumar
Director

Coimbatore
Date : 28.02.2018

SRI ARUMUGA ENTERPRISE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	31.03.2017	31.03.2016
	Rs.	
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS:	2791760	2963825
Adjustments for :		
Depreciation	2282531	898297
Effect on Exchange Rate Change	0	-225546
Interest Paid	4984404	3692800
Income Tax Paid	-78631	220035
	9980064	7549410
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES:		
Adjustments for :		
(Increase)/Decrease in Trade and other receivables	-9513777	16337707.2
(Increase)/Decrease in Advances & Deposits	15453972	-10292053
(Increase)/Decrease in Inventories	22118063	-9592089
Increase/(Decrease) in Short Term Borrowings	-39711113	15581247.7
Increase/(Decrease) in Trade payables and other payables	10293263	-8456982.7
	-1359591	3577830
Changes in working Capital	8620473	11127241
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Asset Additions	-12946268	0
	-12946268	0
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Long Term Borrowings	7728400	2793609
(Increase)/Decrease in Advances & Deposits	2953570	-8290502
Interest Paid	-4984404	-3692800.39
	5697565	-9189693
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	1371770	1937547
Opening Balance of Cash & Cash Equivalents	2148706	211158.83
Closing Balance of Cash & Cash Equivalents	3520476	2148706
Reconciliation of Cash and Cash Equivalents with Balance Sheet :		
Cash and Cash Eqivalents as per Balance Sheet (Refer Note No. 15)	3520476	2148706
Net Cash and Cash Equivalents as per Cash Flow Statement(As per AS 3)	3520476	2148706

For and On Behalf of the Board

For S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
F.NO.6609S

T.Rajkumar
Chairman &
Managing Director

CA.L.KAMESH
PARTNER
M.NO.209388

K.Dhanakumar
Director

Coimbatore
Date : 28.02.2018

Independent Auditor's Report on Financial Statement

To the Members of Sri Arumuga Enterprise Limited

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of Sri Arumuga Enterprise Limited ('herein after referred to as the Holding Company') and its subsidiaries Sri Mahasakthi Mills Limited and Sri Arumuga Cottspin Private Limited (the holding company and its subsidiary company collectively referred to as the "the Group) which comprise the Balance sheet as at 31st March 2017 and the Consolidated statement of profit & loss, the Consolidated Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (' the act) with respect to the preparation and presentation of the Consolidated financial statements that give a true and fair view of the financial position, financial performance of the company in accordance with the Generally Accepted Accounting Principles (GAAPs) in India, including the accounting standards specified u/s 133 of the Act, read with rule 7 of the Companies (Accounts) Rules,2014 . The respective Board of Directors of the companies included in the " The Group" are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate policies making judgements and estimates that are reasonable and prudent ;and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for insuring the accuracy and completeness of the accounting records 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 , which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforeside.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with 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 Consolidated 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 financial 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 but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

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

Emphasis of Matter

We draw your attention to

1. Note No. 26 wherein it is reported that the Company has not Complied the Provision of Section 123 and 124 of Companies Act 2013 in respect of Payment of Dividend and Dividend Distribution Tax .

Our opinion is not modified in respect of above matter.

Other Matter

We did not audit the Financial statement of two Direct subsidiary Companies whose Financial statements reflect Total Assets of Rs. 6905.10 Lacs as at 31st March 2017, Total Revenue of Rs 5260.06 Lacs for the year ended on that date as Considered in the Consolidated Financial Statement, these Financial Statements have been audited by the Auditors whose report have been furnished to us by the management and our opinion on the Consolidated Financial Statement in so far , as it related to the amounts and the disclosures included in respect of the Subsidiaries is based solely on the reports of other auditors.

Our opinion on the Consolidated Financial Statement and our reports on other Legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on work done and the reports of other auditors.

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its 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 2016 ("the Order), issued by the Central Government of India in terms of Subsection (11) of section 143 of the Act, we give in the Annexure a Statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.

2. As required by Section 143(3) of the Act, we report that

a) We have sought and 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 it appears from our examination of those books
c) The Balance Sheet, Statement of Profit & Loss Account dealt with in this Report are in agreement with the Books of Account;
d) In our opinion the aforesaid financial statements comply with the Accounting Standards specified u/s 133 of the act read with rule 7 of the Companies (Accounts) Rules, 2014.
e) On the basis of written representation received from the Directors as of 31st March, 2017 and taken on record by the Board of Directors, We report that none of the Directors is disqualified as of 31st March, 2017 from being appointed as a Director in terms of u/s 164 (2) of the Act.
f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and
g) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company did not have any pending litigations that would impact the financial positions in its financial statements.
ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
iv. The company has provided adequate disclosure as to the holding as well as dealings in specified bank notes during the period from 08.11.2016 to 30.12.2016 and these are in accordance with Books of accounts maintained by the company. Refer (No.Sch 15 forming part of accounts). As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India, in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.

Place: Coimbatore
Dated: 28.02.2018

For S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO.06609S

(CA.L.KAMESH)
Membership No. 209388
PARTNER.

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over Consolidated financial reporting of Sri Arumuga Enterprise Limited ('herein after referred to as the Holding Company') and its subsidiaries Sri Mahasakthi Mills Limited and Sri Arumuga Cottspin Private Limited (the holding company and its subsidiary company collectively referred to as the "the Group) as of 31st March 2017 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over Consolidated financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Coimbatore
Dated: **28.02.2018**

For S. LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO.06609S

(L.KAMESH)
Membership No. 209388
PARTNER

SRI ARUMUGA ENTERPRISE LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

PARTICULARS	Note No.	As At 31.03.2017 Rs	As At 31.03.2016 Rs
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	117492200.00	117492200.00
(b) Reserves and Surplus	3	123707207.63	115612076.84
(2) Non - Current Liabilities			
(a) Long Term Borrowings	4	262980054.30	353597537.44
(3) Current liabilities			
(a) Short Term Borrowings	5	98560003.30	318652358.65
(b) Trade payables	6	25827131.51	49920813.25
(c) Other current liabilities	7	131015402.85	49579224.71
(d) Short-term provisions	8	40575546.74	38775624.00
TOTAL		**800157546.33**	**1043629834.89**
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	9	259881085.40	264494804.40
(ii) Capital Work in Progress		2952988.00	
(iii) Intangible Assets	9a	12170.00	29122.43
(b) Non-Current Investments	10	0.00	0.00
(c) Long-term loans and advances	11	295888760.50	248135770.00
(d) Deffered Tax Asset	12	24779261.00	20805180.00
(2) Current Assets			
(a) Inventories	13	31929428.60	346548497.00
(b) Trade Receivables	14	56812658.31	109869547.33
(c) Cash and cash equivalents	15	7930325.86	30387926.04
(d) Short-term loans and advances	16	119970868.65	23358987.69
TOTAL		**800157546.33**	**1043629834.89**

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 S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
F.NO.6609S

CA.L.KAMESH
PARTNER
M.NO.209388

Coimbatore
Date : 28.02.2018

For and On Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

SRI ARUMUGA ENTERPRISE LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS

	PARTICULARS	Note No.	As At 31.03.2017 Rs	As At 31.03.2016 Rs
	INCOME			
I a	Revenue from Operations (Gross)	17	557497587.92	204490018.91
I b	Other Operating Income	18	0.00	183596.00
II	Other Income	19	48331846.00	7517259.26
III	**Total Revenue (I + II)**		**605829433.92**	**212190874.17**
IV	**EXPENSES**			
	Cost of material consumed	20	383127787.12	154627492.69
	Change in Inventory of Finished Goods and Work In Progress	21	74083361.00	-30562083.00
	Employee benefits expenses	22	28086829.58	31429928.00
	Finance Cost	23	33826236.06	86579861.39
	Other expenses	24	61200845.95	42699169.76
	Depreciation		19370289.42	15948940.57
	Total expenses		**599695349.13**	**300723309.41**
V	**Profit before tax (III - IV)**		6134084.79	-88532435.24
VI	**Less: Tax expenses**			
	Income Tax			
	1) Current Year		1230000.00	960000.00
	2) Prior year		783035.00	0.00
	3) Deferred tax		-3974081.00	-19135678.00
VII	**Profit for the year (V - VI)**		**8095130.79**	**-70356757.24**
VIII	**Earnings per Equity Share**			
	(a) Basic			
	(b) Diluted			

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 S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
F.NO.6609S

CA.L.KAMESH
PARTNER
M.NO.209388

Coimbatore
Date : 28.02.2018

For and On Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

Notes to Financial Statements

1. Significant Accounting Policies

1.1 PRINCIPLES OF CONSOLIDATION

The Financial Statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating material intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 Consolidated Financial statement.

The excess of cost to the Company of its Investment in the Subsidiaries and Joint Ventures over the Company's portion of Equity is recognised in the Financial Statement as Goodwill. The carrying value of Goodwill is tested for impairment as at end of each reporting period

Minority Interest in the Net Asset of the Consolidated Subsidiaries Consists of:

(i) The amount of Equity attributable to Minorities at the date on which the investment in the Subsidiary is made and

(ii) The Minorities Share of movements in Equity since the date the Parent Subsidiary relationship came to existence.

Minority Interest share in the Net Profit for the year of the Consolidated Subsidiaries is identified and adjusted against the Profit after Tax of the Group.

1.2 Accounting 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.

1.3 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.

1.4 Use 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 believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

1.5 Tangible 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. Subsequent 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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.

1.10 Government Grants, Subsidies and Export incentives:

Government grants and subsidies are recognised when there is reasonable assurance that the company will comply with 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.

1.11 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 the eligible 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.

1.12 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.

1.13 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.

1.14 Depreciation:

Depreciation has been provided on useful life of asset as laid down in Section 133 of Schedule II of the Companies Act, 2013. Individual fixed assets whose actual cost does not exceed Rs.5000 is fully depreciated in the year of acquisition. Pro-rata Depreciation has been charged to Assets purchased during the accounting year 31.03.2017.

1.15 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.

1.16 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 may never be realised.

For and On Behalf of the Board

For S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
F.NO.6609S

T. Rajkumar
Chairman & Managing Director
DIN: 00048665

CA.L.KAMESH
PARTNER
M.NO.209388

K. Dhanakumar
Director
DIN: 00048730

Coimbatore
Date : 28.02.2018

SRI ARUMUGA ENTERPRISE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

PARTICULARS	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
2. Share Capital		
AUTHORISED		
1000000 Equity Shares of Rs.10 each	10000000.00	10000000.00
1000000 Preference Shares of Rs.100 each	110000000.00	100000000.00
	120000000.00	**110000000.00**
ISSUED SUBSCRIBED AND FULLY PAID-UP		
1000000 Equity Shares of Rs.10 each	10000000.00	10000000.00
1000000 Preference Shares of Rs.100 each	107492200.00	107492200.00
Total	**117492200.00**	**117492200.00**
3. Reserves & Surplus		
(a) General Reserve		
Opening Balance	300000.00	200000.00
Transfer From Surplus in Statement of Profit	0.00	100000.00
Closing Balance	**300000.00**	**300000.00**
(b) Share Premium		
Opening Balance	100000000.00	100000000.00
Add: Share premium on preference shares issued	0.00	0.00
Closing Balance	**100000000.00**	**100000000.00**
(c) Surplus in statement of Profit		
Opening Balance	13812076.84	84168834.08
Add: Profit for the year	8095130.79	-70356757.24
Add: Capital Subsidy	1500000.00	1500000.00
Less: Appropriations		
Transfer to General Reserve	0.00	0.00
Proposed Dividend	0.00	0.00
Tax on Proposed Dividend	0.00	0.00
	0.00	0.00
Closing Balance	**23407207.63**	**15312076.84**
Total Reserves & Surplus (a)+(b)+(c)	**123707207.63**	**115612076.84**
4. Long Term Borrowings		
(a) Secured - Bank	44390023.63	43797522.47
(Refer Note no:29)		
(b) Unsecured - Related Parties	157941403.67	255230332.97
(c) Unsecured - Others	60648627.00	54569682.00
	262980054.30	**353597537.44**

5. Short Term Borrowings

(a) Secured - Banks - Loans Repayable on demand (Refer Note no:29)	98560003.30	318652358.65
Total	**98560003.30**	**318652358.65**

6. Trade Payables:

(a) Goods & Services	25827131.51	49920813.25
Total	**25827131.51**	**49920813.25**

Based on, and to the extent of information received from the suppliers regarding their status under the micro, Small & mec 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) Current Maturity of Long Term Debts	1065239.00	35276074.00
(b) Current Maturity of Leased Assets	232953.14	647023.00
(c) Employee Related Expenses	2437544.00	1080728.00
(d) Other Current Liabilities	127279666.71	12575399.71
Total	**131015402.85**	**49579224.71**

8. Short-term provisions

Provision For Compensated Absences	620775.00	486234.00
Provision for Taxation (Net)	39062673.74	37397292.00
Provision for Proposed Dividend	600000.00	600000.00
Tax on Proposed Dividend	292098.00	292098.00
Total	**40575546.74**	**38775624.00**

10.Non-Current Investments

(Valued at Cost)

Investment in Equity Instruments - Unquoted, Fully paidup)

Investment in Subsidiaries

a.10000000 Equity shares of Rs.10 each fully paid in Sri.Mahasakthi Mills Ltd.	0.00	0.00
b.10000000 Equity shares of Rs.10 each fully paid in Sri Arumuga Cottspin Pvt. Ltd.	0.00	0.00
	0.00	**0.00**

Cost

Face Value

11. Long-term loans and advances

(Unsecured, considered good)

(a) Rental Advance	1150000.00	1000000.00
(b) Loans & Advance - Capital Advance	200000.00	200000.00
(c) Loans & Advance - Others	294538760.50	246935770.00
Total	**295888760.50**	**248135770.00**

* 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 Asset		
- Depreciation on Fixed Assets	-12028663.00	-9845989.00
b) Deferred Tax Asset		
- Disallowance us 40(a)(ia)	923205.00	2377831.00
- Brought Forward Depreciation Loss	34441450.00	27311442.00
- 43B liabilities/disallowance	1443269.00	961896.00
	24779261.00	**20805180.00**

13. Inventories

(at lower of cost or net estimated realisable value)

Finished Goods	3051746.00	51331265.00
Work-in-Progress	7614340.00	33418182.00
Raw material & Stores	21263342.60	261799050.00
Total	**31929428.60**	**346548497.00**

14. Trade Receivables

(Unsecured, considered good)		
Outstanding For a period exceeding six months from the day they are due for payment	28000079.90	49822272.90
Others *	28812578.41	60047274.43
Total	**56812658.31**	**109869547.33**

***Includes an amount receivable from related parties (Rs.0)**

15. Cash and Cash Equivalents

Cash on hand	437215.00	10799932.00
Balance with Banks		
- Current Accounts	4461481.86	3087531.04
Deposits Held For more than 12 Months	3031629.00	16500463.00
Total	**7930325.86**	**30387926.04**

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	1475949.00	17296360.00
Interest Receivable	48988.00	0.00
Prepaid Expenses	253690.00	316927.00
(b) Loans & Advance - Related Parties	77099331.00	0.00
(c) Advance From Customers	25991645.66	2592228.66
(d) Balance With Government Authorities	2099342.99	1775941.03
(e) Others	13001922.00	1377531.00
Total	**119970868.65**	**23358987.69**

17. Revenue from Operations (Gross)

Sale of products	552554587.72	203397735.91
Sale of Services	4943000.20	1092283.00
Total	**557497587.92**	**204490018.91**

SRI ARUMUGA ENTERPRISE LIMITED - CONSOLIDATED

PARTICULARS	COST AS AT 01.04.2016	ADDITIONS	SALE	COST AS AT 31.03.2017	DEPRECIATION				WDV AS ON 31.03.2017	WDV AS ON 31.03.2016
					01.04.2016	FOR THE YEAR	WITHDRAWN	31.03.2017		
LAND	77843543.00	518645.00	0.00	78362188.00	0.00	0.00	0.00	0.00	78362188.00	77843543.00
BUILDING	68524161.00	0.00	0.00	68524161.00	18441130.00	2117215.00	0.00	20558345.00	47965816.00	50083031.00
PLANT & MACHINERY	343940847.00	6487090.00	0.00	350427937.00	213825963.92	13458226.84	0.00	227284190.76	123143746.24	130114883.08
OFFICE EQUIPMENTS	350690.00	45445.00	0.00	396135.00	223970.81	20962.96	0.00	244933.77	151201.23	126719.19
FURNITURE & FITTINGS	519377.00	1138789.00	0.00	1658166.00	358076.93	337218.46	0.00	695295.39	962870.61	161300.07
ELECTRICAL EQUIPMENT	25436700.00	1212649.00	0.00	26649349.00	21516873.39	1947683.17	0.00	23464556.55	3184792.45	3919826.61
VEHICLES	4964235.00	5305900.00	0.00	10270135.00	2738800.61	1464704.35	0.00	4203504.97	6066630.03	2225434.39
COMPUTERS	216369.00	31100.00	0.00	247469.00	196301.94	7326.21	0.00	203628.15	43840.85	20067.06
	521795922.00	14739618.00	0.00	536535540.00	257301117.60	19353337.00	0.00	276654454.60	259881085.40	26449804.40
CAPITAL WORK IN PROGRESS PLANT & MACHINERY	0.00	2952988.00	0.00	2952988.00	0.00	0.00	0.00	0.00	2952988.00	0.00

PARTICULARS	COST AS AT 01.04.2016	ADDITIONS	SALE	COST AS AT 31.03.2017	DEPRECIATION				WDV AS ON 31.03.2017	WDV AS ON 31.03.2016
					01.04.2016	FOR THE YEAR	WITHDRAWN	31.03.2017		
SOFTWARE	226000.00	0.00	0.00	226000.00	196877.57	16952.42	0.00	213830.00	12170.00	29122.43
	226000.00	0.00	0.00	226000.00	196877.57	16952.42	0.00	213830.00	12170.00	29122.43

18. Other Operating Income

Duty Drawback on Export Goods	0.00	183596.00
	0.00	**183596.00**

19. Other Income

Interest Receipts	3657590.00	7118821.00
Other Non-Operating Income	44668319.00	172892.00
Trade Discount	5937.00	0.00
Exchange Fluctuation (Net)	0.00	225546.26
	48331846.00	**7517259.26**

20. Cost of Materials Consumed

Opening stock	261799050.00	293089985.00
Add: Purchases of Raw material, Stores, Labour Charges and other direct mar	142675971.72	137771854.69
	404475021.72	430861839.69
Less: Sales / Discount Receipts	83892.00	14435297.00
Less: Closing stock	21263342.60	261799050.00
Cost of material consumed	**383127787.12**	**154627492.69**

Material Consumed Comprises of		
Raw Materials	375052702.07	176841989.61
Stores	12450502.05	6215671.08
	387503204.12	**183057660.69**

21. Change in inventories of finished goods and work in progress

Inventories at the end of the year:		
Finished Goods	3051746.00	51331265.00
Work in Progress	7614340.00	33418182.00
	10666086.00	**84749447.00**
Inventories at the beginning of the year:		
Finished Goods	51331265.00	20125033.00
Work in Progress	33418182.00	34062331.00
	84749447.00	**54187364.00**
Net (increase) / decrease	**-74083361.00**	**30562083.00**

22. Employees benefits expenses

Salaries, Wages and Bonus	25022522.00	27551328.00
Managing director remuneration - T.Rajkumar	300000.00	120000.00
Staff Welfare Expenses	2764307.58	3758600.00
Total	**28086829.58**	**31429928.00**

23. Finance Cost

Interest		32215752.06	77897748.39
Processing charges		453762.00	0.00
Other Borrowing Costs		1156722.00	8682113.00
	Total	**33826236.06**	**86579861.39**

24. Other expenses:

Rent		1763095.00	1621200.00
Business Promotion Expenses		55490.00	1865653.84
Machinery repairs & Maintenance		1175960.70	251100.00
Building Repairs & Maintenance		300072.00	378574.00
Other Repairs & Maintenance		2662808.16	2815438.00
Auditor Remuneration :			
Statutory Audit		374500.00	225000.00
Bank charges		808715.25	896620.44
Taxes and licenses		1117721.00	1553939.00
Postage Telegram and Telephone charges		560931.84	701825.00
Printing and stationery		203144.00	87959.00
Professional charges		475446.00	288163.00
Travelling expenses		1598379.00	511038.00
Other Administrative Expenses		50104583.00	31502659.48
	Total	**61200845.95**	**42699169.76**

25. A. Earnings in Foreign Currency

FOB Value of Exports	7358256
B. Expenditure in Foreign Cu	Nil

26. Dividend

The company has not complied the provisions of Section 123 & 124 of the Companies Act, 2013 and 115 (O) of the Income Tax Act, 1961 in respect of payment of dividend for the financial year ended 31.03.2015.

27. Segment Reporting

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

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

List of Related Parties

♦ **Key Management Personal :**

Sri T.Rajkumar, Managing
Sri K.Dhanakumar, Director

♦**Associated Enterprises**

M/s Nethravathi Distilleries Private Limited
M/s Overseas Beverages Private Limited
M/s Imperial Spirits Limited
M/s Imperial Spirits And Wine Private Limited
M/s Sri Arumuga Sugars Limited
M/s Sri Mahasakthi Transports
M/s Foundation One Infrastructure
M/s Grahasakthi Infraservices (P) ltd
M/s Sri Saravana Traders
M/s. Gold Coast Infraservices Private Limited
M/s. Sri Sakthi Textiles Ltd
M/s. New Kovai Real Estate Private Limited

Particulars	Key Manegerial Persons	Associated Enterprises	Total
1.Purchases	0	0	0
2.Remuneration	300000	0	300000
3. Finance	0	-5661785	-5661785
4. Advances	0	0	0
5. Payable as of 31.03.2017	0	28687732	28687732
6. Receivable as of 31.03.2017	0	0	0

Note:

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

29.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	Packing Credit	Rs.250 Lacs	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, SF No 298/1A of Velampalayam Village, Tirupur Taluk and District & Personal Guarantee of Directors & Relative of Director
		Cash Credit open loan	Rs. 200 Lacs	
		Inland Letter of Credit	Rs.100 Lacs	
		Foreign Bills purchase	Rs.200 Lacs	
		Forward Contract Credit	Rs.300 Lacs	
		Term Loan is repayable in 60 monthly installments of Rs.37700/- each commencing after initial holiday period of 3 Months. Base rate of Term loan is 12.80%.		

Sri Mahasakthi Mills Limited	State Bank of Bikaner And Jaipur	Term Loan Outstanding as on 31.03.1 Cash Credit Outstanding as on 31.03.1	Rs.574.00 Lacs Rs.375.53 Lacs Rs.900.00 Lacs Rs.907.19 Lacs	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. (c) 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 Outstanding as on 31.03.1	Rs. 150.00 Lacs Rs. 42.53 Lacs	Collateral : SF No 290/3 & 4, Site No 3, D.No 46 & 47, Arunchalam Colony, Ramanathapuram, Coimbatore
Sri Arumuga Cottspin Private Limited	Axis Bank	Nil	Nil	Nil

30. Employee Benefits under defined benefit plans

GRATUITY	**2016-17**
Employee Profile	
Age of Retirement	58
No. of Employees	50
Total monthly relevant Salary for Gratuity	199950
Average Age	32.40
Average Past Service	2.10
Decrement adjusted estimated future service	11.20
Assumptions	
Discount Rate	0.074
Future salary Increase	0.00
Attrition Rate	0.07
Expected Rate of return on plan Assets	0.00

Present Value of Obligation(Gratuity with Rs. 10 Lakhs Ceiling) 134541.00

Notes:

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

31. Earnings Per share

	As at 31.03.2017 Rs. Ps	**As at 31.03.2016 Rs. Ps**
Profit After Tax(Cr)	8095131	-70356757
Weighted Average Number of Shares		
Basic	1000000	1000000
Diluted	1000000	1000000
Earnings Per shareof Rs.10/-		
Basic	8.10	-70.36
Diluted	8.10	-70.36

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

For S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
F.NO.6609S

T.Rajkumar
Chairman &
Managing Director

CA.L.KAMESH
PARTNER
M.NO.209388

K.Dhanakumar
Director

SRI ARUMUGA ENTERPRISE LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	31.03.2017 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:	
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS:	6134085
Adjustments for :	
Depreciation	19370289
Effect on Exchange Rate Change	0
Interest Paid	32215752
Income Tax Paid	-347653
	57372473
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES:	
Adjustments for :	
(Increase)/Decrease in Trade and other receivables	53056889
(Increase)/Decrease in Advances & Deposits	-96611881
(Increase)/Decrease in Inventories	314619068
Increase/(Decrease) in Short Term Borrowings	-220092355
Increase/(Decrease) in Trade payables and other payables	57477037
	108448759
Changes in working Capital	165821232
B. CASH FLOW FROM INVESTING ACTIVITIES:	
Fixed Asset Additions	-17692606
	-17692606
C. CASH FLOW FROM FINANCING ACTIVITIES:	
Increase/(Decrease) in Long Term Borrowings	-90617483
(Increase)/Decrease in Advances & Deposits	-47752991
Interest Paid	-32215752
	-170586226
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	-22457600
Opening Balance of Cash & Cash Equivalents	30387926
Closing Balance of Cash & Cash Equivalents	7930326
Reconciliation of Cash and Cash Equivalents with Balance Sheet :	
Cash and Cash Eqivalents as per Balance Sheet (Refer Note No. 15)	7930326
Net Cash and Cash Equivalents as per Cash Flow Statement(As per AS 3)	7930326

For S.LAKSHMINARAYANAN ASSOCIATES
CHARTERED ACCOUNTANTS
F.NO.6609S

CA.L.KAMESH
PARTNER
M.NO.209388

Coimbatore
Date : 28.02.2018

For and On Behalf of the Board

T.Rajkumar
Chairman &
Managing Director

K.Dhanakumar
Director

Form No. MGT-11

Proxy form

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

CIN	: L17111TZ1984PLC015887
Name of the company	: SRI ARUMUGA ENTERPRISE LIMITED
Registered office	: No. 1, Sundaram Brothers Layout, Opp. All India Radio, Trichy Road, Coimbatore -641045

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 the above named company, 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 : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual general meeting / Extraordinary general meeting of the company, to be held on the 29th day of March 2018 At 10.00 a.m. at Coimbatore and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adopting the Audited Financial Statements for the year ended 31st March 2017
2. Appointing Sri K. Dhanakumar as a Director
3. Appointing Statutory Auditor
4. Appointing Mr. Vaibhav Duvvur as the Independent Director of the Company
5. Appointing Mrs. Manonmani Kandavel as the Independent Director of the Company

Signed this…… day of…… 20….

Signature of shareholder

Signature of Proxy holder(s)

Note: 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 48 hours before the commencement of the Meeting.

Affix Revenue Stamp