

THIRU AROORAN SUGARS LIMITED

Regd. Office: "Eldorado" – 5th Floor, 112, Nungambakkam High Road, Chennai - 600 034

Postal Ballot Notice

August 10, 2013

Dear Members

Notice is hereby given, pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 that the enclosed Special Resolutions are proposed to be passed by way of Postal Ballot for which the requisite Ballot Form and self addressed postage prepaid envelope are enclosed.

You are requested to convey your approval or otherwise on the Ballot Form sent herewith (no other Form or photocopy thereof is permitted) and return the same to the Company at its Registered Office so as to reach on or before September 10, 2013. The Ballot Form received after the said date will be liable for rejection. Facility of voting through electronic mode is not being provided by the Company.

If the proposed Resolutions are assented to by three fourths of the Members voting, the Resolutions would be deemed to have been passed at a General Meeting in accordance with Section 192A of the Companies Act, 1956.

The results of the Postal Ballot would be announced by the Chairman and Managing Director of the Company on September 11, 2013 at 4.00 PM at the Registered Office at 'Eldorado', 5th Floor, 112, Nungambakkam High Road, Chennai 600 034 and also would be displayed on the Notice Board in the Registered Office of the Company.

for THIRU AROORAN SUGARS LIMITED



R R Karthikeyan
Company Secretary

- Encl:** 1. Resolutions with Explanatory Statement
2. Postal Ballot Form & self addressed postage pre-paid envelope

THIRU AROORAN SUGARS LIMITED

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Resolutions & Explanatory Statement

SPECIAL BUSINESS

Item No. 1

To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

RESOLVED that subject to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, the Corporate Guarantee for Rs.176.35 crores (Rupees One hundred seventy six crores and thirty five lakhs only) given by the Company in favour of Punjab National Bank in accordance with the approval of the Board of Directors for the due repayment of the Cash Credit facilities sanctioned by the said Bank to the Associate Company, Shree Ambika Sugars Limited, be and is hereby ratified and confirmed.

Item No. 2

To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

RESOLVED that subject to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, the Corporate Guarantee for Rs.28 crores (Rupees Twenty Eight crores only) given by the Company in favour of State Bank of India in accordance with the approval of the Board of Directors for the due repayment of the credit facilities sanctioned by the said Bank to the subsidiary Company, Terra Energy Limited, be and is hereby ratified and confirmed.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 1

Punjab National Bank has sanctioned Cash Credit facilities of Rs.176.35 crores to the Associate Company, Shree Ambika Sugars Ltd, vide letter dated March 29,2013. As per the terms of sanction, the aforesaid Credit facilities are to be additionally secured by Corporate Guarantee from the Company. The issue of Corporate Guarantee by the Company would require approval/sanction from the shareholders under Section 372A of the Companies Act,1956 as the issuance of such Guarantee would be in excess of the limits prescribed under the said section.

In the business interests of the Company, the Board of Directors at the Meeting held on March 30,2013 approved the issue of Corporate Guarantee for Rs.176.35 crores, subject to confirmation/ratification by the Shareholders of the Company as provided under Section 372A of the Companies Act,1956. Section 372A permits the Board to provide Guarantee in such exceptional circumstances, subject to ratification by the Shareholders later.

Accordingly, ratification/confirmation of the Shareholders is being sought for the Corporate Guarantee given by the Company in terms of the approval of the Board, through Postal Ballot, pursuant to Section 192A of the Companies Act,1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules,2011.

Memorandum of Interest

Mr R V Tyagarajan, Chairman and Managing Director, Mrs Malathi Ram Tyagarajan, Dr A Ramachandran and Mr V Thirupathi, Directors may be deemed to be concerned or interested in the Resolution in their capacity as Directors of Shree Ambika Sugars Limited. The Directors recommend the Resolution for approval of the Shareholders.

Item No. 2

State Bank of India has sanctioned credit facilities aggregating to Rs.28 crores to the subsidiary company, Terra Energy Ltd, vide letter dated September 21, 2012 as amended by letter dated April 29, 2013. As per the terms of sanction, the aforesaid credit facilities are to be additionally secured by Corporate Guarantee from the Company. The issue of Corporate Guarantee by the Company would require approval/ sanction from the shareholders under Section 372A of the Companies Act, 1956 as the issuance of such Guarantee would be in excess of the limits prescribed under the said section.

In the business interests of the Company, the Board of Directors at the Meeting held on March 30, 2013 approved the issue of Corporate Guarantee for Rs.28 crores, subject to confirmation/ratification by the Shareholders of the Company as provided under Section 372A of the Companies Act, 1956. Section 372A permits the Board to provide Guarantee in such exceptional circumstances, subject to ratification by the Shareholders later.

Accordingly, ratification/confirmation of the Shareholders is being sought for the Corporate Guarantee given by the Company in terms of the approval of the Board, through Postal Ballot, pursuant to Section 192A of the Companies Act, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

Memorandum of Interest

Mr R V Tyagarajan, Chairman and Managing Director, Mrs Malathi Ram Tyagarajan and Mr V Thirupathi, Directors may be deemed to be concerned or interested in the Resolution in their capacity as Directors of Terra Energy Limited. The Directors recommend the Resolution for approval of the Shareholders.

By Order of the Board
for THIRU AROORAN SUGARS LIMITED



R R Karthikeyan
Company Secretary

Chennai
August 10, 2013

