

## AMBIKA COTTON MILLS LIMITED

Registered Office : No .9 A , Valluvar street, Sivanandha Colony, Coimbatore - 641 012.

CIN No.L17115TZ1988PLC002269

website - [www.acmills.in](http://www.acmills.in), Email -id - [ambika@acmills.in](mailto:ambika@acmills.in)

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### NOTICE OF THE MEETING

**Notice** is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on Wednesday, the 24<sup>th</sup> September 2014 at 12.00 Noon at The Residency, 1076, Avinashi Road, Coimbatore - 641018.

#### A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2014 and the report of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mrs. Vidya Jyothish Pillai who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix the remuneration.

#### B. SPECIAL BUSINESS

5. To Consider and if though fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“Resolved that pursuant to Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, Sri K.N.Sreedharan (DIN : 00321585), Director of the company , in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

# **AMBIKA COTTON MILLS LIMITED**

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## **NOTICE OF THE MEETING (Contd...)**

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6. To Consider and if though fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“Resolved that pursuant to Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, Sri K.Venkatachalam (DIN : 01062171), Director of the company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

7. To Consider and if though fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“Resolved that pursuant to Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, R. Soundararaja Perumal (DIN : 02087219), Director of the company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

8. To Consider and if though fit, to pass with or without modification the following resolution as a Special Resolution.

“Resolved that in supersession of all earlier resolutions passed by the Company in this regard and pursuant to section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder consent of the Company be and is hereby accorded to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company’s Bankers in the Ordinary course of business, shall not at any time exceed Rs.400 Crores ( Rupees Four Hundred Crores).

Resolved Further that for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

# AMBIKA COTTON MILLS LIMITED

## NOTICE OF THE MEETING (Contd...)

9. To Consider and if though fit, to pass with or without modification, the following resolution as a Special Resolution.

“Resolved that in supersession of all earlier resolutions passed by the Company in this regard and pursuant to section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder the consent of the Company be and is hereby accorded to the Board of Directors to create such charges, mortgages, and hypothecations in addition to the existing charges, mortgages, and hypothecations created by the company, on such immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks / Financial Institutions to secure borrowings of the Company availed / to be availed by way of rupee / foreign currency loans / borrowings provided that the total amount of such loans / borrowings shall not at any time exceed Rs. 400 crores. (Rupees Four Hundred Crores).”

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

Resolved that pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the existing Article 69 (h) of the Articles of Association of the Company be and is hereby amended / altered to read as follows

“The Board may elect a Chairperson of its meeting and determine the period for which such Chairperson shall hold office. Such Chairperson shall occupy the position, notwithstanding that he /she is the Managing Director of the Company for the time being. The Board is empowered to fix the term of Office of such Chairperson and in the absence of term being fixed, the Chairperson so elected shall occupy the position as long as she/he is Director of the company. The Chairman so appointed shall preside over all the meetings of the Board and the General Meetings during the tenure of his /her office”.

By order of the Board

Sd/-

**(P.V.CHANDRAN)**

Chairman and Managing Director

DATE : 09.08.2014  
PLACE : Coimbatore

# **AMBIKA COTTON MILLS LIMITED**

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## **NOTICE OF THE MEETING (Contd...)**

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### **NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 50 (fifty ) and holding not more than 10 (ten) percent of the total share of the company carrying voting rights . A member holding more than 10 (ten) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or share holder. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy is sent herewith. Proxies submitted on behalf of the company , societies, etc., must be supported by an appropriate resolution/ authority, as applicable.**

- 2. The Register of Members of the Company will remain closed from Wednesday 17<sup>th</sup> September 2014 to Wednesday 24<sup>th</sup> September 2014 (Both the days inclusive). The dividend if declared will be paid to those members whose name appears in the Register of Members as on Tuesday, 16<sup>th</sup> September 2014 in respect of shares held in physical form and in respect of shares held in dematerialized form on the basis of beneficial ownership as per details furnished by the depositories for this purpose at the end of business hours on Tuesday 16<sup>th</sup> September 2014.**
- 3. Shareholders seeking any information with regard to the accounts are requested to write to the company at least seven days before the date of the meeting so as to enable the company to keep the information ready.**
- 4. Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended, dividend for the Financial year 2006-2007 and thereafter which remain unpaid/ unclaimed for a period of 7 (Seven) years will be transferred to the Investor Education and Protection Fund (the Fund) constituted by the Central Government under Section 205C of the Companies Act, 1956. Unpaid/Unclaimed Equity Dividend for the financial year 2006-2007 will fall due for transfer to the said Fund on 27<sup>th</sup> October 2014. As regards unclaimed dividend for the financial years up to 2005-2006 the same have already been transferred to the said Fund. It may kindly be noted that once the unpaid/ unclaimed dividend is transferred to the above said Fund of the Central Government, no claim shall lie in respect thereof.**

# **AMBIKA COTTON MILLS LIMITED**

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## **NOTICE OF THE MEETING (Contd...)**

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5. Members are requested to send all their documents and communications pertaining to shares to S.K.D.C. Consultants Limited , Share Transfer Agent of the Company at their address at Kanapathy Towers, 3rd Floor, 1391/ A1, Sathy Road, Ganapathy, Coimbatore – 641 006. Phone : +91 422 6549995, 2539835-836 for both physical and demat segments of Equity Shares. Please quote on all such correspondence – “Unit-Ambika Cotton Mills Limited .”
6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to S.K.D.C. Consultants Limited for their doing the needful.
7. Members are requested to notify change in address, if any, immediately to S.K.D.C. Consultants Limited quoting their folio numbers.
8. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Shareholders/Depositories for depositing of dividends. NECS Form is attached to the Notice to the members for providing details, if not provided.
10. Electronic copy of the Annual Report will be sent to the members whose e-mail IDs are registered in the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same.
11. Electronic copy of the Notice of General Meetings of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form will be sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member requests for a physical copy of the same.
12. Members may also note that the Notice of the 26<sup>th</sup> Annual General Meeting and the Annual Report 2013-14 will also be available on the Company’s website [www.acmills.in](http://www.acmills.in) for being downloaded. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office for inspection during normal business hours on working days till the date of the meeting. 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.

# AMBIKA COTTON MILLS LIMITED

## VOTING THROUGH ELECTRONIC MEANS

In Compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the companies ( Management and Administration ) Rules, 2014, the company is pleased to offer e- voting facility as an alternative mode of voting which will enable members to cast their votes electronically on the resolutions mentioned in the notice of 26<sup>th</sup> Annual General Meeting of the company.

### The instructions for members for voting electronically are as under :-

- (i) Log on to the e- voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “ share holders “ tab.
- (iii) Now, select AMBIKA COTTON MILLS LIMITED “ from the drop down menu and click on submit.
- (iv) Now enter your User ID: For CDSL – 16 Digit Beneficiary ID, For NSDL – 8 Characters DP ID followed by 8 Digits Client ID, Members holding shares in physical form should enter Folio Number registered with the company and then enter Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of the company , then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes.

	For members Holding shares in Demat Form	For members Holding shares in Physical Form
PAN *	Enter your 10 Digit alpha - numeric *PAN issued by Income Tax Department (Applicable for both demat share holders as well as physical share holders)	
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 dividend bank detail as recorded in your demat account or in the company records for the said demat account or folio.	

\* Members who have not updated their PAN with company / Depository participant are requested to enter the 10 Digit Sequence number in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or Company please enter the 16 Digit Member id / Folio number in the Dividend Bank details Field.

- (vii) After entering these details appropriately, click on “SUBMIT “ tab.
- (viii) 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.



# **AMBIKA COTTON MILLS LIMITED**

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## **VOTING THROUGH ELECTRONIC MEANS (Contd...)**

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- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant AMBIKA COTTON MILLS LIMITED on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) 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 Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity. After receiving the login details they have to link the account(s) which they wish to vote on and then 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.
- (xviii) The voting period begins on 17<sup>th</sup> September , 2014 (9:30 A.M.) and ends on 19<sup>th</sup> September , 2014 (5:30 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 (record date) of 14th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xix) 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

# **AMBIKA COTTON MILLS LIMITED**

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## **VOTING THROUGH ELECTRONIC MEANS (Contd...)**

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- II The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 14<sup>th</sup> August 2014.
- III A copy of this notice has been placed on the website of the Company and the website of CDSL.
- IV Mr.K.Murali Mohan, Practicing Chartered Accountant ( Membership No. 014328) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
- VI. The Results declared along with the Scrutinizer's Report shall be placed on the Company's Website [www.acmills.in](http://www.acmills.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

DATE : 09.08.2014  
PLACE : Coimbatore

By order of the Board  
Sd/-  
**(P.V.CHANDRAN)**  
Chairman and Managing Director



# AMBIKA COTTON MILLS LIMITED

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## ANNEXURE TO THE NOTICE

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Explanatory Statement Pursuant To Section 102 (1) of The Companies Act, 2013.

### Item No .5

**Sri. K.N. Sreedharan** is a Director of the Company , who , though is a Director liable to retire by rotation , is not retiring at this Annual General Meeting . However in the light of the provisions of the Companies Act,2013, he is to be appointed as an Independent Director at this Meeting to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting .

One of the members of the Company has proposed the name of Sri. K.N.Sreedharan for appointment as an Independent Director and the member has also made the required deposit therefor.

In the opinion of the Board, Sri. K.N. Sreedharan fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company. He is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri.K.N.Sreedharan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. K.N.Sreedharan as an Independent Director, for the approval by the shareholders of the Company.

### Interest of Directors:

Except Sri.K.N.Sreedharan, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

### Item No .6

**Dr. K .Venkatachalam** is a Director of the Company , who , though is a Director liable to retire by rotation , is not retiring at this Annual General Meeting . However in the light of the provisions of the Companies Act,2013 , he is to be appointed as an Independent Director at this Meeting to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting.

One of the members of the Company has proposed the name of Dr.K.Venkatachalam for appointment as an Independent Director and the member has also made the required deposit therefor.

In the opinion of the Board , Dr. K .Venkatachalam fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an independent Director of the Company. He is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr.K.Venkatachalam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr.K.Venkatachalam as an independent Director, for the approval by the shareholders of the Company.

### Interest of Directors:

Except Dr.K.Venkatachalam, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO THE NOTICE

### Item No. 7

**Sri.R.Soundararaja Perumal**, in the ordinary course, is a Director retiring by rotation at this Annual General Meeting. However, since he is an independent Director, the provisions of the Companies Act, 2013 require that he be appointed as an Independent Director not liable to retire by rotation. In view of this position, the subject of his appointment is considered as a Special Business.

The Company has received a nomination under Sec.160 of the Companies Act, 2013 from a member of the Company with requisite deposit signifying his intention to propose the appointment of Sri.R.Soundararaja Perumal as an Independent Director. Sri.R.Soundararaja Perumal will hold office for a term of 5 consecutive years from the conclusion of this Annual General Meeting.

In the opinion of the Board, Sri.R.Soundararaja Perumal fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company. He is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri.R.Soundararaja Perumal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri.R.Soundararaja Perumal as an Independent Director, for the approval by the shareholders of the Company.

### Interest of Directors:

Except Sri.R.Soundararaja Perumal, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

### Item No. 8 & 9

The members of the Company at their 18<sup>th</sup> Annual General Meeting held on 28/09/2006 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 400 Crores (Rupees Four Hundred Crores).

Further the members of the Company at their 19<sup>th</sup> Annual General Meeting held on 28/09/2007 had given approval by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 to create charge / security in respect of the borrowings made by the Company.

In terms of section 180 of the Companies Act, 2013 read with Ministry of Corporate Affairs' General Circular No.04/2014 dated 25.03.2014, consent of the Company is required by way of a special resolution to borrow funds in excess of the paid up capital and free reserves of the Company and to create security for the same. Accordingly, to enable the Company to continue to availing the said borrowing limits and creating of security on the same, Item Nos.8 & 9 have been put forward for your approval.

Approval of members is being sought to borrow money upto Rs.400 Crores (Rupees Four Hundred Crores Only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

Your Board recommends the Resolution at item nos.8 & 9 for your approval as Special resolution.

### Item No. 10

In terms of Section 203 of the Companies Act, 2013, an individual can be a Chairperson and Managing Director of the company at the same time only if specifically so authorised by the Articles of Association of the Company.

The Articles of Association of the Company in its present form does not contain such a clause.

It is therefore proposed to amend the Articles of Association of the company by introducing a suitable clause.

Your Board recommends the Resolution at item no. 10 for your approval as Special resolution.

None of the Directors / key managerial personnel of the Company / their relatives are, in any way, concerned or interested in the resolution.

By order of the Board

Sd/-

(P.V.CHANDRAN)

Chairman and Managing Director

DATE : 09.08.2014

PLACE : Coimbatore

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO THE NOTICE

### II. Details of Directors seeking appointment / re- appointment as required under Clause 49 of the Listing Agreement with Stock exchanges are given under :

Name of Director	Mrs.Vidya Jyothish Pillai	Sri. K.N.Sreedharan	Dr.K.Venkatachalam	Sri.R.Soundararaja Perumal
Date of Appointment	14.02.2012	05.10.1994	31.07.2002	08.09.2005
Expertise in Specific Functional areas	Masters in Computer Application	Eminent Chartered Accountant having vast experience in Corporate matters	Expert in the field of Industrial Management and Labour related matters	Considerable experience in working with Government Departments
List of other Directorships held excluding foreign Companies, Companies under Section 25 of the Companies Act, 1956 and private Companies	Nil	Jagannath Textile Company Limited	Naga Limited	Nil
Chairman / Member of the committees of the Board of other Companies in which he/she is a Director	Nil	Chairman of Audit Committee	Chairman of CSR Committee, Member in Audit Committee	NA
No. of .Shares held in the Company	Nil	Nil	100	Nil
Relationship between Director Interse	Related to Sri P.V.Chandran, Chairman and Managing Director of the Company	Nil	Nil	Nil

## AMBIKA COTTON MILLS LIMITED

Registered Office: No.9 A , Valluvar street, Sivanandha Colony, Coimbatore.

Email -id - [ambika@acmills.in](mailto:ambika@acmills.in) , website - [www.acmills.in](http://www.acmills.in) CIN No.L17115TZ1988PLC002269

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Dear Shareholder(s),

Date : 09.08.2014

### **Sub : Service of Documents through Electronic Mode**

The Ministry of Corporate Affairs, Government of India, has notified the coming into force of Section 101 of the Companies Act, 2013 and the rules under the said Act. As per Rule 18(3)(i) of the Companies (Management & Administration) Rules, 2014 and Rule 11 of the Companies (Accounts) Rules, 2014 the Company is requesting for a positive consent from those of its members who hold shares otherwise than in dematerialized format, to receive Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode. This will enable these shareholders to receive such notice(s)/Annual Report(s) /document(s)/Communication(s) etc., promptly and without loss in postal transit.

If you are holding the shares of the Company in dematerialized form, you would be receiving the Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode.

Once we receive your positive consent, henceforth, Notices of Meetings, Annual Reports, Directors' Report, Auditors' Report and other Shareholders communication will be sent to you electronically to your email address as provided by you AND / OR made available to the Company by the Depositories viz. National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).

**As and when there are changes in your e-mail address, you are requested to update the same with your Depository Participant (DP). For shares held in physical form, you can register your e-mail address with the Company's Registrar S.K.D.C Consultants Limited at [info@skdc-consultants.com](mailto:info@skdc-consultants.com) mentioning your Name(s) and Folio Number and Name of the company.**

Please note that if you still wish to get a physical copy of the above documents, the Company will send the same, free of cost, upon receipt of a request from you.

We look forward to your support.

Thanking you,

Yours sincerely

For **Ambika Cotton Mills Limited**

P.V.Chandran

Chairman and Managing Director.

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Dear Shareholder(s),

Date : 09.08.2014

### **Sub : Change in mode of payments to NECS**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Shareholders for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors.

Accordingly, Shareholders holding shares in PHYSICAL form may kindly arrange to forward the appended NECS form duly completed and signed to our REGISTRAR & SHARE TRANSFER AGENT, for necessary action. Shareholders holding shares in DEMAT / ELECTRONIC form may kindly arrange to update their Bank particulars with their respective DEPOSITORY PARTICIPANTS.

Thanking you,

Yours sincerely

For **Ambika Cotton Mills Limited**

P.V.Chandran

Chairman and Managing Director.

**AMBIKA COTTON MILLS LIMITED**

Registered Office: No .9 A , Valluvar street, Sivanandha Colony, Coimbatore.

Email -id - [ambika@acmills.in](mailto:ambika@acmills.in) ,website - [www.acmills.in](http://www.acmills.in) CIN No.L17115TZ1988PLC002269

To,  
S.K.D.C. Consultants Limited  
Unit : Ambika Cotton Mills Limited  
Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road,  
Ganapathy, Coimbatore - 641 006

Date :

**Sub: Service of Documents through Electronic Mode**

Dear Sir,  
As per your letter dated 09.08.2014 I/we submit to you as under:

Kindly use my / our Email id : \_\_\_\_\_ for serving the documents for Physical Folio No. \_\_\_\_\_.

YES  NO

Thanking you,  
Yours faithfully

Name of Sole/ First Holder \_\_\_\_\_ Signature: \_\_\_\_\_

To,  
S.K.D.C. Consultants Limited  
Unit : Ambika Cotton Mills Limited  
Kanapathy Towers, 3rd Floor,  
1391/A1, Sathy Road, Ganapathy,  
Coimbatore - 641 006

Date :

Dear Sir,

**Sub: Change in mode of payments to NECS**

I/We, hereby consent to have the amount of dividend on my/ our equity shares credited through National Electronic Clearing Service(NECS). Particulars are as under:

- 1. Folio Number : \_\_\_\_\_
- 2. Shareholders' name : \_\_\_\_\_
- 3. Address : \_\_\_\_\_
- 4. Particulars of the Bank :
  - (i) Name of the bank Branch and address \_\_\_\_\_
  - (ii) 9 Digit Code No. of the Bank and Branch \_\_\_\_\_ Tel. No. \_\_\_\_\_  
(Please attach a photocopy/ cancelled cheque issued by your bank)
  - (iii) Account No. \_\_\_\_\_
  - (iv) Account Type: S.B/Current/ Cash Credit. \_\_\_\_\_
  - (v) Date from which mandate should be effective \_\_\_\_\_

I/We, hereby declare that particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold Company /Registrar and Share Transfer Agent of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of Credit of dividend amount through NECS.

Signature of the Shareholder

# **AMBIKA COTTON MILLS LIMITED**

**ANNUAL REPORT  
2013 - 2014**



# AMBIKA COTTON MILLS LIMITED

CIN No.L17115TZ1988PLC002269

website - [www.acmills.in](http://www.acmills.in), Email -id - [ambika@acmills.in](mailto:ambika@acmills.in)

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## ANNUAL REPORT 2013 - 2014

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### BOARD OF DIRECTORS

Sri. P.V. Chandran  
Sri. K.N. Sreedharan  
Dr. K. Venkatachalam  
Sri. R. Soundararaja Perumal  
Mrs. Bhavya Chandran  
Sri. G. Udayakumar (Nominee  
Director of IDBI Bank Ltd.)  
Mrs. Vidya Jyothish Pillai

### REGISTERED OFFICE

9A, Valluvar Street  
Sivanandha Colony  
Coimbatore - 641 012.

### PLANT

Kanniyapuram  
Dindigul

### AUDITORS

L. Venkatasubbu & Co.,  
Chartered Accountants,  
Coimbatore

### BANKERS

IDBI Bank Ltd.  
The Bank of Nova Scotia  
Bank of Baroda  
Corporation Bank  
Axis Bank Ltd.

# AMBIKA COTTON MILLS LIMITED

Registered Office: No .9 A , Valluvar street, Sivanandha Colony, Coimbatore.

CIN No.L17115TZ1988PLC002269

website - [www.acmills.in](http://www.acmills.in), Email -id - [ambika@acmills.in](mailto:ambika@acmills.in)

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## DIRECTORS' REPORT

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Your directors have great pleasure in submitting the Twenty Sixth Annual Report together with the audited accounts for the year ended 31st March 2014

### FINANCIAL RESULTS

The Financial results for the year ended 31st March 2014 are furnished below :

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	<b>CURRENT YEAR 2014 Rs.</b>	<b>PREVIOUS YEAR 2013 Rs.</b>
Sales & Other Income	4770831958	3980542390
Profit Before Finance Cost and Depreciation	1033063175	868785478
Less: Finance Cost	120261790	187886952
Gross Profit For the Year	912801385	680898526
Less : Depreciation	316237718	274332117
Profit before Tax	596563667	406566409
Less : Tax Expense	115184093	96725946
Profit after Tax	481379574	309840463
Add: Surplus in Statement of Profit and Loss	779880500	634906720
	1261260074	944747183
Less: Appropriation		
Transfer to General Reserve	100000000	100000000
Proposed Dividend on Equity Shares	73437500	55812500
Dividend Tax	12480703	9054183
Prior Period Dividend & Dividend Tax	453	0
Surplus Carried over in Statement of Profit and Loss	1075341418	779880500

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# **AMBIKA COTTON MILLS LIMITED**

## **DIRECTORS' REPORT (Contd...)**

### **DIVIDEND**

The directors are pleased to recommend a dividend of 125% (Rs.12.50/- per share) for the year ended 31<sup>st</sup> March 2014 for your approval. The outflow on account of Equity Dividend would be Rs.734.37 Lakh (Previous year Rs.558.13 Lakh) and dividend tax Rs.124.81 Lakh (Previous year Rs.90.54 Lakh). The total payout will be Rs.859.18 Lakh (Previous year Rs.648.67 Lakh). The payout ratio for the year works out to 15.26% as compared to 18.01% (exclusive of dividend tax) on the basis of PAT of FY 2014 & 2013.

### **OPERATIONS:**

The Company's Total Income and Gross profit amounted to Rs.47708 Lakh (Previous year Rs.39805 Lakh) and Rs.9128 Lakh (Previous year Rs.6809 Lakh). This represents growth in total income of 19.85% as compared to 2.03% in the previous year and growth in Gross Profit of 34.06% as against 15.50% in the previous year.

For the year Company's Direct Export Turnover amounted to Rs.29582 Lakh as compared to Rs.24475 Lakh in the previous year representing a growth of 20.87% (Previous Year 6.80 %). In terms of percentage the export turnover constituted 64.38% of the net sales as against 63.57% in the previous year.

The Company's constant focus on speciality yarn and versatile product mix, catering to the market leaders both in the domestic market and as well as in the international market, differing from majority yarn producers, has largely contributed to the overall improved financial performance of the company.

The Company has invested so far as upto 31.03.2014 Rs.22.30 Crores towards modernization of its Unit - I and implemented EHT facility (110 KVA Sub-Station) at a cost of Rs. 6.49 Crores ensuring dedicated electric supply exclusively to support the operations of Unit - II, III & IV within the factory premises of the company. Further the company has prepaid Rs.16.80 Crores of Term loans in the current year, thereby reducing the high cost term loans and the remaining term loans are covered under Technology Upgradation Fund Scheme(TUFS). All the investments and prepayment of Term loans are out of Company's internal accruals.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report covering matters listed in Clause 49 of the Listing Agreement for the year under review is given as a separate statement in the Annual Report.

### **DEPOSITS:**

The Company has not accepted any deposits from the public.

### **DIRECTORS:**

In compliance with the requirements of the Companies Act, 2013 and Listing Agreement, Independent Directors Sri K.N.Sreedharan, Sri K.Venkatachalam and Sri R.Soundararaja Perumal are appointed to hold office for a period of five consecutive years from the conclusion of this Annual General Meeting and are not liable to retire by rotation.

Mrs.Vidya Jyothish Pillai, Director retires by rotation and being eligible offers herself for re-appointment.

The notice convening the AGM includes the proposal / re- appointment of Directors

# **AMBIKA COTTON MILLS LIMITED**

## **DIRECTORS' REPORT (Contd...)**

### **AUDITORS:**

The Auditors, M/s L.Venkatasubbu & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting . As per the provisions of the Companies Act, 2013, they are eligible to be appointed for a maximum further period of three years . Certificate from the Auditors has been received to the effect that they are eligible to act as auditors of the Company under Section 141 of the Companies Act, 2013 and further submitted the Peer Review Certificate dt: 13.11.2013 issued to them by Institute of Chartered Accountants of India (ICAI). The Board recommends the appointment of L.Venkatasubbu & Co, Chartered Accountants, as auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the next AGM.

### **COST AUDIT:**

The company's cost records are audited by Mr.G.Sivagurunathan, Cost Accountant, Coimbatore for the financial year ended 31.03.2013 and in respect of the same has submitted his report to the Central Government on 20.08.2013. He was re-appointed to conduct cost audit of cost records of the company for the financial year 2013-14.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act 1956, your directors state that: -

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. The Company has selected such accounting policies, applied them consistently, 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 financial year and of the profit of the company for that year.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Company has prepared the attached annual statement of accounts for the year ended 31<sup>st</sup> March 2014, on a going concern basis.

### **PARTICULARS OF EMPLOYEES:**

The statement relating to the employees who have drawn remuneration of the category specified in Section 217(2A) of the Companies Act, 1956 is enclosed herewith.

### **DISCLOSURES OF PARTICULARS:**

Particulars relating to conservation of energy, Technology absorption, Foreign Exchange Earning and outgo pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are set out separately and form part of this report.

By order of the Board

Sd/-

**(P.V.CHANDRAN)**

Chairman and Managing Director

DATE : 09.08.2014

PLACE : Coimbatore

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE I

Particulars pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988.

#### A. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken: Usage of Energy is constantly monitored and the need to conserve the same is emphasized.
- b) Additional Investments and proposals being Implemented for reduction of consumption of Energy: The Company has installed 27.4 MW of wind energy capacity for captive consumption. This would meet 100% power requirement of the spinning segment.
- c) Impact of measures (a) & (b) above for reduction of Energy Consumption and consequent impact on cost of production.
  - i) substantial savings in energy cost.
  - ii) The consumption of energy has been closely monitored and as a result wastage is avoided.
  - iii) Efficiency of the Internal Generation of Electricity is maintained.
- d) Total energy consumption and energy consumption per unit of production as prescribed in Form A:

	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
<b>1. ELECTRICITY:</b>		
a. Purchased:		
Units (in Lakhs)	168.73	120.12
Total Amount (Rs. in Lakhs)	1097.93	858.91
Rate per Unit (Excluding Demand charges & other cost)	6.51	7.15
b. Own Generation:		
1. Through Diesel Generator:		
Units (in Lakhs)	11.78	27.78
Units per litre of Diesel Oil	3.65	3.69
Rate per Unit	14.34	10.44
2. Wind Energy(Units)	469.06	472.64
3. Coal	Nil	Nil
4. Furnace Oil	Nil	Nil
5. Others/Internal Generation	Nil	Nil
c. Consumption per unit of Production (Electricity Units per Kg)	4.79	4.92
d. Technology Absorption:	Indigenous Technology alone is used, Knowhow acquired for manufacture a different speciality yarn and absorbed	
e. Foreign Exchange Earnings (Rs. In Lakhs)	29582	24475
Foreign Exchange Outgo (Rs. In Lakhs)	29776	16033

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT (Contd.,)

### ANNEXURE II

Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2014.

Name	Age (years)	Designation/ Nature of duties	Remuneration including commission (Rs in Lakh)	Experience (Years)	Date of Joining	Last Employment/ Designation/ Period
P.V. Chandran	64	Chairman and Managing Director/ Overall Management of the Company	143.00	42	06.10.1988	-

DATE : 09.08.2014  
PLACE : Coimbatore

By order of the Board  
Sd/-  
**(P.V.CHANDRAN)**  
Chairman and Managing Director



# **AMBIKA COTTON MILLS LIMITED**

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

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### **1. Overall Review**

In Fiscal 2013-14, the global economic condition remained weak and uncertain . The macro economic situation was bleak and witnessed inflationary pressure. The Indian rupee witnessed high volatility depreciating against USD and causing substantial economic losses. The slide was mainly caused on account of slowing down of economic decisions by the Government. Further the global environment also remained subdued.

### **2. Industry Outlook**

The demand for Cotton Yarn was consistent throughout the year and the trend is expected to remain for the current year . The Company's focus is to continue to manufacture speciality Cotton Yarn to derive the optimum use of production facilities created.

### **3. Opportunities**

The Company by concentrating and focusing on manufacture of speciality yarn has created specific markets for its products and continued good demand for its products ensures sustained profitable operations.

### **4. Challenges**

- (i) Good economic environment
- (ii) Freeing of Government regulatory controls with regard to exports

### **5. Company Outlook.**

Despite the adverse economic scenario the Company continues to have good demand for its products and further strengthened its production base by modernizing one of its units and installed EHT line (110 KVA Sub-Station) for smooth flow of quality power. These measures will continue to support the operations of the company.

### **6. Risks and Concerns**

The continued policy of Government controlling free exports and volatile economic environment have a bearing on the overall performance of the company.

# AMBIKA COTTON MILLS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.,)

### 7. Discussion on Financial Performance with Respect to Overall Performance

The key financial data are furnished below for the current year as compared to the previous year

	<b>Current Year</b>	<b>Previous Year</b>
	<b>2014</b>	<b>2013</b>
	<b>Rs.</b>	<b>Rs.</b>
1. Increase in Net Sales ( Rs. in Lakh)	7451	914
2. Increase in Net Sales (%)	19.35	2.43
3. Increase in Exports ( Rs. in Lakh)	5108	1559
4. Increase in Exports (%)	20.87	6.80
5. Operating Profit Margin before Tax(%)	22.48	22.57
6. Operating Profit Margin after Tax (%)	19.97	20.05
7. Cash Profit Margin before Tax (%)	19.86	17.69
8. Cash Profit Margin after Tax (%)	17.36	15.17
9. Net Profit Margin before Tax (%)	12.98	10.56
10. Net Profit Margin after Tax (%)	10.48	8.05

\*Profit Margin calculations are on the basis of Net Sales

### 8. Internal control, systems and adequacy.

The Company has put in place effective control systems in respect of all its operations and such systems are continuously reviewed and upgraded.

### 9. Human Resources Development

The Company places its utmost value on the human resource and contribution from the employees is always fine-tuned towards to achieve the overall organisation performance by constant education, training and various incentive schemes, which are in vogue.

### 10. Safety and Environment

The Company ensures high safety and environmental standards in all its operations at all the units. Safety needs are continuously monitored and preventive actions are initiated through departmental safety committees consisting of plant staff and workmen.

### 11. Cautionary Statement

Certain Statements in this report on Management's Discussion may be forward looking statements and which have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged.

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT

### 1. Brief statement on Company's philosophy on code on Governance:

The Corporate Governance Policy of the Company is to ensure transparency, accountability and integrity in all its operations and in respect of all matters concerned with shareholders, employees, the Government and the financial institutions / banks and a consistent effort to broad base and improves upon these aspects on continuous basis.

### 2. Board of Directors

The Board consists of 7 Directors and the details are given below –

Name of the Director	Executive/Non Executive / Independent	No. of outside Directorship in Public Limited Companies	Membership held in Committee of Directors	Chairmanship held in Committee of Directors
Sri. P.V. Chandran	Chairman and Managing Director (Promoter & Executive)	Nil	Nil	Nil
Sri. K.N. Sreedharan	Director (Non Executive and Independent)	1	1	1
Dr. K. Venkatachalam	Director (Non Executive and Independent)	1	1	Nil
Sri R.Soundararaja Perumal	Director (Non Executive and Independent)	Nil	Nil	Nil
Mrs. Bhavya Chandran	Director (Promoter Group )	Nil	Nil	Nil
Mrs.Vidya Jyothish Pillai	Director (Promoter Group )	Nil	Nil	Nil
Sri. G. Udayakumar	Director, (Nominee representing IDBI Bank LTD.)	Nil	Nil	Nil

This does not include Membership / Chairmanship of Committee of Directors of Ambika Cotton Mills Limited.

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd.,)

### 3. (A) Number of Board Meetings and Attendance Record of Directors:

Number of Board Meetings held during 2013-2014: 4			
S.No.	Date of Board Meeting	S.No.	Date of Board Meeting
1.	30.05.2013	2.	07.08.2013
3.	26.10.2013	4.	01.02.2014

### (B) Attendance Record of Directors:

S.No	Name of the Director	Number of Meetings held	Number of Meetings attended	Whether attended last AGM held on 27th September, 2013
1.	Sri. P.V. Chandran, Chairman and Managing Director	4	4	Yes
2.	Sri. K.N. Sreedharan, Director	4	4	Yes
3.	Dr.K.Venkatachalam, Director	4	4	Yes
4.	Sri.R.Soundararaja Perumal, Director	4	4	Yes
5.	Mrs. Bhavya Chandran, Director	4	3	No
6.	Sri.G.Udayakumar (Nominee Director, IDBI Bank Limited)	4	2	No
7.	Mrs. Vidya Jyothish Pillai, Director	4	3	No

### 4. Audit Committee:

The Audit Committee consists of Three Directors chaired by Sri. K.N. Sreedharan, a Chartered Accountant by profession, Dr.K.Venkatachalam, Sri R. Soundararaja Perumal.

Members' attendances at the meetings were as follows.

Name of the Directors	Category	No. of Meetings attended during the year 2013-14
Sri. K. N. Sreedharan	Independent / Non Executive	4
Dr. K.Venkatachalam	Independent / Non Executive	4
Sri. R. Soundararaja Perumal	Independent / Non Executive	4

During the year, the Audit Committee held its meetings on 30.05.2013, 07.08.2013, 26.10.2013 & 01.02.2014.

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd.,)

### 5. Remuneration Committee:

The Remuneration Committee consists of Three Directors viz., Sri K.N. Sreedharan, Dr.K.Venkatachalam & Sri R.Soundararaja Perumal.

### 6. Shareholders Committee and Share Transfer System:

(A) The Share Transfer committee consists of the following Directors.

Name of the Directors	Category	No. of Meetings attended during the year 2013-14
Sri. P.V. Chandran	Promoter Director & Executive	5
Dr. K.Venkatachalam	Independent Director	5
Sri. R.Soundararaja Perumal	Independent Director	5

Shareholders complaints received during the year : Nil

(B) Share Transfer System :

Share Transfer Applications in respect of shares held in physical form are given effect after approval of the Share Transfer Committee.

### 7. Management Discussion and Analysis forms part of the Directors' Report:

### 8. General Body Meetings:

Location and time, where last three Annual General Meetings held

Year	Location	Date	Time
2011	Hotel Sree Annapoorna, 75 East Arokiyasamy Road R.S.Puram, Coimbatore - 641 002	27.09.2011	12 Noon
2012	Hotel Sree Annapoorna, 75 East Arokiyasamy Road, R.S.Puram, Coimbatore - 641 002	28.09.2012	12 Noon
2013	The Residency, 1076, Avinashi Road, Coimbatore - 641 018.	27.09.2013	12 Noon

All the Resolutions set out in the respective Notices were passed by the members. There were no resolutions put through by Postal Ballet last year.

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd.,)

### 9. Any non-compliance, penalties or strictures imposed:

There has been no non-compliance by the Company nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years.

### 10. Means of Communication:

Publications of Financial Results are generally made in dailies Business Line, Dinamani & Dinamalar.

### 11. General Information to Shareholders:

Annual General Meeting (AGM) Date, Time and Venue	Wednesday, 24 <sup>th</sup> September 2014 at 12.00 Noon at The Residency, 1076, Avinashi Road, Coimbatore – 641018.	
Financial Calendar (tentative):		
Results for Quarter ending	June 30, 2014	2 <sup>nd</sup> Week of August, 2014
	September 30, 2014	2 <sup>nd</sup> Week of November, 2014
	December 31, 2014	2 <sup>nd</sup> Week of February, 2015
	March 31, 2015	Last week of May 2015 (Audited).
	AGM	September 2015.
Date of Book Closure	17.09.2014 to 24.09.2014 (Both days inclusive) for Dividend. The dividend if declared will be paid to those members whose name appears in the Register of Members as on Tuesday, 16.09.2014 in respect of shares held in physical form and in respect of shares held in dematerialized form on the basis of beneficial ownership as per details furnished by the depositories for this purpose at the end of business hours on Tuesday 16.09.2014.	
Dividend Payment Date	Within thirty days from the date of AGM	
Listing on Stock Exchanges	Listed in National Stock Exchange, Bombay Stock Exchange, Annual Listing Fee has been paid to the Stock Exchanges.	
Stock Code	531978 (BSE) , AMBIKCO (NSE)	
Demat ISIN Number in NSDL & CDSL for Equity Shares	ISIN Number: INE540G01014.	



# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd.,)

Stock Market Data :

Month	The Stock Exchange Mumbai (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
Apr-13	218.85	181.50	210.00	185.05
May-13	217.75	198.05	218.00	196.50
June-13	224.50	202.25	230.00	200.10
Jul-13	222.00	201.00	211.00	201.10
Aug-13	231.00	190.00	235.00	183.10
Sep-13	232.00	208.25	230.00	205.00
Oct-13	253.00	205.00	253.00	205.00
Nov-13	255.00	235.00	260.65	235.00
Dec-13	279.00	250.00	274.00	250.00
Jan-14	308.00	269.00	310.00	270.00
Feb-14	310.00	290.00	313.20	283.00
Mar-14	310.00	279.90	309.75	280.00

Registrar & Share Transfer Agents	SKDC Consultants Ltd., Kanapathy Towers, 3 <sup>rd</sup> Floor, 1391/ A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
Share Transfer System	Presently, the share transfers which are received in physical form are processed and the Share Certificates returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company have delegated powers of approving transfer of securities to the Company's Registrars and Transfer Agents subject to placing of summary statement of transfer/ transmission of securities etc. of the Company at meetings of the Share Transfer Committee. The Company has obtained and filed with the Stock Exchange(s) the half yearly certificates from a Company Secretary in practice for due compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange(s).

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd.,)

Pattern of Share Holding as on 31.03.2014

S.No.	Category	No. of Shares	% of Shareholding
1.	Promoters	2827000	48.119
2.	Banks, Financial Institutions, Mutual Funds	444101	7.559
3.	Foreign Institutional Investors / NRIs	14607	0.249
4.	Corporate Bodies	819879	13.955
5.	Public		
	1. Individuals (holding nominal share capital upto Rs.1.00 Lakh)	744149	12.667
	2. Individuals (Holding nominal share capital in excess of Rs.1.00 Lakh)	916928	15.607
6.	Any other (Specify)		
	a. Directors and their relatives	100	0.002
	b. Clearing Members	44665	0.760
	c. Hindu Undivided Families	63571	1.082
	Total	5875000	100.000

Distribution of Share Holding as on 31.03.2014				
No. of Equity shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 to 500	3094	89.47	317045	5.40
501 to 1000	152	4.40	124196	2.11
1001 to 2000	88	2.54	134018	2.28
2001 to 3000	34	0.98	88396	1.51
3001 to 4000	13	0.38	46118	0.78
4001 to 5000	12	0.35	56125	0.96
5001 to 10000	21	0.61	158315	2.69
10001 and above	44	1.27	4950787	84.27
Total	3458	100	5875000	100.00
Dematerialisation of Shares	98.692% of the Company's paid-up Equity Share Capital has been dematerialized up to March 31, 2014. Trading in Equity shares of the Company is permitted only in dematerialized segment as per notification issued by the Securities & Exchange Board of India (SEBI).			
Liquidity	The Shares are actively traded in Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India Limited (NSE)			
Outstanding GDR/ Warrants/Convertible Instruments	Nil			

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd.,)

Plant Location	The Company has four Units and its locations are given below:
	Unit-I-Natham Main Road, Kanniyapuram, Dindigul-624 308 Unit - II - Kanniyapuram - Ellaipatty Road, Kanniyapuram, Dindigul - 624 308 Unit - III - Kanniyapuram - Ellaipatty Road, Kanniyapuram, Dindigul - 624 308. (Adjacent to Unit - II). Unit - IV - Kanniyapuram - Ellaipatty Road, Kanniyapuram, Dindigul - 624 308 (Adjacent to Unit - III)
Investor Correspondence/ Query Information :	
For Transfer Shares	SKDC Consultants Ltd., Kanapathy Towers, 3 <sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
Any other matter	Regd.Office: 9-A, Valluvar Street, Sivanandha Colony, Coimbatore - 641 012

### 12. Disclosure

1. Materially Significant related party transactions that may have potential conflict with the interest of the company: The Company do not have any such transactions.
2. Details of remuneration for the year ended 31.03.2014
  - (a) Non executive directors

S.No.	Name of the Director	Sitting Fees (Rs.)
1.	Sri.K.N. Sreedharan	120000
2.	Dr.K. Venkatachalam	120000
3.	Sri.R. Soundararaja Perumal	120000
4.	Vidya Jyothish Pillai	45000
5.	Sri.G.Udayakumar (Amount paid to IDBI Bank Limited)	30000
6.	Bhavya Chandran	60000
	Total	495000

#### (b) Chairman and Managing Director and Executive Director

Name of the Director	Salary (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Sri. P.V. Chandran	2400000	11900000	60000	14360000

3. Shares of the company held by non-executive directors: Dr. K.Venkatachalam holds 100 Shares of the company as on 31<sup>st</sup> March 2014.

# **AMBIKA COTTON MILLS LIMITED**

## **CORPORATE GOVERNANCE REPORT (Contd.,)**

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### **DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND STAFF WITH THE COMPANY'S CODE OF CONDUCT.**

This is to confirm that the Company has adopted a Code of Conduct for its Board and Staff of the Company and a declaration to the effect that the same have been complied with has been received from them in respect of the Financial Year Ended 31.03.2014.

Place : Coimbatore  
Date : 09.08.2014

Sd/-  
**(P.V.CHANDRAN)**  
Chairman and Managing Director

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### **COMPLIANCE CERTIFICATE FROM THE AUDITORS OF THE COMPANY**

#### **To the Members of Ambika Cotton Mills Limited**

We have examined the compliance of conditions of Corporate Governance by Ambika Cotton Mills Limited (the company), for the year ended on 31<sup>st</sup> March 2014, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

We state that in respect of investor grievance during the year ended 31<sup>st</sup> March, 2014, no grievances are pending for period exceeding one month against the Company as per the records maintained by the Shareholder's & Investor's Grievances Committee.

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

**For L. VENKATASUBBU & CO.,**  
CHARTERED ACCOUNTANTS  
FIRM REGN.No.004627s

Sd/-  
**( L.VENKATASUBBU )**  
PARTNER  
MEMBERSHIP No : 019791

Place : Coimbatore  
Date : 24.05.2014

# **AMBIKA COTTON MILLS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

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To

The Members of Ambika Cotton Mills Limited,

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Ambika Cotton Mills Limited (“the Company”) which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with General Circular 15/2013 dated:13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on 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 the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant of 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

# **AMBIKA COTTON MILLS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (Contd.,)**

- (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31 March, 2014
- (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss ,and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss , and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with General Circular 15/2013 dated 13 September 2013 , issued by the Ministry of Corporate Affairs , in respect of Section 133 of the Companies Act ,2013.;
  - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

**For L. VENKATASUBBU & CO.,**  
CHARTERED ACCOUNTANTS  
FIRM REGN.No.004627s

Sd/-  
**( L.VENKATASUBBU )**

PARTNER

MEMBERSHIP No : 019791

DATE : 24.05.2014  
PLACE : Coimbatore

# **AMBIKA COTTON MILLS LIMITED**

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

Re: Ambika Cotton Mills Limited ( "the Company" )

1. In respect of its fixed assets
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
  - b. As explained to us, the fixed assets have been physically verified by the Management during the year at reasonable intervals, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories
  - a. As explained to us, inventories have been physically verified by the Management at reasonable intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c. The Company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to book records.
3. The Company has neither granted nor taken any loans, secured or unsecured to / from Companies, firms or other parties covered in the register maintained U/s 301 of the Act, and hence Para 4(iii) of the Order is not applicable.
4. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
5. According to the Information & Explanations given to us, there are no transaction in excess of Rs.5,00,000/- (Rupees Five Lakh only) in respect of any party which need to be entered in a Register in pursuance of Section 301 of the Act, and hence Para 4(v) of the Order is not applicable.
6. The Company has not accepted any deposits from the public .
7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
8. The Central Government has prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.



# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.,)

9. According to the information and explanations given to us in respect of statutory and other dues:
- The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year.
  - No undisputed arrears of statutory dues were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
  - Disputed dues are as under

Name of the Statute	Nature of Demand	Amount Rs. in Lakhs	Period	Forum where dispute is pending
Income -Tax Act, 1961	Reopening of assessment	26.12	Assessment year 1998-99	Madras High Court,
Service Tax	Freight charges	4.80	From 16.11.1997 to 01.06.1998	CESTAT, Chennai
Customs Act	Interest for payment of duty	7.06	Assessment year 2005-06	CESTAT, Chennai
Central Excise	Demand for Used Spares on de-bonding	2.18	04.03.2005 (date of de-bonding)	CESTAT, Chennai
Service Tax	Payment of Foreign agents' Commission	2.96	From 18.04.2006 to 29.02.2008	CESTAT, Chennai
Central Excise	Modvat Credit	11.33	From 20.05.1999 to 06.08.1999	Madras High Court
Central Excise	Cenvat Credit of Excise Duty	33.80	From 07.12.2008 to 06.07.2009	CESTAT, Chennai
Central Excise	Cenvat Credit of Service Tax	28.90	From 01.10.2005 to 30.06.2006	Madras High Court
Customs Act	De-bonding of Unit-II from 100% EOU	312.23	Assessment year 2005-06	Madurai Bench of Madras High Court
Customs Act	De-bonding of Unit-II from 100% EOU	97.77	Assessment year 2005-06	Madurai Bench of Madras High Court
Sales Tax	Non-filing of Form "H" and Bill of Lading in respect of Exports	4.96	Assessment year 1996-1997	Deputy Commissioner of Appeals, (CT) Madurai

# **AMBIKA COTTON MILLS LIMITED**

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT (Contd.)**

10. The Company has no accumulated losses and has not incurred cash losses during the Financial Year covered by our audit or in the immediately preceding Financial Year.
11. According to the information and explanations given to us the Company has not defaulted in repayment of dues to Financial Institutions or Banks.
12. According to the information and explanations given to us no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit Fund or a Nidhi/ Mutual Benefit Fund / Society. Therefore, clause 4(xiii) of the Order is not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. However, in respect of investments made by the company in shares/ mutual fund units in the nature of investments, the company holds the same in its own name.
15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
16. The Company has not availed any new Term Loans during the year and hence its application for the purpose for which it was obtained does not arise.
17. According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short-term basis have, prima-facie, not been used during the year for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not raised any money by way of issue of debentures and therefore the question of creation of security in respect of the same does not arise.
20. The Company has not raised any money by way of Public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For L.VENKATASUBBU & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REGN.No.004627s**

Sd/-

**(L.VENKATASUBBU)**

PARTNER

MEMBERSHIP No : 019791

Place : Coimbatore

Date : 24.05.2014

# AMBIKA COTTON MILLS LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	58750000	58750000
Reserves and surplus	4	2540580566	2145119648
		<b>2599330566</b>	<b>2203869648</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	309330940	616351940
Deferred tax liabilities (Net)	6	411872757	447663880
		<b>721203697</b>	<b>1064015820</b>
<b>Current Liabilities</b>			
Short-term borrowings	7	386099089	9992310
Trade payables	8	326470806	494701878
Other current liabilities	9	418775052	380675253
Short-term provisions	10	95781794	71986360
		<b>1227126741</b>	<b>957355801</b>
<b>TOTAL</b>		<b>4547661004</b>	<b>4225241269</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
(i) Tangible assets	11A	2884597705	2907165753
(ii) Intangible assets	11B	3971738	5957608
(iii) Capital work-in-progress		9956742	3630988
Long-term loans and advances	12	88298636	101817344
		<b>2986824821</b>	<b>3018571693</b>
<b>Current Assets</b>			
Current investments	13	718500	570000
Inventories	14	1329023248	921847843
Trade receivables	15	57045650	65290534
Cash and cash equivalents	16	27437036	15278346
Short Term Loans & Advances	17	146384334	203563764
Other current assets	18	227415	119089
		<b>1560836183</b>	<b>1206669576</b>
<b>TOTAL</b>		<b>4547661004</b>	<b>4225241269</b>
Significant accounting policies	2		
See accompanying notes forming part of the Financial Statements			

As per our report of even date attached

For L.VENKATASUBBU & CO  
Chartered Accountants  
Firm Regn. No. 004627s

Sd/-  
(L.VENKATASUBBU)  
PARTNER  
MEMBERSHIP NO : 019791

Place : Coimbatore  
Date : 24.05.2014

Sd/-  
(P.V.CHANDRAN)  
CHAIRMAN AND MANAGING DIRECTOR

Sd/-  
(R.SOUNDARARAJA PERUMAL)  
DIRECTOR

For and on behalf of the Board

Sd/-  
(Dr.K.VENKATACHALAM)  
DIRECTOR

Sd/-  
(RADHEYSHYAM PADIA)  
COMPANY SECRETARY

# AMBIKA COTTON MILLS LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2014

Particulars	Note No	Year Ended	Year Ended
		31.03.2014	31.03.2013
		Rs.	Rs.
I. Revenue from operations	19	4768585094	3977882734
II. Other income	20	2246864	2659656
III. Total Revenue (I+II)		<b>4770831958</b>	<b>3980542390</b>
IV. Expenses:			
Cost of materials consumed	21	2859179075	2380056366
Purchases of Stock-in-Trade		0	0
Changes in inventories of finished goods and work-in-progress	22	-83785677	-30728055
Employee benefits expense	23	240786956	211725831
Finance costs	24	120261790	187886952
Depreciation and amortization expense		316237718	274332117
Other expenses	25	721588429	550702770
Total expenses		<b>4174268291</b>	<b>3573975981</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		596563667	406566409
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax (V - VI)		596563667	406566409
VIII. Extraordinary items		0	0
IX. Profit before tax (VII - VIII)		596563667	406566409
X Tax expense			
(1) Current tax			
(i) MAT		125038582	82398071
(ii) MAT credit reversed		25643561	42008935
(2) Deferred tax		-35791123	-28745958
(3) Prior period Income tax		293073	1064898
		<b>115184093</b>	<b>96725946</b>
XI. Profit ( Loss) for the period from continuing operations (IX -X)		<b>481379574</b>	<b>309840463</b>
XII. Profit / (loss) from Discontinuing operations		0	0
XIII. Profit ( Loss) for the period (XI + XII)		<b>481379574</b>	<b>309840463</b>
XIV. Earnings per equity share (Face value of Rs.10/-)			
(1) Basic		81.94	52.74
(2) Diluted		81.94	52.74

Significant accounting policies 2

See accompanying notes forming part of the Financial Statements

As per our report of even date attached

For L.VENKATASUBBU & CO  
Chartered Accountants  
Firm Regn. No. 004627s

Sd/-  
(L.VENKATASUBBU)  
PARTNER  
MEMBERSHIP NO : 019791

Place : Coimbatore

Date : 24.05.2014

Sd/-  
(P.V.CHANDRAN)  
CHAIRMAN AND MANAGING DIRECTOR

Sd/-  
(R.SOUNDARARAJA PERUMAL)  
DIRECTOR

For and on behalf of the Board

Sd/-  
(Dr.K.VENKATACHALAM)  
DIRECTOR

Sd/-  
(RADHEYSHYAM PADIA)  
COMPANY SECRETARY

# AMBIKA COTTON MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

Particulars	Year Ended 31.03.2014 Rs.	Year Ended 31.03.2013 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	596563667	406566409
Adjustment for		
Depreciation	316237718	274332117
Finance Cost	120261790	187886952
Increase in carrying amount of Investments	-12500	-28460
Sale of Plant & Machinery	-14164044	0
Foreign Currency Fluctuation on revaluation	-25585399	-3593554
Foreign Currency Fluctuation in cash and cash Equivalents on Revaluation	5437	0
Investments Income :		
Interest/Dividend Received	-2234364	-2631196
Operating Profit Before Working Capital Changes	991072305	862532268
Changes in Working capital		
Adjustments for		
Inventories	-407175405	-94637802
Trade and other receivables	81648348	61411590
Trade Payables	-130051639	177177648
Cash generated from operations	535493609	1006483704
Direct Taxes paid	-157285552	-132373895
Net Cash from operating activities	<b>378208057</b>	<b>874109809</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-309788905	-86283176
Capital work in progress`	-6325754	-3630988
Sale of Fixed assets	32269149	0
Capital Advances	-3089408	0
Acquisitions of Companies	0	0
Purchase of Investments	-136000	0
Sale of Investments	0	0
Interest Received	2227089	2623921
Dividend Received	7275	7275
Net cash used in Investing activities	<b>-284836554</b>	<b>-87282968</b>

# AMBIKA COTTON MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

Particulars	Year Ended	Year Ended
	31.03.2014	31.03.2013
	Rs.	Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	0	0
Proceeds from Long Term borrowings	0	0
Proceeds from Working Capital borrowings	376106779	-275307186
Foreign currency fluctuation on revaluation	25781521	-11041
Repayment of Long Term borrowings	-307021000	-311132990
Repayment of Finance/ Lease Liabilities	0	0
Dividend Paid	-55812886	-17625000
Interest Paid	-120261790	-187886952
Net Cash Used in Financing Activities	<b>-81207376</b>	<b>-791963169</b>
Net increase in Cash and Cash Equivalents	12164127	-5136328
Cash and Cash Equivalents as at 1st April (Opening Balance)	15278346	20414674
Increase on account of foreign currency revaluation	-5437	0
Cash and Cash Equivalents as at 31st March (Closing Balance)	27437036	15278346

### Notes :

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3: "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006
2. Cash and cash equivalents include balances with scheduled banks on dividend account Rs.14.42 Lakh (Previous year Rs.13.32 Lakh) which are not available for use by the Company.

As per our report of even date attached  
For L.VENKATASUBBU & CO

Chartered Accountants

Firm Regn. No. 004627s

Sd/-

(L.VENKATASUBBU)

PARTNER

MEMBERSHIP NO : 019791

For and on behalf of the Board

Sd/-

(P.V.CHANDRAN)

CHAIRMAN AND MANAGING DIRECTOR

Sd/-

(R.SOUNDARARAJA PERUMAL)

DIRECTOR

Sd/-

(Dr.K.VENKATACHALAM)

DIRECTOR

Sd/-

(RADHEYSHYAM PADIA)

COMPANY SECRETARY

Place : Coimbatore

Date : 24.05.2014

# **AMBIKA COTTON MILLS LIMITED**

## **Notes to the Financial Statements**

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### **Note 1**

#### **Corporate Information**

Ambika Cotton Mills Limited is engaged in manufacturing and selling speciality cotton yarn catering to the needs of manufacturers of premium branded shirts and t-shirts. Exports constitute significant portion of the operations. The company operates with total installed spindle capacity of 109872 Spindles of which 100800 Spindles constitutes compact facility housed in four units. The company has installed 27.4 MW wind power capacity for captive consumption of spinning segment. The Spinning Plants are located at Kanniyapuram, Dindigul and Windmills are located in Tirunelveli, Dharapuram and Theni in the State of Tamilnadu.

### **Note 2**

#### **Significant Accounting Policies**

##### **(a) Basis for preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and generally accepted accounting principles and comply in all material respects with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 Circular 08/2014 dated April 4, 2014 and other relevant provisions of the Companies Act, 1956.

##### **(b) Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

##### **(c) Fixed Assets (Tangible/Intangible)**

Fixed Assets are stated at cost of acquisition including any attributable cost of bringing the assets to its working condition for its intended use and net of Cenvat or any other claim receivable less accumulated depreciation.

##### **(d) Depreciation and amortization**

Depreciation has been provided on fixed assets:

- i. At pro-rata rates on the basis of assets put into use in the First/Second half of the year on Straight Line Method in accordance with Schedule XIV of the Companies Act, 1956.
- ii. In respect of new projects at pro-rata rates from the month from which the assets are put into use on Straight Line Method in accordance with Schedule XIV of the Companies Act, 1956.



# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

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- iii. Plant & Machinery are depreciated at the rates applicable to continuous process plants.
- iv. The rates specified under schedule XIV of the Companies Act, 1956 are considered as the minimum rates and if the estimate of the useful life of a fixed asset at the time of the acquisition of the asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the estimate of the useful life / remaining useful life.
- v. Intangible assets viz., Knowhow is amortized over the period of estimated useful life of 4 years.

### (e) Inventories

Inventories are valued as under

- i. Raw materials: At cost or net realisable value whichever is lower.
- ii. Finished Goods: At an estimated cost or net realisable value whichever is lower.
- iii. Work in Progress: At an estimated cost or net realisable value whichever is lower.
- iv. Waste Cotton: At net realisable value.
- v. Stores, Spares and Packing materials: At cost or net realisable value whichever is lower.
- vi. Cost of Raw materials is determined on weighted average cost basis and for Stores, Spares and Packing materials is determined on specific identification of individual costs.
- vii. Cost of finished goods and work in progress is estimated and determined by taking materials, labour cost and other related overheads.

### (f) Revenue Recognition

- i. Sales revenue is recognized on transfer of significant risk and rewards of the ownership of the goods to the buyer which coincides with despatch of goods.
- ii. Dividend income on investments is accounted for when the right to receive the payment is established and interest income is recognized on time proportionate basis.

### (g) Foreign Currency Transactions

- i. Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction
- ii. Foreign currency monetary items at the balance sheet date are reported using the closing rate
- iii. Exchange differences arising on the settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or expense in the year in which they arise.
- iv. The Foreign currency fluctuation risks are mitigated by entering into forward contracts.

# AMBIKA COTTON MILLS LIMITED

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## Notes to the Financial Statements

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### (h) Government Grants

- i. Government Grants are recognized when there is a reasonable assurance that the company would comply with the conditions attached for such grant and further the grant would be received
- ii. Revenue grants are recognized in the Statement of Profit and Loss.
- iii. Interest reimbursement under Technology Upgradation Fund Scheme (TUFS) is directly credited to respective term loan interest accounts, being reimbursement of expenditure incurred.

### (i) Investments

The investments in equity shares and mutual fund units are of current investments and are carried at lower of cost and fair value.

### (j) Employee benefits

Employee benefits consist of provident fund and gratuity. The company's contribution to provident fund is considered as defined contribution plan and charged as an expense based on the amount of contribution required to be made. For defined benefit plan the company contributes to group gratuity scheme formulated by Life Insurance Corporation of India as demanded by the said corporation to discharge its liability on account of employee post employment benefits.

### (k) Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

### (l) Segment reporting

The company is primarily engaged in manufacturing cotton yarn. The power generated from windmills is meant for captive consumption for manufacturing of cotton yarn. In terms of Accounting Standard -17 (Segment Reporting), one of the criteria for segment reporting is segment assets constituting 10% or more of the total assets of all the segments and accordingly the Company has identified two reportable segments viz., Textiles and Windmills as business segments and inter segment revenue is value of power adjusted by State Government Corporation (TANGEDCO) in electricity bills of spinning segment.

### (m) Earnings per Share

Earnings per share is calculated by dividing the profit after tax by number of equity shares outstanding during the year.

# AMBIKA COTTON MILLS LIMITED

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## Notes to the Financial Statements

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**(n) Current Tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 and inclusive of MAT credit reversed and exclusive of MAT credit carried forward.

**(o) Deferred Tax Liability**

Deferred tax liability is measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance sheet date.

**(p) MAT Credit Entitlement**

Income-tax paid under section 115JB of the Income-tax Act, 1961 is entitled for due set-off in the subsequent 10 assessment years against normal tax liability over and above the MAT liability of the concerned assessment year.

**(q) Impairment**

The carrying amounts of assets are reviewed at each Balance sheet date to ascertain if there is any indication of impairment, wherein the carrying cost of asset exceeds its recoverable value, based on internal / external factors and such impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired and reversed if there has been a change in the estimate of recoverable amount.

**(r) Derivative Contracts**

The Company enters into derivative contracts in the nature of Foreign Currency Forward contracts with an intention to hedge its existing assets & liabilities, Firm commitments and highly probable transactions in foreign currency. Gains arising on the same are not recognized until realized on grounds of prudence.

**(s) Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

### Note 3

Share Capital	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	Rs.	Number of Shares	Rs.
<b>a. Authorised</b> Equity Shares of Rs.10/ each with voting rights	10000000	100000000	10000000	100000000
<b>b. Issued</b> Equity Shares of Rs.10/ each with voting rights	5875000	58750000	5875000	58750000
<b>c. Subscribed and fully paid up</b> Equity Shares of Rs.10/ each with voting rights	5875000	58750000	5875000	58750000

### Notes :

- The company has only one type of share capital viz.. Equity Share Capital having a face value of Rs.10/- per share.
- There are no issue / buyback of shares during the reporting period , hence a reconciliation of the outstanding number of shares at the beginning and at the end does not arise.
- The issued Equity Share Capital carries equal voting rights and entitlement to dividends
- No shares are held by a holding company or its ultimate holding company or its subsidiary or associates
- Shareholders holding more than 5% of Share Capital

Name of the Shareholder	31.03.2014		31.03.2013	
	No. of Shares	% of holding	No. of Shares	% of holding
1. C. Bhavani	2272466	38.68	2272466	38.68
2. P.V. Chandran	554534	9.44	460628	7.84
3. IDFC Mutual Fund	444101	7.56	521125	8.87
4. Raghu Trading and Investment Co. Private Ltd	389490	6.63	332116	5.65

- No shares are reserved for issue under options and contracts / commitments for the sale of shares/disinvestments
- For the period of five years immediately preceding the date as at which the Balance sheet is prepared, no shares are (a) allotted as fully paid up pursuant to contract (s) without payment being received in cash, (b) allotted as fully paid up way of bonus shares, (c) bought back.
- There are no securities convertible into equity / preference shares
- There are no calls unpaid & forfeited shares.

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

<b>Note 4</b>	<b>As at</b>	<b>As at</b>
<b>Reserves &amp; Surplus</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
(a) Securities Premium Reserve		
As per last Balance Sheet	197258148	197258148
	<u>197258148</u>	<u>197258148</u>
(b) General Reserve		
Opening Balance	1167981000	1067981000
Add : Transfer from Surplus in Statement of Profit & Loss	100000000	100000000
Closing Balance	<u>1267981000</u>	<u>1167981000</u>
(c) Surplus in Statement of Profit & Loss		
Opening Balance	779880500	634906720
Add : Profit after tax for the year	481379574	309840463
Less : Provision for Dividend	-73437500	-55812500
Provision for Tax on Dividend	-12480703	-9054183
Prior Period Dividend & Dividend Tax	-453	0
Transfer to General Reserve	-100000000	-100000000
Closing Balance	<u>1075341418</u>	<u>779880500</u>
<b>Total (a+b+c)</b>	<u><b>2540580566</b></u>	<u><b>2145119648</b></u>

### Non-Current Liabilities

#### Note 5

#### Long - term Borrowings

##### (i) Secured

Term Loans from Banks	616351940	927476940
Less : Repayable within 1 year included under Other Current Liabilities	<u>-307021000</u>	<u>-311125000</u>
	<u><b>309330940</b></u>	<u><b>616351940</b></u>

#### Nature of Security

1. Rupee Term Loans from IDBI Bank Ltd., Bank of Baroda, Corporation Bank, & Axis Bank Ltd, are secured by a first charge by way of joint mortgage by deposit of title deeds of the Company's immovable properties both present and future and is further secured by a pari passu second charge by way of hypothecation of Company's all movable properties (save and except book debts) including movable plant and machinery, machinery spares, tools and accessories and other movables both present and future, subject to prior charges created and / or to be created in favour of the Company's Term Loan Lenders / Bankers on specific assets securing the term loan / working capital extended by them.

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

2. Rupee Term Loan from Bank of Baroda, relating to Windmills located at Theni is secured by a First Charge over the Assets created out of the Term Loan and further secured by second charge over the fixed assets and current assets of the company. Second charge over the fixed assets created out of the term loan is extended to other banks.

Loans Guaranteed by Directors : Nil

Terms of Repayment : All term loans are repayable in quarterly installments as specified in loan documents

Period and amount of continuing Default : Nil

<b>(ii) Unsecured</b>	0	0
<b>Note 6</b>	<b>As at</b>	<b>As at</b>
<b>Deferred Tax Liability</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
Opening Balance	447663880	476409838
Add : Transfer to / from Statement of Profit & Loss	-35791123	-28745958
	<u>411872757</u>	<u>447663880</u>

**Note No 7**

### Short term Borrowings

#### (i) Secured

Loans Repayable on Demand

From Banks

386099089	9992310
<u>386099089</u>	<u>9992310</u>

### Nature of Security

Working Capital Loans from Banks are secured jointly by a first charge by way of Hypothecation of all stock of raw materials, process stocks, finished goods, stores and spares and receivables including export receivables, present and future book debts, outstanding moneys, receivables, claims, bills, contracts, engagements securities, and other rights and assets and are further secured jointly by second charge created and / or to be created by way of Mortgage by deposit of title deeds of all immovable properties of the Company, both present and future, and by way of hypothecation of Plant & Machinery of the Company both present and future.

Loans Guaranteed by Directors Nil

Period and amount of continuing Default Nil

<b>(ii) Unsecured</b>	0	0
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# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

<b>Note 8</b>	<b>As At</b>	<b>As At</b>
<b>Trade Payables</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
a. Acceptances	253573240	428248065
b. Other than Acceptances	72897566	66453813
	<u>326470806</u>	<u>494701878</u>

### Note 9

#### Other Current Liabilities

a. Current maturities of long-term debt	307021000	311125000
b. Interest accrued but not due on borrowings	568902	1938449
c. Unpaid dividends	1441517	1332025
d. Other Payables		
(i) Statutory remittances	12501611	2243472
(ii) Advances from Customers	17426209	7550558
(iii) Liability for Expenses	79815813	56485749
	<u>418775052</u>	<u>380675253</u>

### Note 10

#### Short Term Provisions

a. Provision for Income Tax (net of Advance tax & TDS Rs.115174991/- (Previous year Rs.75278394/- )	9863591	7119677
b. Provision for dividend	73437500	55812500
c. Provision for dividend tax	12480703	9054183
	<u>95781794</u>	<u>71986360</u>



# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

### Note 11. FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2013 Rs.	Additions (Sold/Adjusted) during the year Rs.	As at 31.03.2014 Rs.	Upto 31.03.2013 Rs.	Provided (withdrawn) during the year Rs.	As at 31.03.2014 Rs.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>A. TANGIBLE ASSETS</b>								
Land	94602667	7933508	102536175	0	0	0	102536175	94602667
Building	564418968	12128695	576547663	134444972	18944079	153389051	423158612	429973996
Plant & Machinery	3958945004	279752624	4115623964	1587412856	292290729	1774735026	2340888938	2371532148
Electrical Fittings	266870	-123073664	266870	266870	-104968559	266870	0	0
Furniture & Fixtures	750929	100360	851289	558146	53887	612033	239256	192783
Office Equipments	5983445	152060	6135505	4497603	402154	4899757	1235748	1485842
Vehicles	22292633	9721658	32014291	12914316	2560999	15475315	16538976	9378317
<b>Total As At 31.03.2014</b>	<b>4647260516</b>	<b>309788905</b>	<b>4833975757</b>	<b>1740094763</b>	<b>314251848</b>	<b>1949378052</b>	<b>2884597705</b>	<b>2907165753</b>
Total As At 31.03.2013	4568920818	78339698	4647260516	1467748516	272346247	1740094763	2907165753	3101172302
<b>B. INTANGIBLE ASSETS</b>								
Knowhow	7943478	0	7943478	1985870	1985870	3971740	3971738	5957608
<b>Total As At 31.03.2014</b>	<b>7943478</b>	<b>0</b>	<b>7943478</b>	<b>1985870</b>	<b>1985870</b>	<b>3971740</b>	<b>3971738</b>	<b>5957608</b>
Total As At 31.03.2013	0	7943478	7943478	0	1985870	1985870	5957608	0

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

<b>Note 12</b>	<b>As At</b>	<b>As At</b>
<b>Long Term Loans and Advances</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
a. Capital Advances	3089408	0
b. Security Deposits		
i. Electricity Deposit	9441111	25731824
ii. In Fixed Deposit with bank ( for guarantee )	371800	0
iii. Other Deposits	486620	436620
c. MAT credit entitlement	6000000	75648900
d. CENVAT Credit receivable	14909697	0
	<u>88298636</u>	<u>101817344</u>

### Note 13

#### Current Investments

a. Equity Shares ( Quoted )		
i. Cholamandalam Investment and Finance Company Ltd (650 Equity Shares of Rs.10/- each) (Previous year 650 equity shares of Rs.10/- each)	65000	65000
ii. City Union Bank Ltd., ( 5000 Equity Shares of Rs.1/- each) (Previous year 5000 equity shares of Rs.1/- each)	17500	17500
b. Investments in Mutual Fund units		
LIC Nomura MF Equity Fund- Dividend Plan* (48317.566 Units of Rs. 10 each ) ( Previous Year 50,000 Units of Rs.10 each LICMF Systematic Asset Allocation Fund-Dividend) *(On switch over of 50,000 Units of LICMF Systematic Asset Allocation Fund-Dividend)	500000	487500
c. Equity Shares (Unquoted)		
Suryadev Alloys & Power Private Limited (1000 Equity Shares of Rs. 10/- each) (Previous year Nil)	136000	0
	<u>718500</u>	<u>570000</u>

(Market value of quoted investments - Equity

Shares Rs.456645 /- (Previous year Rs.439625/- )

Net asset value of Mutual Fund units Rs.579270/-

(Previous year Rs.487500 /-)

Mode of valuation : Carried at lower of cost and fair value

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

<b>Note 14</b>	<b>As At</b>	<b>As At</b>
<b>Inventories</b>	<b>31.03.2014</b>	<b>31.03.2014</b>
	<b>Rs.</b>	<b>Rs.</b>
a. Raw Materials ( at cost or net realisable value whichever is lower)	1025321865	706873091
b. Work-in-progress (at an estimated cost or net realisable value whichever is lower)	115896993	90973603
c. Finished Goods (at an estimated cost or net realisable value whichever is lower)	121967304	66692541
d. Waste Cotton (at net realisable value)	9995650	6408126
e. Packing Materials (at cost or net realisable value whichever is lower)	11426203	14413885
f. Stores and Spares (at cost or net realisable value whichever is lower)	44415233	36486597
	<b><u>1329023248</u></b>	<b><u>921847843</u></b>
<b>Details of Raw Materials</b>		
Raw Cotton	1019676353	706769472
Modal	5645512	103619
	<b><u>1025321865</u></b>	<b><u>706873091</u></b>
<b>Details of Work in progress</b>		
Cotton in process	115896993	90973603
	<b><u>115896993</u></b>	<b><u>90973603</u></b>
<b>Details of Finished goods</b>		
Cotton Yarn	120096325	66144882
Knitted Fabrics	1870979	547659
	<b><u>121967304</u></b>	<b><u>66692541</u></b>
<b>Note15</b>		
<b>Trade Receivables</b>		
(Unsecured considered good)		
a. Due for a period more than six months	354923	3492279
b. Others	56690727	61798255
	<b><u>57045650</u></b>	<b><u>65290534</u></b>
<b>Note 16</b>		
<b>Cash and Cash Equivalents</b>		
a. Cash on hand	2414914	2599610
b. Balances with Banks		
(i) In Current accounts	16999378	5705697
(ii) In EEFC accounts	571412	26686
(iii) In demand deposit accounts	6009815	5614328
(iv) In earmarked accounts		
- Unpaid dividend accounts	1441517	1332025
	<b><u>27437036</u></b>	<b><u>15278346</u></b>

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

Note 17	As At	As At
Short-Term Loans & Advances	31.03.2014	31.03.2013
	Rs.	Rs.
(Unsecured and considered good)		
a. Staff Advance	0	584146
b. Advance for supply of materials	10733622	19939083
c. Interest reimbursement receivable (TUFS)	20640760	14878403
d. EB receivable (due from TANGEDCO )	186698	51048889
e. Balances with Government authorities		
i. Duty drawback receivable	36436143	30351610
ii. Cenvat & Service tax credit receivable	15241525	20594709
iii. MAT credit carried forward	32147239	42141900
iv. VAT & Sales tax receivable	4153530	1543442
f. Pre-paid Expenses	17340308	11081572
g. Others		
i. Cotton Purchase debit Note	3798778	281035
ii. LC Opening charges for Import of cotton	3418981	5014049
iii. Forward cover receivable.	2286750	6104926
	<u>146384334</u>	<u>203563764</u>

### Note 18

#### Other Current Assets

Interest accrued on Deposits

Bank	214895	105589
Others	12520	13500
	<u>227415</u>	<u>119089</u>

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

<b>Note 19</b>	<b>Year Ended</b>	<b>Year Ended</b>
<b>Revenue from Operations</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
(i) Sale of Products (Refer Note (i) below)	4595223866	3850130556
(ii) Other Operating Revenue (Refer Note (ii) below)	173361228	127752178
	<u>4768585094</u>	<u>3977882734</u>
Less: Excise Duty	0	0
	<u><b>4768585094</b></u>	<u><b>3977882734</b></u>
<b>(i) Sale of Products Comprises</b>		
Cotton Yarn	4205012953	3506378022
Knitted Fabrics	39450342	34915849
Waste Cotton	350760571	308836685
	<u><b>4595223866</b></u>	<u><b>3850130556</b></u>
<b>(ii) Other Operating Revenue</b>		
a. DEPB (For Export)	677106	7458375
b. Duty draw back	89682719	71804025
c. Trading Profit - Cotton & Yarn	56620758	4319599
d. Profit on Sale of Machinery	14164044	0
e. Rent	330000	330000
f. Sundry Parties Written Off	3793243	0
g. Wind Energy	8093358	43840179
	<u><b>173361228</b></u>	<u><b>127752178</b></u>
<b>Note 20</b>		
<b>Other Income</b>		
a. Interest (Refer Note (i) below)	2227089	2623921
b. Dividend	7275	7275
c. Increase in value of Investments	12500	28460
	<u><b>2246864</b></u>	<u><b>2659656</b></u>
Interest Income Comprises of		
From banks on deposits	688671	508835
Other Interest	1538418	2115086
Total Interest Income	<u><b>2227089</b></u>	<u><b>2623921</b></u>

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

<b>Note 21</b>	<b>Year Ended</b>	<b>Year Ended</b>
<b>Cost of Materials Consumed</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
Opening Stock	706873091	644600572
Add : Purchases	3425681941	2473243115
	<u>4132555032</u>	<u>3117843687</u>
Less : Sales	248054092	30914230
	<u>3884500940</u>	<u>3086929457</u>
Less : Closing Stock	1025321865	706873091
Cost of Materials Consumed	<u><b>2859179075</b></u>	<u><b>2380056366</b></u>
<b>Materials Consumed Comprises of</b>		
Raw Cotton	2854784182	2377748421
Modal	4394893	2307945
	<u>2859179075</u>	<u>2380056366</u>
<b>Note 22</b>		
<b>Changes in Inventories of Finished goods and Work-in-Progress</b>		
Opening Stock Work in progress	90973603	83524389
Opening Stock Finished Goods	66692541	43916882
Opening Stock of Waste Cotton	6408126	5904944
Total (A)	<u><b>164074270</b></u>	<u><b>133346215</b></u>
Closing Stock Work in progress	115896993	90973603
Closing Stock Finished Goods	121967304	66692541
Closing Stock of Waste Cotton	9995650	6408126
Total (B)	<u><b>247859947</b></u>	<u><b>164074270</b></u>
Increase / Decrease in Stock (A - B) (-)/(+)	<b>-83785677</b>	<b>-30728055</b>

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

<b>Note 23</b>	<b>Year Ended</b>	<b>Year Ended</b>
<b>Employee Benefits Expense</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
Salaries & Wages	183170369	145132277
Contribution to Provident Fund & Other Funds	11701492	10875248
Staff Welfare Expenses	45915095	55718306
	<u>240786956</u>	<u>211725831</u>

### Note 24

#### Finance Costs

a. Interest Expense		
(i) Fixed Term loans	70583040	97011566
(ii) Working Capital Loans	37128875	71713953
b. Other Borrowing Costs	337485	1224252
c. Net Gain/Loss on Foreign Currency transactions	12212390	17937181
	<u>120261790</u>	<u>187886952</u>

### Note 25

#### Other Expenses

Stores Consumed	58955229	48742502
Power & Fuel	261056941	207990704
Materials Sizing & Fabrication	1561262	1677018
Freight Inwards	2368133	1249864
Machinery Maintenance	10200330	9426368
Building Maintenance	46345764	31338010
Vehicle Maintenance	11783643	9378151
Printing & Stationary	881275	934959
Postage & Telephone	2989764	1848552
Travelling Expenses	3315446	3025631
Insurance	10218195	6848617
Licence Fees & Taxes	5687677	6853758
Bank Charges	8463540	5810457
Professional & Legal Charges	2876757	1745333
Salary to Managing Director	14300000	7500000
Salary to Director	0	120000
Auditors Remuneration	337080	330900
Foreign Exchange Fluctuation	95171222	40377741
Freight Outwards	50492268	43285583
Packing Materials	65232950	54442369
Brokerage & Commission	61244972	58968198
Sundry Parties Written Off	0	609654
Advertisement	747713	454440
Security Service Charges	3818839	2970675
Miscellaneous Expenses	3539429	4773286
	<u>721588429</u>	<u>550702770</u>



# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

### Note 26

#### Other Additional Information:

i	Commitment and Contingent Liabilities: -
a.	Commitment : In respect of contract remains to be executed on capital account Rs.745 Lakh (Previous year Rs. 1384 Lakh). (Advance and other expenditure incurred Rs. 130 Lakh ( Previous year Rs.1.23 Lakh)
b.	Contingent Liabilities : Export Bills discounted / lodged with the Bank Rs.1363 Lakh (Previous year Rs.3876 Lakh)
c.	In respect of Assessment Year 1998-1999, the claim of the company for deduction of proportionate export profits from book profits was allowed by the Income-tax department while completing the original assessment. The same was revised in the reassessment proceedings and the department has raised a demand of Rs.26.12 Lakh and the order raising the demand has been stayed by Madras High Court pursuant to the writ filed by the company. In a similar case the Supreme Court has upheld the principles of claim contested by the Company.
d.	In respect of assessment year 2004-05 the Income tax department sought to re-open the assessment U/ s 147 of the Income Tax Act 1961 in respect of claim of depreciation @ 80% in respect of the windmills. However, the company has filed a writ before Hon'ble Madras High Court and the matter is pending. No demand is raised so far. In similar cases, ITAT, Chennai has allowed the appeals in favour of the assesseees.
e.	The Central Excise department has raised a demand towards service tax of Rs.4.80 Lakh in respect of Freight charges paid by the Company, which was earlier held unconstitutional by Hon'ble Apex Court. The matter is contested before CESTAT, Chennai.
f.	The Central Excise department has raised a demand of Rs.7.06 Lakh on account of interest in respect of an Advance License for annual requirement. The matter is stayed by CESTAT Chennai. However the demand is paid by the company to redeem the License.
g.	The Central Excise department has raised a demand of Rs.1.09 Lakh and further a penalty of Rs.1.09 Lakh proposing to levy the same in respect of used spares on de-bonding of 100 % EOU and the matter is presently pending before CESTAT Chennai.
h.	The Central Excise department has raised a Service Tax demand of Rs.2.12 Lakh, Interest Rs.0.31Lakh and Penalty Rs.0.53 Lakh for payment of commission to Foreign Agents and the matter is presently pending before CESTAT Chennai.
i.	The Central Excise department has not accepted claim of Modvat credit of Rs.11.33 Lakh made by the Company in respect of its erstwhile 100% EOU unit and the matter is pending before Madras High Court.
j.	The Central Excise department has not accepted claim of Cenvat Credit of Excise duty of Rs.33.80 Lakh made by the Company in respect of capital goods for the reason that during the impugned period cotton yarn was exempted and the matter is presently pending before CESTAT Chennai. However in a similar matter the Gujarat High Court allowed the claim of the assessee.
k.	The Central Excise department has not accepted claim of Cenvat Credit of Service Tax of Rs.28.90 Lakh made by the Company in respect of Windmills for the reason that windmills are situated outside the factory and the matter is pending before Madras High Court. In the company's own case , for a different year , the claim was allowed by Commissioner Central Excise ( Appeals ) , Madurai.

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

### Note 26 (Contd...)

#### Other Additional Information:

l.	The Sales Tax Department in respect of Assessment Year 1996-97 has raised a demand of Rs.4.96 Lakh for non filing of certain forms and the matter is contested before Appellate Deputy Commissioner (Commercial Taxes), Madurai. The Company has remitted 25% of the disputed tax Rs.1.24 Lakh and for the balance 75% of the disputed tax demand Rs.3.72 Lakh has furnished a bank guarantee.		
m.	Details of EPCG Authorization & Export obligations	Export obligation to be fulfilled in USD*	Duty (Rs In Lakh)
	Opening Balance	1654624.05	115
	Add : New Authorizations obtained during the year	4541084.31	464
	Less : Obligation fulfilled during the year, pending redemption	5290498.69	495
	Closing Balance	905209.67	84
	* Obligation in USD is computed at 8 times of the Duty saved amount , to be fulfilled within a period of 8 years from the date of authorization. In the case of the company the above closing balance obligation in USD 905209.67 is in respect of authorizations obtained during the current financial year. The Obligation fulfilled Authorizations are pending for redemption.		
n.	In respect of Advance Authorization for import of Raw Material ( Modal) the company has to fulfill an export obligation in USD 63917 and in the event of failure to fulfill the prescribed export obligation the company is liable to pay duty amount of Rs.842137 /- (previous year Rs. Nil) along with applicable rate of interest. In the opinion of the board the present level of exports of the company would be sufficient to fulfill the prescribed export obligation fixed under the authorization.		
o.	The Company has de-bonded one of its units ( Unit – II ) from 100 % EOU after completion of initial period of 5 Years and after fulfillment of export obligation by achieving Positive NFEP ( Net Foreign Exchange ) in accordance with EXIM policy. The de-bonding involved payment of duty under EPCG License ( for capital goods ) and Advance License ( For Raw materials imported ) Schemes . The de-bonding was completed after obtaining “ No Dues Certificate from the Assistant Commissioner, Central Excise , Dindigul and final exit order from the Deputy Commissioner , MEPZ , Chennai .The Export Obligation , for duty discharge , fixed both under EPCG Scheme and advance License Scheme are also fulfilled and the respective licenses are redeemed from JDGFT , Coimbatore . Subsequent to the above fulfillment, the Central Excise Department has raised a Demand of Rs.410 Lakh towards de- bonding of Unit – II and the same is contested by way of writ before Hon’ble Madurai Bench of Madras High Court and the matter is stayed by the High Court.		
p.	TANGEDCO (Tamilnadu Generation and Distribution Corporation Limited) has raised a demand for self generation tax in respect of electricity generated by windmills amounting to Rs.309 Lakh ( Previous year Rs. 90 Lakh ) and the matter has been stayed by Madras High court and pursuant to the same TANGEDCO kept the demand in abeyance. TANGEDCO has further raised a demand of Rs. 139 Lakh for cross subsidy in respect of power sourced from outside and the same has been set aside by Madras High court and TANGEDCO has preferred an appeal before Division bench of Madras High Court and the matter is pending. The company has fully provided for these demands.		

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

### Note 26 (Contd...)

#### Other Additional Information:

ii.	Auditors' Remuneration	2014 Rs.	2013 Rs.
	Audit Fees	337080	330900
	Total	337080	330900

iii.	a. Earnings Per Share (EPS)	2014	2013
	Profit after Tax as per Statement of Profit and Loss (Rs. in Lakhs)	4814	3098
	Average No. of Equity Shares (Face Value Rs.10/- each)	5875000	5875000
	Earning Per Share (EPS) (Basic) (Rs.)	81.94	52.74
	Earning Per Share (EPS) (Diluted) (Rs.)	81.94	52.74
	b. Dividend Proposed to be distributed to Equity Shareholders		
	Amount of Dividend (in Rs)	73437500	55812500
	Amount per Share (in Rs.)	12.50	9.50

iv.	Details of TUFs Interest Reimbursement (Rs. In Lakh )				
	Opening Balance	Receivable for the year	Total Receivable	Received during for	Closing Balance
	( 1 )	( 2 )	( 3 ) (1+2)	( 4 )	(5) (3 - 4)
	149	283	432	226	206
	(314)	(414)	(728)	(579)	(149)
	(Figures in bracket relates to previous year)				

- v. In terms of information available with the company there are 1 (one ) party (Previous Year 3 (three ) parties) who are duly registered under Micro, Small and Medium Enterprises Development Act, 2006 and in respect of whom the amount payable Outstanding as on 31.03.2014 is Rs.16,18,363/ - (Previous year Rs.611023/-) and the same was settled within the agreed dates, which is not more than 45 days from the day of acceptance or deemed acceptance of the goods.
- vi. Vehicle maintenance includes cost of expenditure exclusively incurred to provide transport to the employees from their place to work spot Rs.116 Lakh (Previous year Rs.94 Lakh) and staff welfare expenses include quarterly bonus paid amounting to Rs.146 Lakh (Previous year Rs.334 Lakh).
- vii. Reversal of Deferred tax liability is on account of timing difference of depreciation amounting to Rs.358 Lakh (Previous year Rs. 287 Lakh).

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

### Note 26 (Contd...)

#### Other Additional Information:

- viii. a. The year - end Foreign Currency Exposures that have not been hedged by a derivative instrument or otherwise are given below.

Particulars	As at 31.03.2014		As at 31.03.2013	
	Assets	Liabilities	Assets	Liabilities
(i) In USD	215877	10426824	836549	8772834
(ii) In INR(Lakh)	129	6247	455	4770

- viii. b. Outstanding Forward Exchange Contracts entered into by the company as on 31.03.2014.

Currency	Amount	Buy/ Sell	Cross Currency
USD	1866469	Sell	INR
USD	(1015942)	Sell	INR

Figures in brackets relate to the previous year

#### ix. Employee Benefits:

- a. Company's Contribution to Provident Fund: Rs.117.01 Lakh (Previous Year Rs. 108.75 Lakh)  
 b. Statement on Defined Benefit Plan - Gratuity (Covered under LIC Employees Cash Accumulation Scheme). The Following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31st March 2014.

##### (i) Present value of obligations

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Obligations at the beginning of the year	1109754	1241098
Interest Cost	88780	99288
Current Service Cost	140388	335342
Benefit paid	(463755)	(248540)
Actuarial (Gain) /Loss on obligations	540216	(317434)
Obligations at the end of the year	1415383	1109754

##### (ii) Fair value of Plan assets

Particulars	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Fair Value of the plan assets, beginning of the year	1767909	1784187
Expected return on plan assets	130940	143078
Contributions	20962	89184
Benefit paid	(463755)	(248540)
Actuarial (Gain) /Loss on plan Assets	0	0
Fair Value of the plan assets, end of the year	1456056	1767909

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

### Note 26 (Contd...)

#### Other Additional Information:

(iii) Expenses to be recognized for the current year

Particulars	31.03.2014 (Rs.)	31.03.2013 (Rs.)
Current Service Cost	140388	335342
Interest Cost	88780	99288
Expected return on plan assets	(130940)	(143078)
Actuarial (gain)/ loss for the year	540316	(317434)
Expense to be recognized in statement of Profit and Loss	638544	(25882)

(iv) Actuarial Assumption

	For 31.03.2014	For 31.03.2013
Discount Rate	8.00%	8.00%
Salary Escalation	5.00%	3.00%

The above figures are on the basis of actuarial valuations of Life Insurance Corporation of India.

#### x. Segment Reporting

(i) Business segment

(Rs. in Lakh)

Particulars	Textiles		Windmills		Total	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Gross Segment Revenue	47605	39341	2762	3110	50367	42451
Less: Intersegment Revenue	0	0	2681	2672	2681	2672
Total Revenue	47605	39341	81	438	47686	39779
Segment Result	6089	4386	1058	1532	7147	5918
Less: Finance Cost					1203	1879
Add: Unallocable Other Income net of Expenditure					22	27
Profit before Tax					5966	4066
Less : Tax Expense					1152	968
Profit for the Year					4814	3098
Segment Assets	36427	31270	8128	9804	44555	41074
Unallocated Assets					922	1178
Total Assets					45477	42252
Segment Liabilities	4914	9241	327	161	5241	9402
Unallocated Liabilities					14242	10811
Total Liabilities					19483	20213
Other information						
Capital Expenditure	3098	783	0	0	3098	783
Unallocated						
Capital Expenditure	0	0	0	0	0	0
Depreciation	1958	1539	1204	1204	3162	2743
Unallocated Depreciation	0	0	0	0	0	0
Non - Cash Expenses other than depreciation	0	0	0	0	0	0

# AMBIKA COTTON MILLS LIMITED

## Notes to the Financial Statements

### Note 26 (Contd...)

#### Other Additional Information:

(ii) Geographic Segment

(Rs. in Lakh)

Particulars	Europe	East Asia & South East Asia	South Asia (Other than India)	Others	India	Total
Sale of Goods	2674 (1468)	23221 (22328)	3687 (-)	- (679)	16370 (14026)	45952 (38501)
(Figures in bracket relates to previous year)						

xi. Value of Imported and Indigenous Raw Materials and Spare parts consumed and percentage there of :	2014		2013	
	Value (Rs. in Lakh)	% to Total	Value (Rs. in Lakh)	% to Total
i) Raw Materials				
Imported	23554	82.38	14524	61.02
Indigenous	5038	17.62	9277	38.98
Total	28592	100.00	23801	100.00
ii) Spare Parts				
Imported	119	20.17	138	28.34
Indigenous	471	79.83	349	71.66
Total	590	100.00	487	100.00

		2014 (Rs. in Lakh)	2013 (Rs. in Lakh)
xii	a. Earnings in Foreign Exchange	29582	24475
	b. Expenditure in Foreign Currency		
	i) For Import of Capital Goods	877	371
	ii) For Import of Raw Materials	28040	14657
	iii) For Import of Spares	144	83
	iv) For Interest & Bank Charges	309	444
	v) For Commission	403	404
	vi) Knowhow & License fee	3	74
	Total expenditure in foreign currency	29776	16033

xiii. Previous year figures have been re-grouped and re-classified wherever necessary.

xiv. Figures are rounded to the nearest rupee.

For and on behalf of the Board

Sd/-  
( P.V. CHANDRAN )  
Chairman and Managing Director

Sd/-  
( Dr. K. VENKATACHALAM )  
Director

Sd/-  
( R. SOUNDARARAJA PERUMAL )  
Director

Sd/-  
( RADHEYSHYAM PADIA )  
Company Secretary

Place : Coimbatore

Date : 24.05.2014

# AMBIKA COTTON MILLS LIMITED

Registered Office : 9-A, Valluvar Street, Sivanandha Colony, Coimbatore - 641 012.

## ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

D.P. ID *		L.F.No.	
Client ID*		No. of .Shares held	

I/ we hereby record my/ our presence at the 26<sup>th</sup> Annual General Meeting of the Company on Wednesday, 24<sup>th</sup> September 2014 At 12.00 Noon at The Residency, 1076, Avinashi Road, Coimbatore - 641018.

Name of the Shareholder(s) 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Signature of the Proxy holder \_\_\_\_\_.

\* Applicable for investors holding shares in electronic form

Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

## 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 : L17115TZ1988PLC002269

Name of the Company : **Ambika Cotton Mills Limited**

Registered office : No. 9A, Valluvar street, Sivanandha Colony, Coimbatore - 641 012.

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 .....  
Email - ID ..... Signature ..... or failing him
- (2) Name ..... Address .....  
Email - ID ..... Signature ..... or failing him
- (3) Name ..... Address .....  
Email - ID ..... Signature ..... or failing him



as my / our proxy to attend and vote (on a poll ) for me /us and on my / our behalf at the 26<sup>th</sup> Annual General Meeting of the Company , to be held on Wednesday, the 24th day of September 2014 At 12.00 Noon at The Residency, 1076, Avinashi Road, Coimbatore- 641018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resol ution- No	RESOLUTIONS	Optional *	
		For	Against
1	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2	Declaration of Dividend on Equity Shares.		
3	Re-appointment of Mrs.Vidya Jyothish Pillai, as a Director who retires by rotation.		
4	Appointment of Auditors and to fix their remuneration.		
5	Appointment of Sri. K.N.Sreedharan, as an Independent Director.		
6	Appointment of Dr.K.Venkatachalam, as an Independent Director.		
7	Appointment of Sri .R.Soundararaja Perumal, as an Independent Director.		
8	Special Resolution under Section 180(1)(c) of the Companies Act ,2013 for borrowing limits of the Company.		
9	Special Resolution under Section 180(1)(a) of the Companies Act ,2013 for Creation of charge / Mortgage on assets of the Company .		
10	Special Resolution under Section 14 of the Companies Act, 2013 for amendment of Articles of Association.		

Signed this..... Day of .....2014

Name of the Shareholder(s) .....

Signature of the Proxy holder .....

Affix  
Revenue  
Stamp

**Note** (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

\*(2) For the Resolutions and Notes, please refer to the Notice of the 26th Annual General Meeting.

(3) It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(4) Please complete all details including details of member(s) in above box before submission.



# Ambika Cotton Mills Limited

Corporate Identification No. (CIN) .L17115TZ1988PLC002269  
Registered Office : No .9 A, Valluvar Street, Sivanandha Colony, Coimbatore.  
Phone: 91 422 2491501/02 2496195 Fax: 91 422 2499623  
E-mail: ambika@acmills.in/ Website: www.acmills.in

## BALLOT FORM (in lieu of E-Voting)

1. Registered Folio No. /DP ID No. and Client ID No.
2. Name and Registered Address of the Sole/First named Shareholder and Name(s) of the Joint Holder(s) (if any)
3. Number of Share (s) held:

I /We hereby exercise my/ our vote [s] in respect of the Resolutions set out in the Notice of the Twenty Sixth Annual General Meeting [AGM] of the Company to be held on 24.09.2014 by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

Item No.	Resolution	No. of Shares	(For)	(Against)
			I/We assent to the resolution	I/We dissent to the resolution
1	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.			
2	Declaration of Dividend on Equity Shares.			
3	Re-appointment of Mrs. Vidya Jyothish Pillai, as a Director who retires by rotation.			
4	Appointment of Auditors and to fix their remuneration.			
5	Appointment of Sri. K.N. Sreedharan, as an Independent Director.			
6	Appointment of Dr. K. Venkatachalam, as an Independent Director.			
7	Appointment of Sri R. Soundararaja Perumal, as an Independent Director.			
8	Special Resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing limits of the Company.			
9	Special Resolution under section 180(1)(a) of the Companies Act, 2013 for Creation of charge / Mortgage on assets of the Company.			
10	Special Resolution under Section 14 of the Companies Act 2013 for amendments of Articles of Association			

P.T.O

Place:

Date:

Signature of Shareholder

**Note:** Please read the instructions carefully before exercising your vote

# INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
4. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.


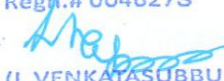


## Process and manner for Members opting to vote by using the Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. K.Murali Mohan, Practising Chartered Accountant (Membership No. 014328) in the enclosed self – addressed business reply envelope properly sealed. The members need not affix postal stamp since the postage will be paid by the company. However, envelopes containing Postal Ballots, if sent by courier or by registered post at the expense of the members will also be accepted.
2. The self – addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the Company.
3. The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his / her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
4. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution / Authorization.
5. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
6. The voting rights of shareholders shall be in proportion of the share held by them in the paid up equity share capital of the company as on 14<sup>th</sup> August 2014 and as per the Register of Members of the Company.
7. Duly completed Ballot Form should reach the Scrutinizer not later than 19<sup>th</sup> September 2014. Ballot Form received after 19<sup>th</sup> September 2014 will be strictly treated as if the reply from the Members has not been received.
8. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no.7 above.
9. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
10. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
11. The results declared along with Scrutinizer's Report, shall be placed on the Company's website [www.acmills.in](http://www.acmills.in) and on the Website of the Central Depository Services ( India ) Limited ( CDSL) within two days of the passing of the Resolutions at the AGM of the Company 24<sup>th</sup> September 2014 and communicated to the BSE Limited, and National Stock Exchange of India Limited, where the shares of the company are listed.

AS THE COMPANY HAS PROVIDED E-VOTING/POSTAL BALLOT VOTING IN TERMS OF CLAUSE 35 B OF THE LISTING AGREEMENT, MEMBERS SHALL PLEASE NOTE THAT THERE WILL BE ONLY ONE MODE OF VOTING EITHER THROUGH E-VOTING OR BY POST. THE SCRUTINIZER WILL COLLABORATE THE VOTES DOWNLOADED FROM THE E-VOTING SYSTEM AND VOTES RECEIVED THROUGH POST TO DECLARE THE FINAL RESULT FOR EACH OF THE RESOLUTIONS FORMING PART OF THE ANNUAL GENERAL MEETING NOTICE.

**Form A**

**Format of covering letter of the Annual Audit Report to be filed with the Stock exchanges**

1	Name of the Company	Ambika Cotton Mills Limited
2	Annual financial Statements for the year ended	31 <sup>st</sup> March,2014
3	Type of Audit observation	Un-qualified /Matter of Emphasis
4.	Frequency of observation	----
5	To be signed by CEO/ Managing director	<p style="text-align: center;">   <b>For AMBIKA COTTON MILLS LTD.,</b>            (P.V. CHANDRAN)            Chairman and Managing Director         </p>
	Auditor of the company	<p style="text-align: center;">   <b>For L.VENKATASUBBU &amp; CO,</b>            Chartered Accountant            Regn.# 004627S            (L.VENKATASUBBU)            Partner            (M.No.19791)         </p> 
	Audit Committee Chairman	<p style="text-align: center;">  </p>