



Ambika Cotton Mills Limited

28/09/2018  
Ref.No.ACM/024/2018-19

To,  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051

The Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001

**BSE - Scrip Code: 531978 Scrip Name: Ambika Cotton Mills Limited**  
**NSE - AMBIKCO**

Dear Sirs,

**Filing of Annual Report of the Company – FY 2017-18-Regulation 34 of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Please find enclosed the annual report of the company for FY 2017-18.

Kindly acknowledge the same.

Thanking you,

Yours faithfully,

**For Ambika Cotton Mills Limited**

  
**Radheyshyam Padia**  
**[Company Secretary]**

Reg Office : 15, Valluvar Street, Sivanandha Colony, Coimbatore - 641012, Tamil Nadu, India

tel : +91 422 2491501, +91 422 2491502 fax : +91 422 2499623

email : ambika@acmills.in

CIN : L17115TZ1988PLC002269

# **AMBIKA COTTON MILLS LIMITED**

**ANNUAL REPORT  
2017 - 2018**



## AMBIKA COTTON MILLS LIMITED

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

Ph. : +91 422 2491504 Fax : +91 422 2499623

CIN No.L17115TZ1988PLC002269

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

### DIRECTORS' REPORT

Your directors have great pleasure in submitting the Thirtieth Annual Report together with the audited accounts for the year ended 31st March 2018.

### FINANCIAL RESULTS

The Financial results for the year ended 31st March 2018 are furnished below:

(Rs. in Lakhs)

	CURRENT YEAR 2017-18	PREVIOUS YEAR 2016-17
Sales & Other Income	58569.81	52944.78
Profit Before Finance Cost and Depreciation	11342.44	10525.30
Less: Finance Cost	492.86	383.95
Gross Profit For the Year	10849.58	10141.35
Less : Depreciation	2887.60	2934.86
Profit before Tax	7961.98	7206.49
Less : Tax Expense	1855.21	1632.66
Profit after Tax	6106.77	5573.83
Other Comprehensive income	-7.22	-4.83
Total Comprehensive income for the year	6099.55	5569.00
Add: Opening Balance of retained earnings	20841.22	16272.22
Amount available for appropriation	26940.77	21841.22
Less: Appropriations		
Transfer to General Reserve	1000.00	1000.00
Interim Dividend on Equity Shares	572.50	0.00
Dividend Tax on Interim dividend	116.55	0.00
Closing Balance of retained earnings	25251.72	20841.22

### TRANSITION TO IND AS

The Ministry of Corporate Affairs (MCA) has notified the applicability of Indian Accounting Standards (Ind AS) in the place of existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to certain classes of companies. Accordingly these are the company's first IND AS financial statements. The date of transition to IND AS is 1st April 2016. Note 31.13 to the financial statements provides further details on First time IND AS Adoption reconciliations.

### PERFORMANCE AND STATE OF AFFAIRS

The Company's Total Income and Gross profit amounted to Rs. 58569.81 Lakhs (Previous year Rs. 52944.78 Lakhs) and Rs.10849.58 Lakhs (Previous year Rs. 10141.35 Lakhs). This represents growth of 10.62% in total income as compared to 7.15% growth in the previous year and growth of 6.98% in Gross Profit as against growth of 13.97% in the previous year.

# AMBIKA COTTON MILLS LIMITED

## DIRECTORS' REPORT (Contd...)

For the year Company's Direct Export Turnover amounted to Rs.32728.88 Lakhs as compared to Rs.24965.35 Lakhs in the previous year representing a growth of 31.10% (Previous Year decline of 3.83%)

In terms of percentage the export turnover constituted 57.46% of the net sales as against 48.39% in the previous year.

The Company continued its focus on product innovation, broad basing product profile, working on value added products having better margins without orientation to export/ domestic markets and catering to reputed manufactures of upstream products. This policy orientation has contributed to the sustained financial performance of the company.

During the year the Company has further invested Rs.3203.82 Lakhs in Knitting segment and operationalized the knitting capacity of converting yarn into fabric for 30,000 Kgs per day. It is further proposed to invest during the current year an estimated amount of Rs.1300 Lakhs for additional conversion capacity of 7000 Kgs per day.

The Company is not carrying any long term debt.

### TRANSFER TO RESERVES

The Company proposes to transfer Rs.10.00 Crores to the General Reserve out of the amount available for appropriation.

### DIVIDEND

The Board of Directors have declared and paid interim Dividend for FY 2017-18 as under

Rate of Dividend	Dividend per equity share (Rs.)	Amount of Dividend (Rs.in Lakhs)
100%	10	572.50

The Board of Directors have recommended payment of final dividend for FY 2017-18 as under

Rate of Dividend	Dividend per equity share (Rs.)	Amount of Dividend (Rs.in Lakhs)
250%	25	1431.25

If approved by the members at the Annual General Meeting (AGM) to be held on 27.09.2018, the interim Dividend and proposed Final Dividend would result in cash outflow of dividend Rs.2003.75 Lakhs and dividend distribution tax Rs.410.75 Lakhs for FY 2017-18. The payout ratio of dividend and dividend tax works out to 39.54%.

### DIRECTORS

In terms of requirement of Section 149 of the Companies Act, 2013, the Independent Directors of the company are Sri.K.N.Sreedharan, Dr.K.Venkatachalam and Sri.E.M. Nagasivam.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs.Vidya Jyothish Pillai (DIN 05215930) Director, who retires by rotation and being eligible, offers herself for reappointment.

# **AMBIKA COTTON MILLS LIMITED**

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

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### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134 (3) (c) of the Companies Act 2013, your directors state that: -

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. Accounting policies selected have been applied consistently. Reasonable and prudent judgments have been made so as to give a true and fair view of the state of affairs of the Company as at the end of 31st March, 2018 and of the profit of the Company for the year ended on that date;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis;
- v. Internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. Systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

### **MEETINGS OF THE BOARD**

The Board held four meetings during the Financial Year 2017- 18 namely, May 27, 2017, August 12, 2017, November 14, 2017 and February 10, 2018.

### **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section(6).

### **DEPOSITS:**

The Company has not accepted any deposits from the public and therefore furnishing of details in terms of Rule 8(v) &(vi) of Companies (Accounts) Rules, 2014 does not arise.

### **AUDITORS**

Srikishen & Co., Chartered Accountants, ICAI Registration No.004009S was appointed as the Statutory auditors for a continuous period of five years from the conclusion of 29th AGM till the conclusion of 34th AGM.

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:04.08.2016 issued to them by Institute of Chartered Accountants of India (ICAI).

### **AUDITORS' REPORT**

The Auditors' Report to the Shareholders does not contain any reservation, qualification or adverse remark.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies ( Appointment and Remuneration of Managerial Personnel ) Rules 2014, the Company has appointed Sri. Sundararajan Baalaji, Practising Company Secretary to undertake the Secretarial Audit of the Company.

# **AMBIKA COTTON MILLS LIMITED**

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

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The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure A to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **COST AUDITOR & COST AUDIT REPORT**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, cost audit records are maintained by the Company. As required under Companies Act, 2013, a resolution seeking approval of the members in this regard is included in the Notice convening the Annual General Meeting. Cost Audit Report for the year ended 31st March, 2018 will be submitted in due course.

### **INTERNAL FINANCIAL CONTROLS**

The Company has in place internal financial controls systems, commensurate with the size and nature of its operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances.

### **AUDIT COMMITTEE**

The Audit Committee was constituted by the Board at its meeting held on 31.01.2001. The Committee now comprises of Directors Sri. K.N.Sreedharan, Dr. K.Venkatachalam, Mrs. Vidya Jyothish Pillai and Sri. E.M.Nagasivam. Sri. E.M.Nagasivam was co-opted as a member of Audit Committee by the Board at its meeting held on 10.02.2018

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has in place a vigil mechanism / Whistle Blower Policy for Directors and Employees to report genuine concerns about any wrongful conduct with respect to the Company of its business or affairs. The details of the Vigil Mechanism / Whistle Blower Policy are available on the Company's website [www.acmills.in](http://www.acmills.in)

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Corporate Social Responsibility Committee consists of Directors Sri. P.V.Chandran, Dr.K.Venkatachalam and Mrs.Bhavya Chandran as members of the committee. The Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, which has been approved by the Board, the details of the same are made available on the Company's website [www.acmills.in](http://www.acmills.in).

### **NOMINATION AND REMUNERATION COMMITTEE**

Nomination and Remuneration Committee presently consists of Directors Sri.K.N.Sreedharan, Dr. K.Venkatachalam, and Mrs. Bhavya Chandran.

The Company has formulated the policy in this regard prescribing the criteria for determining qualifications, positive attributes and independence of a director and the main attribute focused on is positive value creation and contribution in respect of ongoing activities of the Company and its value enhancement with adequate qualifications and independence. Details of the policy are made available in the Corporate Governance Report and on the Company's website [www.acmills.in](http://www.acmills.in).

### **RISK MANAGEMENT POLICY**

The Risk Management Committee consists of Directors Sri.P.V.Chandran, Dr.K.Venkatachalam and Mrs. Vidya Jyothish Pillai. The company has developed and adopted a detailed Enterprise Risk Management Policy to sustain the operations of the Company and the same is disclosed in the website of the Company, [www.acmills.in](http://www.acmills.in).

# **AMBIKA COTTON MILLS LIMITED**

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

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### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders relationship consists of Directors Dr.K.Venkatachalam , Mrs. Vidya Jyothish Pillai and Mrs. Bhavya Chandran . The Company has formulated policy for early resolution of stakeholders' grievances and the same is made available in the company's website www.acmills.in.

### **APPOINTMENT OF KEY MANAGERIAL PERSONNEL**

There is no appointment of Key Managerial personnel during the year.

### **SUBSIDIARIES**

The company does not have any subsidiaries.

### **SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no Significant Material Orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### **LOANS, GUARANTEES AND INVESTMENTS**

The Company has not made any investments or given any loans or guarantees or provided any security in connection with a loan to any person or body corporate, as defined under Section 186 of the Companies Act, 2013.

### **RELATED PARTY TRANSACTIONS**

The Company does not have any related party transactions as defined in Section 188 of the Companies Act, 2013 hence Form AOC-2 is not enclosed.

### **MATERIAL CHANGES AND COMMITMENTS**

There were no Material changes and Commitments affecting the financial position of the Company that have occurred between the end of the financial year March 31, 2018 to which the financial statements relate and the date of this report.

### **CHANGE IN THE NATURE OF BUSINESS**

There were no changes in the nature of business during the year under review as prescribed in Rule 8(ii) of the Companies (Accounts) Rules, 2014.

### **BOARD EVALUATION**

The Board has carried out an annual Performance evaluation of its own performance and that of its Committees and individual Directors .Further the independent Directors have carried out review of performance of non- independent directors and the Board as a whole, performance of the Chairperson and further made an assessment of quality, quantity and timelines of flow of information between the Company management and the Board for effective and reasonable performance of its duties.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure - I.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

Particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange Earning and outgo, as required to be disclosed under the Act, are set out in Annexure - II to this report.



# **AMBIKA COTTON MILLS LIMITED**

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

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### **CSR EXPENDITURE**

The requirement to spend in this regard is Rs.129.77 Lakhs( Previous year Rs. 121.59 Lakhs) @ 2% of 3 years average net profit of the Company and the Company has spent Rs 136.32 Lakhs(Previous year Rs. 123.02 Lakhs) on various CSR activities which are into (i) Rural Development, (ii) Education (iii)Animal Protection (iv) Medical Support, (v) Relief to Poor and the details of expenditure are furnished in Annexure -III to this report.

### **PARTICULARS OF EMPLOYEES:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed in Annexure IV to this report.

### **ADDITIONAL DISCLOSURES PURSUANT TO SEBI REGULATIONS**

The additional disclosures pursuant to Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in respect (i) Management Discussion and Analysis (ii) Corporate Governance Report (iii) Related Party Disclosures for the year under review are given as a separate statement in the Annual Report.

DATE : 11/08/2018  
PLACE : Coimbatore

By order of the Board  
Sd/-  
**(P.V.CHANDRAN)**  
Chairman and Managing Director  
(DIN : 00628479)

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE -I

#### FORM NO. MGT - 9

Extract of Annual Return

As on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration and other details :

(i) CIN	L17115TZ1988PLC002269
(ii) Registration Date	06.10.1988
(iii) Name of the Company	Ambika Cotton Mills Limited
(iv) Category/Sub-Category of the Company	Public Company limited by shares
(v) Address of the Registered office and contact details	No.9A, Valluvar Street, Sivanandha Colony, Coimbatore - 641012 Phone : +91 422 2491504,E-mail : ambika@acmills.in
(vi) Whether listed company	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy Post, Coimbatore - 641 006. Phone: +91 422 4958995, 2539835 Email: info@skdc-consultants.com

#### II. Principal business activities of the company

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

S.No	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Cotton Yarn	5205	72.04
2	Knitted fabrics	6006	17.45
3	Waste Cotton	5202	10.51

#### III. Particulars of holding, subsidiary and associate companies

S.No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
-- NA --					

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE -I (Contd...)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category- wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year*
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individuals/ Hindu Undivided Family	2857100	0	2857100	49.905	2862350	0	2862350	49.997	0.092
b) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e) Any Others(Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total(A)(1)</b>	<b>2857100</b>	<b>0</b>	<b>2857100</b>	<b>49.905</b>	<b>2862350</b>	<b>0</b>	<b>2862350</b>	<b>49.997</b>	<b>0.092</b>
<b>(2) Foreign</b>									
a) Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e) Any Others(Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>2857100</b>	<b>0</b>	<b>2857100</b>	<b>49.905</b>	<b>2862350</b>	<b>0</b>	<b>2862350</b>	<b>49.997</b>	<b>0.092</b>
<b>B. Public shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	1738	0	1738	0.030	0	0	0	0.000	-0.030
b) Financial Institutions / Banks	3109	0	3109	0.054	4069	0	4069	0.071	0.017
c) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) Foreign Institutional Investors	19736	0	19736	0.345	0	0	0	0.000	-0.345
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE -I (Contd...)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Any Other (specify)	-	-	-	-	-	-	-	-	-
FOREIGN PORTFOLIO INVESTORS	228916	0	228916	3.999	270412	0	270412	4.723	0.724
<b>Sub-Total (B)(1)</b>	<b>253499</b>	<b>0</b>	<b>253499</b>	<b>4.428</b>	<b>274481</b>	<b>0</b>	<b>274481</b>	<b>4.794</b>	<b>0.366</b>
<b>(2) Non-institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	859347	20033	879380	15.360	832094	10000	842094	14.709	-0.651
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	1090701	41843	1132544	19.782	1124369	28103	1152472	20.132	0.350
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	432625	0	432625	7.557	372166	0	372166	6.501	-1.056
<b>c) Others (specify)</b>									
Directors & their Relatives	0	100	100	0.002	0	100	100	0.002	0.000
Non Resident Indians	93500	0	93500	1.633	138939	0	138939	2.426	0.793
Clearing Members	16910	0	16910	0.296	18294	0	18294	0.320	0.024
Hindu Undivided Families	59341	0	59341	1.037	54503	0	54503	0.952	-0.085
Trusts	1	0	1	0.000	200	0	200	0.003	0.003
Inv.Education and Protection Fund Auth.	0	0	0	0.000	9401	0	9401	0.164	0.164
<b>Sub-Total (B)(2)</b>	<b>2552425</b>	<b>61976</b>	<b>2614401</b>	<b>45.667</b>	<b>2549966</b>	<b>38203</b>	<b>2588169</b>	<b>45.209</b>	<b>-0.458</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2805924</b>	<b>61976</b>	<b>2867900</b>	<b>50.095</b>	<b>2824447</b>	<b>38203</b>	<b>2862650</b>	<b>50.003</b>	<b>-0.092</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5663024</b>	<b>61976</b>	<b>5725000</b>	<b>100.000</b>	<b>5686797</b>	<b>38203</b>	<b>5725000</b>	<b>100.000</b>	<b>0.000</b>

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE -I (Contd...)

#### (ii) Shareholding of Promoters

S. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of change during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	C. Bhavani	2272566	39.695	0.000	2272566	39.695	0.000	0.000
2	P.V. Chandran	584534	10.210	0.000	589784	10.302	0.000	0.092
	<b>Total</b>	<b>2857100</b>	<b>49.905</b>	<b>0.000</b>	<b>2862350</b>	<b>49.997</b>	<b>0.000</b>	<b>0.092</b>

#### (iii) Change in Promoters' Shareholding (please specify, if there is no change).

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
	At the beginning of the year	2857100	49.905	-	-
	Date of Purchase				
	20.06.2017	2088	0.037	2859188	49.942
	21.06.2017	1890	0.033	2861078	49.975
	22.06.2017	1272	0.022	2862350	49.997
	At the end of the year	2862350	49.997	2862350	49.997

#### iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Catamaran Advisors LLP (Previous Catamaran Management Services Private Limited )	240305	4.197	240305	4.197
2	Value Quest India Moat Fund Limited	221150	3.863	256106	4.473
3	Apple Finance Limited	180233	3.148	180233	3.148
4	Karvansarai Travel & Lifestyle Private limited	132052	2.307	132052	2.307
5	VLS Finance Limited	100000	1.747	100000	1.747
6	Ajai Hari Dalmia	76941	1.344	51618	0.902
7	Saffron Agencies Limited	66497	1.162	20797	0.363
8	Angel Holdings Pvt Ltd	34325	0.600	34325	0.600
9	Kishan Gopal Motha	31200	0.544	24500	0.428
10	Ramakant Paida	28166	0.492	28166	0.492

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE -I (Contd...)

#### (v) Shareholding of Directors and Key Managerial Personnel :

S. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		% Change in share holding during the year
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company	
1	<b>Sri P.V.Chandran (Chairman and Managing Director / Promoter Executive )</b>					
	At the beginning of the year	584534	10.210	-	-	
	Date of Purchase					
	20.06.2017	2088	0.037	586622	10.247	
	21.06.2017	1890	0.033	588512	10.280	
	22.06.2017	1272	0.022	589784	10.302	
	At the end of the year	589784	10.302	589784	10.302	0.092

2	<b>Dr. K. Venkatachalam (Independent Director/Non- Executive)</b>					
	At the beginning of the year	100	0.002	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-	-
	At the end of the year	100	0.002	100	0.002	0.000

3	<b>Sri. Radheshyam Padia (Company Secretary)</b>					
	At the beginning of the year	31500	0.550	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	-	-	-	-	-
	At the end of the year	31500	0.550	31500	0.550	0.000

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE -I (Contd...)

#### (V) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

Particulars	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	748.65	0	0	748.65
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total ( i+ii+iii)				
Change in Indebtedness during the financial year				
Addition	2094.24	0	0	2094.24
Reduction	0	0	0	0
Net Change	(+) 2094.24	0	0	(+) 2094.24
Indebtedness at the end of the financial year				
(i) Principal Amount	2842.89	0	0	2842.89
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2842.89	0	0	2842.89

#### (VI) Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

S. No	Particulars of remuneration	Name of MD /WTD / Manager	Total Amount
		P.V.Chandran	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	24.00	24.00
	(b) Value of perquisites under section 17(2) Income Tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission		
	- as % of profit	0.00	0.00
	- others, specify	0.00	0.00
5	Others, please specify	0.00	0.00
	Sitting Fees	1.00	1.00
	Total (A)	25.00	25.00
	Ceiling as per the Act	397.05	397.05

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE -I (Contd...)

#### B. Remuneration to other Directors

(Rs. in Lakhs)

S. No	Particulars of remuneration	Name of Directors					Total Amount
		Sri.K.N. Sreedharan	Dr.K. Venkatachalam	Sri.E.M. Nagasivam	Mrs.Bhavaya Chandran	Mrs.Vidya Jyothish Pillai	
<b>1</b>	<b>Independent Directors</b>						
	Fee for attending board committee meetings	1.50	2.00	0.75	-	-	4.25
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>1.50</b>	<b>2.00</b>	<b>0.75</b>	<b>-</b>	<b>-</b>	<b>4.25</b>
<b>2</b>	<b>Other Non-Executive Directors</b>						
	Fee for attending board committee meetings	-	-	-	0.75	1.50	2.25
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.75</b>	<b>1.50</b>	<b>2.25</b>
	<b>Total (B)=(1+2)</b>	<b>1.50</b>	<b>2.00</b>	<b>0.75</b>	<b>0.75</b>	<b>1.50</b>	<b>6.50</b>
	Total Managerial Remuneration						<b>31.50</b>
	Overall Ceiling as per the Act						873.52

#### C. Remuneration to key managerial personnel other than MD/Manager/WTD

(Rs. in Lakhs)

S. No	Particulars of remuneration	Key Managerial Personnel		
		CS	CFO	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6.00	5.51	11.51
	(b) Value of perquisites under section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
	Others please specify			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as % of profit	-	-	-
	others, specify			
5.	<b>Total</b>	<b>6.00</b>	<b>5.51</b>	<b>11.51</b>



# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE -I (Contd...)

#### VII. Penalties / Punishment / Compounding of Offences :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any ( Give Details )
<b>A. COMPANY</b>					
Penalty					
Punishment			Nil		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			Nil		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			Nil		
Compounding					

### ANNEXURE - II

Information as required under Rule 8(3) of the Companies (Accounts) Rules,2014.

#### A. CONSERVATION OF ENERGY

- i) the steps taken or impact on conservation of energy:-

Usage of Energy is constantly monitored and the need to conserve the same is emphasized.

- ii) the steps taken by the Company for utilizing alternative sources 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.

- iii) the capital investment on energy conservation equipments. :- Nil

#### B. TECHNOLOGY ABSORPTION

- i) the efforts made towards technology absorption :- Indigenous Technology alone is used.

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

Certain plant & machinery such as auto corner and compact systems are imported to facilitate for product improvement & development which has facilitated exports of products.

- iii) In case of imported technology ( imported during the last three years reckoned from the beginning of the financial year):-

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE -II (Contd...)

- |  |                  |
|--|------------------|
| a) the details of technology imported  | : Nil            |
| b) the year of import  | : NA             |
| c) Whether the technology been fully absorbed  | : NA             |
| d) if not fully absorbed , areas where absorption has not taken place and the reasons there of ; and | : NA             |
| iv) the expenditure incurred on Research and Development   | : Not quantified |

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and Foreign Exchange outgo during the year in terms of actual outflows.

	[Rs in Lakhs]
Foreign Exchange earned (inflow)	355.00
Foreign Exchange used (outflow)	352.90

### ANNEXURE - III

Information as required under Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### ANNUAL REPORT ON CSR ACTIVITIES

- i. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The CSR policy of the Company is to undertake and implement the projects /programs as specified in Schedule- VII of the Companies Act, 2013.The details of the CSR policy of the Company are made available in the Company's website [www.acmills.in](http://www.acmills.in)

- ii. The composition of the CSR committee:

The committee consists of Directors

1. Sri. P.V.Chandran, Chairman and Managing Director
2. Dr. K. Venkatachalam, Independent Director
3. Mrs. Bhavya Chandran, Non-Executive Director

- |   |           |
|---|-----------|
| iii. Average net profit of the company for last three financial years (Amount Rs in Lakhs)          | : 6488.74 |
| iv. Prescribed CSR Expenditure (two percent. of the amount as in item 3 above) (Amount Rs in Lakhs) | : 129.77  |
| v. Details of CSR spent during the financial year.  |           |
| (1) The amount to be spent for the F.Y 2017-18 (Amount Rs in Lakhs)                                 | : 129.77  |
| (2) Amount unspent, if any (Amount Rs in Lakhs)   | : 0.00    |

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE -III (Contd...)

(3) Manner in which the amount spent during the financial year is detailed below

(Rs. in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local Area or Other 2. Specify The State And District Where Projects Or Programs Were Undertaken	Amount outlay (budget) project or programs wise	Amount spent on projects or programs sub-heads 1. Direct expenditure on projects or programs. 2. Overheads	Cumulative expenditure up to the reporting period	*Amount Spent : Direct or through implementing agency
1.	Childrens Traffic Park	Education	Local area Coimbatore Tamilnadu	129.77	Direct expenditure on projects / overheads	71.07	Direct
2	Animal Protection	Animal Protection	Local area Dindigul, Tamilnadu			9.95	
3	Restoration of ponds	Rural development	Local area Dindigul, Tamilnadu			20.78	
4	Ventilator to CMC Hospital for Children	Medical Support	Local area Dindigul, Tamilnadu			20.00	
5	Public Toilets	Rural Development	Local area Dindigul, Tamilnadu			8.02	
6	Relief to Poor	Relief to Poor	Local area Coimbatore Tamilnadu			1.50	Through Indian Red Cross Society
7	Establishment of Dialysis centre	Medical Support	Guruvayoor			5.00	Santhi Medical Information centre Guruvayoor
	Total			129.77		136.32	

\*Details of implementing Agency

- vi. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report. - NA
- vii. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.

It is confirmed that the CSR projects are implemented in accordance with CSR objective and policy of the Company.

Sd/-  
P.V. Chandran  
Chairman and Managing Director  
(DIN : 00628479)

Sd/-  
Dr. K. Venkatachalam  
Independent Director  
(DIN : 01062171)

Date : 11/08/2018  
Place : Coimbatore

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE - IV (Contd..)

Statement as per Rule 5(1) of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director , Company Secretary and Chief Financial Officer ( CFO ) , ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-2018

S.No	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2017-18 (in Lakhs)	% increase in Remuneration in the Financial year 2017-18	Ratio of Remuneration of each Director to median remuneration of employees
1	Sri.P.V.Chandran, Chairman and Managing Director	25.00	--	28.07:1
2	Sri. K.N.Sreedharan , Non- Executive - Independent	1.50	--	1.68:1
3	Dr.K.Venkatachalam , Non- Executive - Independent	2.00	--	2.25:1
4	Sri.E.M.Nagasivam , Non- Executive - Independent	0.75	--	0.84:1
5	Mrs.Bhavya Chandran, Non- Executive - Promoter group	0.75	--	1.68:1
6	Mrs.Vidya Jyothish Pillai, Non- Executive - Promoter group	1.50	--	0.84:1
7	Sri. Radheshyam Padia, Company Secretary	6.00	--	6.74:1
8	Sri. M.Vijayakumar, CFO	5.34	NA	6.00:1

- (ii) The percentage increase in the median remuneration of the employees in the financial year : 38.63%
- (iii) The number of permanent employees on the rolls of Company: 2552
- (iv) The explanation on the relationship between average increase in remuneration and company performance: The Profit after Tax for FY 2017-18 amounted to Rs.6106.77 Lakhs as compared to Rs. 5573.83 Lakhs for FY 2016-17, an increase of 9.56% whereas increase in employees' remuneration is 29.34%
- (v) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company : The Profit after Tax for FY 2017-18 increased 9.56% as compared to FY 2016-17, whereas increase in Key Managerial Personnel remuneration is 0.61%.
- (vi) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year :

Particulars	31.03.2018	31.03.2017
Market capitalization of the Company (Rs. in Crores)	739.18	746.97
Issued Capital ( in Nos)	57,25,000	57,25,000
Closing Price at NSE ( in Rs. )	1,291.15	1,304.75
Price Earnings Ratio at the closing date	12.10	13.68

**Note:** Percentage Increase over decrease in market quotations of the shares of the company with the last public offer : The last offer for sale of shares was made in the year 1996 and hence not comparable .

# **AMBIKA COTTON MILLS LIMITED**

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

### **ANNEXURE - IV (Contd...)**

- (vii) Percentage increase in the salaries of employees other than the Key Managerial Personnel ( KMP ) as compared to percentage increase in the KMP remuneration in the last financial year i.e 2017-18 : The increase in remuneration is 29.34% for employees other than KMP while it is 0.61 % for KMP .
- (viii) The Key parameters for any variable component of the remuneration availed by the Directors: There are no variable component in the Managerial Remuneration.
- (ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :- None
- (x) Affirmation that the remuneration is as per the remuneration policy of the Company: Yes .

### **ANNEXURE - A**

#### **FORM NO. MR-3**

#### **SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended 31<sup>st</sup> March, 2018**

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

To,

**The Members,**

M/s. Ambika Cotton Mills Limited (CIN : L17115TZ1988PLC002269)

No.9 A, Valluvar Street, Sivanandha Colony

Coimbatore 641 012

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Ambika Cotton Mills Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has during the audit period covering the Financial Year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliances-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: The members are requested to read this report along with my letter of even date annexed to this report.

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE - A - SECRETARIAL AUDIT REPORT (Contd...)

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Ambika Cotton Mills Limited** (the Company) for the Financial Year ended on 31st March, 2018 according to the applicable provisions of:

(i)	The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii)	The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii)	The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv)	Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v)	The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
a.	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b.	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
c.	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; <i>Not applicable as the Company has not issued or allotted shares during the financial year under review.</i>
d.	The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; <i>Not applicable as the Company has not issued or allotted shares to its employees during the financial year under review.</i>
e.	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; <i>Not applicable as the Company has not issued Debt Securities during the financial year under review.</i>
f.	The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; <i>Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review.</i>
g.	The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and <i>Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review</i>
h.	The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; <i>Not applicable as the Company has not bought back its equity shares from any stock exchange during the financial year under review</i>

(vi). The management has identified and confirmed the following laws as specifically applicable to the company.

1.	National Textile Policy, 2000
2.	The Textiles Committee Act, 1963
3.	Cotton Control Order, 1986
4.	Cotton Control (Amendment) Orders, 1987
5.	Cotton Control (Amendment) Orders, 1994
6.	Indian Standard specification for Cotton Bales
7.	Textiles (Development and Regulation) Order, 2001
8.	Essential Commodities Act 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17th April, 2003); and
9.	The Electricity Act, 2003

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

(i)	Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
(ii)	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

# **AMBIKA COTTON MILLS LIMITED**

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

### **ANNEXURE - A - SECRETARIAL AUDIT REPORT (Contd..)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The Board also has women directors.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that based on review of compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the company secretary of the company and taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in place in the company which is commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines;

Name of Company Secretary in Practice : **Sundararajan Baalaji**

Date : 11/08/2018

**FCS NO. 5966**

Place : Coimbatore

**C P NO. 3514**

### **ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE**

To

#### **The Members,**

**M/s. Ambika Cotton Mills Limited (CIN : L17115TZ1988PLC002269)**

No.9 A, Valluvar Street, Sivanandha Colony, Coimbatore 641 012

**My Secretarial Audit Report of even date is to be read along with this letter.**

#### Management's Responsibility

1. It is the responsibility of the management of the company to maintain secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis of our opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

#### Disclaimer

6. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Name of Company Secretary in Practice : **Sundararajan Baalaji**

Date : 11/08/2018

**FCS NO. 5966**

Place : Coimbatore

**C P NO. 3514**

# AMBIKA COTTON MILLS LIMITED

## ADDITIONAL DISCLOSURES PURSUANT TO SEBI REGULATIONS

Additional Disclosures pursuant to Regulations(34)(3) and 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

### A. RELATED PARTY TRANSACTIONS

Disclosure in compliance with IND-AS Accounting Standard -24 (Ind AS-24) for Related Party transactions

<b>Key Management Personnel</b>	Sri.P.V.Chandran
<b>Relatives of Key Management Personnel</b>	Mrs.Vidya Jyothish Pillai (Daughter of Sri.P.V.Chandran)  Mrs. Bhavya Chandran (Daughter of Sri.P.V.Chandran)

(Rs in Lakhs)

Nature of Transactions	Salary	Director Sitting Fees	Total	Balance Payable as at 31.03.2018
Short term Employee benefits to				
Sri.P.V.Chandran	24.00	1.00	25.00	1.32
Mrs.Vidya Jyothish Pillai	-	1.50	1.50	-
Mrs. Bhavya Chandran	-	0.75	0.75	-

- Notes: 1. Remuneration to Sri.P.V.Chandran was approved by the shareholders at the 28th Annual General Meeting held on 23.09.2016 pursuant to Section 197 of the Companies Act,2013
2. The Sitting fees to Directors are approved by the Board of Directors at their Meeting held on 30.05.2011
3. The above transactions are not related party transactions as defined in Companies Act,2013

### B. MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Industry Structure and Developments

India's textiles sector is one of the oldest industries in Indian economy and one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The Indian textiles industry is extremely varied, with the hand-spun and hand woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world. The textiles industry is also labour intensive and employs large number of persons.

The fundamental strength of the textile industry in India is its strong production base of wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool to synthetic / man-made fibres like polyester, viscose, nylon and acrylic.

The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$37.74 billion.



# AMBIKA COTTON MILLS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### 2. Market Size

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP).

The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17.

### 3. Opportunities & Threats

Cotton yarn accounts for the largest share in total yarn production; India's growing population has been a key driver of textile consumption growth in the country. It has been complemented by a young population which is growing and at the same time is exposed to changing tastes and fashion. Rising incomes has been a key determinant of domestic demand for the sector; with incomes rising in the rural economy as well, the upward push on demand from the income side is set to continue. The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Urbanization is expected to support higher growth due to change in fashion and trends.

The Textile Ministry of India earmarked Rs 690 crore (US\$ 106.58 million) for setting up 21 ready made garment manufacturing units in seven states for development and modernisation of Indian Textile Sector.

### 4. Segment Wise Performance

The Contribution of Spinning segment and wind energy (captive power for spinning segment) are as under.

(Rs. in Lakhs)		
Segment	FY 2017-18	FY 2016-17
Spinning	6351	5757
Wind Energy	1980	1743

### 5. Outlook

The Company, on account of manufacturing specialty cotton yarn, continues to have good demand for its products and has created specific markets for its products. This ensures more sustained profitable operations. The company continues to strengthen its production base by modernization and adding balancing equipments and improvising production process. The Company has installed windmills for 100% of its captive requirements and installed EHT line (110 KVA Sub-Station) for smooth flow of quality power. The Company has commenced its operations in Knitting during the year. These measures will continue to support the operations of the company.

### 6. Risks and Concerns

- (i) Positive economic environment
- (ii) Government policies.
- (iii) Stability in Raw cotton prices.
- (iv) Evacuation of 100% Wind energy generated to State Grid and favourable wind season.

# AMBIKA COTTON MILLS LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### 7. Internal Control Systems and their Adequacy

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

### 8. (i) Discussion on Financial Performance with respect to Operational Performance

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

S.No	Particulars	Current Year 2018	Previous Year 2017
1	Increase in Net Sales (Rs. in Lakh)	5363.49	3258.05
2	Increase in Net Sales (%)	10.40	6.74
3	Increase in Exports (Rs. in Lakh)	776.35	-995.18
4	Increase in Exports (%)	31.10	-3.83
5	Operating Profit Margin before Tax(%)	19.91	20.38
6	Operating Profit Margin after Tax (%)	16.66	17.22
7	Cash Profit Margin before Tax (%)	19.05	19.63
8	Cash Profit Margin after Tax (%)	15.79	16.47
9	Net Profit Margin before Tax (%)	13.98	13.94
10	Net Profit Margin after Tax (%)	10.72	10.79

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

### (ii) Operational performance in terms of Production and Sales quantities are given below.

Particulars	FY 2017-18		FY 2016-17	
	Qty ( In Lakh Kgs)		Qty ( In Lakh Kgs)	
	Production	Sales	Production	Sales
Cotton Yarn	193.50	154.66	180.98	173.39
Cotton Yarn for captive consumption(for knitting)	-	38.82	-	9.46
Cotton Fabrics (Knitted)	49.17	48.51	9.46	9.25
Waste Cotton	76.03	76.75	63.58	63.40
Wind units for captive consumption	492.86 Lakh units		483.72 Lakh units	

### 9. Material developments in Human resources/Industrial relations

The Company places its utmost value on the human resource and contribution from the employees is always fine-tuned towards to achieve the overall organization performance by constant education, training and various incentive schemes, which are in vogue. The company has cordial industrial relationship and have in total 2552 employees consisting of staff and workmen in its roll. 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.

### 10. Cautionary Statement

Certain Statements in this report on Management 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

## C. 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 improve upon these aspects on continuous basis.

### 2. Board of Directors

#### (A) Composition and Category of Directors

Name of the Director	Promoter /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 (Independent -Non Executive )	1	1	1
Dr. K. Venkatachalam	Director (Independent -Non Executive )	1	1	Nil
Sri E.M.Nagasivam	Director (Independent -Non Executive )	Nil	Nil	Nil
Mrs. Bhavya Chandran	Director (Promoter Group-Non Executive)	Nil	Nil	Nil
Mrs.Vidya Jyothish Pillai	Director (Promoter Group-Non Executive)	Nil	Nil	Nil

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

#### (B) Number of Board Meetings and Attendance Record of Directors :

Number of Board Meetings held during the year 2017 - 2018 : 4			
S.No.	Date of Board Meeting	S.No.	Date of Board Meeting
1	27.05.2017	2	12.08.2017
3	14.11.2017	4	10.02.2018

#### (C) Attendance Record of Directors :

S.No	Name of the Director	Number of Meetings held	Number of Meetings attended	Whether attended last AGM held on 27 <sup>th</sup> September, 2017
1	Sri. P.V. Chandran, Chairman and Managing Director	4	4	Yes
2	Sri. K.N. Sreedharan, Director	4	3	Yes
3	Dr.K.Venkatachalam, Director	4	4	Yes
4	Sri.E.M. Nagasivam, Director	4	3	Yes
5	Mrs. Bhavya Chandran, Director	4	3	Yes
6	Mrs.Vidya Jyothish Pillai, Director	4	4	Yes

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

### (D) Disclosure of Directors inter- se Relationships

The Directors Mrs.Bhavya Chandran and Mrs. Vidya Jyothish Pillai are daughters of Sri.P.V.Chandran Chairman and Managing Director of the Company.

### (E) Shares of the company held by Non-Executive Directors: Nil

### (F) Weblink of Familiarization Programmes imparted to independent Directors.

[www.acmills.in](http://www.acmills.in)

### 3. Audit Committee :

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 of SEBI (Listing Obligations and Other Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013.

The Composition of the Audit Committee was reconstituted and Sri. E.M.Nagasivam was co opted to the audit committee as a member at the Board Meeting held on 10.02.2018. The audit committee presently consists of Four Directors, Sri. K.N.Sreedharan, Dr.K.Venkatachalam, Mrs .Vidya Jyothish Pillai and Sri.E.M.Nagasivam.

During the year, the Audit Committee held its meetings on 27.05.2017, 12.08.2017, 14.11.2017 , and 10.02.2018.

Members' attendances at the meetings were as follows.

Name of the Directors	Category	No. of Meetings attended during the year 2017-18
Sri. K.N. Sreedharan	Independent / Non Executive	3
Dr.K.Venkatachalam	Independent / Non Executive	4
Mrs.Vidya Jyothish Pillai	Non Executive	4
Sri. E.M.Nagasivam	Independent / Non Executive	1

### 4. Nomination & Remuneration Committee

#### Brief description of Terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and to recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Committee consists of Directors, Chaired by, Dr.K.Venkatachalam, Mrs Bhavya Chandran and Sri.K.N.Sreedharan.

During the year, the Nomination & Remuneration Committee held its meetings on 14.11.2017

Members' attendances at the meetings were as follows.

Name of the Directors	Category	No. of Meetings attended during the year 2017-18
Sri. K.N. Sreedharan	Independent Director	1
Dr. K. Venkatachalam	Independent Director	1
Mrs. Bhavya Chandran	Non-Executive Director-Promoter Group	-

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

### Performance Evaluation Criteria for Independent Directors:

The main attribute to be focused on is positive value creation and contribution in respect of ongoing activities of the Company and its value enhancement with adequate qualifications and independence.

### 5. Remuneration of Directors

#### (a) Non executive Directors

S.No.	Name of the Director	Sitting Fees (Rs.)
1	Mrs.Vidya Jyothish Pillai	1,50,000
2	Mrs.Bhavya Chandran	75,000
	Total	2,25,000

#### (b) Independent Directors

S.No.	Name of the Director	Sitting Fees (Rs.)
1.	Sri.K.N. Sreedharan	1,50,000
2.	Dr.K. Venkatachalam	2,00,000
3.	Sri.E.M. Nagasivam	75,000
	Total	4,25,000

#### (c) Chairman and Managing Director

Name of the Director	Salary (Rs)	Commission (Rs)	Sitting Fees (Rs)	Total (Rs)
Sri. P.V. Chandran	24,00,000	0	1,00,000	25,00,000

### 6. Stakeholders Relationship Committee

- The Committee consists of Directors Mrs. Vidya Jyothish Pillai & Mrs. Bhavya Chandran. and Dr.K.Venkatachalam
  - Number of shareholders Complaints received during the year : Nil
  - Number not solved to the satisfaction of the shareholders during the year : NA
  - Number of pending complaints : NA
  - Name & Designation of Compliance Officer : RadheyShyam Padia, Company Secretary
- ii. The Committee held its meetings on 12.04.2017, 17.06.2017, 22.07.2017, 10.08.2017, 14.10.2017, 11.11.2017, 21.12.2017, 11.01.2018 and 03.02.2018 attendance of the members were as follows

Name of the Directors	Category	No. of Meetings attended during the year 2017-18
Dr.K.Venkatachalam	Independent Director	9
Mrs. Vidya Jyothish Pillai	Non-Executive Director-Promoter Group	9
Mrs.Bhavya Chandran	Non-Executive Director-Promoter Group	8

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

### 7. General Body Meetings:

(i) Location, Date and time of the General Meetings held during the last three years.

Year	Location	Date	Time
2015	The Residency, 1076 Avinashi Road, Coimbatore -641 018	23.09.2015	12 Noon
2016	The Residency, 1076 Avinashi Road, Coimbatore -641 018	23.09.2016	12 Noon
2017	Vivanta by Taj-Surya, 105, Race Course Road, Coimbatore -641 018	27.09.2017	12 Noon

(ii) Special resolutions passed in previous three Annual General Meeting

Year	Special Resolution for
2015	Nil
2016	Nil
2017	Nil

(iii) No special resolution was put through by Postal Ballot during FY 2017-18 and is proposed to be conducted through postal ballot

### 8. Means of Communication:

Publications of Financial Results are generally made in dailies Business Line, Dinamani & Dinamalar and further are made available in the company's website [www.acmills.in](http://www.acmills.in)

### 9. General Information to Shareholders:

Annual General Meeting (AGM) Date, Time and Venue	Thursday 27th September 2018 at 12.00 Noon at The Residency, 1076 Avinashi Road, Coimbatore - 641 018	
Financial year	2017-18	
Dividend Payment Date	Within Thirty days from the date of AGM	
Results for Quarter ending	June 30, 2018 September 30, 2018 December 31, 2018 March 31, 2019 AGM	2nd Week of August, 2018 2nd Week of November, 2018 2nd Week of February, 2019 Last week of May 2019 (Audited). September 2019
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)	
Date of Book Closure	21.09.2018 to 27.09.2018 (Both days inclusive)	
Demat ISIN Number in NSDL & CDSL for Equity Shares	ISIN Number: INE540G01014.	

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

### Stock Market Data :

Month	Bombay Stock Exchange		National Stock Exchange	
	Mumbai (BSE)		Mumbai (NSE)	
	High	Low	High	Low
Apr-17	1418.00	1300.00	1420.00	1300.00
May-17	1417.95	1215.00	1388.00	1223.35
Jun-17	1340.00	1250.00	1320.00	1250.00
Jul-17	1413.00	1241.00	1418.05	1258.15
Aug-17	1430.00	1265.00	1427.30	1250.00
Sep-17	1380.00	1282.30	1385.00	1285.00
Oct-17	1370.00	1282.25	1349.20	1270.40
Nov-17	1394.00	1273.65	1355.25	1280.10
Dec-17	1368.05	1270.00	1374.90	1258.90
Jan-18	1857.00	1325.00	1859.95	1318.00
Feb-18	1500.00	1215.05	1524.00	1200.05
Mar-18	1358.00	1268.55	1360.00	1270.00

Registrar & Share Transfer Agents	SKDC Consultants Ltd., Kanapathy Towers, 3rd 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 Stakeholders Relationship 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 Regulation 40(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015).

Pattern of Share Holding as on 31.03.2018			
S. No.	Category	No. of Shares	% of Share holding
1	Promoters	2862350	49.997
2	Banks, Financial Institutions, Mutual Funds	4069	0.071
3	Foreign Financial Institutions	0	0.000
4	Foreign Portfolio investments - Corporate	270412	4.723
5	Corporate Bodies	842094	14.709
6	Public		
	1. Individuals (holding nominal share capital upto Rs.2.00 Lakh)	1152472	20.131
	2. Individuals (Holding nominal share capital in excess of Rs.2.00 Lakh)	372166	6.501
7	Any other (Specify)		
	a. Directors and their relatives	100	0.002
	b. Non resident Indians	138939	2.427
	c. Clearing Members	18294	0.320
	d. Hindu Undivided Families	54503	0.952
	e. Trust	200	0.003
	f. Investor Education and Protection Fund	9401	0.164
	<b>Total</b>	<b>57,25,000</b>	<b>100.000</b>

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

Distribution of Share Holding as on 31.03.2018				
Value ( in Rs)	No. of Shareholders	%	Amount	%
Upto 5000	9401	94.91	6315460	11.03
5001 to 10,000	238	2.41	1798400	3.14
10,001 to 20,000	131	1.32	1890530	3.30
20,001 to 30,000	37	0.37	925140	1.62
30,001to 40,000	22	0.22	756840	1.32
40,001 to 50,000	16	0.16	738260	1.29
50,001 to 1,00,000	32	0.32	2327720	4.07
1,00,001 and above	29	0.29	42497650	74.23
<b>Total</b>	<b>9906</b>	<b>100.00</b>	<b>57250000</b>	<b>100.00</b>
Dematerialisation of Shares	99.333% of the Company's paid-up Equity Share Capital has been dematerialized up to March 31, 2018. 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
Foreign exchange risk and hedging activities	Foreign exchange risks are mitigated through forward exchange contracts besides natural hedge of against imports.
Plant Locations	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, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.
Any other matter	Regd.Office: 9-A, Valluvar Street, Sivanandha Colony, Coimbatore - 641 012



# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

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### 10. Other Disclosures

- i. There are no materially significant related party transactions that have potential conflict with the company.
- ii. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- iii. The Company has established a vigil mechanism / whistle blower policy for directors and employees and the same has been disclosed on the website of the Company and no personnel has been denied access to the audit committee.
- iv. The Company has duly complied with mandatory and adopted non mandatory requirements. The Company has adopted the following discretionary requirements as prescribed in Schedule -II Part-E of the SEBI Listing Regulations:
  - a. The auditors' report on statutory financial statements of the Company are unqualified
  - b. The internal auditor directly report to the audit committee.
- v. There are no subsidiary companies .
- vi. The policy on dealing with related party transactions is disclosed in weblink :[http://acmills.in/files/Others/Pol\\_RelatedTx.pdf](http://acmills.in/files/Others/Pol_RelatedTx.pdf)
- vii. Raw cotton, the main input raw material, is subject to commodity price risks but there are no commodity hedging activities

### **D. DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AFFIRMING COMPLAINECE WITH 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 31.03.2018.

By order of the Board  
Sd/-  
**(P.V.CHANDRAN)**  
Chairman and Managing Director  
(DIN : 00628479)

DATE : 11/08/2018  
PLACE : Coimbatore

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

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### E. AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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 March 31, 2018, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the 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, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We 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.

Date :11/08/2018  
Place : Coimbatore

**For Srikishen & Co**  
Firm Regn. No. 004009S  
Chartered Accountants  
Sd/-  
**(K. Murali Mohan)**  
Proprietor, Auditor  
Membership No. 14328

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

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### ANNUAL CONFIRMATION PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To

The Board of Directors  
Ambika Cotton Mills Limited  
Coimbatore

Dear Sirs,

We hereby certify that:

We have reviewed the financial statement read with the cash flow statement of the Company for the year ended March 31, 2018 and that to the best of our knowledge and belief, we state that :

- a) i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best to our knowledge and belief, no transactions entered into by the Company during the year ended March 31,2018 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems pertaining to financial reporting of the Company and there were no deficiencies in the design or operation of internal controls.
- d) We have indicated to the auditors and the Audit Committee:
  - i) There are no significant changes in internal control over financial reporting during the year ended March 31,2018.
  - ii) There are no significant changes in accounting policies made during the year ended March 31,2018 and
  - iii) There have been no instances of significant fraud of which we have become aware.

Sd/-  
**M. Vijayakumar**  
Chief Financial Officer

Sd/-  
**P.V. Chandran**  
Chairman and Managing Director  
(DIN : 00628479)

Date : 11/08/2018  
Place : Coimbatore

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITORS' REPORT

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To

**The Members of Ambika Cotton Mills Limited**

### **Report on IND AS Financial Statements**

We have audited the accompanying IND AS financial statements of **Ambika Cotton Mills Limited** ('the Company'), which comprise the balance sheet as at **31st March 2018**, the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "IND AS financial statements")

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive income , Cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (INDAS) specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS 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 including the IND AS of the Financial position of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cashflows and changes in the equity for the year ended on that date.

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITORS' REPORT ( Contd.,)

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid IND AS Financial Statements.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance sheet, the statement of Profit and loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid IND AS financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with the relevant Rules issued there under.
  - (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, a separate report has been given in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations in its financial position in its IND AS financial statements-Refer note no.31.1 ;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Date : 25.05.2018  
Place : Coimbatore

**For Srikishen & Co**  
Firm Regn No. 004009S  
Chartered Accountants  
Sd/-  
**(K. Murali Mohan)**  
Proprietor  
Auditor  
Membership No. 14328

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

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### Annexure - A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements

The Annexure referred to in Independent Auditors' Report to the members of the company on the IND AS Financial Statements for the year ended 31st March 2018.

According to the information and explanations sought by us and given by the Company and the books and records examined by us during the course of our Audit and to the best of our knowledge and belief we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
  - (b) The fixed assets of the company have been physically verified in a phased periodical manner, by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) The title deeds of all the immovable properties of the company shown under the Fixed Assets schedule are held in the name of the company.
- (ii) The physical verification of inventory has been conducted by the management at reasonable intervals. The Company has maintained proper record of inventory and no material discrepancies were noticed on the physical verification of inventories as compared to the book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the financial year.
- (iv) The Company has not granted loans or made investments or given guarantees and securities during the year and hence compliance with section 185 and 186 are not applicable.
- (v) The Company has not accepted any deposits and therefore paragraph 3(v) of the order is not applicable to the Company.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act. 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 carried out a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, service tax, Goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. We are informed that the provisions of Employees State Insurance Act, 1948 are not applicable to the Company.

There are, no undisputed arrears of statutory dues which were outstanding as at 31 March 2018 for a period of more than six months from the date they became payable.

# AMBIKA COTTON MILLS LIMITED

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

(b)The details of disputed statutory dues are as under:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Service Tax	4.80	From 16.11.1997 to 01.06.1998	CESTAT, Chennai
Service Tax	Service tax, Interest and penalty	2.95	From 18.04.2006 to 29.02.2008	CESTAT, Chennai
Central Excise Act,1944	Excise duty	11.32	From 20.05.1999 to 06.08.1999	Madras High Court
Service Tax	Service tax	23.99	From 01.10.2005 to 30.06.2006	The matter was remitted back to adjudicating Authority by Madras High Court
Central Excise Act,1944	Interest and penalty	4.91	November 2008 to December 2010	CESTAT, Chennai
Central Excise Act,1944	Interest and penalty	0.84	November 2007 to January 2011	CESTAT, Chennai
Central Excise Act,1944	Central Excise	410.01	Assessment year 2005-06	Madurai Bench of Madras High Court
Income Tax Act,1961	Income Tax	11.65	Assessment year 1998-99	CIT (Appeals-I), Coimbatore
		470.47		

- (viii) The Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the Government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, clause 3(ix) of the order is not applicable.
- (x) No fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion the managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of section 197, read with schedule V of the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion the transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

# AMBIKA COTTON MILLS LIMITED

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

- (xiv) The Company has not made preferential allotment or private placement of shares or issued any debentures during the year.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly clause 3(xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Date : 25.05.2018  
Place : Coimbatore

**For Srikishen & Co**  
Firm Regn No. 004009S  
Chartered Accountants  
Sd/-  
**(K. Murali Mohan)**  
Proprietor  
Auditor  
Membership No. 14328

## ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Ambika Cotton Mills Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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



# AMBIKA COTTON MILLS LIMITED

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the IND AS Financial Statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date : 25.05.2018  
Place : Coimbatore

**For Srikishen & Co**  
Firm Regn No. 004009S  
Chartered Accountants  
Sd/-  
**(K. Murali Mohan)**  
Proprietor  
Auditor  
Membership No. 14328

# AMBIKA COTTON MILLS LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2018

(Rs. in Lakhs)

Particulars	Note No	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	4	25901.05	25393.48	25513.54
(b) Capital work-in-progress		31.46	0.00	0.00
(c) Intangible assets	5	0.00	0.00	0.00
(d) Financial assets				
(i) Investments		0.00	0.00	0.00
(ii) Trade receivables		0.00	0.00	0.00
(iii) Loans		0.00	0.00	0.00
(iv) Other financial assets	11	407.14	538.27	459.86
(e) Other non-current assets	13	16.86	36.27	13.75
<b>Total Non-current assets (A)</b>		<b>26356.51</b>	<b>25968.02</b>	<b>25987.15</b>
<b>(2) Current assets</b>				
(a) Inventories	6	23993.15	15149.51	12417.49
(b) Financial Assets				
(i) Investments	7	30.96	25.72	20.08
(ii) Trade receivables	8	1360.49	4103.60	1850.08
(iii) Cash and cash equivalents	9a	486.79	987.30	344.14
(iv) Bank balances other than (iii) above	9b	0.00	144.76	72.76
(v) Loans	10	0.00	0.60	0.00
(vi) Other financial assets	11	1865.28	839.89	772.16
(c) Current tax assets (Net)	12	54.26	16.44	16.44
(d) Other current assets	13	2308.15	365.95	506.73
<b>Total Current Assets (B)</b>		<b>30099.08</b>	<b>21633.77</b>	<b>15999.88</b>
<b>Total Assets( A+B)</b>		<b>56455.59</b>	<b>47601.79</b>	<b>41987.03</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share capital	14	572.50	572.50	587.50
(b) Other Equity	15	42307.59	36897.09	32924.61
<b>Total Equity(A)</b>		<b>42880.09</b>	<b>37469.59</b>	<b>33512.11</b>
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		0.00	0.00	0.00
(ii) Trade payables		0.00	0.00	0.00
(iii) Other financial liabilities		0.00	0.00	0.00
(b) Deferred tax liabilities (Net)	16	3042.04	3247.71	3296.63
(c) Other non-current liabilities		0.00	0.00	0.00
<b>Total non-current liabilities (B)</b>		<b>3042.04</b>	<b>3247.71</b>	<b>3296.63</b>
<b>(2) Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	2842.89	748.65	1970.86
(ii) Trade payables	18	6098.42	4488.86	1879.29
(iii) Other financial liabilities	19	1317.41	1385.82	1151.34
(b) Other current liabilities	20	274.74	243.09	135.17
(c) Current Tax Liabilities (Net)	21	0.00	18.07	41.63
<b>Total current liabilities (C)</b>		<b>10533.46</b>	<b>6884.49</b>	<b>5178.29</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>56455.59</b>	<b>47601.79</b>	<b>41987.03</b>

See accompanying notes to the financial statements

As per our report of even date attached  
For Srikishen & Co  
Chartered Accountants  
Firm Reg. No. 004009S

For and on behalf of the Board

Sd/-  
(P.V. CHANDRAN)  
CHAIRMAN AND MANAGING DIRECTOR  
(DIN : 00628479)

Sd/-  
(Dr.K.VENKATACHALAM)  
DIRECTOR  
(DIN : 01062171)

Sd/-  
(K. MURALI MOHAN )  
MEMBERSHIP NO : 14328  
PROPRIETOR

Sd/-  
(E.M. NAGASIVAM)  
DIRECTOR  
(DIN : 07894618)

Date : 25.05.2018  
Place : Coimbatore

Sd/-  
(RADHEYSHYAM PADIA)  
COMPANY SECRETARY

Sd/-  
(M.VIJAYAKUMAR)  
CHIEF FINANCIAL OFFICER

# AMBIKA COTTON MILLS LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2018

(Rs. in Lakhs)

Particulars	Note No	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>INCOME</b>			
Revenue from operations	22	58446.68	52861.30
Other income	23	123.13	83.48
<b>Total Income</b>		<b>58569.81</b>	<b>52944.78</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	38685.11	33610.36
Purchase of Stock-in-Trade		0.00	0.00
Changes in inventories of finished goods and work-in-progress	25	-1091.10	-426.16
Employee benefit expense	26	3363.67	2630.86
Finance costs	27	492.86	383.95
Depreciation and amortization expense	28	2887.60	2934.86
Other expenses	29	6269.69	6604.42
<b>Total expenses</b>		<b>50607.83</b>	<b>45738.29</b>
<b>Profit before exceptional items and tax</b>		<b>7961.98</b>	<b>7206.49</b>
<b>Exceptional items</b>		<b>0.00</b>	<b>0.00</b>
<b>Profit before tax after exceptional items</b>		<b>7961.98</b>	<b>7206.49</b>
Tax expense			
Current tax		2074.09	2097.08
Deferred tax		-218.88	-464.42
<b>Total tax expense</b>		<b>1855.21</b>	<b>1632.66</b>
Profit after tax from continuing operations for the year		<b>6106.77</b>	<b>5573.83</b>
<b>Other Comprehensive income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Remeasurements of the defined benefit plans		-11.04	-7.38
Income tax relating to items not reclassified to Profit & Loss		3.82	2.55
<b>Items that will be reclassified to Profit &amp; Loss</b>			
		<b>0.00</b>	<b>0.00</b>
<b>Total Other Comprehensive income</b>		<b>-7.22</b>	<b>-4.83</b>
<b>Total Comprehensive income for the year</b>		<b>6099.55</b>	<b>5569.00</b>
Basic Earnings per share (In Rs) [ Face Value Rs 10/- per share]		<b>106.67</b>	<b>95.55</b>
Diluted Earnings per Share (In Rs) [ Face Value Rs 10/- per share]		<b>106.67</b>	<b>95.55</b>

See accompanying notes to Financial Statements

As per our report of even date attached  
For Srikishen & Co  
Chartered Accountants  
Firm Reg. No. 004009S

Sd/-  
(K. MURALI MOHAN )  
MEMBERSHIP NO : 14328  
PROPRIETOR

Date : 25.05.2018  
Place : Coimbatore

For and on behalf of the Board

Sd/-  
(P.V. CHANDRAN)  
CHAIRMAN AND MANAGING DIRECTOR  
(DIN : 00628479)

Sd/-  
(RADHEYSHYAM PADIA)  
COMPANY SECRETARY

Sd/-  
(Dr.K.VENKATACHALAM)  
DIRECTOR  
(DIN : 01062171)

Sd/-  
(E.M. NAGASIVAM)  
DIRECTOR  
(DIN : 07894618)  
Sd/-  
(M.VIJAYAKUMAR)  
CHIEF FINANCIAL OFFICER

# AMBIKA COTTON MILLS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

### EQUITY SHARE CAPITAL

Equity Shares of Rs. 10 each issued, subscribed and fully paid

Particulars	No. of shares	Amount (Rs. in Lakhs)
As at 01.04.2016	5875000	587.50
Less : Buyback of Shares	150000	15.00
As at 31.03.2017	5725000	572.50
Changes in Equity Share Capital	0	0.00
As at 31.03.2018	5725000	572.50

### OTHER EQUITY

(Rs. in Lakhs)

Particulars	Other Equity				Total Other Equity
	Reserves and Surplus				
	Capital Redemption Reserve	Share Premium Reserve	General Reserve	Retained Earnings	
Balance as at 01.04.2016	0.00	1972.58	14679.81	16272.22	32924.61
Total Comprehensive Income for the year	0.00	0.00	0.00	5569.00	5569.00
Transfer to Capital Redemption Reserve	15.00	-15.00	0.00	0.00	0.00
Buy Back of Equity shares	0.00	-1596.52	0.00	0.00	-1596.52
Transfer to General Reserve	0.00	0.00	1000.00	-1000.00	0.00
Balance as at 31.03.2017	15.00	361.06	15679.81	20841.22	36897.09
Total Comprehensive Income for the year	0.00	0.00	0.00	6099.55	6099.55
Interim Dividend	0.00	0.00	0.00	-572.50	-572.50
Dividend Tax	0.00	0.00	0.00	-116.55	-116.55
Transfer to General Reserve	0.00	0.00	1000.00	-1000.00	0.00
Balance as at 31.03.2018	15.00	361.06	16679.81	25251.72	42307.59

As per our report of even date attached  
For Srikishen & Co  
Chartered Accountants  
Firm Reg. No. 004009S

For and on behalf of the Board

Sd/-  
(P.V. CHANDRAN)  
CHAIRMAN AND MANAGING DIRECTOR  
(DIN : 00628479)

Sd/-  
(Dr.K.VENKATACHALAM)  
DIRECTOR  
(DIN : 01062171)

Sd/-  
(K. MURALI MOHAN )  
MEMBERSHIP NO : 14328  
PROPRIETOR

Sd/-  
(E.M. NAGASIVAM)  
DIRECTOR  
(DIN : 07894618)

Sd/-  
(RADHEYSHYAM PADIA)  
COMPANY SECRETARY

Sd/-  
(M.VIJAYAKUMAR)  
CHIEF FINANCIAL OFFICER

Date : 25.05.2018  
Place : Coimbatore

# AMBIKA COTTON MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2018

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit after exceptional items but before tax	7950.94	7199.11
<b>Adjustment for</b>		
Depreciation and amortisation expenses	2887.60	2934.86
Finance Costs	492.86	383.95
Sale of Assets	-45.34	-22.58
Increase in fair value of Investments	-5.24	-5.05
Foreign Currency Fluctuation in cash and cash equivalents on revaluation	-0.11	4.88
Investments Income:	0.00	0.00
Interest/Dividend Received	-61.82	-53.19
<b>Operating Profit Before Working Capital Changes</b>	<b>11218.89</b>	<b>10441.98</b>
<b>Adjustments for (increase )/decrease in operating assets</b>		
Inventories	-8843.63	-2732.02
Trade receivables	2743.11	-2253.52
Other financial assets - Non current	131.13	-78.41
Other financial assets - Current	-1025.39	-67.73
Other Current assets- Current	-1942.19	140.77
Loans	0.60	-0.60
	<b>2282.52</b>	<b>5450.47</b>
<b>Adjustments for increase /(decrease) in operating liabilities</b>		
Trade Payables	1609.56	2609.57
Other Financial Liabilities	-68.42	234.49
Other Current Liabilities	31.65	107.92
<b>Cash used in / generated from operations</b>	<b>3855.31</b>	<b>8402.45</b>
<b>Taxes paid</b>	<b>-2229.50</b>	<b>-1702.59</b>
<b>Net Cash used in /generated from operating activities (A)</b>	<b>1625.81</b>	<b>6699.86</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-3450.16	-2898.19
Capital work in progress	-31.46	0.00
Sale of Fixed assets	100.32	105.97
Other Current assets - Non Current	19.41	-22.52
Purchase of Investments	0.00	-0.59
(Increase)/ decrease in Bank Balances not considered as cash and cash equivalent	144.76	-72.00
Interest Received	61.81	52.50
Dividend Received	0.01	0.69
<b>Net cash used in Investing activities (B)</b>	<b>-3155.31</b>	<b>-2834.14</b>

# AMBIKA COTTON MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2018

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment towards Buy Back of Shares	0.00	-1611.52
Proceeds from Working Capital borrowings	2094.24	-1222.21
Dividend Paid	-572.50	0.00
Interest Paid	-492.86	-383.95
	0.00	0.00
<b>Net Cash Used in Financing Activities (C)</b>	<b>1028.88</b>	<b>-3217.68</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>-500.62</b>	<b>648.04</b>
Cash and Cash Equivalents at beginning of the period (D)	987.30	344.14
Unrealised Loss/(Gain) on Foreign Currency Cash and Cash equivalents	0.11	-4.88
Cash and Cash Equivalents at end of the period (E)	486.79	987.30
Note : Cash and Cash Equivalents include the following balance not available for use		
Unpaid Dividend account	16.11	19.81

As per our report of even date attached  
For Srikishen & Co  
Chartered Accountants  
Firm Reg. No. 004009S

For and on behalf of the Board

Sd/-  
(P.V. CHANDRAN)  
CHAIRMAN AND MANAGING DIRECTOR  
(DIN : 00628479)

Sd/-  
(Dr.K.VENKATACHALAM)  
DIRECTOR  
(DIN : 01062171)

Sd/-  
(K. MURALI MOHAN )  
MEMBERSHIP NO : 14328  
PROPRIETOR

Sd/-  
(E.M. NAGASIVAM)  
DIRECTOR  
(DIN : 07894618)

Sd/-  
(RADHEYSHYAM PADIA)  
COMPANY SECRETARY

Sd/-  
(M.VIJAYAKUMAR)  
CHIEF FINANCIAL OFFICER

Date : 25.05.2018  
Place : Coimbatore

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 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 108288 (Previous Year 108288 Spindles) of compact facility housed in four units and Knitting facility of converting 30,000 Kgs of yarn per day into fabrics. 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. The financial statements are approved for issue by the Company's Board of Directors on 25th May 2018.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Statement of compliance

The financial statements have been prepared in accordance with IND AS notified under Sec. 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules 2015 as amended by Companies (India Accounting Standards) (Amendment) Rules 2017 and other relevant provisions of the Act. Upto the year ended 31st March 2017, the company prepared its financial statements in accordance with the requirements of the previous Indian GAAP, which includes Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Companies (Accounting Standards) Rules 2006, Rule 7 of the Companies (Accounts) Rules 2014, provisions of the Companies Act, 2013 to the extent notified and guidelines issued by the Securities and Exchange Board of India. These are the company's first IND AS financial statements. The date of transition to IND AS is 1st April 2016. Refer separate note for the details of first time adoption by the Company on the financial position, financial performance and cash flows.

### 2.2. Basis of preparation and presentation

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (Act) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

### 2.3. Property, Plant and Equipment

Property, plant and equipment are carried at cost of acquisition including any attributable cost of bringing the assets to its working condition for its intended use and net of Cenvat / GST or any other claim receivable less accumulated depreciation and impairment losses, if any.

The depreciation charge is based on useful life and the expected residual value at the end of its life and are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end with the effect of any changes in estimate accounted for on a prospective basis. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Depreciation is recognised using the straight-line method.

Estimated useful lives of the tangible assets are as follows:	
Buildings	30- 40 Years
Plant and Equipment	18.94 Years
Wind Mills	13.33 Years
Furniture & fixtures	3 Years
Vehicles	8 years
Office Equipments	3 Years

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

For transition to IND AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 2.4. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation. Amortisation is recognised on a straight line basis over their estimated useful lives.

Estimated useful lives of the tangible assets are as follows:	
Technical know how	4 Years

For transition to IND AS, the company has elected to continue with the carrying value of Zero of its intangible assets viz Technical know which was fully amortised as of 1st April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 2.5. Impairment of assets

A tangible or intangible asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of tangible or intangible assets are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss equal to the excess of the carrying amount over its recoverable value is recognised as an impairment loss. The impairment loss, if any, recognised in prior accounting period is reversed if there is a change in estimate of recoverable amount.

### 2.6 Financial Instruments

Financial assets and financial liabilities constitute Financial Instruments and are recognised only when the company becomes party to the contractual provisions of the instrument.

On initial recognition, (i) financial assets are classified either at amortised cost or fair value through other comprehensive income (OCI) or fair value through profit or loss (FVTPL) and (ii) financial liabilities either at amortised cost or fair value through profit or loss (FVTPL)

On initial recognition, a financial asset or a financial liability is measured at its fair value. In the case of a financial asset or liability which is not categorised at FVTPL, the financial asset or liability will be measured at its fair value plus/minus transaction cost that are directly contributed to the acquisition or issue of the financial asset or financial liability.

The financial assets and liabilities are carried at FVTPL and there are no financial assets and liabilities falling under other categories.

The equity instruments are categorised at FVTPL and are measured at the end of each reporting period.

In the case of derivatives, the contractual rights and obligations are recognised as assets or liabilities in the balance sheet.

The financial assets are derecognised when the contractual rights to the cash flows from the asset expires.

The financial liabilities are derecognised when the obligations are discharged.

### 2.7 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the entity are recognised at the proceeds received, net of direct issue costs.



# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

### 2.8 Valuation of Inventories

Inventories are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. The costs of inventories are ascertained on weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.9. Foreign Currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction.

Foreign currency monetary items at the balance sheet date are reported using the closing rate.

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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### 2.10 Recognition of revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Dividend income from investments is recognised when the right to receive payment is established

Interest income is recognized on time proportionate basis with reference to the to principal outstanding and at the effective interest rate applicable.

Export incentives are recognised when the right to receive payment/ credit is established and no significant uncertainty as to measurability or collectability exists.

### 2.11 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

### 2.12 Date of recording of Final Dividend declared by the Company as a liability

Final dividend on shares are recorded as a liability on the date of approval by the shareholders at the annual general meeting and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

### 2.13 Earnings per share

Basic Earnings per share is calculated by dividing the Net Profit after tax attributable to the equity shareholders by the weighted average number of Equity Shares outstanding during the year.

### 2.14 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.

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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### 2.15 Segment reporting

The company is primarily engaged in manufacturing cotton yarn and fabrics. The power generated from windmills is meant for captive consumption for manufacturing of cotton yarn and fabrics. One of the criteria for segment reporting is absolute amount of the segment's reported profit or loss is 10% or more of the greater of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined loss of all operating segments that reported a loss 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.

### 2.16. Taxes on Income

Income tax expense comprises current and deferred income tax.

#### Current tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

#### Deferred tax

"Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

### 2.17 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.

### 2.18 Cash Flow statement and Cash and Cash equivalents

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

### 2.19 First-time adoption of IND AS - Overall principle

The company has prepared the opening balance sheet as per IND AS as of 1st April 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by IND AS, not recognising items of assets or liabilities which are not

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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permitted by IND AS, by reclassifying items from previous GAAP to IND AS as required under IND AS, and applying IND AS in measurement of recognised assets and liabilities.

In transition to IND AS the company has opted as under,

- (i) To continue with the carrying value of all its Property, plant and equipment and intangible assets, recognised as of 1st April 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
- (ii) Designated investment in all equity shares as at FVTPL on the basis of facts and circumstances that existed at the transition date.

### **3. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such estimates and judgments are included in the relevant notes together with the basis of calculation for relevant line item in the financial statements. Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Carrying amounts of:			
Freehold land	323.09	308.08	379.15
Buildings	4991.55	4595.89	4347.41
Plant and Equipment	20453.36	20338.70	20656.82
Electrical Fittings	0.00	0.00	0.00
Furniture and fixtures	1.18	1.54	0.55
Vehicles	111.23	144.62	127.02
Office Equipment	20.64	4.65	2.59
<b>Total</b>	<b>25901.05</b>	<b>25393.48</b>	<b>25513.54</b>
Capital Work-in-progress	31.46	0.00	0.00
<b>Total</b>	<b>31.46</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>25932.51</b>	<b>25393.48</b>	<b>25513.54</b>

Particulars	Free hold Land	Buildings	Plant & Equip- ment	Electrical Fittings	Furniture & fixtures	Vehicles	Office equip- ments	Total	Capital Work in progress
<b>Cost or deemed cost</b>									
<b>Balance at 1st April 2016</b>	379.15	6316.80	43483.61	2.67	10.12	341.51	69.61	50603.47	0.00
Additions	10.66	468.25	2354.13	0.00	2.65	56.28	6.22	2898.19	0.00
Eliminated on disposals of assets	81.73	0.00	32.88	0.00	0.00	0.00	0.00	114.61	0.00
<b>Balance at 31st March 2017</b>	308.08	6785.05	45804.86	2.67	12.77	397.79	75.83	53387.05	0.00
Additions	15.01	686.40	2720.41	0.00	0.68	0.00	27.66	3450.16	31.46
Eliminated on disposals of assets	0.00	40.42	45.70	0.00	0.00	0.00	0.00	86.12	0.00
<b>Balance at 31st March 2018</b>	323.09	7431.03	48479.57	2.67	13.45	397.79	103.49	56751.09	31.46
<b>Accumulated depreciation and impairment</b>									
<b>Balance at 1st April 2016</b>	0.00	1969.39	22826.79	2.67	9.57	214.49	67.02	25089.93	0.00
Eliminated on disposals of assets	0.00	0.00	31.22	0.00	0.00	0.00	0.00	31.22	0.00
Depreciation Expense	0.00	219.77	2670.59	0.00	1.66	38.68	4.16	2934.86	0.00
<b>Balance at 31st March 2017</b>	0.00	2189.16	25466.16	2.67	11.23	253.17	71.18	27993.57	0.00
Eliminated on disposals of assets	0.00	0.00	31.14	0.00	0.00	0.00	0.00	31.14	0.00
Depreciation Expense	0.00	250.31	2591.19	0.00	1.04	33.39	11.67	2887.60	0.00
<b>Balance at 31st March 2018</b>	0.00	2439.47	28026.21	2.67	12.27	286.56	82.85	30850.03	0.00
<b>Carrying Amount</b>									
<b>Balance at 1st April 2016</b>	379.15	4347.41	20656.82	0.00	0.55	127.02	2.59	25513.54	0.00
Additions	10.66	468.25	2354.13	0.00	2.65	56.28	6.22	2898.19	0.00
Eliminated on disposals of assets	81.73	0.00	1.66	0.00	0.00	0.00	0.00	83.39	0.00
Depreciation expense	0.00	219.77	2670.59	0.00	1.66	38.68	4.16	2934.86	0.00
<b>Balance at 31st March 2017</b>	308.08	4595.89	20338.70	0.00	1.54	144.62	4.65	25393.48	0.00
Additions	15.01	686.40	2720.41	0.00	0.68	0.00	27.66	3450.16	31.46
Eliminated on disposals of assets	0.00	40.43	14.56	0.00	0.00	0.00	0.00	54.99	0.00
Depreciation expense	0.00	250.31	2591.19	0.00	1.04	33.39	11.67	2887.60	0.00
<b>Balance at 31st March 2018</b>	323.09	4991.55	20453.36	0.00	1.18	111.23	20.64	25901.05	31.46

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 5. INTANGIBLE ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Carrying amounts of:			
Know-how	0.00	0.00	0.00
Total	0.00	0.00	0.00

Particulars	Know-How
<b>Cost or deemed cost</b>	
<b>Balance at 1st April 2016</b>	79.43
Additions	0.00
Eliminated on disposals of assets	0.00
<b>Balance at 31st March 2017</b>	<b>79.43</b>
Additions	0.00
Eliminated on disposals of assets	0.00
<b>Balance at 31st March 2018</b>	<b>79.43</b>
<b>Accumulated depreciation and impairment</b>	
<b>Balance at 1st April 2016</b>	<b>79.43</b>
Eliminated on disposals of assets	0.00
Depreciation Expense	0.00
<b>Balance at 31st March 2017</b>	<b>79.43</b>
Eliminated on disposals of assets	0.00
Depreciation Expense	0.00
<b>Balance at 31st March 2018</b>	<b>79.43</b>
<b>Carrying Amount</b>	
<b>Balance at 1st April 2016</b>	<b>0.00</b>
Additions	0.00
Eliminated on disposals of assets	0.00
Depreciation expense	0.00
<b>Balance at 31st March 2017</b>	<b>0.00</b>
Additions	0.00
Eliminated on disposals of assets	0.00
Depreciation expense	0.00
<b>Balance at 31st March 2018</b>	<b>0.00</b>

### 6. INVENTORIES

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Inventories (lower of cost and net realisable value)			
Raw Materials	19928.06	12291.45	9975.88
Work-in-progress	2347.71	1352.29	726.41
Finished Goods	988.70	830.89	1059.30
Waste Cotton	22.74	84.87	56.18
Stores and Spares	537.49	436.53	466.71
Packing Materials	168.45	153.48	133.01
Total	<b>23993.15</b>	<b>15149.51</b>	<b>12417.49</b>

The cost of inventories recognised as an expense during the year is Rs.38685.11 Lakhs.(Previous year Rs.33610.36 Lakhs)

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 7. INVESTMENTS

(Rs. in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Current						
Investment in quoted equity instruments (fully paid up) [At fair values]						
Cholamandalam Investment & Finance Co. Limited	650	9.42	650	6.27	650	4.69
City Union Bank	5500	9.49	5000	7.58	5000	4.74
Investment in unquoted equity instruments (fully paid up)						
Suryadev Alloys Power Private Limited	2600	3.80	2600	3.80	2600	3.80
Investment in Mutual Fund [at Nav]						
LICMF Equity Fund- Dividend- Reinvestment plan	58182.257	8.25	58182.257	8.07	53691.972	6.85
<b>Total</b>		<b>30.96</b>		<b>25.72</b>		<b>20.08</b>
Aggregate book value of quoted investments		0.87		0.87		0.87
Aggregate market value of quoted investments		18.91		13.85		9.43
Aggregate book value of unquoted investments		3.80		3.80		3.80
Aggregate amount of impairment in the value of investments		0.00		0.00		0.00
Aggregate book value of Mutual fund		6.46		6.46		5.87
Aggregate net asset value of Mutual fund		8.25		8.07		6.85
Category-wise investments - as per IND AS 109 classification						
Financial assets carried at fair value through profit or loss (FVTPL)		30.96		25.72		20.08
Financial assets carried at amortised cost		0.00		0.00		0.00
Financial assets carried at fair value through other Comprehensive Income (FVTOCI)		0.00		0.00		0.00

### 8. TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Current</b>			
<b>Unsecured, considered good</b>			
From related Parties	0.00	0.00	0.00
From others	1360.49	4103.60	1850.08
Allowance for doubtful debts (Expected credit loss allowance)	0.00	0.00	0.00
<b>Total</b>	<b>1360.49</b>	<b>4103.60</b>	<b>1850.08</b>

#### Concentration of Risk

Generally the sales are made against specific orders and to those customers who have long term relationship.

Export Sales are backed by irrevocable letter of credits . In respect of domestic sales advance payments are collected before delivery of goods . However exceptions are made based on the credit quality of customers.

Expected credit loss is placed at Nil .

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in Lakhs)

Age of receivables	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Within the credit period	1360.49	3994.15	1820.76
30-60 Days	0.00	109.43	23.29
60-90 Days	0.00	0.02	3.22
More than 90 Days	0.00	0.00	2.81
<b>Total</b>	<b>1360.49</b>	<b>4103.60</b>	<b>1850.08</b>

Note: All the above receivables falling outside the credit period in FY 2016 and FY 2017 are fully realised.

### Movement in the expected credit loss allowance

(Rs. in Lakhs)

Age of receivables	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	0.00	0.00
Movement in expected credit loss allowance on trade	0.00	0.00
Receivables calculated at lifetime expected credit losses	0.00	0.00
Balance at the end of the year	0.00	0.00

### 9 (a). CASH AND CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances with Banks			
Current account	279.24	211.29	92.56
EEFC A/c	152.06	729.16	191.67
Unpaid dividend account	16.11	19.81	31.76
Cash on hand	39.38	27.04	28.15
<b>Total</b>	<b>486.79</b>	<b>987.30</b>	<b>344.14</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

### 9(b) BANK DEPOSITS OTHER THAN ABOVE

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deposits with more than 3 months but less than 12 months maturity	0.00	144.76	72.76
<b>Total</b>	<b>0.00</b>	<b>144.76</b>	<b>72.76</b>

### 10. LOANS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Current</b>			
Unsecured, Considered Good			
Security Deposits	0.00	0.00	0.00
Loans to related parties	0.00	0.00	0.00
Others- Staff Advance	0.00	0.60	0.00
<b>Total</b>	<b>0.00</b>	<b>0.60</b>	<b>0.00</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 11. OTHER FINANCIAL ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Non-current</b>			
Bank deposits (> 12 months maturity)	0.00	210.70	56.54
Bank Deposit- Bank Gurantee	5.40	4.68	4.68
Cenvat and service tax credit receivable	39.86	129.58	129.58
Interest reimbursement receivable (TUFS)	126.94	88.37	0.00
Security Deposit for Electricity & Others	119.66	104.94	269.06
Trans Credit (GST) receivable	115.28	0.00	0.00
<b>Total</b>	<b>407.14</b>	<b>538.27</b>	<b>459.86</b>
<b>Current</b>			
Cenvat and service tax credit receivable	0.00	149.60	88.61
Cotton Purchase debit note	35.71	19.96	0.59
Duty drawback & MEIS receivable	186.67	285.53	169.65
EB receivable (for wind)	79.84	79.84	0.00
Forward cover (Foreign Currency)	134.11	41.33	91.40
GST receivable	1423.71	0.00	0.00
Interest accrued on bank deposits	0.00	13.77	0.52
Interest reimbursement receivable (TUFS)	0.00	38.56	211.14
Security deposit for Electricity	0.00	180.00	189.23
VAT & Sales tax receivable	5.24	31.30	21.02
<b>Total</b>	<b>1865.28</b>	<b>839.89</b>	<b>772.16</b>

### 12. CURRENT TAX ASSETS (NET)

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Current tax assets</b>			
Income tax advances	2106.96	0.00	0.00
<b>Current tax liabilities</b>			
Income tax liability	2069.14	0.00	0.00
	37.82	0.00	0.00
Income tax refund due	16.44	16.44	16.44
<b>Total</b>	<b>54.26</b>	<b>16.44</b>	<b>16.44</b>

### 13. OTHER CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Non-current</b>			
Capital Advances	16.86	36.27	13.75
<b>Total</b>	<b>16.86</b>	<b>36.27</b>	<b>13.75</b>
<b>Current</b>			
Advance for supply of materials	195.21	134.86	287.54
Advance for Cotton	1990.27	0.00	0.00
Prepaid Expenses	85.57	200.92	193.79
LC Opening Charges for import of Cotton	26.45	26.83	15.93
LIC Plan Assets	10.65	3.34	9.47
<b>Total</b>	<b>2308.15</b>	<b>365.95</b>	<b>506.73</b>



# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 14. EQUITY SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>a. Authorized Share Capital</b>			
1,00,00,000 Fully paid Equity Shares of Rs.10 each	1000.00	1000.00	1000.00
<b>b. Issued and subscribed and fully paid up capital</b>			
5725000 Equity shares of Rs.10 each (as at 31st March 2017 :57,25,000 , as at 1st April 2016: 58,75,000)	572.50	572.50	587.50
1,50,000 Equity shares of Rs.10 each bought back during the Financial year 2016-17			

(Rs. in Lakhs)

Fully paid Equity Shares	Number of Shares	Share Capital
Balance as on April 1,2016	5875000	587.50
Share Buy-back	150000	15.00
Balance as on March 31,2017	5725000	572.50
Movements during 2017-18	0	0.00
Balance as on March 31,2018	5725000	572.50

The company has issued only one class of Equity share having a par value of Rs.10 per share. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the of company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

1,50,000 equity shares of Rs.10 each (representing 2.55% of the total number of paid up equity shares of the company) was bought back from the shareholders of the company through stock exchange at the average price of Rs. 1048.81 per share for an aggregate amount of Rs. 1573.22 Lakhs, in accordance with the provisions of the Companies Act, 2013 and SEBI (Buyback of Securities) Regulations, 1998. The shares bought back were cancelled.

Shareholders holding more than 5% Equity shares.

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of shares	% of of holding	No. of shares	% of of holding	No. of shares	% of of holding
1. C. Bhavani	2272566	39.70	2272566	39.70	2272566	38.68
2. P.V. Chandran	589784	10.30	584534	10.21	584534	9.95

### 15. OTHER EQUITY

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Capital Redemption Reserve	15.00	15.00	0.00
Securities Premium Account	361.06	361.06	1972.58
General Reserve	16679.81	15679.81	14679.81
Retained Earnings	25251.72	20841.22	16272.22
<b>Total</b>	<b>42307.59</b>	<b>36897.09</b>	<b>32924.61</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 15.1 CAPITAL REDEMPTION RESERVE

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	15.00	0.00
Add: Transfer from Share Premium Reserve	0.00	15.00
Balance at the end of the year	15.00	15.00

Capital Redemption Reserve is a statutory reserve created at amounts equal to the face value of the shares bought back as per the provisions of company law.

### 15.2 SECURITIES PREMIUM RESERVE

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	361.06	1972.58
Less: Transfer to Capital Redemption Reserve	0.00	15.00
Less: Used towards buyback of Equity Shares	0.00	1596.52
Balance at the end of the year	361.06	361.06

Security Premium reserve is a reserve created out of amounts received over and above the par value at the time of issue of shares .

### 15.3 GENERAL RESERVE

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	15679.81	14679.81
Add: Transfer from retained earnings	1000.00	1000.00
Balance at the end of the year	16679.81	15679.81

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, Items included in the general reserve will not be reclassified subsequently to profit or loss

### 15.4 RETAINED EARNINGS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	20841.22	16272.22
Add: Total comprehensive income for the year	6099.55	5569.00
Less: Payment of dividends on equity shares	572.50	0.00
Less: Payment of tax on dividends	116.55	0.00
Less: Transfer to General Reserve	1000.00	1000.00
Balance at the end of the year	25251.72	20841.22

The Board declared an interim dividend of Rs. 10 per share amounting to dividend Rs. 572.50 Lakhs for FY 2017-18.

The directors have proposed dividend of Rs.25/- per share amounting to Rs.1431.25 Lakhs for the year ended March 31, 2018 and the same is subject to approval of shareholders at the Annual General Meeting and hence not included as a liability.

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 16. DEFERRED TAX LIABILITY (NET )

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deferred Tax Liability	3042.04	3260.92	3725.34
Deferred Tax Asset	0.00	0.00	0.00
MAT credit C/F	0.00	-13.21	-428.71
Total	3042.04	3247.71	3296.63
<b>2017-18</b>			
Particulars	Opening Balance	Recognised in Profit and Loss	Closing Balance
On account of Property, Plant & Equipment	3257.79	-220.00	3037.79
On account of fair value of Equity instruments	3.13	1.12	4.25
	3260.92	-218.88	3042.04
<b>2016-17</b>			
Particulars	Opening Balance	Recognised in Profit and Loss	Closing Balance
On account of Property , Plant & Equipment	3723.29	-465.50	3257.79
On account of fair value of Equity instruments	2.05	1.08	3.13
	3725.34	-464.42	3260.92

### 17. BORROWINGS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
From Banks (Secured)			
Loans Repayable on Demand - Working Capital	2842.89	748.65	1970.86
	2842.89	748.65	1970.86

#### NATURE OF SECURITY

Working Capital Loans from Banks are secured by Paripassu First charge over the current assets and Paripassu second charge over the movable fixed assets excluding Windmills.

Loan guaranteed by Directors

Nil

Period and amount of continuing Default

Nil

### 18. TRADE PAYABLES

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Current</b>			
Due to Micro, Small & Medium Enterprises	0.00	0.00	24.89
Others	6098.42	4488.86	1854.40
Total	6098.42	4488.86	1879.29

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 19. OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Current</b>			
Current maturities of long term debt	0.00	0.00	0.00
Unpaid dividends	16.11	19.81	31.75
Forward cover (Foreign Currency)	0.00	104.82	42.67
Interest accrued but not due on borrowings	30.02	21.35	0.00
Statutory payables	38.97	64.87	58.49
Other liabilities for Expenses	1232.31	1174.97	1018.43
<b>Total</b>	<b>1317.41</b>	<b>1385.82</b>	<b>1151.34</b>

### 20. OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advance received from Customers	274.74	243.09	135.17
<b>Total</b>	<b>274.74</b>	<b>243.09</b>	<b>135.17</b>

### 21. CURRENT TAX LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Current tax liabilities</b>			
Income tax provisions	0.00	1675.75	1258.17
<b>Current tax assets</b>			
Income tax advances	0.00	1657.68	1216.54
<b>Total</b>	<b>0.00</b>	<b>18.07</b>	<b>41.63</b>

### 22. REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Sale of Products (Refer Note (i) below)	56957.82	51594.33
Other Operating Revenue (Refer Note (ii) below)	1488.86	1266.97
	58446.68	52861.30
Less: Excise Duty	0.00	0.00
	<b>58446.68</b>	<b>52861.30</b>
Note (i)		
<b>Sale of Products Comprises of</b>		
Cotton Yarn	41034.38	45703.73
Knitted Fabrics	9937.47	1815.70
Waste Cotton	5985.97	4074.90
	<b>56957.82</b>	<b>51594.33</b>
Note (ii)		
<b>Other Operating Revenue</b>		
Export Benefits	910.20	920.45
Foreign Exchange Fluctuation	401.21	199.61
Profit on disposal of rawmaterial	148.42	67.07
Wind Energy	0.00	79.84
Sale of Scrap	29.03	0.00
	<b>1488.86</b>	<b>1266.97</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 23. OTHER INCOME

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Interest (Refer Note (i) below)	61.81	52.50
Dividend from Current Investments	0.01	0.69
Other non-operating income (Refer Note (ii) below)	61.31	30.29
	<b>123.13</b>	<b>83.48</b>
Note (i)		
<b>Interest Income Comprises of</b>		
From banks on deposits	55.07	34.53
Other Interest	6.74	17.97
<b>Total Interest Income</b>	<b>61.81</b>	<b>52.50</b>
Note (ii)		
<b>Other non-operating income comprises of</b>		
Rent	0.00	2.20
Sundry Parties Written Off	0.00	0.46
Profit on sale of Fixed Assets	45.34	22.58
Increase in fair value of Investments	5.25	5.05
VAT Refund	10.72	0.00
<b>Total Other Non Operating Income</b>	<b>61.31</b>	<b>30.29</b>

### 24. COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Opening Stock	12291.45	9975.88
Add : Purchases	48269.88	36743.32
	60561.33	46719.20
Less: Cost of materials disposed	1948.16	817.39
	58613.17	45901.81
Less : Closing Stock	19928.06	12291.45
<b>Total Cost of Materials Consumed</b>	<b>38685.11</b>	<b>33610.36</b>
<b>Materials Consumed Comprises of</b>		
Raw Cotton	35566.10	32990.88
Modal	223.32	597.40
Lycra	310.03	22.08
Yarn	2585.66	0.00
	<b>38685.11</b>	<b>33610.36</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 25. CHANGES IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Opening Stock Work in progress	1352.29	726.41
Opening Stock Finished Goods	830.89	1059.30
Opening Stock of Waste Cotton	84.87	56.18
Total (A)	<u>2268.05</u>	<u>1841.89</u>
Closing Stock Work in progress	2347.71	1352.29
Closing Stock Finished Goods	988.70	830.89
Closing Stock of Waste Cotton	22.74	84.87
Total (B)	<u>3359.15</u>	<u>2268.05</u>
Increase / Decrease in Stock (A - B) (-)/(+)	-1091.10	-426.16

### 26. EMPLOYEES BENEFIT EXPENSES

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Salaries & Wages	2577.84	1973.11
Contribution to Provident Fund & Other Funds	155.39	140.06
Staff Welfare Expenses	630.44	517.69
	<u>3363.67</u>	<u>2630.86</u>

### 27. FINANCE COSTS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
a. Interest Expense		
(i) Fixed Term loans	0.00	0.00
(ii) Working Capital Loans	487.07	376.66
b. Other Borrowing Costs	5.79	7.29
c. Net Gain/Loss on Foreign Currency transactions	0.00	0.00
	<u>492.86</u>	<u>383.95</u>

### 28. DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Depreciation of property, plant and equipment	2887.60	2934.86
Amortisation expense	0.00	0.00
Total depreciation and amortisation expense	<u>2887.60</u>	<u>2934.86</u>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 29. OTHER EXPENSES

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Stores Consumed	574.91	621.60
Power & Fuel	2423.22	2368.82
Materials Sizing & Fabrication	16.86	75.99
Freight Inwards	22.43	10.15
Machinery Maintenance	37.25	120.25
Building Maintenance	112.48	364.58
Vehicle Maintenance	182.77	121.86
Printing & Stationary	11.75	10.12
Postage & Telephone	27.71	32.01
Travelling Expenses	32.62	23.88
Insurance	101.84	107.26
Licence Fees & Taxes	173.28	164.11
Bank Charges	59.96	58.86
Professional & Legal Charges	56.03	46.68
Salary to Managing Director	24.00	24.00
Auditors Remuneration	5.00	3.45
Freight Outwards	594.11	681.44
Packing Materials	742.94	759.03
Brokerage & Commission	776.71	757.52
Rate Discount	43.52	34.62
Advertisement	8.33	7.38
Sundry Parties Written Off	17.31	0.00
Security Service Charges	36.96	37.85
CSR Expenses	136.32	123.02
Miscellaneous Expenses	51.38	49.94
<b>Total</b>	<b>6269.69</b>	<b>6604.42</b>

### 30. INCOME TAX RELATING TO CONTINUING OPERATIONS

#### 30.1. INCOME TAX RECOGNISED IN PROFIT & LOSS

(Rs. in Lakhs)

Particulars	Year ended As at March 2018	Year ended As at March 2017
<b>Current tax</b>		
Current tax on profits for the year	2070.27	1878.47
Add: interest	2.69	0.00
Less : Rounding off difference	0.00	-0.17
Adjustments for current tax of prior periods	1.13	218.78
Current tax expense	2074.09	2097.08
<b>Deferred Tax</b>		
(Decrease) in DTL - depreciation	-220.00	-465.50
Increase in DTL - Fair value of Investments	1.12	1.08
Deferred tax	-218.88	-464.42
Total Tax expense for continuing Operations	1855.21	1632.66
Less: Tax relating to other comprehensive income	3.82	2.55
Total tax expense for the year	1851.39	1630.11

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 30.2. RECONCILIATION OF INCOME TAX EXPENSE TO THE ACCOUNTING PROFIT FOR THE YEAR

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Profit before tax after exceptional items	7961.98	7206.49
Enacted tax rate in India	34.608%	34.608%
Computed expected tax expense at enacted tax rate	2755.48	2494.02
Tax effect on account of items treated separately	-17.51	-12.35
Tax effect on Income that is exempt from taxation	-974.60	-957.24
Tax effect of non-deductible expenses	55.83	42.58
Tax effect on Difference of book and IT Depreciation	251.07	311.46
Total income tax expense recognised for the year	2070.27	1878.47

### 30.3. INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligations	11.04	7.38
Total	11.04	7.38
Bifurcation of income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	3.82	2.55
Items that may be reclassified to profit or loss	0.00	0.00
Total	3.82	2.55

### 31.1. CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>(i) Contingent liabilities :</b>			
<b>Claims against the company not acknowledged as debt</b>			
Central Excise Demand	458.82	494.81	494.81
Income Tax Demand	11.65	0.00	26.12
Sales Tax & VAT demand	0.00	7.53	3.72
<b>Other money for which the company is contingently liable</b>	0.00	0.00	0.00
Export Bills Discounted / Lodged with the Bank	7038.19	1905.51	2735.97
Disputed tax dues are appealed before concerned appellate authorities. The Company is advised that the cases are likely to be disposed of in favour of the Company and hence no provision is considered necessary therefor.			
<b>(ii) Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account not provided for	1238.41	1038.17	1385.72
Advances made in respect of the above works	-16.14	-36.27	-13.75
Capital Commitments net of advances	1222.27	1001.90	1371.97

### 31.2. DETAILS OF DIVIDEND PROPOSED AND PAID

(Rs. in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
a) Interim dividend at Rs.10/- per share	572.50	0.00
b) Final dividend for the year ended March 31, 2018 of Rs. 25/- per share	1431.25	0.00
The proposed Final Dividend is subject to approval of the shareholders at the Annual General Meeting .		



# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 31.3. DISCLOSURE AS PER SCHEDULE

As defined under Micro, Small and Medium Enterprises Development Act, 2006, the disclosure in respect of the amounts payable to such enterprises as at the end of the year has been made in the financial statements based on information received and available with the Company.

Particulars	(Rs. in Lakhs)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.00	0.00	24.89
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	Nil	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil	Nil

### 31.4. FINANCIAL INSTRUMENTS

#### i) Financial Instruments by category

(Rs. in Lakhs)

Particulars	31 March 2018			31 March 2017			1st April 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>									
a) Cash and bank balances	-	-	486.79	-	-	987.30	-	-	344.14
b) Other financial assets-Non current	-	-	407.14	-	-	538.27	-	-	459.86
c) Trade receivables	-	-	1360.49	-	-	4103.60	-	-	1850.08
d) Bank balances	-	-	0.00	-	-	144.76	-	-	72.76
e) Other financial assets- Current	-	-	1865.28	-	-	839.89	-	-	772.16
f) Investments in subsidiaries	-	-	-	-	-	-	-	-	-
g) Investments in equity	30.96	-	-	25.72	-	-	20.08	-	-
h) Loans	-	-	0.00	-	-	0.60	-	-	0.00
<b>Total</b>	<b>30.96</b>	<b>0.00</b>	<b>4119.70</b>	<b>25.72</b>	<b>0.00</b>	<b>6614.42</b>	<b>20.08</b>	<b>0.00</b>	<b>3499.00</b>
<b>Financial Liabilities</b>									
a) Borrowings	-	-	2842.89	-	-	748.65	-	-	1970.86
b) Trade payables	-	-	6098.42	-	-	4488.86	-	-	1879.29
c) Other financial liabilities	-	-	1317.41	-	-	1385.82	-	-	1151.34
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>10258.72</b>	<b>0.00</b>	<b>0.00</b>	<b>6623.33</b>	<b>0.00</b>	<b>0.00</b>	<b>5001.49</b>
Financial assets			4150.66			6640.14			3519.08
Financial liabilities			10258.72			6623.33			5001.49

#### ii) Fair Valuation techniques and Inputs used - recurring Items (Rs in Lakhs)

Particulars	31 March 2018	Fair value as at		Fair value	Valuation
		31 March 2017	1 April 2016		
Financial assets measured at Fair value					
Financial assets				Level 1	Quoted bid prices
Investments					
i) Quoted Equity investments	30.96	25.72	20.08		
<b>Total financial assets</b>	<b>30.96</b>	<b>25.72</b>	<b>20.08</b>		

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### iii) Fair Value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short term and settlement on demand nature.

For all other financial assets and liabilities measured at amortised cost, the Company considers that their carrying amounts approximates their fair values.

### 31.5. EXCEPTIONAL ITEMS

There are no exceptional items

### 31.6. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

(Rs. in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Amount spent through approved trusts and institutions	6.50	1.50
Amount spent directly	129.82	121.52
<b>Total</b>	<b>136.32</b>	<b>123.02</b>
Amount required to be spent as per Sec. 135 of the Act	129.77	121.59
Amount spent during the year on:		
Construction / acquisition of an asset	102.80	70.33
On purposes other than above	33.52	52.69
<b>Total</b>	<b>136.32</b>	<b>123.02</b>

CSR Expenses relating to gross amount required to be spent for the year and the actual amount spent by the Company during the year is furnished as Annexure to the Board of Directors' Report.

### 31.7. EARNING PER SHARE

(Rs. in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Earnings used in the calculation of Basic and diluted earnings per share	6106.77	5573.82
Weighted Average Number of Equity Shares used for the purpose of calculating basic and diluted earnings per share	5725000	5833671
Nominal Value per Equity Share [in Rs.]	10	10
Basic & Diluted Earnings Per Share [in Rs]	106.67	95.55

### 31.8. RELATED PARTY TRANSACTIONS

#### Related party Relationships

#### Key Management personnel

#### Wholly Owned Subsidiary

#### Other related parties

#### Related to Key Management personnel

Mrs.Vidya Jyothish Pillai

Mrs.Bhavya Chandran

P.V.Chandran  
Chairman and Managing Director

Nil

Nil

#### Nature of relationship

Daughter of Sri.P.V.Chandran

Daughter of Sri.P.V.Chandran

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### Key Management personnel compensation

(Rs. in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Short term employee benefits	24.00	24.00
Post employment benefits	0.00	0.00
Total compensation	24.00	24.00
<b>Other related parties</b>		
<b>Director's Sitting Fees paid to</b>		
Mrs.Vidya Jyothish Pillai	1.50	0.60
Mrs.Bhavya Chandran	0.75	0.60

Note : Related party relationships are as identified by the Management

### 31.9 EMPLOYEE DEFINED BENEFIT AND CONTRIBUTION PLANS

(Rs in Lakhs)

Present Value of obligations	31.03.2018	31.03.2017	01.04.2016
Obligations at the beginning of the year	24.10	19.03	32.57
Interest Cost	5.92	1.52	2.61
Current Service Cost	9.16	1.82	4.21
Past service Cost	53.25	0.00	0.00
Benefit paid	-7.51	-4.43	-0.39
Actuarial (Gain) / Loss on obligations	1.46	6.16	-19.97
Obligations at the end of the year (A)	86.38	24.10	19.03
<b>Fair value of Plan assets</b>			
Fair value of Plan assets, beginning of the year	27.44	28.49	22.78
Expected return on plan assets	5.50	2.12	2.02
Contributions	71.59	1.26	4.08
Benefit paid	-7.50	-4.43	-0.39
Actuarial (Gain) / Loss on Plan Assets	0.00	0.00	0.00
Fair value of Plan assets, end of the year (B)	97.03	27.44	28.49
Funded Status (B-A)	10.65	3.34	9.46
<b>Expenses to be recognized for the current year</b>			
Current Service Cost	9.16	1.82	4.21
Interest Cost	5.92	1.52	2.61
Expected return on plan assets	-5.50	-2.12	-2.02
Net Actuarial (Gain) / Loss recognized in the year	1.46	6.16	-19.97
Expense/Income to be recognized in statement of Profit and Loss	11.04	7.38	-15.17
<b>Actuarial Assumption</b>			
Discount Rate	8.00%	8.00%	8.00%
Salary Escalation	5.00%	5.00%	5.00%

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 31.10 . SEGMENT INFORMATION

(Rs. in Lakhs)

Particulars	Textiles		Windmills		Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Gross Segment Revenue	58446.68	52861.30	3235.16	3256.78	61681.84	56118.08
Less: Intersegment Revenue	0.00	0.00	0.00	0.00	3235.16	3256.78
Total Revenue	58446.68	52861.30	3235.16	3256.78	58446.68	52861.30
Segment Result	6351.36	5763.71	1980.35	1743.25	8331.71	7506.96
Less: Finance Cost					492.86	383.95
Add: Unallocable Other Income net of Expenditure					123.13	83.48
Profit before Tax					7961.98	7206.49
Less : Tax Expense					1855.21	1632.66
Profit for the Year					6106.77	5573.83
<b>Segment Assets</b>	52775.60	42939.76	3625.73	4645.59	56401.33	47585.35
Unallocated Assets					54.26	16.44
Total Assets					56455.59	47601.79
Segment Liabilities	7280.44	5707.65	410.13	410.13	7690.57	6117.78
Unallocated Liabilities					5884.93	4014.42
Total Liabilities					13575.50	10132.20
Other information						
<b>Capital Expenditure</b>	3450.16	2898.18	0.00	0.00	3450.16	2898.18
Unallocated Capital Expenditure	-	-	-	-	-	-
Depreciation	1984.81	1833.05	902.79	1101.81	2887.60	2934.86
Unallocated Depreciation	-	-	-	-	-	-
Non - Cash Expenses other than depreciation	-	-	-	-	-	-

#### Geographical Segement

Particulars	Europe	Asia	North America	India	Total
Sale of Goods	2377.80	28561.15	1789.93	24228.94	56957.82
(Figures in Brackets relates to previous year)	(1681.74)	(23283.61)	(0.00)	(26628.98)	(51594.33)

#### Information about major customers Contributing 10% or more to the Company's revenue

The sale revenue of textiles segement includes sale to a customer amounting to Rs.7596 Lakhs (Previous year Rs.7911 Lakhs) contributing more than 10 % of the company's sale revenue both for FY 2017-18 & FY 2016-17.

#### 31.11. APPROVAL OF FINANCIAL STATEMENTS

The Financial statements were approved by the issue by the Board of Directors on 25.05.2018

#### 31.12. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company prima facie is exposed to financial risks which is inclusive of Market risk, Interest rate risk, Price risk, Credit risk and Liquidity risk.

**Market Risk :** The substantial operations of the company are into exports and imports and are subject to foreign currency fluctuation risk. The company enters into foreign currency forward contracts based on underlying to mitigate such fluctuation risks. Further the company is also having natural hedge on account of exports exceeding imports .

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Amount in foreign currency USD			Equivalent INR		01.04.2016	
	31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017		
<b>Liabilities</b>							
PCFC	USD	1155338.00	1010.87	16549.38	751.43	0.66	10.96
Acceptances	USD	8247950.91	6115147.42	2167486.50	5364.47	3965.06	1435.96
Advances Received	USD	298966.90	72938.76	4849.03	194.45	47.29	3.21
Sundry creditors	USD	3236.23	182486.41	160051.69	2.10	118.32	106.03
Libor Interest	USD	0.00	32920.26	0.00	0.00	21.35	0.00
		9705492.04	6404503.72	2348936.60	6312.45	4152.68	1556.16
<b>Assets</b>							
Sundry Debtors	USD	1001160.00	5277300.28	1580041.58	651.15	3421.80	1046.78
EEFC	USD	233795.53	1124548.56	289315.19	152.06	729.16	191.67
		1234955.53	6401848.84	1869356.77	803.21	4150.96	1238.45
Net Exposure		-8470536.51	-2654.88	-479579.83	-5509.24	-1.72	-317.71
The earnings in Foreign Currency out of exports would easily cover the above net exposure. Further the forward cover would protect the fluctuations							

(Rs in Lakhs)

Foreign Currency sensitivity analysis	31.03.2018	31.03.2017	01.04.2016
Impact on profit : 5% increase in currency rate	-275.29	-0.09	-15.59
Impact on profit : 5% increase in currency rate	275.29	0.09	15.59

**Interest Rate Risk:** The company's working capital borrowings are short term in nature and hence any fluctuation in market interest rates would not impact the profitability of the company in terms of debt servicing and liquidating of such borrowings.

**Price Risk:** The price risk arises on account of holding marketable financial assets. The company's equity investments forms insignificant portion and hence any price fluctuation would not have any impact over the financial position of the company.

**Credit Risk :** Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The credit risk in trade receivables is managed by selling goods to specific orders and reputed customers. Exports are made against irrevocable letter of credits. Domestic sales are largely against advance payments. However certain exceptions are made in specific cases. There are no other financial assets carrying credit risk.

**Liquidity Risk:** Liquidity risk refers to the risk that the company cannot meet its financial obligations. The company carries substantial current assets to pay off short term obligations arising from working capital bank borrowings , trade payables and other related liabilities .

**Capital Management:** The company manages its capital to ensure that it will continue to operate as a going concern while maximising the return to stakeholders. The core focus is to safeguard and maintain the company's financial stability and independence. The fund requirements of the company are generally met through internal accruals. The working capital borrowings are meant for agumenting current assets.Substantial capital assets and current assets are built and maintained.

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 31.13 FIRST TIME IND AS ADOPTION RECONCILIATIONS:

#### Reconciliation of total equity as at March 31 2017 and April 1 2016

(Rs in Lakhs)

Particulars	Notes	As at 31.03.2017 (end of last period presented under previous GAPP)	As at 01.04.2016 (date of transition)
Total equity (shareholders funds) under previous GAAP		37458.08	33504.58
Adjustments			
Fair value of Equity Instruments through FVTPL	1	14.63	9.58
Deferred Tax Liability on Fair value of Equity Instruments	2	3.12	2.05
Total adjustments to equity		11.51	7.53
Total Equity under IND AS		37469.59	33512.11

#### Reconciliation of total comprehensive income for the year ended Mar 31, 2017

(Rs in Lakhs)

Particulars	Notes	Year ended March 31, 2017		
		Statement of profit and loss	Other Comprehensive	Total income
Profit after taxes as per previous GAAP		5565.03	0.00	5565.03
<b>Adjustments:</b>				
Fair valuation of investments under IND AS	1	5.05	0.00	5.05
Deferred tax on IND AS adjustments	2	-1.08	0.00	-1.08
Remeasurement of defined benefit obligations	3	7.38	-7.38	0.00
Tax on remeasurement of defined benefit obligations		-2.55	2.55	0.00
<b>Total effect of transition to Ind As</b>		<b>8.80</b>	<b>-4.83</b>	<b>3.97</b>
<b>Total comprehensive income under Ind As</b>		<b>5573.83</b>	<b>-4.83</b>	<b>5569.00</b>

#### Notes:

- The company holds all Equity Instruments (EQI) held for trading and are fair valued through FVTPL.
- DTL is recognised for tax liability arising on such fair valuation and will be reversed on disposal of EQI.
- Actuarial gain or loss on remeasurement of defined benefit obligations are shown under Other comprehensive income under Ind AS and the same was recognised in profit or loss under previous GAAP

### 31.14

Previous years' figures have been restated to comply with IND AS to make them comparable with the current period. Further, previous years' figures have been regrouped / reclassified, wherever necessary, to conform with the current period presentation.

As per our report of even date attached  
For Srikishen & Co  
Chartered Accountants  
Firm Reg. No. 004009S

For and on behalf of the Board

Sd/-  
(P.V. CHANDRAN)  
CHAIRMAN AND MANAGING DIRECTOR  
(DIN : 00628479)

Sd/-  
(Dr.K.VENKATACHALAM)  
DIRECTOR  
(DIN : 01062171)

Sd/-  
(K. MURALI MOHAN )  
MEMBERSHIP NO : 14328  
PROPRIETOR

Sd/-  
(E.M. NAGASIVAM)  
DIRECTOR  
(DIN : 07894618)

Date : 25.05.2018  
Place : Coimbatore

Sd/-  
(RADHEYSHYAM PADIA)  
COMPANY SECRETARY

Sd/-  
(M.VIJAYAKUMAR)  
CHIEF FINANCIAL OFFICER