



## Ambika Cotton Mills Limited

01/09/2020  
Ref.No.ACM/026/2020-21

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  
PhirozeJeejeebhoy Towers  
Dalal Street, Mumbai – 400 001

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

Dear Sirs,

**Filing of Notice of AGM & Annual Report of the Company – FY 2019-20-  
Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015.**


Please find enclosed the annual report of the company for FY 2019-20 along with the Notice of the 32<sup>nd</sup> Annual General Meeting to be held on Tuesday, the 29<sup>th</sup> September 2020.

Kindly acknowledge the same.

Thanking you.

Yours faithfully,

For Ambika Cotton Mills Limited

  
Radheyshyam Padia  
[Company Secretary]

## AMBIKA COTTON MILLS LIMITED

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

Ph. : +91 422 2491504, 2491503

CIN No.L17115TZ1988PLC002269

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

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### NOTICE OF THE MEETING

Notice is hereby given that the Thirty Second Annual General Meeting of the Company will be held on Tuesday, the 29th September, 2020 at 12.00 Noon through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

#### A. ORDINARY BUSINESS(ES):

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2020 comprising of the Balance Sheet as at March 31, 2020, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Reports of Directors and Auditors thereon

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

"RESOLVED THAT the audited financial statements of the Company, for the year ended 31st March, 2020 comprising of the Balance Sheet as at March 31, 2020, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes forming part thereof thereto along with the Report of the Board of Directors and Auditors thereon as placed before the Members, be and is hereby approved and adopted.

2. To appoint a Director in place of Mrs. Vidya Jyothish Pillai (DIN 05215930) who retires by rotation and being eligible offers herself for re-appointment.

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

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 (' Act') read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Vidya Jyothish Pillai (DIN 05215930) , who retires by rotation at this Annual General Meeting and being eligible for such re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To declare a Final Dividend of Rs.15/- per equity share for the Financial year 2019-2020.

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

"RESOLVED THAT a final dividend of Rs.15/- per equity share of face value of Rs.10 each be and is hereby approved for the financial year 2019-2020, to the Members who are entitled as on Tuesday, 22nd September , 2020."

## B. SPECIAL BUSINESS(ES)

### 4. Appointment of Mrs. Kalpana Arjunan (DIN:08770525) as a Woman Independent Director of the company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mrs. Kalpana Arjunan (DIN: 08770525), who was appointed as an Additional Director of the Company effective from June 27, 2020 to hold the office of Independent Director up to the date of the ensuing Annual General Meeting of the Company, and who has submitted a declaration that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under the provisions of Section 160 of the Act, signifying his intention to propose candidature of Mrs. Kalpana Arjunan (DIN: 08770525) for the office of Director, be and is hereby appointed as a Woman Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from June 27, 2020 including and upto June 26, 2025

### 5. To ratify/ confirm the Remuneration of the Cost Auditors for the financial year 2020-2021.

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and Rules made there under, the remuneration payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, as set out in the Explanatory Statement annexed to the Notice convening this Meeting be and is here by ratified and confirmed”.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Date: 08.08.2020

Place: Coimbatore

By Order of the Board,

Sd/-

**(P.V CHANDRAN)**

Chairman and Managing Director

DIN: 00628479

## Notes:

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business as set out in the Notice is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company ie. 9A, Valluvar Street, Sivanandha Colony, Coimbatore – 641012.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to bk.scrutiniser@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
5. The Annual Report of the Company and other documents proposed to be sent through e-mail would also be made available on the Company's website at [www.acmills.in](http://www.acmills.in)
6. Soft copies of the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the companies Act, 2013 will be available for inspection by the members who request for the same, during the AGM.
7. The Register of Members and share transfer books of the Company will remain closed from Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (Both days inclusive).
8. Dividend when approved will be paid to such of the members whose names appear in the Register of the Members of the Company as on on Tuesday, 22nd September , 2020.”. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose at the end of business hours on on Tuesday, 22nd September , 2020.”
9. Pursuant to the provisions of Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Share Transfer Agents.

10. As per SEBI Circular. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 Shareholders are advised to furnish to the Registrar & Share Transfer Agents, S.K.D.C. Consultants Ltd (i) Self attested copy of PAN card (s) of sole /joint holder(s) of shares (ii) Bank details form along with original cancelled cheque leaf with the name of the sole/ first holder printed on cheque leaf or copy of Bank passbook attested by your Bank Manager, in case not furnished earlier.
11. As per amendment to SEBI (LODR) Regulation , 2015 with effect from 01.04.2019 transfer of shares in physical mode will not be processed and hence Shareholders are advised to demat their shares.
12. As per the Circular No. MRD / DoP / Cir-05/2009 dt. May 20, 2009 issued by the Securities Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer/transmission of shares in physical form. Therefore the transferee(s)/ legal heirs are requested to furnish a copy of their PAN to the Registrar and Share Transfer Agents.
13. a) Members are requested to notify immediately any change of address:
  - i. to their Depository Participants (“DPs”) in respect of the shares held in electronic form, and
  - ii. to the Company or its RTA, in respect to the shares held in physical form together with a proof of address viz, Aadhar/Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/Passport etc.
- b) In case the registered mailing address is without the Postal Identification Number Code(“PIN CODE”), Members are requested to kindly inform their PIN CODE immediately to the Company / RTA/ DPs.
14. Non-Resident Indian (“NRI”) Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
  - a) the change in the residential status on return to India for permanent settlement, or
  - b) the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
15. Members who have not registered their Bank particulars with the Depository Participants (“DP”)/ Company are advised to utilize the electronic solutions provided by National Automated Clearing House (NACH) for receiving dividends. Members holding shares in electronic form are requested to contact their respective Depository Participants for availing this facility. Members holding shares in physical form are requested to download the NACH form from the website of the Company viz., [www.acmills.in](http://www.acmills.in) and the same, duly filled up and signed along with original canceled cheque leaf may be sent to the Company or to the Registrar and Share Transfer Agent.
16. Members must quote their Folio Number/ Demat Account number and contact details such as email address, contact number etc in all correspondence with the Company/Registrar and Share Transfer Agents.
17. Members are requested to address all correspondences, including dividend matters to the Registrar & Share Transfer Agents, S.K.D.C. Consultants Ltd, Kanapathy Towers, 3rd Floor, 1391/ A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. Phone: +91 422 4958995, 2539835-836, Fax: +91 422 2539837 Email ID: [info@skdc-consultants.com](mailto:info@skdc-consultants.com) Website: [www.skdc-consultants.com](http://www.skdc-consultants.com)

18. Shareholders who have not yet en-cashed their dividend warrants for the years FY 2012-13(Final) - FY 2018-19 (Final) may approach the Company for Revalidation, issue of duplicate warrants etc quoting the Folio Number/Client ID.
19. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 as amended, dividend for the Financial year 2012-2013 (Final) and thereafter unpaid/unclaimed for a period of 7 (Seven) years will be transferred to the Investor Education and Protection Fund (IEPF) (the Fund) constituted by the Central Government under Section 125 of the Companies Act, 2013. Unpaid /Unclaimed Equity Dividend for the financial year 2012-2013 (Final) , in respect of which dividend was declared on 27.09.2013 will fall due for transfer to the said Fund on 03rd November 2020. As regards Unclaimed Dividend for the Financial years upto 2011-2012 (Final) the same have already been transferred to the said Fund. It may kindly be noted that once the unpaid/unclaimed dividend is transferred to the above said Fund, the claim shall lie with the said IEPF. Further the Unpaid dividend details for FY 2012-13 (Final) to FY 2018-19 (Final) are made available on the website of the Company.
20. Transfer of Unclaimed shares to IEPF A/c : The Company has transferred 10691 equity shares of Rs.10 each to IEPF Authority in respect of which the dividend remained unclaimed for a consecutive period of 7 years or more in terms of the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, notified by the Ministry of Corporate Affairs.
21. The details pertaining to Directors proposed to be appointed / reappointment, to be provided in terms of Regulation 36 of the SEBI (LODR) Regulations, 2015 is furnished in the annexure.
22. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12thMay, 2020, Notice of the AGM along with the Annual Report for the year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.acmills.in](http://www.acmills.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
23. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
24. Members may note that M/s. Srikishen &Co., Chartered Accountants, Coimbatore, (FRN: 004009S), the Statutory Auditors of the Company were appointed by the Shareholders at the 29thAnnual General Meeting (AGM) to hold office for a period of 5 years till the conclusion of 34thAGM to be held during the year 2022, subject to ratification by the shareholders at every AGM. However, the Ministry of Corporate Affairs vide notification dated 7thMay, 2018 amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the members for appointment of statutory auditors at every AGM.

Hence, no resolution is being proposed for ratification of appointment of Statutory Auditors at this Annual General Meeting. The Board of Directors at their Meeting held on 27th June, 2020, based on the recommendation of the Audit Committee have fixed an amount of Rs.6,00,000/- (exclusive of applicable taxes and reimbursement of out of pocket expenses incurred in connection with the Statutory Audit) as remuneration payable to Statutory Auditors for the Financial Year 2020- 21. The remuneration proposed to be paid to the Statutory Auditors during the Financial Year 2020- 21 is same as the remuneration paid during the previous Financial Year 2019-20.

25. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their Residential Status, Category as per IT Act, PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode) immediately. A Resident individual shareholder having PAN and entitled to receive dividend amount exceeding Rs. 5,000/- and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [green@skdc-consultants.com](mailto:green@skdc-consultants.com) on or before 22nd September, 2020. Shareholders are requested to note that in case their PAN is not registered with the DP/Company, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [green@skdc-consultants.com](mailto:green@skdc-consultants.com). The aforesaid declarations and documents need to be submitted by the shareholders on or before on Tuesday, 22nd September, 2020.”
26. Members seeking any information relating to the accounts may write to the Company at No.9A , Valluvar Street ,Sivanandha Colony , Coimbatore - 641012, Phone -0422-2491504 email-Id : [ambika@acmills.in](mailto:ambika@acmills.in) at least seven days before the date of the Annual General Meeting.
27. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
28. Members holding shares in electronic form may please note that as per the regulations of Securities and Exchange Board of India (SEBI), National Security Depository Services Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the bank details on the dividend warrants as furnished by these depositories to the Company and the Company cannot entertain any request for deletion/ change of Bank details already printed on dividend warrants as per the information received from the concerned depositories. In this regard, Members should contact their Depository Participants (“DP”) and furnish particulars of any changes desired by them.

### **Statement Pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")**

#### **Item No. 4 - Appointment of Mrs. Kalpana Arjunan (DIN: 08770525) as a Woman Independent Director of the company**

Mrs. Kalpana Arjunan, is a law graduate from Bharathiyar University Coimbatore and studied in University of Georgia (USA), School of law, LLM in international legal studies. She has law firm and corporate experience both in India and USA and in dealing with U.S. Government Agencies including the USCIS, AAO, U.S. Department of Labour, U.S. Department of Justice, U.S. Department. She carries works experiences as legal freelancer, Indian Corporate laws, during 2014-2019, doing research in Indian Corporate Laws and Regulations/ Case laws, Intellectual property and immigration laws.

In the opinion of the Board Mrs. Kalpana Arjunan fulfils the conditions specified in the Companies Act 2013 and the rules made there under for her appointment as an Independent Director of the Company.

She holds no Directorship / membership of committees in other Companies. She does not hold any shares in the Company.

## Interest of the Directors:

Except Mrs. Kalpana Arjunan being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

## Item No. 5 – Remuneration for Cost Auditor

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2021 on remuneration as set out in the table below:

Cost Auditor	Product	Audit Fees Rs.
M/s. Sakthivel & Co, Tirupur	Textiles	Rs.75,000/-

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

Your Directors recommend the resolution for your approval.

None of the Directors, Key Managerial Persons of the Company and their relatives is/are concerned or interested in the resolution.

## Annexure to Item No.2 of the Notice dated 08th August, 2020

**Additional information on Directors recommended for re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

Name of Director	Mrs. Vidya Jyothish Pillai (DIN: 05215930)
Brief Resume	Mrs. Vidya Jyothish Pillai holds Masters in Computer Application and holds directorship in the company since February 2012 .
Relationship between Director Interse	Related to Sri. P.V. Chandran, Chairman and Managing Director of the Company & Mrs. Bhavya Chandran, Director of the Company.
List of Directorship and Membership of Committees of the Board in other listed entities	Nil
No. of Shares held in the Company	Nil

Date: 08.08.2020

Place: Coimbatore

For and on behalf of the Board of Directors,

Sd/-

(P.V CHANDRAN)

Chairman and Managing Director

DIN: 00628479



## Voting Through Electronic Means

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS - 2), the Company is providing to its Members with the facility to cast their vote electronically from a place other than venue of the AGM ("remote e-voting") using an electronic voting system provided by CDSL as an alternative, for all members of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of AGM and the business may be transacted through such remote e-voting. The instructions to e-voting explain the process and manner for generating/receiving the password, and for casting of vote(s) in a secure manner. However, the Members are requested to take note of the following items:

- a. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of AGM Notice and holding shares as of the cut-off date, i.e. on Tuesday, 22nd September, 2020." may refer to this Notice of the AGM of the Company, posted on Company's website [www.acmills.in](http://www.acmills.in) for detailed procedure with regard to remote e-voting. Any person, who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- b. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- c. The remote e-voting period will commence on Saturday, September 26, 2020 at 9.00 AM and ends on Monday, September 28, 2020 at 5.00 PM. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date on Tuesday, 22nd September, 2020.", may cast their votes through remote e-voting.
- d. The remote e-voting module shall be disabled by CDSL for voting after 5.00 P.M on Monday September 28, 2020 and remote e-voting shall not be allowed beyond the said time.
- e. Electronic e- voting through CSDL
  - i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - ii. Click on Shareholders.
  - iii. Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - iv. Next enter the Image Verification as displayed and Click on Login.
  - v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<ul style="list-style-type: none"><li>• Enter your 10digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

vii. After entering these details appropriately, click on "SUBMIT" tab.

viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x. Click on the EVSN relevant to Ambika Cotton Mills Limited .

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

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

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

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

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

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

- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. Note for Non- Individual Shareholders and Custodians.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) , under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- f. Instructions for members for e-voting on the day of the AGM are as under:
- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  - ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
  - iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  - iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
- g. Instructions for members for attending the AGM through VC/OAVM are as under:
- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at [www.evotingindia.com](http://www.evotingindia.com) under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of CDSL.

- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [ambika@acmills.in](mailto:ambika@acmills.in) on or before 05.00 PM on Thursday, 24th September, 2020.
- vi. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [ambika@acmills.in](mailto:ambika@acmills.in) on or before 05.00 PM on Thursday, 24th September, 2020. . The same will be replied by the Company suitably.
- vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- viii. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- h. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Tuesday, 22nd September , 2020.”
- i. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Meeting.
- j. The Company has appointed Sri B. Krishnamoorthi, Chartered Accountant, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- k. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those members who are present at the Annual General Meeting by electronic means but have not cast their votes by availing the remote e-voting facility.

- l. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes casted during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  
- m. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.acmills.in](http://www.acmills.in) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges, where the shares of the Company are listed.

**AMBIKA COTTON MILLS LIMITED**

**ANNUAL REPORT  
2019 - 2020**



# AMBIKA COTTON MILLS LIMITED

CIN No.L17115TZ1988PLC002269

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

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## ANNUAL REPORT 2019 - 2020

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BOARD OF DIRECTORS	Sri. P.V. Chandran	(DIN : 00628479)
	Sri. K.N. Sreedharan	(DIN : 00321585)
	Dr. K. Venkatachalam	(DIN : 01062171)
	Sri. E.M. Nagasivam	(DIN : 07894618)
	Mrs. Bhavya Chandran	(DIN : 02080649)
	Mrs. Vidya Jyothish Pillai	(DIN : 05215930)
	Mrs. Kalpana Arjunan	(DIN: 08770525)

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

PLANT                      Kanniyapuram  
Dindigul - 624 308.

AUDITORS                Srikishen & Co.,  
Chartered Accountants,  
Coimbatore-641 006.

BANKERS                 Axis Bank Ltd.  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Kotak Mahindra Bank Ltd.





## AMBIKA COTTON MILLS LIMITED

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

Ph. : +91 422 2491504, 2491503

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 Thirty Second Annual Report together with the audited accounts for the year ended 31st March 2020

### FINANCIAL RESULTS

The Financial results for the year ended 31st March 2020 are furnished below:

(Rs. in Lakhs)

	CURRENT YEAR 2019-20	PREVIOUS YEAR 2018-19
Sales & Other Income	62385.33	65699.79
Profit Before Finance Cost and Depreciation	10606.76	12509.85
Less: Finance Cost	934.79	942.42
Gross Profit For the Year	9671.97	11567.43
Less : Depreciation	2758.49	2884.76
Profit before Tax	6913.48	8682.67
Less : Tax Expense	1687.78	2364.37
Profit after Tax	5225.70	6318.30
Other Comprehensive income	-10.39	-10.91
Total Comprehensive income for the year	5215.31	6307.39
Add:Opening Balance of retained earnings	28833.66	25251.72
Amount available for appropriation	34048.97	31559.11
Less: Appropriations		
Transfer to General Reserve	1000.00	1000.00
Dividend on Equity Shares	1717.50	1431.25
Dividend Tax	353.03	294.20
Closing Balance of retained earnings	30978.44	28833.66

### PERFORMANCE AND STATE OF AFFAIRS

The Company's Total Income and Gross profit amounted to Rs. 62385.33Lakhs (Previous year Rs. 65699.79 Lakhs) and Rs.9671.97 Lakhs (Previous year Rs. 11567.43 Lakhs). This represents decline of 5.04 % in total income as compared to 12.17% growth in the previous year and decline of 16.39% in Gross Profit as against growth of 6.62% in the previous year.

For the year Company's Direct Export Turnover amounted to Rs.43733.86 Lakhs as compared to Rs. 44503.20 Lakhs in the previous year representing a decline of 1.73% (Previous Year growth of 35.98%)

In terms of percentage the export turnover constituted 71.97% of the total turnover as against 69.05% in the previous year.

The company has sustained its business operations and financial performance, despite the general slowdown in demand across the globe, by prudently placing and orienting its emphasis on its core strength of making speciality yarn made up of superior cotton, offering products to the specific needs of the reputed customers, coupled with product innovation.

During the year the Company has invested Rs.1842.24 Lakhs, out of internal accruals in Factory Building and Plant & Machinery

The Company is not carrying any long term debt.

# AMBIKA COTTON MILLS LIMITED

## DIRECTORS' REPORT (Contd...)

### THE COVID-19, THE PANDEMIC, AND ITS IMPACT

The COVID-19, the pandemic, across the world, has caused wider disruption to the business supply chain, the impact of which was felt beginning March 2020, leading to complete shutdown and loss of operations for 10 days in March, 2020. The operations are restored partially in the month of May 2020, after lifting of curbs, and are subject to strict compliance of Government directives including restricting the strength of workforce. Though operations are restored partially the impact continues with lot of uncertainty especially in the matter of undisturbed supply chain and the company is putting in place and directing its efforts to make use of the best available opportunity to sustain the business and its operations. The company has not availed/opted for any moratorium/rollover in respect of bank working capital commitments. The company has sufficient liquidity in place for the continued operations.

### 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 has recommended payment of final dividend for FY 2019-20 as under

Rate of Dividend	Dividend per equity share (Rs.)	Amount of Dividend (Rs.in Lakhs)
150%	15	858.75

If approved by the members at the Annual General Meeting (AGM) to be held on 29.09.2020, the proposed Final Dividend would result in cash outflow of dividend Rs. 858.75 Lakhs for FY 2019-20. The payout ratio of dividend works out to 16.43%.

### DIRECTORS

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.

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, Sri.E.M.Nagasivam and Mrs. Kalpana Arjunan

Mrs. Kalpana Arjunan (DIN 08770525) was co-opted as an independent director of the Company by the Board Directors of Company at the meeting held on 27.06.2020 on the recommendation of Nomination and Remuneration Committee.

In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and are independent of the Management.

### 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, 2020 and of the profit of the Company for the year ended on that date;

# AMBIKA COTTON MILLS LIMITED

## DIRECTORS' REPORT (Contd...)

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- 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 2019-20 namely, May 28, 2019, August 10, 2019, November 08, 2019 and February 06, 2020.

### 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

M/s.SRIKISHEN& Co., Chartered Accountants, ICAI Firm Registration No.0040095 was appointed as the Statutory auditors for a continues period of five years from the conclusion of 29th AGM (2017) till the conclusion of 34th AGM (2022).

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), the validity of which was duly extended by ICAL.

### 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.

The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as Annexure A to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

# **AMBIKA COTTON MILLS LIMITED**

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

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### **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, 2020 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.

### **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).

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders relationship committee 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](http://www.acmills.in).

# **AMBIKA COTTON MILLS LIMITED**

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

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### **BUSINESS RESPONSIBILITY REPORT**

The company is placed among the top 1,000 listed entities based on market capitalization as per NSE data for FY 2019. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 requires such companies to furnish Business Responsibility Report (BRR) as part of the Annual Report. Accordingly the BRR is enclosed as Annexure V and forms part of the Annual Report.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

### **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, 2020 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(5)(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 and the same is made available in the company's website [www.acmills.in](http://www.acmills.in).

# **AMBIKA COTTON MILLS LIMITED**

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

### **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.

### **CSR EXPENDITURE**

The requirement to spend in this regard is Rs. 159.01 Lakhs( Previous year Rs. 140.43Lakhs) @2% of 3 years average net profit of the Company and the Company has spent Rs161.70Lakhs(Previous year Rs. 143.55 Lakhs) on various CSR activities which are into (i) Rural Development, (ii) Education (iii) Animal Protection (iv) Health Care (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.

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

Place : Coimbatore

Date : 08/08/2020

# 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 31.03.2020

[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 Tel: 0422-2491504 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, 2539835-36 e-mail: 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	53.13
2	Knitted fabrics	6006	36.44
3	Waste Cotton	5202	10.43

#### 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
- Nil -					



# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT (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	
(A) Promoters									
(1) Indian									
a) Individuals/ Hindu Undivided Family	2862350	0	2862350	49.997	2872350	0	2872350	50.172	0.175
b) Central Government	0	0	0	0	0	0	0	0	0.000
c) State Government(s)	0	0	0	0	0	0	0	0	0.000
d) Bodies Corporate	0	0	0	0	0	0	0	0	0.000
e) Banks /FI	0	0	0	0	0	0	0	0	0.000
f) Any Other	0	0	0	0	0	0	0	0	0.000
<b>Sub Total(A)(1)</b>	<b>2862350</b>	<b>0</b>	<b>2862350</b>	<b>49.997</b>	<b>2872350</b>	<b>0</b>	<b>2872350</b>	<b>50.172</b>	<b>0.175</b>
(2) Foreign									
a) NRI's- Individuals	0	0	0	0.000	0	0	0	0.000	0.000
b) Other - Individuals	0	0	0	0.000	0	0	0	0.000	0.000
c) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.000
d) Bank/ FI	0	0	0	0.000	0	0	0	0.000	0.000
e) Any Other	0	0	0	0	0	0	0	0	0.000
<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>2862350</b>	<b>0</b>	<b>2862350</b>	<b>49.997</b>	<b>2872350</b>	<b>0</b>	<b>2872350</b>	<b>50.172</b>	<b>0.175</b>
(B) Public shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.000	0	0	0	0.000	0.000
b) Banks /FI	1689	0	1689	0.030	4111	0	4111	0.072	0.042
c) Central Government	0	0	0	0	0	0	0	0	0.000
d) State Government(s)	0	0	0	0	0	0	0	0	0.000
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investment	262646	0	262646	4.588	252298	0	252298	4.407	-0.181
Alternative Investment Funds	1552	0	1552	0.027	650	0	650	0.011	-0.016
Foreign Financial Institutions	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	<b>265887</b>	<b>0</b>	<b>265887</b>	<b>4.645</b>	<b>257059</b>	<b>0</b>	<b>257059</b>	<b>4.490</b>	<b>-0.155</b>

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT (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>(2) Non-institutions</b>	-	-	-	-	-	-	-	-	-
<b>a) Bodies Corporate</b>	-	-	-	-	-	-	-	-	-
i) Indian	755318	10000	765318	13.368	606974	10000	616974	10.777	-2.591
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	1246406	24249	1270655	22.195	1480724	22929	1503653	26.265	4.070
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	280193	0	280193	4.893	135966	0	135966	2.375	-2.518
<b>c) Others (specify)</b>									
Trusts	0	0	0	0	125	0	125	0.002	0.002
Directors and their relatives	0	100	100	0.002	0	100	100	0.002	0.000
Foreign nationals	-	-	-	-	-	-	-	-	-
Non Resident Indians	184883	0	184883	3.229	218212	0	218212	3.811	0.582
Clearing Members	27166	0	27166	0.475	42728	0	42728	0.746	0.271
Hindu Undivided Families	58167	0	58167	1.016	67142	0	67142	1.173	0.157
Investor Education and Protection Fund	10281	0	10281	0.180	10691	0	10691	0.187	0.007
Unclaimed Share Suspense Account	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	2562414	34349	2596763	45.358	2562562	33029	2595591	45.338	-0.020
Total Public Shareholding (B)= (B)(1)+(B)(2)	2828301	34349	2862650	50.003	2819621	33029	2852650	49.828	-0.175
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5690651</b>	<b>34349</b>	<b>5725000</b>	<b>100.000</b>	<b>5691971</b>	<b>33029</b>	<b>5725000</b>	<b>100.000</b>	<b>0.000</b>

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT (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	589784	10.302	0.000	599784	10.477	0.000	0.175
	<b>TOTAL</b>	<b>2862350</b>	<b>49.997</b>	<b>0.000</b>	<b>2872350</b>	<b>50.172</b>	<b>0.000</b>	<b>0.175</b>

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

Date	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
	Sri. P.V.Chandran				
01/04/2019	At the beginning of the year	589784	10.302	-	-
26/08/2019	Open Market Purchase	8000	0.140	597784	10.442
27/08/2019	Open Market Purchase	2000	0.035	599784	10.477
31/03/2020	At the end of the year			599784	10.477

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and KMP 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	Value Quest India Moat Fund Limited	256106	4.473	245758	4.293
2	Apple Finance Limited	180233	3.148	170667	2.981
3	Karvansarai Investments Private limited	136365	2.382	136365	2.382
4	VLS Finance Limited	92961	1.624	88500	1.546
5	Saffron Agencies Limited	20797	0.363	39034	0.682
6	Angel Holdings Pvt Ltd	34325	0.600	34325	0.600
7	Ramakant Padia	28166	0.492	28166	0.492
8	Manju Devi Agarwal	28100	0.491	28100	0.491
9	Asha Padia	26200	0.458	26200	0.458
10	Siddhartha Vikram Lal	25823	0.451	23241	0.406
11	Ajai Hari Dalmia	33411	0.584	2166	0.038
12	Catamaran Advisors LLP	129406	2.260	0	0

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT (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	
<b>1</b>	<b>Sri P.V.Chandran (Chairman and Managing Director / Promoter Executive )</b>					
01/04/2019	At the beginning of the year		589784	10.302	-	-
	Date wise Increase / Decrease in Shareholding during the year					
26/08/2019	Open Market Purchase		8000	0.140	597784	10.442
27/08/2019	Open Market Purchase		2000	0.035	599784	10.477
31/03/2020	At the end of the year				599784	10.477
<b>2</b>	<b>Dr.K.Venkatachalam Independent Director</b>					
01/04/2019	At the beginning of the year		100	0.002	-	-
	Date wise Increase / Decrease in Shareholding during the year					
31/03/2020	At the end of the year		-	-	100	0.002
<b>3</b>	<b>Sri. Radheshyam Padia Company Secretary</b>					
01/04/2019	At the beginning of the year		31500	0.550	-	-
	Date wise Increase / Decrease in Shareholding during the year					
31/03/2020	At the end of the year		-	-	31500	0.550

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT (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	8366.79	500.00	0	8866.79
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total( i+ii+iii)</b>	<b>8366.79</b>	<b>500.00</b>	<b>0</b>	<b>8866.79</b>
Change in Indebtedness during the financial year				
Addition	0	999.99	0	999.99
Reduction	-2923.65	0	0	-2923.65
Net Change	-2923.65	999.99	0	-1923.66
Indebtedness at the end of the financial year				
(i) Principal Amount	5443.14	1499.99	0	6943.13
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>5443.14</b>	<b>1499.99</b>	<b>0</b>	<b>6943.13</b>

### (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	0.00	0.00
	- 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
	<b>Total (A)</b>	<b>25.00</b>	<b>25.00</b>
	Ceiling as per the Act	347.36	347.36

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE TO DIRECTORS' REPORT (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.Bhavya Chandran	Mrs.Vidya Jyothish Pillai	
1	Independent Directors						
	Fee for attending board committee meetings	2.00	2.00	2.00	-	-	6.00
	Commission	-	-	-	-	-	-
	Others, please specify	0.60	-	-	-	-	0.60
	<b>Total (1)</b>	<b>2.60</b>	<b>2.00</b>	<b>2.00</b>	<b>-</b>	<b>-</b>	<b>6.60</b>
2.	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	1.00	2.00	3.00
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.00</b>	<b>2.00</b>	<b>3.00</b>
	<b>Total (B)=(1+2)</b>	<b>2.60</b>	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>	<b>2.00</b>	<b>9.60</b>
	Total Managerial Remuneration						34.60
	Overall Ceiling as per the Act						958.02

### 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	5.13	11.13
	(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>5.13</b>	<b>11.13</b>

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

# AMBIKA COTTON MILLS LIMITED

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

### 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 equipment. :- 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):-
  - 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)	42954.21
Foreign Exchange used (outflow)	29435.02

# AMBIKA COTTON MILLS LIMITED

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

### 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 year is 7950.38Lakhs

- iv. Prescribed CSR Expenditure (2% of the amount as in item iii above) 159.01/-Lakhs

- v. Details of CSR spent during the financial year.

- |  |   |               |
|--|---|---------------|
| (1) The amount to be spent for F.Y 2019-20 | : | 159.01/-Lakhs |
| (2) Amount unspent, if any                 | : | Nil           |



# AMBIKA COTTON MILLS LIMITED

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

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

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	Medical Support (Police Hospital)	Health Care	Local area Coimbatore, Tamilnadu	159.01	Direct expenditure on projects / overheads	30.00	
2	Construction of class rooms	Education	Local area Coimbatore, Tamilnadu			12.11	
3	Physical Fitness Centre	Education	Local area Coimbatore, Tamilnadu			2.00	
4	Animal Protection	Animal Protection	Local area Dindigul, Tamilnadu			56.88	
5	Support to Sports /Education	Education	Mumbai, State of Maharashtra			2.00	
6	Contribution for Medical Services	Health Care	Local area Coimbatore, Tamilnadu			4.00	VGM Health Care
7	Maintenance of Temple Renovation & Other works	Rural . development	Local area Dindigul, Coimbatore, Tamilnadu			5.34	
8	Public toilet Maintenance	Rural Works / Sanitation	Local area Dindigul, Tamilnadu			0.52	
9	Relief to Poor	Eradicating Hunger poverty	Local area Dindigul, Tamilnadu			7.24	
10	Relief to Poor	Eradicating Hunger poverty	Local area Coimbatore, Tamilnadu			1.50	Red Cross
11	Water Supply	Safe Drinking Water	Local area Dindigul, Tamilnadu			33.88	
12	Medical Support	Health Care	Local area Dindigul, Tamilnadu			6.23	
	Total amount spent for FY 2019-2020			159.01		161.70	

\* 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  
Director  
(DIN : 01062171)

Place : Coimbatore  
Date : 08/08/2020

# AMBIKA COTTON MILLS LIMITED

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

### ANNEXURE - IV

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 2019-20.

S.No	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2019-20 (in Lakhs)	% increase in Remuneration in the Financial year 2019-20	Ratio of Remuneration of each Director to median remuneration of employees
1	Sri.P.V.Chandran, Chairman and Managing Director	25.00	--	35.45:1
2	Sri. K.N.Sreedharan, Non- Executive - Independent	2.60	73.33	3.69:1
3	Dr.K.Venkatachalam, Non- Executive - Independent	2.00	--	2.84:1
4	Sri.E.M.Nagasivam, Non- Executive - Independent	2.00	33.33	2.84:1
5	Mrs.Bhavya Chandran, Non- Executive - Promoter group	1.00	--	1.42:1
6	Mrs.VidyaJyothish Pillai, Non- Executive - Promoter group	2.00	--	2.84:1
7	Sri.Radheshyam Padia, Company Secretary	6.00	--	8.51:1
8	Sri. M.Vijayakumar, CFO	5.13	-8.08	7.27:1

- (ii) The percentage decrease in the median remuneration of the employees in the financial year : 32.70%
- (iii) The number of permanent employees on the rolls of Company: 2719
- (iv) The explanation on the relationship between average increase in remuneration and company performance: The Profit after Tax for FY 2019-20 amounted to Rs.5225.70 Lakhs as compared to Rs. 6318.30 Lakhs for FY 2018-19, decrease of 17.29% whereas increase in employees' remuneration is 11.30%
- (v) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company :The Profit after Tax for FY 2019-20 declined 17.29% as compared to FY 2018-19, whereas decrease in Key Managerial Personnel remuneration is 1.23%.
- (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	31.03.2020	31.03.2019
Market capitalization of the Company (Rs in Crore )	302.25	642.06
Issued Capital ( in No.s)	57,25,000	57,25,000
Closing Price at NSE ( in Rs. )	527.95	1121.50
Price Earnings Ratio at the closing date	5.78	10.16

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...)

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- 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 2019-20: The increase in remuneration is 11.45% for employees other than KMP while it is decrease 1.23% 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.

# AMBIKA COTTON MILLS LIMITED

## BUSINESS RESPONSIBILITY REPORT

### ANNEXURE - V

#### Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	: L17115TZ1988PLC002269
2. Name of the Company	: Ambika Cotton Mills Limited
3. Registered address	: No.9A , Valluvar Street , Sivanandha Colony , Coimbatore - 641012
4. Website	: www.acmills.in
5. E-mail id	: ambika@acmills.in
6. Financial Year reported	: 2019-20
7. Sectors that the Company is engaged in	: Textile – Manufacturing of Cotton yarn and Knitted fabrics
8. List three key products/services that the Company manufactures	: i. Cotton Yarn ii. Knitted Fabrics
9. Total number of locations where business activity is undertaken by the Company	: The Company's plants situate at the following locations
International Locations	: Nil
National Locations Unit I	: Kanniyapuram, Natham Main Road, Kanniyapuram, Dindigul – 624308.
Unit II, III& IV and Knitting	: Kanniyapuram- Ellaipatti Road, Kanniyapuram, Dindigul – 624308
Windmills	: Thirunelveli ,Dharapuram and Theni
10. Markets served by the Company - Local/State/National/International	: Both National (Domestic) & international markets.

#### Section B: Financial Details of the Company (2019-2020)

Sl No	Particulars	Unit of Measure	Details
1	Paid up capital	(Rs. in Lakhs)	572.50
2	Total Turnover	(Rs. in Lakhs)	60767.04
3	Total Profit after Taxes	(Rs. in Lakhs)	5225.70
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of Profit after Tax (%)		Corporate Social Responsibility spending is as mandated under Companies Act, 2013. Amount spent on CSR during 2019-20 Rs. 161.70 Lakhs representing 3.09% of Profit after Tax.
5	List of activities in which expenditure as per point 4 above has been incurred		Refer Annexure III of Directors' Report

# AMBIKA COTTON MILLS LIMITED

## BUSINESS RESPONSIBILITY REPORT (Contd...)

### Section C : Other Details

1. Does the Company have any Subsidiary Company/ Companies -No
2. Does the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies) - NA
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? -NA

The Company constantly apprises its business responsibility initiatives with all the stakeholders

### Section D: BR Information

#### 1. Details of Director / Directors responsible for BR:

(a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies

1. DIN Number : 00628479
2. Name : Sri. P.V.Chandran
3. Designation : Chairman and Managing Director

(b) Details of the BR head:

1. DIN Number : Not Applicable
2. Name : Sri.G.Veerakumar
3. Designation : General Manager (Admin)
4. Telephone No : +91 04512449916
5. Email ID : ambikamillsdgl@gmail.com

#### 2. Principle-wise (as per NVGs) BR Policy/policies

The Ministry of Corporate Affairs has issued the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) as under:

- I. Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- II. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- III. Businesses should promote the well-being of all employees.
- IV. Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- V. Businesses should respect and promote human rights.
- VI. Businesses should respect, protect and make efforts to restore the environment.
- VII. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- VIII. Businesses should support inclusive growth and equitable development.
- IX. Businesses should engage with and provide value to their customers and consumers in a responsible manner.

# AMBIKA COTTON MILLS LIMITED

## BUSINESS RESPONSIBILITY REPORT (Contd...)

The company has in place the Business Responsibility Policy ([www.acmills.in](http://www.acmills.in)) covering all the principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business for pursuance and across the Company at all levels and further ensuring that the business practices are governed by these principles.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1:	P2:	P3:	P4:	P5:	P6:	P7:	P8:	P9:
		Ethics and Transparency	Sustainable Products	Well being of employees	Responsiveness to Stakeholders	Respect Human Rights	Environmental Responsibility	Public policy advocacy	Support inclusive growth	Engagement with Customers
1	Do you have a policy / policies for	-----Yes-----								
2	Has the policy been formulated in consultation with the relevant stakeholders?	Even though there are no formal consultation with the stakeholders, however, are educated , at the point of initiation of transactions, the practices and policies put in place are made known, for strict compliance								
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The Company takes into consideration all national/international standards, in all spheres , wherever available, and pursues the same								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	-----Yes - Approved by the Board of Directors-----								
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Even though there are no specified committee, the compliance with he policies are being monitored across at all the levels of operations of the company								
6	Indicate the link for the policy to be viewed online?	-----Yes- Company's website <a href="http://www.acmills.in">www.acmills.in</a> -----								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes - The business practices are carried out in such a way that all the stakeholders are being made known the policies of the company								
8	Does the Company have in house structure to implement the policy/ policies.	Yes - At each stage, the transactions are cross verified and followed and are verified for compatibility with the policies of the company								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	----- Yes -----								
10	Has the Company carried out - independent audit/ evaluation of the working of this policy by an internal or external agency?	----- Such an audit was not carried out -----								

# AMBIKA COTTON MILLS LIMITED

## BUSINESS RESPONSIBILITY REPORT (Contd...)

### 3. Governance related to BR:

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.  
Assessment of the BR performance is monitored continuously without any defined time period
- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report?  
How frequently it is published?  
The report is made part of Annual Report

#### Section E: Principle-wise performance

##### Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
The policy covers both the company and its suppliers. There are no group/ joint venture entities. NGOs/Others are also covered within the frame work of the policies.
2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.  
Generally there are no complaints, if any raised, are resolved effectively to the satisfaction of stakeholders.

##### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.  
The company manufactures Cotton Yarn and Knitted Fabrics, which are generic products, the main input is raw cotton, an agricultural produce, and as such there are no social or environmental concerns or risks involved.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
  - a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?  
For manufacture of cotton yarn the input raw cotton is an agricultural produce and a natural product. There is no requirement of water for manufacture of cotton yarn. The energy needs are addressed by installation of windmills, renewable and clean energy. Continuous and consistent efforts are made to optimise the resources throughout the entire production process.
  - b) Reduction during usage by consumers (energy , water) has been achieved since the previous year?  
The upstream manufacturing of products out of cotton yarn would require minimum resources depending upon the production activities carried out by the consumers / upstream manufacturers.
3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs sustainably? Also, provide details thereof, in about 50 words or so.  
Yes- The main input raw material raw cotton is widely available, in a sustainable manner, both from domestic and imported
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?  
Yes - Emphasis is placed to source the materials from local & small producers and suppliers. Based upon the input requirements the vendors are advised to upgrade the product supplies .

# AMBIKA COTTON MILLS LIMITED

## BUSINESS RESPONSIBILITY REPORT (Contd...)

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Cotton Yarn manufacturing does not involve generation of waste which requires recycling.

### Principle 3: Businesses should promote the wellbeing of all Employees.

1. Please indicate the total number of employees: 2719
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: Nil
3. Please indicate the number of permanent women employees: 1976
4. Please indicate the number of permanent employees with disabilities: 3
5. Do you have an employee association that is recognized by management? Workers welfare committees are in place
6. What percentage of your permanent employees are members of this recognized employee association? Nil.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year- Nil

Sl No	Category	No. of complaints filed on end of the Financial Year	No. of Complaints pending as during the financial year
1	Child Labour/Forced Labour/Involuntary Labour	NIL	As a policy the Company is not engaging persons below 18 years of age
2	Sexual Harassment*	NIL	NIL
3	Discriminatory Employment	NIL	NIL

\*The above may be treated as information pursuant to provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2015

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- |   |   |      |
|---|---|------|
| a) Permanent Employees                    | - | 2719 |
| b) Permanent Women Employees              | - | 1976 |
| c) Casual/Temporary/Contractual Employees | - | NA   |
| d) Employees with Disabilities            | - | 3    |

All the employees are trained to upgrade their skills constantly

### Principle 4: Businesses should respect the interests of, and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes- Engagement process with the stakeholders in an informal manner, is in vogue.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? - to certain extent
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, Vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has always engaged itself in special initiatives with the disadvantaged, vulnerable and marginalized stakeholders



# AMBIKA COTTON MILLS LIMITED

## BUSINESS RESPONSIBILITY REPORT (Contd...)

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### Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes – The Policies in the aforesaid matter of Human Rights covers the Company and also extends to all the stakeholders of the Company.

2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?- Nil

### Principle 6: Businesses should respect, promote and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures Suppliers/Contractors/ NGOs/others.

Yes – it covers all the concerned stakeholders

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global Warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes –Operations of the company prima facie falls under Green category. Windmills are installed to generate green Power to the extent of 100% of power requirements. Besides the company has obtained the following certificates,

1. OEKO-Tex Certificate
2. Global – Organic Textile Standard (Gots)
3. SUPIMA License
4. Cotton USA Certificate
5. Better Cotton Initiative

3. Does the Company identify and assess potential environmental risks?

The product manufactured cotton yarn does not involve any environmental risk.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes - The company has installed windmills and generates power towards clean development mechanism for reduction of CO<sub>2</sub> and to that extent contributes reduction of Global warming and climate change. Further the operations of cotton yarn Manufacturing are duly certified by Tamil Nadu Pollution Control Board.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes- The company has installed windmills for renewable energy captive power to the extent of 100 % of its power requirement

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

There are no such emissions/ waste are being generated in the operations of the company, which requires to be reported

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.- Nil.

# AMBIKA COTTON MILLS LIMITED

## BUSINESS RESPONSIBILITY REPORT (Contd...)

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

1. Is your Company a member of any trade or chamber or association? If Yes, name only those major ones that your business deals with:

The Company is a member of

- a. Indian Chamber of Commerce and Industry
  - b. The Cotton Textiles Export Promotion Council
  - c. Tamilnadu Spinning Mills Association,
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas like: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
Yes - We constantly draw attention of the associations on such matters which need to be addressed for facilitating business operations.

**Principle 8: Businesses should support inclusive growth and equitable development.**

1. Does the Company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The company has formulated its CSR policy in accordance with the provisions of the Companies Act, 2013 and the same being are pursued broadly into i. Health Care (Medical Support) , ii. Education, iii. Rural Development, iv. Relief to poor, v. Animal Protection

2. Are the programmes / projects undertaken through in-house team/own foundation/ external NGO/ government structures /any Other organization?

The CSR activities are primarily carried out directly and further through Trusts/ Hospitals.

3. Have you done any impact assessment of your initiative? - Yes
4. What is your Company's direct contribution to community development projects and the details of the projects undertaken? The Company has spent Rs. 161.70 Lakh towards CSR activities during the year. The details are furnished in the Annual Report
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the Community? Yes - Widely in use for public purposes.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. Generally there are no cases of complaints. There are no pending cases.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. /Remarks (additional information) - Yes
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. - No
4. Did your Company carry out any consumer survey / consumer satisfaction trends? - Such trends are sourced from customers, who interact with the end consumers.

Place: Coimbatore  
Date: 08/08/2020

By order of the Board  
P.V.Chandran  
Chairman and Managing Director  
(DIN: 00628479)

# AMBIKA COTTON MILLS LIMITED

## SECRETARIAL AUDIT REPORT

SUNDARARAJAN BAALAJI, B.Com., FCS.  
Practising Company Secretary

No.81-82, Raju Naidu Road  
III Floor, Indian Bank Upstairs  
Sivanandha Colony, Coimbatore 641012  
Phone: 0422 - 4519343, Cell: 98422-06891  
E-mail : akshayasri23@gmail.com

### ANNEXURE - A

### FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

### For The Financial Year Ended 31st March, 2020

[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 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015]

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 M/s. Ambika Cotton Mills Limited'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, 2020 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:

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, 2020 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;

# AMBIKA COTTON MILLS LIMITED

## SECRETARIAL AUDIT REPORT (Contd...)

(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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

c. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

d. 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;

e. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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 respect to the Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and Bombay Stock exchange Limited.

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, during the year under review, there were no actions/events in pursuance of the following Rules/Regulations requiring compliance thereof by the Company:

a. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

b. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

c. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

d. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

e. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

# AMBIKA COTTON MILLS LIMITED

## SECRETARIAL AUDIT REPORT (Contd...)

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

Having regard to the compliance system prevailing in the Company and on the review quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws applicable.

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

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 director.

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

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

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

### **Other than the above, there were no instances of**

- Public/Rights/Preferential issue of shares/debentures/sweat equity.
- Redemption/Buy-back of securities.
- Major decision taken by the members pursuant to Section 180 of the Companies Act 2013.
- Merger/ Amalgamation/reconstruction etc.
- Foreign technical collaborations.

Name of Company Secretary in Practice: **SUNDARARAJAN BAALAJI**

FCS NO. 5966

C P NO. 3514

**Place:** Coimbatore

**Date:** 08/08/2020

This report is to be read with our letter of even date which is annexed to this report.

# AMBIKA COTTON MILLS LIMITED

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## SECRETARIAL AUDIT REPORT (Contd...)

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### 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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to make a report based on the secretarial records produced for my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my report.
3. I have not verified the correctness and appropriateness of financial records and books of accountants of the company.
4. Wherever required, I have obtained the management's representations about the compliances of laws, rules and regulations and happenings of events etc.
5. Compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on random test basis.
6. The 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**  
FCS NO. 5966  
C P NO. 3514

Place: Coimbatore  
Date: 08/08/2020

# AMBIKA COTTON MILLS LIMITED

## ADDITIONAL DISCLOSURES PURSUANT TO REGULATIONS

ADDITIONAL DISCLOSURES PURSUANT TO REGULATIONS (34)(3) AND 53(F) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

### A. RELATED PARTY TRANSACTIONS

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

Nature of Transactions.	Salary	Director Sitting Fees	Total (Rs in Lakhs)	Balance Payable as at 31.03.2020
Short term Employee benefits to Sri.P.V.Chandran	24.00	1.00	25.00	1.97
Ms.Vidya Jyothish Pillai	-	2.00	2.00	-
Ms. Bhavya Chandran	-	1.00	1.00	-

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 27.05.2017

### B. MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Industry structure & Developments

India's textiles sector is one of the oldest industries in Indian economy and one of the largest contributors to India's 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.

India's textiles and clothing industry is the second - largest employment provider, next only to agriculture, hiring over 115 million people, contributing to 2.3% of country's GDP, accounting for 7% of industrial production and 11.5% of total export and earning 27% of its foreign exchange

# AMBIKA COTTON MILLS LIMITED

## ADDITIONAL DISCLOSURES PURSUANT TO REGULATIONS (Contd..)

### 2. Market Size

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The sector is expected to reach US\$ 226 billion by FY 2023. Urbanization is expected to support higher growth due to change in fashion and trends. This is amplified by opening of exclusive stores by the leading brands across the country.

For textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain - from agricultural production to final manufacture of goods. With global retail brands assured of a domestic foothold, outsourcing will also rise significantly.

### 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 income has been a key determinant of domestic demand for the sector; with income rising in the rural economy as well, the upward push on demand from the income side is set to continue.

Complementing this factor is rising female workforce participation in the Country. With consumerism and disposable income on the rise, the retail sector is set to experience a rapid growth. The organized apparel segment is expected to grow at a compound annual growth rate of more than 13% over a ten year period.

According to the new draft of the National Textile Policy, the Government is planning to attract foreign investments thereby creating employment opportunities to 35 million people.

### 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 2019-20	FY 2018-19
Spinning	5964	7977
Wind energy	1808	1549

### 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 is offering wider range of products and establishing newer markets in knitting segment activity. These measures will continue to support the operations of the company.

### 6. Risks and Concerns

- (i) Positive economic environment
- (ii) Government policies.
- (iii) Evacuation of 100% Wind energy generated to State Grid and favorable wind season.
- (iv) Stability in Raw cotton prices
- (v) Impact of COVID-19 over supply chain disruption



# AMBIKA COTTON MILLS LIMITED

## ADDITIONAL DISCLOSURES PURSUANT TO REGULATIONS (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 2020	Previous Year 2019
1	Increase in Net Sales ( Rs. in Lakh)	-3683.05	7492.28
2	Increase in Net Sales (%)	-5.71	13.15
3	Increase in Exports ( Rs. in Lakh)	-769.34	11774.31
4	Increase in Exports (%)	-1.73	11.59
5	Operating Profit Margin before Tax(%)	17.45	19.41
6	Operating Profit Margin after Tax (%)	14.68	15.74
7	Cash Profit Margin before Tax (%)	15.92	17.95
8	Cash Profit Margin after Tax (%)	13.14	14.28
9	Net Profit Margin before Tax (%)	11.38	13.47
10	Net Profit Margin after Tax (%)	8.60	9.80

\* 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 2019-20 Qty ( In Lakh Kgs)		FY 2018-19 Qty ( In Lakh Kgs)	
	Production	Sales	Production	Sales
Cotton Yarn	180.98	120.08	196.59	129.00
Cotton Yarn for captive consumption(for knitting)	53.62	-	65.75	
Cotton Fabrics (Knitted)	85.90	80.10	90.38	86.66
Waste Cotton	78.61	76.52	80.33	79.56
Wind units for captive consumption	440.39 Lakh units		410.24 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 2719 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	1
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 2019 - 2020 : 4			
S.No.	Date of Board Meeting	S.No.	Date of Board Meeting
1	28.05.2019	2	10.08.2019
3	08.11.2019	4	06.02.2020

#### (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, 2019
1	Sri. P.V. Chandran, Chairman and Managing Director	4	4	Yes
2	Sri. K.N. Sreedharan, Director	4	4	Yes
3	Dr.K.Venkatachalam, Director	4	4	Yes
4	Sri. E.M. Nagasivam	4	4	Yes
5	Mrs. Bhavya Chandran, Director	4	4	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 consists of Four Directors, Sri. K.N. Sreedharan, , Dr.K.Venkatachalam, Sri. E.M. Nagasivam and Mrs. Vidya Jyothish Pillai.

During the year, the Audit Committee held its meetings on 28.05.2019, 10.08.2019, 08.11.2019 and 06.02.2020.

Members' attendances at the meetings were as follows.

Name of the Directors	Category	No. of Meetings attended during the year 2019-2020
Sri. K.N. Sreedharan	Independent / Non Executive	4
Dr.K.Venkatachalam	Independent / Non Executive	4
Mrs.Vidya Jyothish Pillai	Non Executive	4
Sri. E.M.Nagasivam	Independent / Non Executive	4

### 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, Sri.K.N.Sreedharan and Mrs. Bhavya Chandran.

During the year, the Nomination & Remuneration Committee held its meetings on 10.08.2019

Members' attendances at the meetings were as follows

Name of the Directors	Category	No. of Meetings attended during the year 2019-2020
Sri.K.N. Sreedharan	Independent Director	0
Dr..K.Venkatachalam	Independent Director	1
Mrs. Bhavya Chandran	Non-Executive Director-Promoter Group	1

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

### 5. 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.

### 6. Remuneration of Directors

#### (a) Non executive Directors

S.No.	Name of the Director	Sitting Fees (Rs.)
1	Mrs.Vidya Jyothish Pillai	200000
2	Mrs.Bhavya Chandran	100000

#### (b) Independent Directors

S.No.	Name of the Director	Sitting Fees (Rs.)	Professional Charges	Total
1.	Sri.K.N. Sreedharan	2,00,000	60,000	2,60,000
2.	Dr.K. Venkatachalam	2,00,000	0	2,00,000
3.	Sri.E.M Nagasivam	2,00,000	0	2,00,000

#### 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	0.00	1,00,000	25,00,000

### 7. Stakeholders Relationship Committee

- i. a. The Committee consists of Directors Dr.K.Venkatachalam, Mrs. Vidya Jyothish Pillai and Mrs. Bhavya Chandran.
- b. Number of shareholders Complaints received during the year: 1
- c. Number not solved to the satisfaction of the shareholders during the year: Nil
- d. Number of pending complaints :Nil
- e. Name & Designation of Compliance Officer : Radheysyam Padia, Compliance Officer
- ii. The Committee held its meetings on 27.04.2019, 17.06.2019, 13.09.2019, 21.11.2019 and 08.01.2020 attendance of the members were as follows:

Name of the Directors	Category	No. of Meetings attended during the year 2019-20
Dr.K.Venkatachalam	Independent Director	5
Mrs. Vidya Jyothish Pillai	Non-Executive Director-Promoter Group	5
Mrs.Bhavya Chandran	Non-Executive Director-Promoter Group	5

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

### 8. General Body Meetings:

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

Year	Location	Date	Time
2017	Vivanta by Taj-Surya, 105, Race Course Road, Coimbatore 641018	27.09.2017	12 Noon
2018	The Residency, 1076 Avinashi Road, Coimbatore -641018	27.09.2018	12 Noon
2019	The Residency, 1076 Avinashi Road, Coimbatore -641018	27.09.2019	12 Noon

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

Year	Special Resolution for
2017	Nil
2018	To accord consent of the Company for continuation of Directorship of Sri. K.N. Sreedharan who has attained the age of 75 years so as to comply with SEBI Guidelines.
2019	Re-appointment of Sri.K.N.Sreedharan as an Independent Director for a term of 5 years Re- appointment of Dr. K.Venkatachalam as an Independent Director for a term of 5 years

(iii) No special resolution was put through by Postal Ballot during FY 2019-20 and is proposed to be conducted through postal ballot

### 9. Means of Communication:

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

### 10. General Information to Shareholders:

Annual General Meeting (AGM) Date and Time	Tuesday, 29th September 2020 at 12.00 Noon	
Venue	Annual General Meeting (AGM) to be conducted through Video Conferencing (VC) /Other Audio Visual Means (OAVM), pursuant to MCA Circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars"), without the physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company	
Financial year	2019-20	
Dividend Payment Date	Within 30 days from the date of AGM	
Results for Quarter ending	June 30, 2020	2nd Week of August, 2020
	September 30, 2020	2nd Week of November, 2020
	December 31, 2020	2nd Week of February, 2021
	March 31, 2021	Last week of May 2021 (Audited).
	AGM	September 2021
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	23/09/2020 to 29/09/2020 (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	The Stock Exchange		National Stock Exchange	
	Mumbai (BSE)		Mumbai (NSE)	
	High	Low	High	Low
April-19	1141.95	1092.95	1151.10	1072.60
May-19	1140.90	1080.00	1131.00	1075.30
Jun-19	1117.70	1036.00	1110.15	1030.00
July-19	1085.00	875.00	1080.00	877.00
August-19	929.80	833.00	937.95	826.10
September-19	956.00	858.00	959.00	846.05
October-19	950.00	885.00	948.00	886.65
November-19	929.00	854.10	926.00	856.00
December-19	888.05	831.00	890.00	830.00
January-20	877.10	828.20	888.90	828.00
February-20	870.00	781.00	862.35	777.05
March-20	822.00	421.00	821.95	390.00

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 31.03.2020

S. No.	Category	No. of Shares	% of Share holding
1	Promoters	2872350	50.172
2	Banks, Financial Institutions, Mutual Funds	4111	0.072
3	Alternate Investment Funds	650	0.011
4	Foreign Portfolio investments - Corporate	252298	4.407
5	Corporate Bodies	616974	10.777
6	Public		
	a. Individuals (holding nominal share capital upto Rs.2.00 Lakh)	1503653	26.265
	b. Individuals (Holding nominal share capital in excess of Rs.2.00 Lakh)	135966	2.375
7	Any other		
	a. Directors and their relatives	100	0.002
	b. Trusts	125	0.002
	c. Non resident Indians	218212	3.811
	d. Clearing Members	42728	0.746
	e. Hindu Undivided Families	67142	1.173
	f. IEPF	10691	0.187
	Total	5725000	100.00

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

Distribution of Share Holding as on 31.03.2020				
Range (No. of Shares)	No. of Shares	% to total number of shares	No. of Shareholders	% to total number of Shareholders
0001 - 0500	719497	12.57	10349	94.12
0501 - 1000	219396	3.83	298	2.71
1001 - 2000	267414	4.67	184	1.67
2001 - 3000	142678	2.49	58	0.53
3001 - 4000	73421	1.28	22	0.20
4001 - 5000	81466	1.42	18	0.16
5001 - 10000	283921	4.96	39	0.35
10001 and above	3937207	68.77	28	0.25
<b>Total</b>	<b>5725000</b>	<b>100.00</b>	<b>10996</b>	<b>100.00</b>
Dematerialization of Shares	99.42% of the Company's paid-up Equity Share Capital has been dematerialized up to March 31, 2020. 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 exports against imports.			
Plant Locations	<p>The Company has four Units and its locations are given below:</p> <p>Unit-I-Natham Main Road, Kanniyapuram, Dindigul-624 308</p> <p>Unit - II - Kanniyapuram - Ellaipatty Road, Kanniyapuram, Dindigul - 624 308</p> <p>Unit - III - Kanniyapuram - Ellaipatty Road, Kanniyapuram, Dindigul - 624 308. (Adjacent to Unit - II).</p> <p>Unit - IV - Kanniyapuram - Ellaipatty Road, Kanniyapuram, Dindigul - 624 308 (Adjacent to Unit - III)</p>			
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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### 11. 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.
  - 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.
  - viii. The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - ix. Certificate from Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.
  - x. During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
  - xi. The Company has paid a sum of Rs. 6,00,000/- as fees for audit to the Statutory auditor and all entities in the network firm / entity of which the Statutory auditor is a part for the services rendered by them.
  - xii. As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2019-20, no complaint was received by the Committee. As such, there are no complaints pending as at the end of the financial year.
12. All the requirements of corporate governance report of sub paragraphs (2) to (10) Para C of Schedule V of (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly complied with.
13. The Company has adopted the following discretionary requirements as prescribed in Part E of Schedule -II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- a. The auditors' report on statutory financial statements of the Company are unmodified
  - b. The internal auditor directly report to the audit committee.
14. The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

### D. DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AFFIRMING COMPLIANCE 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 31.03.2020.

DATE : 08/08/2020  
PLACE : Coimbatore

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

### 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, 2020, 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 : 27/06/2020  
Place : Coimbatore

For Srikishen & Co  
Chartered Accountants  
Firm Regn. No. 004009S

Sd/-  
**(K. Murali Mohan)**  
Partner  
Membership No. 14328

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

### F. 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, 2020 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, 2020 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, 2020.
  - ii) There are no significant changes in accounting policies made during the year ended March 31, 2020 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 : 08/08/2020  
Place : Coimbatore

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

### G. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS BY A COMPANY SECRETARY IN PRACTICE

(Pursuant to Regulation 34(3) and Schedule V Para-C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
M/s. Ambika Cotton Mills Limited,  
No.9A Valluvar Street,  
Sivanandha Colony,  
Coimbatore - 641 012.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Ambika Cotton Mills Limited having CIN: L17115TZ1988PLC002269 and having registered office at No.9A, Valluvar Street, Sivanandha Colony, Coimbatore - 641 012 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate. In accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) Status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers. I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of the Director	DIN	Date of appointment in Company
1.	Mr. Kangeyam Nagesh Sreedharan	00321585	05/10/1994
2.	Mr. Puthanveedu Chandran	00628479	06/10/1988
3.	Mr. Karuppaiah Venkatachalam	01062171	31/07/2002
4.	Mrs. Bhavya Chandran	02080649	30/01/2008
5.	Mrs. Vidya Jyothish Pillai	05215930	14/02/2012
6.	Mr. Egambaram Madhavan Nagasivam	07894618	12/08/2017

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Name of Company Secretary in Practice: **SUNDARARAJAN BAALAJI**

Date : 27/06/2020

FCS NO. 5966

Place : Coimbatore

C P NO. 3514

# **AMBIKA COTTON MILLS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

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To  
**The Members of Ambika Cotton Mills Limited**

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

#### **Opinion**

We have audited the Financial Statements of Ambika Cotton Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITORS' REPORT

Key Audit Matter	How our audit addressed the key audit matter
<b>Evaluation of open tax litigations (Direct and Indirect tax)</b>	
<p>The Company has uncertain tax positions on matters under dispute which involve significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 30.1 to the Financial statements.</p>	<ul style="list-style-type: none"><li>• Obtained details of completed tax assessments and demands as on March 31, 2020 from the management.</li><li>• Obtained an understanding of key uncertain tax positions</li><li>• Discussed with appropriate senior management and assessed management's estimate of the possible outcome of the disputed cases.</li></ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITORS' REPORT

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITORS' REPORT

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Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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, refer to our separate Report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITORS' REPORT

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act and is within the limit specified under the said section.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note. 30.1 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SRIKISHEN & Co.**  
Chartered Accountants  
Regn. No. 0040095

Sd/  
**K. Murali Mohan**  
Proprietor, Auditor  
Membership No. 14328

Place : Coimbatore  
Date : 27/06/2020



# AMBIKA COTTON MILLS LIMITED

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph I of Report on Other Legal and Regulatory Requirements)

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 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 have been noticed on such physical verification.
- (c) The title deeds of all the immovable properties of land and building which are freehold are held in the name of the company as at the Balance Sheet date.
- (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 Act.
- (iv) The Company has not advanced any loans to its directors or any other person in whom the directors are interested or given any guarantee or provided any security in connection with any loan taken by the directors or such other person as contemplated under section 185 of the Act.
- (v) The Company has not accepted any deposits from the public. Therefore the provisions of clause (v) of para 3 of the order are 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, goods and service tax, duty of customs, cess and other material statutory dues with the appropriate authorities. There are no undisputed arrears of statutory dues which were outstanding as at 31 March 2020 for a period of more than six months from the date they became payable.
- (b) The details of disputed statutory dues which have not been deposited by the Company are as given below:

# AMBIKA COTTON MILLS LIMITED

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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	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	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

- (viii) The Company has not defaulted in the repayment of dues to banks. The Company has not borrowed from financial institutions or Government and has not issued any debentures till date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not availed any new term loans during the year. Accordingly clause 3(ix) of the order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (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 Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under paragraph 3 clause (xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with the directors and hence provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **SRIKISHEN & Co.**  
Chartered Accountants  
Regn. No. 004009S

Sd/  
**K. Murali Mohan**  
Proprietor, Auditor  
Membership No. 14328

Place : Coimbatore  
Date : 27/06/2020

# **AMBIKA COTTON MILLS LIMITED**

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in Paragraph 2(f) of Report on Other Legal and Regulatory Requirements)

### **Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

The Board of Directors of the Company 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. 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 respective 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

# **AMBIKA COTTON MILLS LIMITED**

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

### **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 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 explanations 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 March 31, 2020, 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.

For **SRIKISHEN & Co.**  
Chartered Accountants  
Regn. No. 0040095

Sd/  
**K. Murali Mohan**  
Proprietor, Auditor  
Membership No. 14328

Place : Coimbatore  
Date : 27/06/2020

# AMBIKA COTTON MILLS LIMITED

## BALANCE SHEET AS AT 31st MARCH 2020

(Rs. in Lakhs)

Particulars	Note No	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	24639.22	26016.14
(b) Capital work-in-progress		617.66	115.75
(c) Intangible assets	5	0.00	0.00
<b>(d) Financial assets</b>			
(i) Investments		0.00	0.00
(ii) Trade receivables		0.00	0.00
(iii) Loans		0.00	0.00
(iv) Other financial assets	10	1085.45	662.48
(e) Other non-current assets	12	66.23	34.71
<b>Total Non-current assets</b>	<b>(A)</b>	<b>26408.56</b>	<b>26829.08</b>
<b>(2) Current assets</b>			
(a) Inventories	6	30273.86	27189.33
<b>(b) Financial Assets</b>			
(i) Investments	7	19.83	33.35
(ii) Trade receivables	8	1812.52	1255.09
(iii) Cash and cash equivalents	9a	675.46	589.45
(iv) Bank balances other than (iii) above	9b	46.87	1592.01
(v) Loans		0.00	0.00
(vi) Other financial assets	10	2158.33	2453.64
(c) Current tax assets (Net)	11	204.04	54.26
(d) Other current assets	12	1018.71	1328.08
<b>Total Current Assets</b>	<b>(B)</b>	<b>36209.62</b>	<b>34495.21</b>
<b>Total Assets</b>	<b>(A+B)</b>	<b>62618.18</b>	<b>61324.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	13	572.50	572.50
(b) Other Equity	14	50034.31	46889.53
<b>Total Equity</b>	<b>(A)</b>	<b>50606.81</b>	<b>47462.03</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings		0.00	0.00
(ii) Trade payables		0.00	0.00
(iii) Other financial liabilities	18	566.52	756.07
(b) Deferred tax liabilities (Net)	15	2440.08	2742.55
(c) Other non-current liabilities		0.00	0.00
<b>Total non-current liabilities</b>	<b>(B)</b>	<b>3006.60</b>	<b>3498.62</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	16	6943.13	8866.79
(ii) Trade payables	17	943.08	738.40
(iii) Other financial liabilities	18	989.09	585.80
(b) Other current liabilities	19	129.47	153.48
(c) Current Tax Liabilities (Net)	20	0.00	19.17
<b>Total Current Liabilities</b>	<b>(C)</b>	<b>9004.77</b>	<b>10363.64</b>
<b>Total Equity and Liabilities</b>	<b>(A+B+C)</b>	<b>62618.18</b>	<b>61324.29</b>
See accompanying notes to the financial statements		0.00	0.00

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 : 27.06.2020  
Place : Coimbatore

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/-  
RADHESHYAM PADIA  
[COMPANY SECRETARY]

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

Sd/-  
M.VIJAYAKUMAR  
[CHIEF FINANCIAL OFFICER]

# AMBIKA COTTON MILLS LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED AT 31st MARCH 2020 (Rs. in Lakhs)

Particulars	Note No	Year Ended March 2020	Year Ended March 2019
<b>INCOME</b>			
Revenue from operations	21	62309.23	65601.30
Other income	22	76.10	98.49
<b>Total income</b>		<b>62385.33</b>	<b>65699.79</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	42937.59	42226.32
Purchase of Stock-in-Trade		0.00	0.00
Changes in inventories of finished goods and work-in-progress	24	-3591.21	-697.10
Employee benefit expense	25	4114.95	3776.88
Finance costs	26	934.79	942.42
Depreciation and amortization expense	27	2758.49	2884.76
Other expenses	28	8317.24	7883.84
<b>Total expenses</b>		<b>55471.85</b>	<b>57017.12</b>
<b>Profit before exceptional items and tax</b>		<b>6913.48</b>	<b>8682.67</b>
<b>Exceptional items</b>		<b>0.00</b>	<b>0.00</b>
<b>Profit before tax after exceptional items</b>		<b>6913.48</b>	<b>8682.67</b>
Tax expense			
Current tax		1990.25	2663.86
Deferred tax		-302.47	-299.49
<b>Total tax expense</b>		<b>1687.78</b>	<b>2364.37</b>
Profit after tax from continuing operations for the year		5225.70	6318.30
Other Comprehensive income			
Items that will not be reclassified to Profit & Loss			
Remeasurements of the defined benefit plans		-13.89	-16.77
Income tax relating to items not reclassified to Profit & Loss		3.50	5.86
<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>-10.39</b>	<b>-10.91</b>
Total Comprehensive income for the year		5215.31	6307.39
Basic Earnings per share (In Rs) [ Face Value Rs 10/- per share]		91.28	110.36
Diluted Earnings per Share (In Rs) [ Face Value Rs 10/- per share]		91.28	110.36

See accompanying notes to the 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 : 27.06.2020  
Place : Coimbatore

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/-  
RADHESHYAM PADIA  
[COMPANY SECRETARY]

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 2020

### A. EQUITY SHARE CAPITAL:

Equity shares of Rs 10 each issued, subscribed and fully paid

Particulars	No. of shares	Amount (Rs. in Lakhs)
As at 01.04.2019	5725000	572.50
Changes in Equity Share Capital	0	0.00
As at 31.03.2020	5725000	572.50

### B. 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 31.03.2019	15.00	361.06	17679.81	28833.66	46889.53
Total Comprehensive Income for the year	0.00	0.00	0.00	5215.31	5215.31
Payment of Final Dividend	0.00	0.00	0.00	-1717.50	-1717.50
Dividend Tax	0.00	0.00	0.00	-353.03	-353.03
Transfer to General Reserve	0.00	0.00	1000.00	-1000.00	0.00
Balance as at 31.03.2020	15.00	361.06	18679.81	30978.44	50034.31

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

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

Sd/-  
DR.K.VENKATACHALAM  
[DIRECTOR]  
(DIN : 01062171)

Sd/-  
RADHESHYAM PADIA  
[COMPANY SECRETARY]

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

Sd/-  
M.VIJAYAKUMAR  
[CHIEF FINANCIAL OFFICER]

Date : 27.06.2020  
Place : Coimbatore

# AMBIKA COTTON MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax after exceptional items	6899.59	8665.90
Adjustment for		
Depreciation and amortisation expense	2758.49	2884.76
Finance Costs	934.79	942.42
Sale of Assets	0.00	4.96
increase/ Diminution in fair value of Investments	9.71	-2.39
Foreign Currency Fluctuation in cash and cash equivalents on revaluation	0.00	-0.71
Investments Income:		
Interest/Dividend Received	-76.10	-96.10
Operating Profit Before Working Capital Changes	<b>10526.48</b>	<b>12398.84</b>
Adjustments for (increase )/decrease in operating assets		
Inventories	-3084.53	-3196.18
Trade receivables	-557.43	105.40
Other financial assets - Non current	-422.97	-260.74
Other financial assets - Current	295.31	-588.36
Other Current assets- Current	309.37	980.07
Loans	0.00	0.00
	<b>7066.23</b>	<b>9439.03</b>
Adjustments for increase /(decrease) in operating liabilities		
Trade Payables	204.68	-5360.02
Other Non Current Financial Liabilities	-189.55	0.00
Other Financial Liabilities	403.29	24.46
Other Current Liabilities	-24.01	-121.26
Cash used in / generated from operations	7460.64	3982.21
Taxes paid	-2508.74	-2933.03
<b>Net Cash used in /generated from operating activities</b>	<b>(A) 4951.90</b>	<b>1049.18</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-1381.55	-3013.63
Capital work in progress	-501.91	-84.29
Sale of Fixed assets	0.00	8.82
Other Current assets - Non Current	-31.52	-17.85
Sale of Investments	3.80	0.00
Purchase of Investments	0.00	0.00
(Increase)/ decrease in Bank Balances not considered as cash and cash equivalent	1545.14	-1570.50
Interest Received	75.97	96.06
Dividend Received	0.13	0.04
<b>Net cash used in Investing activities</b>	<b>(B) -289.94</b>	<b>-4581.35</b>



# AMBIKA COTTON MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020 (Contd...)

### C. CASH FLOW FROM FINANCING ACTIVITIES

(Rs. in Lakhs)

Particulars		Year Ended 31.03.2020	Year Ended 31.03.2019
Proceeds from Working Capital borrowings		-1923.66	6023.90
Dividend Paid		-1717.50	-1431.25
Interest Paid		-934.79	-942.42
<b>Net Cash Used in Financing Activities</b>	<b>(C)</b>	<b>-4575.95</b>	<b>3650.23</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>86.01</b>	<b>118.06</b>
<b>Cash and Cash Equivalents at beginning of the period</b>	<b>(D)</b>	<b>589.45</b>	<b>470.68</b>
Unrealised Loss / (Gain) on Foreign Currency Cash and Cash equivalents		0.00	0.71
<b>Cash and Cash Equivalents at end of the period</b>	<b>(E)</b>	<b>675.46</b>	<b>589.45</b>

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 : 27.06.2020  
Place : Coimbatore

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/-  
RADHESHYAM PADIA  
[COMPANY SECRETARY]

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

Sd/-  
M.VIJAYAKUMAR  
[CHIEF FINANCIAL OFFICER]

# **AMBIKA COTTON MILLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

### **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 40,000 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 27th June 2020.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1. Statement of compliance**

The financial statements have been prepared in accordance with IND AS notified under Section. 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) (IndAS) Rules 2015 and other relevant provisions of the Act.

#### **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) (IndAS) Rules, 2015 and The 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.

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

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

An item of property, plant and equipment is de recognised 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.

### 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 intangible assets are as follows:	
Technical Know how	4 years

# **AMBIKA COTTON MILLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

### **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.

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.

# **AMBIKA COTTON MILLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

### **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 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.

# **AMBIKA COTTON MILLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

### **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.

### **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.

# **AMBIKA COTTON MILLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020**

### **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.

### **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 2020

### 4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK -IN-PROGRESS (Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Carrying amounts of:		
Freehold land	347.18	339.13
Buildings	5171.28	5082.41
Plant and Equipment	18878.36	20429.61
Electrical Fittings	0.00	0.00
Furniture and fixtures	0.01	0.83
Vehicles	224.54	140.71
Office Equipment	17.85	23.45
<b>Total</b>	<b>24639.22</b>	<b>26016.14</b>
Capital Work-in-progress	617.66	115.75
<b>Total</b>	<b>617.66</b>	<b>115.75</b>
<b>Total</b>	<b>25256.88</b>	<b>26131.90</b>

(Rs. in Lakhs)

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>									
Balance at 1st April 2019	339.13	7796.17	50992.74	2.66	14.48	458.41	123.53	59727.12	115.75
Additions	8.05	427.79	796.79	0.00	0.25	134.47	14.20	1381.55	617.66
Capitalised									115.75
Eliminated on disposals of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance at 31st March 2020</b>	<b>347.18</b>	<b>8223.96</b>	<b>51789.53</b>	<b>2.66</b>	<b>14.73</b>	<b>592.88</b>	<b>137.73</b>	<b>61108.67</b>	<b>617.66</b>
<b>Accumulated depreciation and Impairment</b>									
Balance at 1st April 2019	0.00	2713.75	30563.12	2.66	13.65	317.70	100.08	33710.96	0.00
Eliminated on disposals of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation Expense	0.00	338.93	2348.05	0.00	1.07	50.64	19.80	2758.49	0.00
<b>Balance at 31st March 2020</b>	<b>0.00</b>	<b>3052.68</b>	<b>32911.17</b>	<b>2.66</b>	<b>14.72</b>	<b>368.34</b>	<b>119.88</b>	<b>36469.45</b>	<b>0.00</b>
<b>Carrying Amount</b>									
Balance at 1st April 2019	339.13	5082.42	20429.62	0.00	0.83	140.71	23.45	26016.16	115.75
Additions	8.05	427.79	796.79	0.00	0.25	134.47	14.20	1381.55	617.66
Eliminated on disposals of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	115.75
Capitalised									0.00
Depreciation expense	0.00	338.93	2348.05	0.00	1.07	50.64	19.80	2758.49	0.00
<b>Balance at 31st March 2020</b>	<b>347.18</b>	<b>5171.28</b>	<b>18878.36</b>	<b>0.00</b>	<b>0.01</b>	<b>224.54</b>	<b>17.85</b>	<b>24639.22</b>	<b>617.66</b>



# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 5. INTANGIBLE ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Carrying amounts of:		
Know-how	0	0
Total	0	0
<b>Particulars</b>	<b>Know-How</b>	
<b>Cost or deemed cost</b>		
Balance at 1st April 2019	79.43	
Additions	0	
Eliminated on disposals of assets	0	
Balance at 31st March 2020	79.43	
<b>Accumulated depreciation and impairment</b>		
Balance at 1st April 2019	79.43	
Eliminated on disposals of assets	0	
Depreciation Expense	0	
Balance at 31st March 2020	79.43	
Carrying Amount		
Balance at 1st April 2019	0	
Additions	0	
Eliminated on disposals of assets	0	
Depreciation expense	0	
Balance at 31st March 2020	0	

### 6. INVENTORIES

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Inventories (lower of cost or net realisable value)</b>		
Raw Materials	21740.83	22201.16
Work-in-progress	1938.49	1607.00
Finished Goods	5480.32	2364.67
Waste Cotton	228.65	84.58
Stores and Spares	720.27	743.98
Packing Materials	165.30	187.94
Total	30273.86	27189.33

The cost of inventories recognised as an expense during the year is Rs.42937.59 Lakhs (Previous year Rs.42226.32 Lakhs)

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 7. INVESTMENTS

(Rs. in Lakhs)

Particulars Current	As at 31st March 2020		As at 31st March 2019	
	Quantity	Amount	Quantity	Amount
Investment in quoted equity instruments (fully paid up) [At fair values]				
Cholamandalam Investment & Finance Co. Limited	3250	5.22	3250	9.44
City Union Bank	6050	7.44	6050	11.27
Investment in unquoted equity instruments (fully paid up)				
Suryadev Alloys Power Private Limited	0.00	0.00	2600	3.80
Investment in Mutual Fund [at Nav]				
LICMF Equity Fund- Dividend-Reinvestment plan	58182.257	7.17	58182.257	8.84
<b>Total</b>	<b>67482.257</b>	<b>19.83</b>	<b>70082.257</b>	<b>33.35</b>
Aggregate book value of quoted investments		0.87		0.87
Aggregate market value of quoted investments		12.66		20.71
Aggregate book value of unquoted investments		0.00		3.80
Aggregate amount of impairment in the value of investments		0.00		0.0
Aggregate book value of Mutual fund		6.46		6.46
Aggregate net asset value of Mutual fund		7.17		8.84
Category-wise investments - as per IND AS 109 classification				
Financial assets carried at fair value through profit or loss (FVTPL)		19.83		33.35
Financial assets carried at amortised cost		0.00		0.00
Financial assets carried at fair value through Other Comprehensive Income (FVTOCI)		0.00		0.00

### 8. TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Current		
Unsecured, considered good		
From related Parties	0.00	0.00
From others	1812.52	1255.09
Allowance for doubtful debts (Expected credit loss allowance)	0.00	0.00
<b>Total</b>	<b>1812.52</b>	<b>1255.09</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.

(Rs. in Lakhs)

Age of receivables	As at 31st March 2020	As at 31st March 2019
Within the credit period	1812.52	1255.09
30-60 Days	0	0
60-90 Days	0	0
More than 90 Days	0	0
<b>Total</b>	<b>1812.52</b>	<b>1255.09</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### Movement in the expected credit loss allowance

(Rs. in Lakhs)

Age of receivables	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	0	0
Movement in the expected credit loss allowance on trade	0	0
Receivables calculated at lifetime expected credit losses	0	0
Balance at the end of the year	0	0

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

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Balances with Banks</b>		
Current account	625.28	380.24
EEFC A/c	0.00	154.30
Cash on hand	50.18	54.91
<b>Total</b>	<b>675.46</b>	<b>589.45</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 BALANCES OTHER THAN ABOVE

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Bank Deposits - Closure on Demand	25.00	1565.81
Deposits held for guarantee	0.00	5.70
Unpaid dividend account	21.87	20.50
<b>Total</b>	<b>46.87</b>	<b>1592.01</b>

### 10. OTHER FINANCIAL ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Non-current</b>		
Cenvat and service tax credit receivable	28.96	37.86
Cenvat Transcredit Receivable	115.28	115.28
Interest reimbursement receivable (TUFs)	126.94	126.94
Security Deposit for Electricity TWAD Board & Others	814.27	382.40
<b>Total</b>	<b>1085.45</b>	<b>662.48</b>
<b>Current</b>		
Cotton Purchase debit note	69.12	30.91
Duty drawback & MEIS receivable	339.41	297.94
EB receivable (for wind)	120.50	99.87
Forward cover receivable (Foreign Currency derivative)	0.00	268.02
Gratuity Receivable (From LIC)	18.53	0
GST receivable	1441.01	1746.27
Interest accrued & Receivable	24.52	0
Interest Subvention Receivable	0.00	5.39
Insurance Claim Receivable	140.00	0
VAT & Sales tax receivable	5.24	5.24
<b>Total</b>	<b>2158.33</b>	<b>2453.64</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 11. CURRENT TAX ASSETS (NET) (Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Current tax assets</b>		
Income tax advances	2129.97	0.00
Current tax liabilities		
Income tax liability	1982.94	0.00
	147.03	0.00
Income tax refund due	57.01	54.26
<b>Total</b>	<b>204.04</b>	<b>54.26</b>

### 12. OTHER CURRENT ASSETS (Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Non-Current</b>		
Capital Advances	66.23	34.71
<b>Total</b>	<b>66.23</b>	<b>34.71</b>
<b>Current</b>		
Advance for supply of materials	303.54	211.66
Advance for Cotton	380.58	830.80
LC Opening Charges for import of Cotton	30.14	5.47
Prepaid Expenses	304.45	268.45
LIC Plan Assets	0.00	11.70
<b>Total</b>	<b>1018.71</b>	<b>1328.08</b>

### 13. EQUITY SHARE CAPITAL (Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>a. Authorized Share Capital</b>		
1,00,00,000 Fully paid Equity Shares of Rs.10 each	1000.00	1000.00
<b>b. Issued and subscribed and fully paid up capital</b>		
5725000 Equity shares of Rs.10 each	572.50	572.50

Fully paid Equity Shares	Number of Shares	Share Capital
Balance as on March 31, 2019	5725000	572.5
Balance as on March 31, 2020	5725000	572.5

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.

(Rs. in Lakhs)

### Shareholders holding more than 5% Equity shares

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	Percentage	Number of Shares	Percentage
1. C. Bhavani	2272566	39.70	2272566	39.70
2. P.V. Chandran	599784	10.47	589784	10.30

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 14. OTHER EQUITY (Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Capital Redemption Reserve	15.00	15.00
Securities Premium Account	361.06	361.06
General Reserve	18679.81	17679.81
Retained Earnings	30978.44	28833.66
Total	<u>50034.31</u>	<u>46889.53</u>

### 14.1 CAPITAL REDEMPTION RESERVE (Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	15.00	15.00
Movements during the year	0.00	0.00
Balance at the end of the year	<u>15.00</u>	<u>15.00</u>

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.

### 14.2 SECURITIES PREMIUM RESERVE (Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	361.06	361.06
Movements during the year	0.00	0.00
Balance at the end of the year	<u>361.06</u>	<u>361.06</u>

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

### 14.3 GENERAL RESERVE (Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	17679.81	16679.81
Add: Transfer from retained earnings	1000.00	1000.00
Balance at the end of the year	<u>18679.81</u>	<u>17679.81</u>

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.

### 14.4 RETAINED EARNINGS (Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	28833.66	25251.72
Add: Total comprehensive income for the year	5215.31	6307.39
Less: Payment of dividends on equity shares	1717.50	1431.25
Less: Payment of tax on dividends	353.03	294.20
Less: Transfer to General Reserve	1000.00	1000.00
Balance at the end of the year	<u>30978.44</u>	<u>28833.66</u>

The directors have proposed dividend of Rs.15/- per share amounting to Rs.858.75/- Lakhs for the year ended March 31, 2020 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 2020

### 15. DEFERRED TAX LIABILITY (NET )

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Tax Liability	2440.08	2742.55
Deferred Tax Asset	0.00	0.00
MAT credit C/F	0.00	0.00
Total	<u>2440.08</u>	<u>2742.55</u>

### 2019-20

(Rs. in Lakhs)

Particulars	Opening Balance	Recognised in Profit or loss	Closing Balance
On account of Property , Plant & Equipment	2737.80	-300.00	2437.80
On account of fair value of Equity instruments	4.75	-2.47	2.28
	<u>2742.55</u>	<u>-302.47</u>	<u>2440.08</u>

### 2018-19

(Rs. in Lakhs)

Particulars	Opening Balance	Recognised in Profit or loss	Closing Balance
On account of Property , Plant & Equipment	3037.80	-300.00	2737.80
On account of fair value of Equity instruments	4.24	0.51	4.75
	<u>3042.04</u>	<u>-299.49</u>	<u>2742.55</u>

### 16. BORROWINGS

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
From Banks (Secured)		
Loans Repayable on Demand - Working Capital	5443.14	8366.79
From Banks (Unsecured)		
Loans Repayable on Demand - Working Capital	1499.99	500.00
	<u>6943.13</u>	<u>8866.79</u>

### 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.

Loans Guaranteed by Directors

Nil

Period and amount of continuing Default

Nil

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 17. TRADE PAYABLES

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Current</b>		
Due to Micro, Small and Medium Enterprises	63.48	78.94
Others	879.60	659.46
<b>Total</b>	<b>943.08</b>	<b>738.40</b>

### 18. OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Non-current</b>		
Liabilities for Expenses	566.52	756.07
	<b>566.52</b>	<b>756.07</b>
<b>Current</b>		
Unpaid dividends	21.87	20.50
Interest accrued but not due on borrowings	0.00	2.43
Statutory payables	41.75	51.62
Forward Cover (Foreign Currency)	436.33	0
LIC Gratuity (Plan Assets) Net	2.19	0
Other liabilities for Expenses	486.95	511.25
<b>Total</b>	<b>989.09</b>	<b>585.80</b>

### 19. OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Advance received from Customers	129.47	153.48
<b>Total</b>	<b>129.47</b>	<b>153.48</b>

### 20. CURRENT TAX LIABILITIES (NET)

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Income tax provisions	0.00	2657.73
Current tax assets		
Income tax advances	0.00	2638.56
<b>Total</b>	<b>0.00</b>	<b>19.17</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 21. REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Sale of Products (Refer Note (i) below)	60767.04	64450.09
Other Operating Revenue (Refer Note (ii) below)	1542.19	1151.21
	<b>62309.23</b>	<b>65601.30</b>
<b>Note (I)</b>		
<b>Sale of Products Comprises</b>		
Cotton Yarn	32284.61	35158.81
Knitted Fabrics	22141.99	23122.55
Waste Cotton	6340.44	6168.73
	<b>60767.04</b>	<b>64450.09</b>
<b>Note (ii)</b>		
<b>Other Operating Revenue</b>		
Export Benefits	1060.97	919.54
Foreign Exchange Fluctuation	0.00	0.00
Profit on disposal of rawmaterial	27.01	139.54
EB Receivable ( Banking)	113.89	0.00
Insurance Claim	140.00	0.00
REC Sales	12.71	0.00
Wind Energy	20.63	20.03
Sale of Scrap	22.90	30.77
Expenditure written back	144.08	0
Sundry Parties Written Off	0.00	41.33
	<b>1542.19</b>	<b>1151.21</b>

### 22. OTHER INCOME

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Interest (Refer Note (i) below)	75.97	96.06
Dividend from Current Investments	0.13	0.04
Other non-operating income (Refer Note (ii) below)	0.00	2.39
	<b>76.10</b>	<b>98.49</b>
<b>Note (I)</b>		
<b>Interest Income Comprises of</b>		
From banks on deposits	48.77	85.62
Other Interest	27.20	10.44
Total Interest Income	<b>75.97</b>	<b>96.06</b>
<b>Note (ii)</b>		
<b>Other non-operating income comprises of</b>		
Increase in fair value of Investments	0.00	2.39
	<b>0.00</b>	<b>2.39</b>



# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 23. COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Opening Stock	22201.16	19928.06
Add : Purchases	44070.49	47077.61
	66271.65	67005.67
Less: Cost of materials disposed	1593.23	2578.19
	64678.42	64427.48
Less : Closing Stock	21740.83	22201.16
Total Cost of Materials Consumed	42937.59	42226.32
<b>Materials Consumed Comprise</b>		
Raw Cotton	34143.18	35745.47
Modal	1245.09	994.78
Lycra	1055.74	645.68
Yarn	6493.58	4840.39
	42937.59	42226.32

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

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Opening Stock Work in progress	1607.00	2347.71
Opening Stock Finished Goods	2364.67	988.70
Opening Stock of Waste Cotton	84.58	22.74
Total (A)	4056.25	3359.15
Closing Stock Work in progress	1938.49	1607.00
Closing Stock Finished Goods	5480.32	2364.67
Closing Stock of Waste Cotton	228.65	84.58
Total (B)	7647.46	4056.25
Increase / Decrease in Stock (A - B) (-)/(+)	-3591.21	-697.10

### 25. EMPLOYEES BENEFIT EXPENSES

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Salaries & Wages	3135.94	2858.80
Contribution to Provident Fund & Other Funds	168.98	110.62
Staff Welfare Expenses	810.03	807.46
	4114.95	3776.88

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 26. FINANCE COSTS

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
a. Interest - Working Capital Loans	930.79	930.86
b. Other Borrowing Costs	4.00	11.56
	<u>934.79</u>	<u>942.42</u>

### 27. DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Depreciation of property, plant and equipment	2758.49	2884.76
Amortisation expense	0.00	0.00
Total depreciation and amortisation expense	<u>2758.49</u>	<u>2884.76</u>

### 28. OTHER EXPENSES

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Stores Consumed	584.23	594.50
Power & Fuel	2897.73	3369.75
Materials Sizing & Fabrication	531.53	67.10
Freight Inwards	32.36	31.80
Machinery Maintenance	48.68	45.49
Building Maintenance	89.48	58.69
Vehicle Maintenance	207.58	245.92
Printing & Stationary	10.24	11.23
Postage & Telephone	24.16	23.03
Travelling Expenses	53.89	34.14
Insurance	146.63	88.29
Licence Fees & Taxes	127.54	138.10
Bank Charges	56.84	41.16
Professional & Legal Charges	59.70	64.73
Salary to Managing Director	24.00	24.00
Auditors Remuneration - for Audit fees	6.00	6.00
Foreign Exchange Fluctuation	460.22	435.80
Freight Outwards	739.22	756.29
Packing Materials	677.36	649.70
Brokerage & Commission	1184.43	923.78
Godown Rent	60.00	20.00
Advertisement	3.64	10.57
Loss on sale of Machinery	0.00	4.96
Diminution in Fair Value of Investments	9.71	0.00
Sundry Parties Written Off	3.44	0.00
Security Service Charges	54.60	42.37
CSR Expenses	161.70	143.55
Miscellaneous Expenses	62.33	52.89
Total	<u>8317.24</u>	<u>7883.84</u>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 29. INCOME TAX RELATING TO CONTINUING OPERATIONS

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

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
<b>Current tax</b>		
Current tax on profits for the year	1986.44	2663.41
Add: interest	0.00	0.19
Adjustments for current tax of prior periods	3.81	0.26
Current tax expense	1990.25	2663.86
<b>Deferred Tax</b>		
(Decrease) in DTL - depreciation	-300.00	-300.00
Increase in DTL - Fair value of Investments	-2.47	0.51
Deferred tax	-302.47	-299.49
Total Tax expense for continuing Operations	1687.78	2364.37
Less: Tax relating to other comprehensive income	3.50	5.86
Total tax expense for the year	1684.28	2358.51

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

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Profit before tax after exceptional items	6913.48	8682.67
Enacted tax rate in India	25.168%	34.944%
Computed expected tax expense at enacted tax rate	1739.98	3034.07
Tax effect on account of items treated separately	-0.19	-1.07
Tax effect on Income that is exempt from taxation	0.00	-614.51
Tax effect of non-deductible expenses	43.14	51.90
Tax effect on Difference of book and IT Depreciation	203.51	193.02
Total income tax expense recognised for the year	1986.44	2663.41

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

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligations	13.89	16.77
Total	13.89	16.77
Bifurcation of income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	3.50	5.86
Items that may be reclassified to profit or loss	0.00	0.00
Total	3.50	5.86

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

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

	(Rs. in Lakhs)	
Particulars	As at 31st March 2020	As at 31st March 2019
<b>(I) Contingent liabilities :</b>		
<b>Claims against the company not acknowledged as debt</b>		
Central Excise Demand	434.00	445.33
Income Tax Demand	11.65	11.65
<b>Other money for which the company is contingently liable</b>		
Export Bills Discounted / Lodged with the Bank	3891.23	5199.06
Nature of Disputes and amount of demand		
Central Excise Demand		
1. Claim of Modvat Credit not accepted	0.00	11.33
2. Claim of Cenvat Credit not accepted	23.99	23.99
3. Demand relating to de-bonding of 100% EOU	410.01	410.01
	<b>434.00</b>	<b>445.33</b>
Income tax Demand		
Disallowance of claim of replacement of machinery as revenue expenditure.	11.65	11.65
	<b>11.65</b>	<b>11.65</b>
The above disputed tax dues are appealed before concerned appellate authorities/ Courts.		
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*	2000.00	2404.83
Advances made in respect of the above works	617.66	115.75
Capital Commitments net of advances	<b>1382.34</b>	<b>2289.08</b>

### 30.2. DETAILS OF DIVIDEND PROPOSED AND PAID

	(Rs. in Lakhs)	
Particulars	Year Ended 31 st March 2020	Year Ended 31 st March 2019
a) Final dividend	1717.50	1431.25
b) In respect of the current year, the directors propose that a dividend of Rs. 15/- per share be paid on equity shares. The equity dividend is subject to approval by shareholders at the Annual General meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs.858.75/- Lakhs		

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 30.3. 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 2020	As at 31st March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	63.48	78.94
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
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
The amount of interest accrued and remaining unpaid at the end of the year	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

### 30.4. FINANCIAL INSTRUMENTS

#### i) Financial Instruments by category

(Rs. in Lakhs)

Particulars	As at 31st March 2020			As at 31st March 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
a) Cash and cash equivalents	-	-	675.46	-	-	589.45
b) Other financial assets-Non current	-	-	1085.45	-	-	662.48
(c) Trade receivables	-	-	1812.52	-	-	1255.09
(d) Bank balances other than cash and cash equivalents	-	-	46.87	-	-	1592.01
(e) Other financial assets- Current	-	-	2158.33	-	-	2453.64
(f) Investments in subsidiaries	-	-	-	-	-	-
(g) Investments in equity	19.83	-	-	33.35	-	-
<b>Total</b>	<b>19.83</b>	<b>0.00</b>	<b>5778.63</b>	<b>33.35</b>	<b>0.00</b>	<b>6552.67</b>
<b>Financial Liabilities</b>						
(a) Borrowings	-	-	6943.13	-	-	8866.79
(b) Trade payables	-	-	943.08	-	-	738.40
(c) Other financial liabilities - Non current	-	-	566.52	-	-	756.07
(d) Other financial liabilities	-	-	989.09	-	-	585.80
(e) Other Current liabilities	-	-	129.47	-	-	153.48
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>9571.29</b>	<b>0.00</b>	<b>0.00</b>	<b>11100.54</b>
Financial assets			5798.46			6586.02
Financial liabilities			9571.29			11100.54

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### ii) Fair Valuation techniques and Inputs used - recurring Items

(Rs. in Lakhs)

Particulars	Fair value as at 31 March 2020	Fair value as at 31 March 2019
Financial assets measured at Fair value		
Financial assets		
Investments		
i) Quoted Equity investments	19.83	33.35
Total financial assets	<u>19.83</u>	<u>33.35</u>

### 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.

### 30.5. AUDITORS' REMUNERATION

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
For Audit	6.00	6.00
For Other works and Reimbursement of Expenses	0.00	0.00
	<u>6.00</u>	<u>6.00</u>

### 30.6. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Amount spent through approved trusts and institutions	5.50	29.00
Amount spent directly	156.20	114.55
Total	<u>161.70</u>	<u>143.55</u>
Amount required to be spent as per Sec. 135 of the Act	159.01	140.43
Amount spent during the year on:-		
Construction / acquisition of an asset	42.11	57.97
On purposes other than above	119.59	85.58
Total	<u>161.70</u>	<u>143.55</u>

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 Directors' Report.

### 30.7. EARNINGS PER SHARE

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Earnings used in the calculation of Basic and diluted earnings per share (Rs in Lakhs)	5225.70	6318.30
Weighted Average Number of Equity Shares used for the purpose of calculating basic and diluted earnings per share	5725000	5725000
Nominal Value per Equity Share [in Rs.]	10.00	10.00
Basic & Diluted Earnings Per Share [in Rs]	91.28	110.36

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 30.8. RELATED PARTY TRANSACTIONS

(Rs. in Lakhs)

#### Related party Relationships

##### Key Management personnel

Sri.P.V.Chandran	Chairman and Managing Director
Wholly Owned Subsidiary	Nil
Other Related parties	Nil
Related to Key Management personnel	Nature of relationship
Mrs.Vidya Jyothish Pillai	Daughter of Sri.P.V.Chandran
Mrs.Bhavya Chandran	Daughter of Sri.P.V.Chandran

#### Key Management personnel compensation

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
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	2.00	2.00
Mrs.Bhavya Chandran	1.00	1.00

Note : Related party relationships are as identified by the Management

### 30.9 EMPLOYEE DEFINED BENEFIT AND CONTRIBUTION PLANS

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
<b>Present Value Of Obligations</b>		
Obligations at the beginning of the year*	99.16	86.38
Interest Cost	7.44	6.74
Current Service Cost	9.37	8.86
Past service Cost	0	0
Benefit paid	-15.15	-11.42
Actuarial (Gain) / Loss on obligations	3.94	8.6
Obligations at the end of the year	104.76	99.16
Fair value of Plan assets		
<b>Fair value of Plan assets, beginning of the year</b>	110.86	97.03
Expected return on plan assets	6.86	7.43
Contributions	0	17.82
Benefit paid	-15.15	-11.42
Actuarial (Gain) / Loss on Plan Assets	0	0
Fair value of Plan assets, end of the year	102.57	110.86
Funded Status	-2.19	11.70
<b>Expenses to be recognized for the current year</b>		
Current Service Cost	9.37	8.86
Interest Cost	7.44	6.74
Expected return on plan assets	-6.86	-7.43
Net Actuarial (Gain) / Loss recognized in the year	3.94	8.6
Expense to be recognized in other comprehensive income	13.89	16.77
Actuarial Assumption		
Discount Rate	7.25%	7.50%
Salary Escalation	5.00%	5.00%

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

### 30.10 . SEGMENT INFORMATION

(Rs. in Lakhs)

Particulars	Textiles		Windmills		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Gross Segment Revenue	62309.23	65601.30	2908.18	2703.76	65217.41	68305.06
Less: Intersegment Revenue	0.00	0.00	0.00	0.00	2908.18	2703.76
Total Revenue	62309.23	65601.30	2908.18	2703.76	62309.23	65601.30
Segment Result	5964.50	7977.32	1807.67	1549.28	7772.17	9526.60
Less: Finance Cost					934.79	942.42
Add: Unallocable Other Income net of Expenditure					76.10	98.49
Profit before Tax					6913.48	8682.67
Less : Tax Expense					1687.78	2364.37
Profit for the Year					5225.70	6318.30
Segment Assets	59916.19	58279.18	2497.95	2990.85	62414.14	61270.03
Unallocated Assets					204.04	54.26
Total Assets					62618.18	61324.29
Segment Liabilities	2218.03	1842.79	410.13	410.13	2628.16	2252.92
Unallocated Liabilities					9383.21	11609.34
Total Liabilities					12011.37	13862.26
Other information						
Capital Expenditure	1221.55	3013.63	160.00	0.00	1381.55	3013.63
Unallocated Capital Expenditure						
Depreciation	2101.13	2120.95	657.36	763.81	2758.49	2884.76
Unallocated Depreciation	-	-	-	-	-	-
Non - Cash Expenses other than depreciation	-	-	-	-	-	-

### Geographical Segement

(Rs. in Lakhs)

Particulars	Europe	Asia	North America	India	Total
Sale of Goods (Figures in Brackets relates to Previous Year)	1549.10 (2612.36)	40739.68 (37901.47)	1445.08 (3989.37)	17033.18 (19946.89)	60767.04 (64450.09)

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

The sale revenue of textiles segment includes sale to two customers amounting to Rs. 19944 Lakhs (Previous year three customers amounting to Rs.25139 Lakhs) contributing more than 10% of the company's sale revenue in each case

### 30.11. APPROVAL OF FINANCIAL STATEMENTS

The Financial statements were approved for issue by the Board of Directors on 27.06.2020

### 30.12. 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 2020

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	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>Liabilities</b>					
PCFC	USD	1140833.96	9693559.10	859.50	6785.49
Acceptances	USD	0.00	0.00	0.00	0.00
Advances Received	USD	78495.86	53053.86	59.14	37.14
Sundry creditors	USD	0.00	138530.93	0.00	96.97
Libor Interest	USD	0.00	3471.84	0.00	2.43
		<b>1219329.82</b>	<b>9888615.73</b>	<b>918.64</b>	<b>6922.03</b>
<b>Advances Received</b>					
	EURO	0.00	38539.00	0.00	29.89
		0.00	38539.00	0.00	29.89
<b>Assets</b>					
Sundry Debtors	USD	1673024.18	613695.65	1260.45	429.59
Debit Note	USD	91740.61	44160.93	69.12	30.91
EEFC	USD	0.00	40672.44	0.00	28.47
		<b>1764764.79</b>	<b>698529.02</b>	<b>1329.57</b>	<b>488.97</b>
Sundry Debtors	EURO	0.00	65942.37	0.00	51.14
EEFC	EURO	0.00	162249.85	0.00	125.83
		0.00	228192.22	0.00	176.97
Net Exposure	USD	545434.97	-9190086.71	410.93	-6433.06
Net Exposure	EURO	0.00	189653.22	0.00	147.08
The earnings in Foreign Currency out of exports would easily cover deficit exposure, if any, and further the forward cover would protect the fluctuations					

FOREIGN CURRENCY SENSITIVITY ANALYSIS (USD)	31-03-2020	(Rs. in Lakhs) 31-03-2019
Impact on profit : 5% increase in currency rate	20.55	-321.65
Impact on profit : 5% decrease in currency rate	-20.55	321.65
<b>FOREIGN CURRENCY SENSITIVITY ANALYSIS (EURO)</b>		
Impact on profit : 5% increase in currency rate	0.00	7.36
Impact on profit : 5% decrease in currency rate	0.00	-7.36

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

**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 augmenting current assets. Substantial capital assets and current assets are built and maintained.

### 30.13

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

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

Date : 27.06.2020  
Place : Coimbatore

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/-  
RADHESHYAM PADIA  
[COMPANY SECRETARY]

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

Sd/-  
M.VIJAYAKUMAR  
[CHIEF FINANCIAL OFFICER]





Book-post

To:

From

**Regd.Office : AMBIKA COTTON MILLS LIMITED**

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