



Ambika Cotton Mills Limited

03/09/2019  
Ref.No.ACM/025/2019-20

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

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

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

Dear Sirs,

**Filing of Notice of AGM & Annual Report of the Company - FY 2018-19-  
Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015.**

Please find enclosed the annual report of the company for FY 2018-19 along with the Notice of the 31<sup>st</sup> Annual General Meeting to be held on Friday, the 27<sup>th</sup> September 2019.

Kindly acknowledge the same.

Thanking you.

Yours faithfully,

For Ambika Cotton Mills Limited

  
Swaminathan. R  
Compliance Officer

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

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

email : ambika@acmills.in

CIN : L17115T219RRPL0002269

# AMBIKA COTTON MILLS LIMITED

Registered Office : No. 9A, Valluvar Street, Sivanandha Colony, Coimbatore - 641 012.  
Ph. : +91 422 2491504, Fax : +91 422 2499623  
CIN No. : L17115TZ1988PLC002269  
Website : www.acmills.in, Emil - ID : ambika@acmills.in

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## NOTICE OF THE MEETING

Notice is hereby given that the Thirty First Annual General Meeting of the Company will be held on Friday, the **27<sup>th</sup> September 2019** at 12.00 Noon at The Residency, Avinashi Road Coimbatore - 641018 to transact the following business :-

### A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2019 including the Audited Balance Sheet as at March 31, 2019, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs.BHAVYA CHANDRAN (DIN 02080649) who retires by rotation and being eligible offers herself for re-appointment.
3. To declare a Final Dividend of Rs.30 per equity share for the Financial year 2018-19.

### B. SPECIAL BUSINESS

#### 4. Re-appointment of Sri. K.N Sreedharanas an Independent Director

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED that pursuant to Section 149 and read with Section 150, 152 and schedule IV and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) of re-enactment(s) thereof for the time being in force) and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the Articles of Association of the Company, Sri. K.N Sreedharan(holding DIN 00321585), Director, who holds office up to the date of this Annual General Meeting, be and is hereby reappointed as Independent Director of the Company, not liable to retire by rotation, for a term of five years i.e. from the date of the 31st Annual General Meeting (2019) till the date of the 36th Annual General Meeting (2024) of the Company [both dates inclusive].

#### 5. Re-appointment of Dr.K.Venkatachalam as an Independent Director

To consider and if deemed fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED that pursuant to Section 149 and read with Section 150, 152 and schedule IV and other applicable provisions of the Companies Act, 2013, the Rules thereunder (including any statutory modification(s) of re-enactment(s) thereof for the time being in force) and in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the Articles of Association of the Company, Dr.K.Venkatachalam(holding DIN 01062171), Director, who holds office up to the date of this Annual General Meeting, be and is hereby reappointed as Independent Director of the Company, not liable to retire by rotation, for a term of five years i.e. from the date of the 31st Annual General Meeting (2019) till the date of the 36th Annual General Meeting (2024) of the Company [both dates inclusive].

# AMBIKA COTTON MILLS LIMITED

## NOTICE OF THE MEETING

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6. To ratify/confirm the Remuneration of the Cost Auditors for the Financial year 2019-20.

To consider and if thought 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, 2020, as set out in the Explanatory Statement annexed to the Notice convening this Meeting be and is hereby 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."

By Order of the Board,  
Sd/-

**(P.V CHANDRAN)**

Chairman and Managing Director

DIN: 00628479

Date : 10.08.2019

Place : Coimbatore

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### Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10 (TEN) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHARE HOLDER. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE, SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY IS SENT HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANY, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE SOLUTION/AUTHORITY, AS APPLICABLE.
3. Members/Proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. 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)
5. 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 at the meeting.
6. The Register of Members of the Company will remain closed from **Saturday 21<sup>st</sup> September 2019 to Friday 27<sup>th</sup> September 2019** (Both the days inclusive).
7. 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 20th September, 2019. In respect of shares held in dematerialized form, the dividend will be paid on the

# AMBIKA COTTON MILLS LIMITED

## NOTICE OF THE MEETING

basis of beneficial ownership as per the details furnished by the Depositories for this purpose at the end of business hours on 20th September, 2019.

8. 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.
9. 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.
10. As per amendment to SEBI (LODR) Regulation ,2015 with effect from 05.12.2018 transfer of shares in physical mode will not be processed and hence Shareholders are advised to demat their shares.
11. 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.
12. Payment of dividend through ECS: We recommend to our valued shareholders to make use of Electronic Clearing Services (ECS) / National Electronic Clearing Services (NECS Scheme) of Reserve Bank of India (RBI) for dividend payment. A shareholder availing this Scheme can receive dividend directly into his bank account and avoid hassles relating to handling of physical warrants besides elimination of risk of loss in postal transit/fraudulent encashment of warrants. In view of the conveniences which ECS/NECS offer, we request you to register the same by sending a duly signed request letter along with a cancelled cheque to our Registered Office/ Registrar & Share Transfer Agents Limited for shares held in physical form. In case shares are held in electronic form, the same may be registered with your Depository Participant (DP).
13. 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.
14. 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 Website :www.skdc-consultants.com.
15. Shareholders who have not yet en-cashed their dividend warrants for the years FY 2011-12(Final) - FY 2017-18 (Final) may approach the Company for Revalidation, issue of duplicate warrants etc quoting the Folio Number/Client ID.
16. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 as amended, dividend for the Financial year 2011-2012(Final) and thereafter unpaid/unclaimed for a period of 7 (Seven) years will be transferred to the Investor Education and Protection Fund (the Fund) constituted by the Central Government under Section 125 of the Companies Act, 2013. Unpaid /Unclaimed Equity Dividend Final for the financial year 2011-2012, in respect of which dividend was declared on 28.09.2012 will fall due for transfer to the said Fund on 4th November 2019. As regards Unclaimed Dividend for the Financial years upto 2011-2012 (Interim) 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 2011-12(Final) to FY 2017-18 (Final) are made available on the website of the Company.
17. Transfer of Unclaimed shares to IEPF A/c : The Company has transferred 10281 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 effective September 7, 2016.

# AMBIKA COTTON MILLS LIMITED

## NOTICE OF THE MEETING

18. 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.
19. 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 at least seven days before the date of the Annual General Meeting.
20. All documents referred to in the Notice shall be open for inspection at the Registered Office of the Company during business hours between 11.00 a.m. and 1.00 p.m on all days except on holidays up to and including the date of the Annual General Meeting of the Company.
21. The routemap of the venue of the Meeting is given in the Attendance Slip.

### STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

#### ITEM NO. 4 - RE-APPOINTMENT OF SRI. K.N SREEDHARAN AS AN INDEPENDENT DIRECTOR

Re-appointment Sri. K.N. Sreedharan as a Non- executive Independent Director.

Sri. K.N. Sreedharan, was appointed as a Non-executive Independent Director by the members at the 26th Annual General Meeting of the Company held on 24.09.2014 to hold office for a period of five consecutive years until 31st Annual General Meeting of the Company.

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

The Securities and exchange Board of India (SEBI) vide notification dated 9th May 2018 has inserted a new regulation 17(1A) in SEBI ( Listing Obligations and Disclosure Requirements) Regulation, 2015. The new regulation has come into effect from 1st April 2019 (effective date)

The said regulation states that "no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person".

The members have passed a Special Resolution at the 30th Annual General Meeting held on 27th September 2018, for continuation of Directorship of Sri. K.N. Sreedharan as a Non-executive Director.

Sri.K.N.Sreedharan is a senior practising Chartered Accountant based at Coimbatore and handling various corporate related matters and he is in the Board since October,1994. His widespread knowledge in the Corporate field would be most useful in the management of affairs of the Company and hence the special resolution for his reappointment to hold office as independent director of the Company till the end of 36th Annual General Meeting(2024).

Sri.K.N.Sreedharan is the Chairman of Audit Committee and member of Nomination & Remuneration Committee.

Details of other Directorships and memberships Committees held by Sri.K.N.Sreedharan are as follows :

Director	Committee Membership
Jagannath Textile Company Limited	Chairman of Audit Committee



# AMBIKA COTTON MILLS LIMITED

## NOTICE OF THE MEETING

Sri.K.N.Sreedharan does not hold any equity shares of the Company.

Sri.K.N.Sreedharan is not related to the other Directors and Key Managerial Personnel of the Company, and their relatives. Except Sri.K.N. Sreedharan, none of the Directors and Key Managerial Personnel, and their relatives, is concerned or interested, financially or otherwise, in the Resolution relating to his appointment.

The Nomination and Remuneration Committee and the Board of Directors have recommended for the reappointment of the Directorship of Sri.K.N. Sreedharan till the conclusion of 36th Annual General Meeting(2024)

### ITEM NO. 5 - RE-APPOINTMENT OF DR. K.VENKATACHALAM AS AN INDEPENDENT DIRECTOR

Re-appointment Dr.K.Venkatachalam as a Non- executive Independent Director.

Dr.K.Venkatachalam, was appointed as a Non-executive Independent Director by the members at the 26th Annual General Meeting of the Company held on 24.09.2014 to hold office for a period of five consecutive years until 31st Annual General Meeting of the Company.

In the opinion of the Board Dr.K.Venkatachalam fulfils the conditions specified in the Companies Act 2013 and the rules made thereunder for his appointment as an Independent Director of the Company.

Dr.K.Venkatachalam holds Master Degree in Sociology and Post-Graduation Diploma in Labour and Administrative Law and an expert in the field of Industrial Management and Labour related matters. The Cotton Textile Industry being labour intensive, his guidance in the labour related matters would be of much value in the maintenance of cordial labour relationship.

Dr.K.Venkatachalam is the Chairman of Nomination & Remuneration Committee and Stakeholder relationship committee and member of Audit Committee & Corporate Social Responsibility Committee.

Details of other Directorships and memberships Committees held by Dr.K.Venkatachalam are as follows :

Director	Committee Membership
1. Naga Limited	Chairman of CSR Committee and Member Audit Committee
2. Tamil Nadu Electricity Consumers' Association	

Dr. K. Venkatachalam holds 100 equity shares of the Company.

Dr. K. Venkatachalam is not related to the other Directors and Key Managerial Personnel of the Company, and their relatives. Except Dr. K. Venkatachalam, none of the Directors and Key Managerial Personnel, and their relatives, is concerned or interested, financially or otherwise, in the Resolution relating to his appointment.

The Nomination and Remuneration Committee and the Board of Directors have recommended for the reappointment of the Directorship of Dr. K. Venkatachalam till the conclusion of 36th Annual General Meeting (2024)

### ITEM No. 6 - 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, 2020 on remuneration as set out in the table below:

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

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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 10TH AUGUST, 2019

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

#### Brief - ITEM NO. 2

Name of Director	Mrs. Bhavya Chandran (DIN : 02080649)
Brief Resume	Mrs. Bhavya Chandran holds Master Degree in Business Administration(Finance) and holds directorship in the company since January 2008.
Relationship between Director Inter se	Related to Sri. P.V. Chandran, Chairman and Managing Director of the Company & Vidya Jyothish Pillai , 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

For and on behalf of the Board of Directors,  
Sd/-

**(P.V CHANDRAN)**

Chairman and Managing Director

DIN : 00628479

Date : 10.08.2019

Place : Coimbatore

### VOTING THROUGH ELECTRONIC MEANS

Pursuant to the 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 theAGM("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:

# AMBIKA COTTON MILLS LIMITED

## NOTICE OF THE MEETING

- a. The remote e-voting period will commence on Tuesday, September 24, 2019 at 9.00 AM and ends on Thursday, September 26, 2019 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 Friday, September 20, 2019, may cast their votes through remote e-voting.

The remote e-voting module shall be disabled by CDSL for voting after 5.00 P.M on Thursday September 26, 2019 and remote e-voting shall not be allowed beyond the said time.

- b. The voting rights of the Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date, being Friday, September 20, 2019.
- c. Once the vote on a resolution is cast by a Member through remote e-voting, he/she/it shall not be allowed to change it subsequently.
- d. 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. Friday, September 20, 2019 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.
- e. In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the Members, there shall be no voting by show of hands at the AGM. The Company is also offering facility for voting by way of polling papers at the AGM for the Members attending the meeting who have not cast their vote by remote e-voting.
- f. A Member may participate in the AGM even after exercising his right to vote through remote e-voting, but cannot vote again at the AGM.
- g. If a Member casts votes by both modes i.e. remote e-voting and polling papers at the AGM, then voting done through remote e-voting shall prevail and polling paper shall be treated as invalid.
- 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 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li></ul>



# AMBIKA COTTON MILLS LIMITED

## NOTICE OF THE MEETING

	<ul style="list-style-type: none"><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></ul>
	<ul style="list-style-type: none"><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 Corporates.

# AMBIKA COTTON MILLS LIMITED

## NOTICE OF THE MEETING

- 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)

### **Details of persons to be contacted for issues relating to e-voting :**

S.K.D.C. Consultants Ltd, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006 Telephone +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)

Sri.B.Krishnamoorthi, FCA, Practising Chartered Accountant has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall immediately after the conclusion of the voting at General meeting, first count the votes cast at the meeting, and thereafter unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, not later than 48 hours after the conclusion of the Meeting, to the Chairman of the meeting. The Chairman shall declare the results of the voting forthwith.

The resolution(s) will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.acmills.in](http://www.acmills.in) and on the website of CDSL, immediately, after the Chairman declares the result.

The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company [www.acmills.in](http://www.acmills.in) and Service Provider's website [www.evotingindia.com](http://www.evotingindia.com) and the communication will be sent to the BSE Limited and the National Stock Exchange of India Limited

# **AMBIKA COTTON MILLS LIMITED**

## **ANNUAL REPORT**

**2018 - 2019**



# AMBIKA COTTON MILLS LIMITED

CIN NO. L17115TZ1988PLC002269

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

## ANNUAL REPORT 2018 - 2019

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

REGISTERED OFFICE      No. 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.  
State Bank of India





# AMBIKA COTTON MILLS LIMITED

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

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

CIN No. : L17115TZ1988PLC002269

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

## DIRECTORS' REPORT

Your directors have great pleasure in submitting the Thirty First Annual Report together with the audited accounts for the year ended 31st March 2019.

## FINANCIAL RESULTS

The Financial results for the year ended 31st March 2019 are furnished below :

(Rs. in Lakhs)

	CURRENT YEAR	PREVIOUS YEAR
	2018-19	2017-18
Sales & Other Income	65699.79	58569.81
Profit Before Finance Cost and Depreciation	12509.85	11342.44
Less: Finance Cost	942.42	492.86
Gross Profit For the Year	11567.43	10849.58
Less : Depreciation	2884.76	2887.60
Profit before Tax	8682.67	7961.98
Less : Tax Expense	2364.37	1855.21
Profit after Tax	6318.30	6106.77
Other Comprehensive income	-10.91	-7.22
Total Comprehensive income for the year	6307.39	6099.55
Add: Opening Balance of retained earnings	25251.72	20841.22
Amount available for appropriation	31559.11	26940.77
Less: Appropriations		
Transfer to General Reserve	1000.00	1000.00
Dividend on Equity Shares	1431.25	572.50
Dividend Tax	294.20	116.55
Closing Balance of retained earnings	28833.66	25251.72

## PERFORMANCE AND STATE OF AFFAIRS

The Company's Total Income and Gross profit amounted to Rs. 65699.79 Lakhs (Previous year Rs. 58569.81 Lakhs) and Rs.11567.43 Lakhs (Previous year Rs. 10849.58 Lakhs). This represents growth of 12.17% in total income as compared to 10.62% growth in the previous year and growth of 6.62% in Gross Profit as against growth of 6.98% in the previous year.

For the year Company's Direct Export Turnover amounted to Rs. 44503.20 Lakhs as compared to Rs. 32728.88 Lakhs in the previous year representing a growth of 35.98% (Previous Year growth of 31.10%)

In terms of percentage the export turnover constituted 69.05% of the total turnover as against 57.46% in the previous year.

The improved financial performance for the year was largely on account of broad basing the products and continued improvisation of the production process. The company continued 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. This policy orientation has contributed to the sustained financial performance of the company.

# AMBIKA COTTON MILLS LIMITED

## DIRECTORS' REPORT (Contd...)

During the year the Company has further invested Rs. 1599.05 Lakhs in Knitting segment and Rs. 1316.84 Lakhs in Spinning segment.

The Company has made an application under Single Window Clearance, covered under Investment under Global Investors Meet 2019, Organised by State Government of Tamilnadu, in respect of implementation of envisaged expansion of spinning segment. The proposal is under the advanced stage of all clearances and the MOU will be signed shortly by the Company and steps have been initiated for implementation of the project.

The Company is not carrying any long term debt.

### TRANSFER TO RESERVES

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

### DIVIDEND

The Board of Directors has recommended payment of final dividend for FY 2018-19 as under

Rate of Dividend	Dividend per equity share (Rs.)	Amount of Dividend (Rs. in Lakhs)
300%	30	1717.50

If approved by the members at the Annual General Meeting (AGM) to be held on 27.09.2019, the proposed Final Dividend would result in cash outflow of dividend Rs.1717.50 Lakhs and dividend distribution tax Rs.353.12 Lakhs for FY 2018-19. The payout ratio of dividend and dividend tax works out to 32.77%.

### DIRECTORS

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Bhavya Chandran (DIN 02080649) 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 and Sri. E.M. Nagasivam.

Sri. K.N. Sreedharan was appointed as an Independent Director. He holds office up to the date of the ensuing Annual General Meeting. The Board recommends his re-appointment as an Independent Director under Section 149 of the Act for a further term of five years viz., from the date of 31st AGM (2019) till the date of 36th AGM (2024).

Dr.K.Venkatachalam was appointed as an Independent Director. He holds office up to the date of the ensuing Annual General Meeting. The Board recommends his re-appointment as an Independent Director under Section 149 of the Act for a further term of five years viz., from the date of 31st AGM (2019) till the date of 36th AGM (2024).

The Board takes pleasure in recommending the re-appointment of Sri.K.N. Sreedharan and Dr.K. Venkatachalam as Independent Directors of the Company at the forthcoming Annual General Meeting.

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: -

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

# **AMBIKA COTTON MILLS LIMITED**

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

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- 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, 2019 and of the profit of the Company for the year ended on that date;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis;
- v. Internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. Systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

### **MEETINGS OF THE BOARD**

The Board held four meetings during the Financial Year 2018- 19 namely, May 25, 2018, August 11, 2018, November 10, 2018 and February 12, 2019.

### **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.004009S 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).

### **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, 2019 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**

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## **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, 2019 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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### **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 31,2019 to which the financial statements relate and the date of this report.

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

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

### **BOARD EVALUATION**

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

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure - I and the same is made available in the company's website [www.acmills.in](http://www.acmills.in).

### **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. 140.43 Lakhs ( Previous year Rs. 129.86 Lakhs) @2% of 3 years average net profit of the Company and the Company has spent Rs 143.55 Lakhs (Previous year Rs. 136.32 Lakhs) on various CSR activities which are into (i) Rural Development, (ii) Education (iii) Animal Protection (iv) Medical Support, (v) Relief to Poor and the details of expenditure are furnished in Annexure -III to this report.

# **AMBIKA COTTON MILLS LIMITED**

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

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### **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)

Date : 10/08/2019

Place : Coimbatore



# 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 31.03.2019

[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
(vi) Whether listed company	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy Post, Coimbatore - 641 006. Phone : +91 422 4958995, 2539835 Email : info@skdc-consultants.com

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

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

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Cotton Yarn	5205	54.55
2	Knitted fabrics	6006	35.88
3	Waste Cotton	5202	9.57

#### III. Particulars of Holding, Subsidiary and Associate Companies

Sl. 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. SHAREHOLDING PATTERN (Equity Share Capital Breaking up as percentage of Total equity)

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

Category of share holders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(A) Promoters									
(1) Indian									
a) Individuals/ Hindu Undivided Family	2862350	0	2862350	49.997	2862350	0	2862350	49.997	0.000
b) Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0.000
c) Bodies Corporate	0	0	0	0	0	0	0	0	0.000
d) Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0.000
e) Any Others(Specify)	0	0	0	0	0	0	0	0	0.000
TRUSTS	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>2862350</b>	<b>0</b>	<b>2862350</b>	<b>49.997</b>	<b>0.000</b>
(2) Foreign									
a) Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.000	0	0	0	0.000	0.000
b) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.000
c) Institutions	0	0	0	0.000	0	0	0	0.000	0.000
d) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
e) Any Others(Specify)	0	0	0	0.000	0	0	0	0.000	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>
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2862350	0	2862350	49.997	2862350	0	2862350	49.997	0.000
(B) Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	0	0	0	0.000	0	0	0	0.000	0.000
b) Financial Institutions / Banks	4069	0	4069	0.071	1689	0	1689	0.030	-0.041
c) Alternative Investment Funds	0	0	0	0	1552	0	1552	0.027	0.027
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) Foreign Institutional Investors	0	0	0	0.000	0	0	0	0.000	0.000

# AMBIKA COTTON MILLS LIMITED

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

Category of share holders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Any Other (specify)	-	-	-	-	-	-	-	-	-
<b>FOREIGN PORTFOLIO INVESTORS</b>	270412	0	270412	4.723	262646	0	262646	4.588	-0.135
<b>Sub-Total (B)(1)</b>	<b>274481</b>	<b>0</b>	<b>274481</b>	<b>4.794</b>	<b>265887</b>	<b>0</b>	<b>265887</b>	<b>4.645</b>	<b>-0.149</b>
<b>(2) Non-institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	832094	10000	842094	14.709	755318	10000	765318	13.368	-1.341
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	1124369	28103	1152472	20.132	1246406	24249	1270655	22.195	2.063
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	372166	0	372166	6.501	280193	0	280193	4.893	-1.608
c) Others (specify)									
<b>DIRECTORS &amp; THEIR RELATIVES</b>	0	100	100	0.002	0	100	100	0.002	0.000
NON RESIDENT INDIANS	138939	0	138939	2.426	184883	0	184883	3.229	0.803
CLEARING MEMBERS	18294	0	18294	0.320	27166	0	27166	0.475	0.155
HINDU UNDIVIDED FAMILIES	54503	0	54503	0.952	58167	0	58167	1.016	0.064
TRUSTS	200	0	200	0.003	0	0	0	0	-0.003
Inv. Education and Protection Fund Auth.	9401	0	9401	0.164	10281	0	10281	0.180	0.016
<b>Sub-Total (B)(2)</b>	<b>2549966</b>	<b>38203</b>	<b>2588169</b>	<b>45.209</b>	<b>2562414</b>	<b>34349</b>	<b>2596763</b>	<b>45.358</b>	<b>0.149</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2824447</b>	<b>38203</b>	<b>2862650</b>	<b>50.003</b>	<b>2828301</b>	<b>34349</b>	<b>2862650</b>	<b>50.003</b>	<b>0.000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5686797</b>	<b>38203</b>	<b>5725000</b>	<b>100.000</b>	<b>5690651</b>	<b>34349</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

Sl No.	Shareholders 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	589784	10.302	0.000	0.000
	<b>TOTAL</b>	<b>2862350</b>	<b>49.997</b>	<b>0.000</b>	<b>2862350</b>	<b>49.997</b>	<b>0.000</b>	<b>0.000</b>

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	2862350	49.997	-	-
	Changes during the year	-	-		
	-				
	-				
	-				
	<b>At the end of the year</b>	<b>2862350</b>	<b>49.997</b>	<b>2862350</b>	<b>49.997</b>

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

Sl. 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	256106	4.473
2	Catamaran Advisors LLP (Previous Catamaran Management Services Private Limited )	240305	4.197	129406	2.260
3	Apple Finance Limited	180233	3.148	180233	3.148
4	Karvansarai Travel & Lifestyle Private limited	132052	2.307	136365	2.382
5	VLS Finance Limited	100000	1.747	92961	1.624
6	Angel Holdings Pvt Ltd	34325	0.600	34325	0.600
7	Ajai Hari Dalmia	51618	0.902	33411	0.584
8	Ramakant Padia	28166	0.492	28166	0.492
9	Manju Devi Agarwal	28100	0.491	28100	0.491
10	Asha Padia	26200	0.458	26200	0.458

# AMBIKA COTTON MILLS LIMITED

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

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		% Change in share holding during the year
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	<b>Sri P.V. Chandran (Chairman and Managing Director / Promoter Executive )</b>					
	At the beginning of the year	589784	10.302	-	-	0.000
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--			
	At the end of the year	589784	10.302	589784	10.302	0.000
2	<b>Dr. K. Venkatachalam (Independent Director/Non- Executive)</b>					
	At the beginning of the year	100	0.002	-	-	0.000
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	At the end of the year	100	0.002	100	0.002	0.000
3	<b>Sri. Radheshyam Padia (Company Secretary)</b>					
	At the beginning of the year	31500	0.550	-	-	0.000
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
	At the end of the year	31500	0.550	31500	0.550	0.000

# AMBIKA COTTON MILLS LIMITED

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

### VI. INDEBTEDNESS

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

Particulars	Secured loans Excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	2842.89	0	0	2842.89
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>2842.89</b>	<b>0</b>	<b>0</b>	<b>2842.89</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	5523.90	500.00	0	6023.90
Reduction	0	0	0	0
<b>Net Change</b>	<b>+5523.90</b>	<b>+500.00</b>	<b>0</b>	<b>6023.90</b>
<b>Indebtedness at the end of the financial year</b>				
(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>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Rs. in lakhs

Sl. No.	Particulars of remuneration	Name of Managing Director	Total Amount
		<b>P.V.Chandran</b>	<b>P.V.Chandran</b>
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	435.46	435.46



# AMBIKA COTTON MILLS LIMITED

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

### B. Remuneration to other Directors

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	<b>Independent Directors</b>						
	Fee for attending board committee meetings	1.50	2.00	1.50	-	-	5.00
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>1.50</b>	<b>2.00</b>	<b>1.50</b>	<b>-</b>	<b>-</b>	<b>5.00</b>
2	<b>Other Non-Executive Directors</b>	-	-	-	-	-	-
	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>1.50</b>	<b>2.00</b>	<b>1.50</b>	<b>1.00</b>	<b>2.00</b>	<b>8.00</b>
	Total Managerial Remuneration						33.00
	Overall Ceiling as per the Act						958.02

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD

Rs. in lakhs

Sl. 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	5.58	11.58
	(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	Others, Please specify	6.00	5.58	11.58

# AMBIKA COTTON MILLS LIMITED

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

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Sections of the Companies Act	Brief Description	Details of penalty/ punishment/ Compounding fees Imposed	Authority RD/NCLT/ Court	Appeal made If any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment	Nil				
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment	Nil				
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment	Nil				
Compounding					

### ANNEXURE II

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

#### A. CONSERVATION OF ENERGY

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

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

ii) the steps taken by the Company for utilizing alternative sources of energy:-

The Company has installed 27.4 MW of wind energy capacity for captive consumption. This would meet 100% power requirement of the spinning segment.

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

#### B. TECHNOLOGY ABSORPTION

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

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

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

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

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

# AMBIKA COTTON MILLS LIMITED

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

- 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)	446.16
Foreign Exchange used (outflow)	260.42

### Annexure -III

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

### ANNUAL REPORT ON CSR ACTIVITIES

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

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

- ii. The composition of the CSR committee:

#### The committee consists of Directors

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

- iii. Average net profit of the company for last three financial years (Amount Rs in Lakhs) : 7021.39

- iv. Prescribed CSR Expenditure (two percent. of the amount as in item 3 above)  
(Amount Rs in Lakhs) : 140.43/-

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

- (1) The amount to be spent for the F.Y 2018-19 (Amount Rs in Lakhs) : 140.43/-  
(2) Amount unspent, if any (Amount Rs in Lakhs) : 0.00

# AMBIKA COTTON MILLS LIMITED

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

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

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	Physical Fitness Centre	Education	Local area Coimbatore Tamilnadu			32.97	
2	Construction of class rooms	Education	Local area Coimbatore Tamilnadu			25.00	
3	Animal Protection	Animal Protection	Local area Dindigul, Tamilnadu			13.66	
4	Kerala Flood	Disaster Relief	State of Kerala			16.70	
5	Cyclone Relief	Disaster Relief	Nagapattinam Tamilnadu		Direct expenditure on projects / overheads	1.67	
6	Maintenance of Ponds & Temple Renovation	Rural development	Local area Dindigul, Tamilnadu	140.43		10.43	
7	Public toilet Maintenance	Rural Works/ Sanitation	Local area Dindigul, Tamilnadu			3.68	
8	Relief to Poor	Eradicating Hunger poverty	Local area Coimbatore, Tamilnadu			3.30	
9	Water Supply	Safe Drinking Water	Local area Coimbatore, Tamilnadu			6.39	
10	Contribution for Cultural Activity	Culture	Local area Coimbatore, Tamilnadu			0.75	
11	Road Safety Awareness and Medical and Legal aid	Education & Health Care	Local area Coimbatore, Tamilnadu			10.00	UYIR, Coimbatore
11	Contribution for Medical Services	Health Care	Local area Coimbatore, Tamilnadu			19.00	Rotary Club & VGM Health Care
	<b>Total</b>			<b>140.43</b>		<b>143.55</b>	

\* Details of implementing Agency

# AMBIKA COTTON MILLS LIMITED

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

- 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.

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

Dr. K.Venkatachalam  
Independent Director  
(DIN : 01062171)

Date : 10.08.2019

Place : Coimbatore

### 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 2018-19.

Sl. No.	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2018-19 (in Lakh)	% increase in Remuneration in the Financial year 2018-19	Ratio of Remuneration of each Director to median remuneration of employees
1	Sri.P.V.Chandran, Chairman and Managing Director	25.00	--	23.85:1
2	Sri. K.N.Sreedharan , Non- Executive - Independent	1.50	--	1.43:1
3	Dr.K.Venkatachalam , Non- Executive - Independent	2.00	--	1.91:1
4	Sri.E.M.Nagasivam , Non- Executive - Independent	1.50	--	1.43:1
5	Mrs.Bhavya Chandran, Non- Executive - Promoter group	1.00	--	0.95:1
6	Mrs.Vidya Jyothish Pillai, Non- Executive - Promoter group	2.00	--	1.91.:1
7	Sri. Radheshyam Padia, Company Secretary	6.00	--	5.73:1
8	Sri. M.Vijayakumar, CFO	5.58	4.25	5.32:1

- (ii) The percentage increase in the median remuneration of the employees in the financial year : 17.65%
- (iii) The number of permanent employees on the rolls of Company: 2601
- (iv) The explanation on the relationship between average increase in remuneration and company performance: The Profit after Tax for FY 2018-19 amounted to Rs.6318.30 Lakhs as compared to Rs. 6106.77 Lakhs for FY 2017-18, an increase of 3.46% whereas increase in employees' remuneration is 8.64%
- (v) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company : The Profit after Tax for FY 2018-19 increased 3.46% as compared to FY 2017-18, whereas increase in Key Managerial Personnel remuneration is 0.63%.

# AMBIKA COTTON MILLS LIMITED

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

- (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	31.03.2019	31.03.2018
Market capitalization of the Company (Rs. in Crores )	642.06	739.18
Issued Capital ( in No.s)	57,25,000	57,25,000
Closing Price at NSE ( in Rs. )	1121.5	1291.15
Price Earnings Ratio at the closing date	10.16	12.10

**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.

- 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 2018-19 : The increase in remuneration is 8.75% for employees other than KMP while it is 0.63% 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

## 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 I

#### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2019

[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, 2019** 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, 2019 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;         |

# AMBIKA COTTON MILLS LIMITED

## SECRETARIAL AUDIT REPORT (Contd...)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
a. The Securities and Exchange Board of India (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;

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) Applicable Secretarial Standards 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.

# AMBIKA COTTON MILLS LIMITED

## SECRETARIAL AUDIT REPORT (Contd...)

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

e. Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

### **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 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 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**

Place : Coimbatore

Date : 10th August 2019

FCS NO. 5966

C P NO. 3514

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

# **AMBIKA COTTON MILLS LIMITED**

## **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 corrections 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**

Place : Coimbatore

Date : 10th August 2019

**FCS NO. 5966**

**C P NO. 3514**

# AMBIKA COTTON MILLS LIMITED

## ADDITIONAL DISCLOSURES PURSUANT TO SEBI REGULATIONS

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

### A. RELATED PARTY TRANSACTIONS

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

(Rs in Lakhs)

Nature of Transactions	Salary	Director Sitting Fees	Total (Rs in Lakhs)	Balance Payable as at 31.03.2019
Short term Employee benefits to Sri. P.V. Chandran	24.00	1.00	25.00	2.00
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 approve 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.

# AMBIKA COTTON MILLS LIMITED

## ADDITIONAL DISCLOSURES PURSUANT TO SEBI 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. Population is expected to reach 1.34 billion by FY 2019. Urbanization is expected to support higher growth due to change in fashion and trends.

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

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.

Under Union Budget 2019-20, Government of India allocated around Rs. 5831.48 Crores(USD\$ 808.24 million) for the Ministry of Textiles. 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 2018-19	FY 2017-18
Spinning	7936	6352
Wind energy	1549	1980

### 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 favourable wind season.
- (iv) Stability in Raw cotton prices

# AMBIKA COTTON MILLS LIMITED

## ADDITIONAL DISCLOSURES PURSUANT TO SEBI 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 2019	Previous Year 2018
1	Increase in Net Sales ( Rs. in Lakh)	7492.28	5363.49
2	Increase in Net Sales (%)	13.15	10.40
3	Increase in Exports ( Rs. in Lakh)	11774.31	7763.53
4	Increase in Exports (%)	11.59	31.10
5	Operating Profit Margin before Tax(%)	19.41	19.91
6	Operating Profit Margin after Tax (%)	15.74	16.66
7	Cash Profit Margin before Tax (%)	17.95	19.05
8	Cash Profit Margin after Tax (%)	14.28	15.79
9	Net Profit Margin before Tax (%)	13.47	13.98
10	Net Profit Margin after Tax (%)	9.80	10.72

\*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 2018-19 Qty ( In Lakh Kgs)		FY 2017-18 Qty ( In Lakh Kgs)	
	Production	Sales	Production	Sales
Cotton Yarn	196.59	129.00	193.50	154.66
Cotton Yarn for captive consumption(for knitting)	-	65.75	-	38.82
Cotton Fabrics (Knitted)	90.38	86.66	49.17	48.51
Waste Cotton	80.33	79.56	76.03	76.75
Wind units for captive consumption	410.24 Lakh units		492.86 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 2601 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 2018-2019 : 4			
S.No.	Date of Board Meeting	S.No.	Date of Board Meeting
1	25.05.2018	2	11.08.2018
3	10.11.2018	4	12.02.2019

#### (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 2018
1	Sri. P.V. Chandran, Chairman and Managing Director	4	4	Yes
2	Sri. K.N. Sreedharan, Director	4	3	Yes
3	Dr. K. Venkatachalam, Director	4	4	Yes
4	Sri. E.M. Nagasivam	4	3	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

### 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 25.05.2018, 11.08.2018, 10.11.2018 and 12.02.2019.

Members' attendances at the meetings were as follows.

Name of the Directors	Category	No. of Meetings attended during the year 2018 - 19
Sri. K.N. Sreedharan	Independent / Non Executive	3
Dr. K. Venkatachalam	Independent / Non Executive	4
Sri. E.M. Nagasivam	Independent / Non Executive	3
Mrs. Vidya Jyothish Pillai	Non Executive-Promoter Group	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 consisted 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 10.11.2018

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

Members' attendances at the meetings were as follows

Name of the Directors	Category	No. of Meetings attended during the year 2018 - 19
Sri. K.N. Sreedharan	Independent Director	1
Dr. K. Venkatachalam	Independent Director	1
Mrs. Bhavya Chandran	Non-Executive Director-Promoter Group	1

### 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.)
1.	Sri. K.N. Sreedharan	1,50,000
2.	Dr. K. Venkatachalam	2,00,000
3.	Sri. E.M Nagasivam	1,50,000

#### (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

- The Committee consists of Directors Mrs. Vidya Jyothish Pillai & Mrs .Bhavya Chandran. and Dr.K.Venkatachalam.
- Number of shareholders Complaints received during the year: 2
- Number not solved to the satisfaction of the shareholders during the year: Nil
- Number of pending complaints :Nil
- Name & Designation of Compliance Officer : Swaminathan. R, Compliance Officer

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

- ii. The Committee held its meetings on 25.05.2018, 11.08.2018, 25.08.2018, 10.11.2018 and 21.01.2019 attendance of the members were as follows :

Name of the Directors	Category	No. of Meetings attended during the year 2018 - 19
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

### 8. General Body Meetings:

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

Year	Location	Date	Time
2016	The Residency, 1076 Avinashi Road, Coimbatore - 641018	23.09.2016	12 Noon
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

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

Year	Special Resolution for
2016	Nil
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.

- (iii) No special resolution was put through by Postal Ballot during FY 2018-19 and is proposed to be conducted through postal ballot

### 9. Means of Communication :

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

### 10. General Information to Shareholders:

Annual General Meeting (AGM)	Friday 27th September 2019 at 12.00 Noon
Date, Time and Venue	at The Residency, 1076 Avinashi Road, Coimbatore - 641 018.
Financial year	2018-19
Dividend Payment Date	Within 30 days from the date of AGM.
Results for Quarter ending	June 30, 2019   2nd Week of August, 2019
	September 30, 2019   2nd Week of November, 2019
	December 31, 2019   2nd Week of February, 2020
	March 31, 2020   Last week of May 2020 (Audited).
	AGM   September 2020
Listing on Stock Exchanges	Listed in National Stock Exchange, Bombay Stock Exchange, Annual Listing Fee has been paid to the Stock Exchanges.

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

Stock Code	531978 (BSE) , AMBIKCO (NSE)
Date of Book Closure	21/09/2019 to 27/09/2019 (Both days inclusive)
Demat ISIN Number in NSDL & CDSL for Equity Shares	ISIN Number : INE540G01014.

### Stock Market Data :

Month	The Stock Exchange Mumbai (BSE)		National Stock Exchange Mumbai (NSE)	
	High	Low	High	Low
April-18	1430.00	1291.10	1445.20	1296.95
May-18	1432.90	1300.05	1435.00	1303.10
Jun-18	1349.50	1255.10	1340.70	1250.00
July-18	1327.50	1251.00	1325.00	1250.00
August-18	1350.00	1245.00	1379.00	1243.00
September-18	1322.95	1159.00	1353.00	1151.70
October-18	1199.95	1061.10	1199.95	1070.00
November-18	1249.95	1164.05	1251.00	1141.55
December-18	1226.30	1132.10	1216.45	1143.00
January-19	1178.55	1126.15	1188.00	1131.00
February-19	1160.00	1107.00	1159.00	1116.00
March-19	1192.50	1110.00	1165.70	1116.00

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 31.03.2019

S.No.	Category	No. of Shares	% of Shareholding
1	Promoters	2862350	50.00
2	Banks, Financial Institutions, Mutual Funds	1689	0.03
3	Alternate Investment Funds	1552	0.03
4	Foreign Portfolio investments - Corporate	262646	4.59
5	Corporate Bodies	765318	13.37

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

S.No.	Category	No. of Shares	% of Shareholding
6	Public		
	1. Individuals (holding nominal share capital upto Rs. 1.00 Lakh)	1270655	22.19
	2. Individuals (Holding nominal share capital in excess of Rs. 1.00 Lakh)	280193	4.89
7	Any other (Specify)		
	a. Directors and their relatives	100	0.002
	b. Non resident Indians	184883	3.23
	b. Clearing Members	27166	0.47
	d. Hindu Undivided Families	58167	1.02
	e. IEPF	10281	0.18
	Total	5725000	100.00

### Distribution of Share Holding as on 31.03.2019

Value (in Rs)	No. of Shareholders	%	Amount	%
Upto 5000	9809	94.42	6733240	11.76
5001 to 10,000	279	2.69	2069410	3.61
10,001 to 20,000	156	1.50	2267420	3.96
20,001 to 30,000	45	0.43	1123940	1.96
30,001 to 40,000	20	0.19	696850	1.22
40,001 to 50,000	12	0.12	549320	0.96
50,001 to 1,00,000	37	0.36	2655820	4.64
1,00,001 and above	31	0.30	41154000	71.88
Total	10389	100.00	57250000	100.00

Dematerialisation of Shares	99.40% of the Company's paid-up Equity Share Capital has been dematerialized up to March 31, 2019. 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.
<b>Plant Locations</b>	The Company has four Units and its locations are given below: Unit-I-Natham Main Road, Kanniyapuram, <b>Dindigul</b> -624 308 Unit - II - Kanniyapuram - Ellaipatty Road, Kanniyapuram, <b>Dindigul</b> - 624 308 Unit - III - Kanniyapuram - Ellaipatty Road, Kanniyapuram, <b>Dindigul</b> - 624 308. (Adjacent to Unit - II). Unit - IV - Kanniyapuram - Ellaipatty Road, Kanniyapuram, <b>Dindigul</b> - 624 308 (Adjacent to Unit - III)

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

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

### 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. The Company has adopted the following discretionary requirements as prescribed in Schedule -II Part-E of the SEBI Listing Regulations:
  - a. The auditors' report on statutory financial statements of the Company are unqualified
  - b. The internal auditor directly report to the audit committee.
- v. There are no subsidiary companies .
- vi. The policy on dealing with related party transactions is disclosed in weblink : [http://acmills.in/files/Others/Pol\\_RelatedTx.pdf](http://acmills.in/files/Others/Pol_RelatedTx.pdf)
- vii. Raw cotton, the main input raw material, is subject to commodity price risks but there are no commodity hedging activities

### D. DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AFFIRMING COMPLAINE 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 31.03.2019.

By order of the Board

Sd/-

(P.V.CHANDRAN)

Chairman and Managing Director

Date : 10.08.2019

Place : Coimbatore

# **AMBIKA COTTON MILLS LIMITED**

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

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

To the members of Ambika Cotton Mills Limited

We have examined the compliance of conditions of Corporate Governance by Ambika Cotton Mills Limited ("the Company") for the year ended March 31, 2019, 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.

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

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

Date : 10.08.2019

Place : Coimbatore

# AMBIKA COTTON MILLS LIMITED

## CORPORATE GOVERNANCE REPORT (Contd...)

### 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, 2019 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 31,2019 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 31,2019.
  - ii) There are no significant changes in accounting policies made during the year ended March 31,2019 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: 10.08.2019  
Place: Coimbatore



# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITOR'S REPORT

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 2019, 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, 2019, 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.

Key Audit Matter	How our audit addressed the key audit matter
<b>Evaluation of open tax litigations (Direct and Indirect tax)</b>	
The Company has uncertain tax positions on matters under dispute which involve significant judgment to determine the possible outcome of these disputes.  Refer Note 30.1 to the Financial statements.	<ul style="list-style-type: none"><li>• Obtained details of completed tax assessments and demands as on March 31, 2019 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.

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITOR'S REPORT (Contd...)

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.

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)(i) 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.

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITOR'S REPORT (Contd...)

- 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.

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.

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITOR'S REPORT (Contd...)

- (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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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:

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. 004009S

**K. Murali Mohan**  
Proprietor  
Membership No. 14328

Place : Coimbatore  
Date : 28/05/2019

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITOR'S REPORT (Contd...)

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

(Referred to in Paragraph 1 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 2019 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:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act,1944	Excise duty	11.32	From 20.05.1999 to 06.08.1999	Madras High Court
Service Tax	Service tax	23.99	From 01.10.2005 to 30.06.2006	The matter was remitted back to adjudicating Authority by Madras High Court
Central Excise Act,1944	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
		456.97		

# AMBIKA COTTON MILLS LIMITED

## INDEPENDENT AUDITOR'S REPORT (Contd...)

- (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.

Chartered Accountants  
Regn. No. 004009S

**K. Murali Mohan**  
Proprietor  
Membership No. 14328

Place : Coimbatore  
Date : 28/05/2019

# **AMBIKA COTTON MILLS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (Contd...)**

### **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, 2019 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.

#### **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;

# **AMBIKA COTTON MILLS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (Contd...)**

- (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, 2019, 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. 004009S

**K. Murali Mohan**

Proprietor

Membership No. 14328

Place : Coimbatore

Date : 28/05/2019



# AMBIKA COTTON MILLS LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2019

(Rs. in Lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	26016.14	25901.05
(b) Capital work-in-progress		115.75	31.46
(c) Intangible assets	5	0.00	0.00
(d) Financial assets			
(i) Investments		0.00	0.00
(ii) Trade receivables		0.00	0.00
(iii) Loans		0.00	0.00
(iv) Other financial assets	10	662.48	401.74
(e) Other non-current assets	12	34.71	16.86
<b>Total Non-current assets (A)</b>		<b>26829.08</b>	<b>26351.11</b>
<b>(2) Current assets</b>			
(a) Inventories	6	27189.33	23993.15
(b) Financial Assets			
(i) Investments	7	33.35	30.96
(ii) Trade receivables	8	1255.09	1360.49
(iii) Cash and cash equivalents	9a	589.45	470.68
(iv) Bank balances other than (iii) above	9b	1592.01	21.51
(v) Loans		0	0
(vi) Other financial assets	10	2453.64	1865.28
(c) Current tax assets (Net)	11	54.26	54.26
(d) Other current assets	12	1328.08	2308.15
<b>Total Current Assets (B)</b>		<b>34495.21</b>	<b>30104.48</b>
<b>Total Assets( A+B)</b>		<b>61324.29</b>	<b>56455.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	13	572.50	572.50
(b) Other Equity	14	46889.53	42307.59
<b>Total Equity(A)</b>		<b>47462.03</b>	<b>42880.09</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities	18	756.07	756.07
(b) Deferred tax liabilities (Net)	15	2742.55	3042.04
(c) Other non-current liabilities		0	0
<b>Total non-current liabilities (B)</b>		<b>3498.62</b>	<b>3798.11</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	16	8866.79	2842.89
(ii) Trade payables	17	738.40	6098.42
(iii) Other financial liabilities	18	585.80	561.34
(b) Other current liabilities	19	153.48	274.74
(c) Current Tax Liabilities (Net)	20	19.17	0.00
<b>Total Current Liabilities (C)</b>		<b>10363.64</b>	<b>9777.39</b>
<b>Total Equity and Liabilities (A+B+C)</b>		<b>61324.29</b>	<b>56455.59</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 : 28/05/2019  
Place : Coimbatore

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

Sd/-  
(Radheshyam Padia)  
Company Secretary

For and on behalf of the Board

Sd/-  
(Dr. K. Venkatachalam)  
Director  
(DIN : 01062171)  
Sd/-  
(E.M. Nagasivam)  
Director  
(DIN : 07894618)  
Sd/-  
(M. Vijayakumar)  
Chief Financial Officer

# AMBIKA COTTON MILLS LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. in Lakhs)

Particulars	Note No.	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>INCOME</b>			
Revenue from operations	21	65559.97	58446.68
Other income	22	139.82	123.13
<b>Total income</b>		<b>65699.79</b>	<b>58569.81</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	42226.32	38685.11
Purchase of Stock-in-Trade		0.00	0.00
Changes in inventories of finished goods and work-in-progress	24	-697.10	-1091.10
Employee benefit expense	25	3776.88	3363.67
Finance costs	26	942.42	492.86
Depreciation and amortization expense	27	2884.76	2887.60
Other expenses	28	7883.84	6269.69
<b>Total expenses</b>		<b>57017.12</b>	<b>50607.83</b>
<b>Profit before exceptional items and tax</b>		<b>8682.67</b>	<b>7961.98</b>
<b>Exceptional items</b>		<b>0.00</b>	<b>0.00</b>
<b>Profit before tax after exceptional items</b>		<b>8682.67</b>	<b>7961.98</b>
Tax expense			
Current tax		2663.86	2074.09
Deferred tax		-299.49	-218.88
<b>Total tax expense</b>		<b>2364.37</b>	<b>1855.21</b>
Profit after tax from continuing operations for the year		<b>6318.30</b>	<b>6106.77</b>
<b>Other Comprehensive income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Remeasurements of the defined benefit plans		-16.77	-11.04
Income tax relating to items not reclassified to Profit & Loss		5.86	3.82
<b>Items that will be reclassified to Profit &amp; Loss</b>			
<b>Total Other Comprehensive income</b>		<b>-10.91</b>	<b>-7.22</b>
<b>Total Comprehensive income for the year</b>		<b>6307.39</b>	<b>6099.55</b>
Basic Earnings per share (In Rs) [ Face Value Rs 10/- per share]		110.36	106.67
Diluted Earnings per Share (In Rs) [ Face Value Rs 10/- per share]		110.36	106.67

See accompanying notes to the Financial Statements

As per our report of even date attached

For and on behalf of the Board

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

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

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

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

Sd/-  
(E.M. Nagasivam)  
Director  
(DIN : 07894618)

Date : 28/05/2019  
Place : Coimbatore

Sd/-  
(Radheshyam Padia)  
Company Secretary

Sd/-  
(M. Vijayakumar)  
Chief Financial Officer

# AMBIKA COTTON MILLS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

### A. EQUITY SHARE CAPITAL :

Equity shares of Rs 10 each issued, subscribed and fully paid		(Rs in Lakhs)
Particulars	No. of Shares	Amount
As at 01.04.2018	5725000.00	572.50
Changes in Equity Share Capital	0.00	0.00
As at 31.03.2019	5725000.00	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 31.03.2018	15.00	361.06	16679.81	25251.72	42307.59
Total Comprehensive Income for the year	0.00	0.00	0.00	6307.39	6307.39
Payment of Final Dividend	0.00	0.00	0.00	-1431.25	-1431.25
Dividend Tax	0.00	0.00	0.00	-294.20	-294.20
Transfer to General Reserve	0.00	0.00	1000.00	-1000.00	0.00
Balance as at 31.03.2019	15.00	361.06	17679.81	28833.66	46889.53

As per our report of even date attached

For and on behalf of the Board

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

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

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

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

Sd/-  
(E.M. Nagasivam)  
Director  
(DIN : 07894618)

Date : 28/05/2019  
Place : Coimbatore

Sd/-  
(Radheshyam Padia)  
Company Secretary

Sd/-  
(M. Vijayakumar)  
Chief Financial Officer

# AMBIKA COTTON MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax after exceptional items	8665.90	7950.94
Adjustment for		
Depreciation and amortisation expense	2884.76	2887.60
Finance Costs	942.42	492.86
Sale of Assets	4.96	-45.34
Increase in fair value of Investments	-2.39	-5.24
Foreign Currency Fluctuation in cash and cash equivalents on revaluation	-0.71	-0.11
Investments Income :		
Interest/Dividend Received	-96.10	-61.82
Operating Profit Before Working Capital Changes	<b>12398.84</b>	<b>11218.89</b>
Adjustments for (increase )/decrease in operating assets		
Inventories	-3196.18	-8843.63
Trade receivables	105.40	2743.11
Other financial assets - Non current	-260.74	131.13
Other financial assets - Current	-588.36	-1025.39
Other Current assets- Current	980.07	-1942.19
Loans	0.00	0.60
	<b>9439.03</b>	<b>2282.52</b>
Adjustments for increase /(decrease) in operating liabilities		
Trade Payables	-5360.02	1609.56
Other Non Current Financial Liabilities	0.00	0.00
Other Financial Liabilities	24.46	-68.42
Other Current Liabilities	-121.26	31.65
Cash used in / generated from operations	<b>3982.21</b>	<b>3855.31</b>
Taxes paid	-2933.03	-2229.50
Net Cash used in /generated from operating activities (A)	<b>1049.18</b>	<b>1625.81</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-3013.63	-3450.16
Capital work in progress	-84.29	-31.46
Sale of Fixed assets	8.82	100.32
Other Current assets - Non Current	-17.85	19.41
Purchase of Investments	0.00	0.00
(Increase)/ decrease in Bank Balances not considered as cash and cash equivalent	-1570.50	128.65
Interest Received	96.06	61.81
Dividend Received	0.04	0.01
Net cash used in Investing activities (B)	<b>-4581.35</b>	<b>-3171.42</b>

# AMBIKA COTTON MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd..) (Rs. in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment towards Buy Back of Shares	0.00	0.00
Proceeds from Working Capital borrowings	6023.90	2094.24
Dividend Paid	-1431.25	-572.50
Interest Paid	-942.42	-492.86
Net Cash Used in Financing Activities (C)	<b>3650.23</b>	<b>1028.88</b>
Net increase /(decrease) in Cash and Cash Equivalents (A+B+C)	<b>118.06</b>	<b>-516.73</b>
Cash and Cash Equivalents at beginning of the period (D)	<b>470.68</b>	<b>987.30</b>
Unrealised Loss /(Gain) on Foreign Currency Cash and Cash equivalents	0.71	0.11
Cash and Cash Equivalents at end of the period (E)	<b>589.45</b>	<b>470.68</b>

As per our report of even date attached

For and on behalf of the Board

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

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

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

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

Sd/-  
(E.M. Nagasivam)  
Director  
(DIN : 07894618)

Date : 28/05/2019  
Place : Coimbatore

Sd/-  
(Radheshyam Padia)  
Company Secretary

Sd/-  
(M. Vijayakumar)  
Chief Financial Officer

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 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 28th May 2019.

### 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) 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.

Depreciation is recognised using the straight-line method.

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

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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

### 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

### 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.

# **AMBIKA COTTON MILLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**

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### **2.8 Valuation of Inventories**

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

### **2.9. Foreign Currency transactions:**

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

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

Exchange differences arising on the settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or expense in the year in which they arise.

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

### **2.10 Recognition of revenue**

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

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

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

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

### **2.11 Borrowing Cost**

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

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

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

### **2.13 Earnings per share:**

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

### **2.14 Employee Benefits:**

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



# **AMBIKA COTTON MILLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**

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### **2.15 Segment reporting**

The company is primarily engaged in manufacturing cotton yarn and fabrics . The power generated from windmills is meant for captive consumption for manufacturing of cotton yarn and fabrics . One of the criteria for segment reporting is absolute amount of the segment's reported profit or loss is 10% or more of the greater of (i) the combined reported profit of all operating segments that did not report a loss and ( ii ) the combined loss of all operating segments that reported a loss and accordingly the company has identified two reportable segments viz., Textiles and Windmills as business segments and inter segment revenue is value of power adjusted by State Government Corporation (TANGEDCO) in electricity bills of spinning segment.

### **2.16. Taxes on Income**

Income tax expense comprises current and deferred income tax.

#### **Current tax**

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

#### **Deferred tax**

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

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

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

#### **Current and deferred tax for the year**

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

### **2.17 Provisions, contingent liabilities and contingent assets**

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

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

Cash Flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense

# **AMBIKA COTTON MILLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**

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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 2019

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

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Carrying amounts of:		
Freehold land	339.13	323.09
Buildings	5082.41	4991.55
Plant and Equipment	20429.61	20453.36
Electrical Fittings	0.00	0.00
Furniture and fixtures	0.83	1.18
Vehicles	140.71	111.23
Office Equipment	23.45	20.64
<b>Total</b>	<b>26016.14</b>	<b>25901.05</b>
Capital Work-in-progress	115.75	31.46
<b>Total</b>	<b>115.75</b>	<b>31.46</b>
<b>Total</b>	<b>26131.89</b>	<b>25932.51</b>

(Rs. in Lakhs)

Particulars	Free hold Land	Buildings	Plant & Equipment	Electrical Fittings	Furniture & fixtures	Vehicles	Office equipments	Total	Capital Work in progress
<b>Cost or deemed cost</b>									
<b>Balance at 1st April 2018</b>	323.09	7431.03	48479.57	2.67	13.45	397.79	103.49	56751.09	31.46
Additions	16.04	365.14	2550.76	0.00	1.03	60.62	20.04	3013.63	115.75
Capitalised									31.46
Eliminated on disposals of assets	0.00	0.00	37.60	0.00	0.00	0.00	0.00	37.60	0.00
<b>Balance at 31st March 2019</b>	339.13	7796.17	50992.73	2.67	14.48	458.41	123.53	59727.12	115.75
<b>Accumulated depreciation and impairment</b>									
<b>Balance at 1st April 2018</b>	0.00	2439.47	28026.21	2.67	12.27	286.56	82.85	30850.03	0.00
Eliminated on disposals of assets	0.00	0.00	23.82	0.00	0.00	0.00	0.00	23.82	0.00
Depreciation Expense	0.00	274.28	2560.73	0.00	1.38	31.14	17.23	2884.76	0.00
<b>Balance at 31st March 2019</b>	0.00	2713.75	30563.12	2.67	13.65	317.70	100.08	33710.97	0.00
<b>Carrying Amount</b>									
<b>Balance at 1st April 2018</b>	323.09	4991.55	20453.36	0.00	1.18	111.23	20.64	25901.05	31.46
Additions	16.04	365.14	2550.76	0.00	1.03	60.62	20.04	3013.63	115.75
Eliminated on disposals of assets	0.00	0.00	13.78	0.00	0.00	0.00	0.00	13.78	0.00
Capitalised									31.46
Depreciation expense	0.00	274.28	2560.73	0.00	1.38	31.14	17.23	2884.76	0.00
<b>Balance at 31st March 2019</b>	339.13	5082.41	20429.61	0.00	0.83	140.71	23.45	26016.14	115.75

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 5. INTANGIBLE ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Carrying amounts of:		
Know-how	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Particulars	Know How
<b>Cost or deemed cost</b>	
Balance at 1st April 2018	79.43
Additions	0
Eliminated on disposals of assets	0
Balance at 31st March 2019	79.43
<b>Accumulated depreciation and impairment</b>	
Balance at 1st April 2018	79.43
Eliminated on disposals of assets	0
Depreciation Expense	0
Balance at 31st March 2019	79.43
<b>Carrying Amount</b>	
Balance at 1st April 2018	0
Additions	0
Eliminated on disposals of assets	0
Depreciation expense	0
Balance at 31st March 2019	0

### 6. INVENTORIES

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Inventories (lower of cost and net realisable value)		
Raw Materials	22201.16	19928.06
Work-in-progress	1607.00	2347.71
Finished Goods	2364.67	988.70
Waste Cotton	84.58	22.74
Stores and Spares	743.98	537.49
Packing Materials	187.94	168.45
<b>Total</b>	<b>27189.33</b>	<b>23993.15</b>

The cost of inventories recognised as an expense during the year is Rs. 42226.32

(Previous year Rs. 38685.11)

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 7. INVESTMENTS

(Rs. in Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Quantity	Amount	Quantity	Amount
<b>Current</b>				
Investment in quoted equity instruments (fully paid up) [At fair values]				
Cholamandalam Investment & Finance Co. Limited	650	9.44	650	9.42
City Union Bank	5500	11.27	5000	9.49
Investment in unquoted equity instruments (fully paid up)				
Suryadev Alloys Power Private Limited	2600	3.80	2600	3.80
Investment in Mutual Fund [at Nav]				
LICMF Equity Fund- Dividend-Reinvestment plan	58182.257	8.84	58182.257	8.25
<b>Total</b>	<b>66932.257</b>	<b>33.35</b>	<b>66432.257</b>	<b>30.96</b>
Aggregate book value of quoted investments				
		0.87		0.87
Aggregate market value of quoted investments				
		20.71		18.91
Aggregate book value of unquoted investments				
		3.80		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				
		8.84		8.25
Category-wise investments - as per IND AS 109 classification				
Financial assets carried at fair value through profit or loss (FVTPL)		33.35		30.96
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 2019	March 2018
<b>Current</b>		
<b>Unsecured, considered good</b>		
From related Parties	0.00	0.00
From others	1255.09	1360.49
Allowance for doubtful debts (Expected credit loss allowance)	0.00	0.00
<b>Total</b>	<b>1255.09</b>	<b>1360.49</b>

### Concentration of Risk

Generally the sales are made against specific orders and to those customers who have long term relationship. Export Sales are backed by irrevocable letter of credits. In respect of domestic sales advance payments are collected before delivery of goods. However exceptions are made based on the credit quality of customers. Expected credit loss is placed at Nil.

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Age of receivables</b>		
Within the credit period	1255.09	1360.49
30-60 Days	0	0
60-90 Days	0	0
More than 90 Days	0	0
<b>Total</b>	<b>1255.09</b>	<b>1360.49</b>

### MOVEMENT IN THE EXPECTED CREDIT LOSS ALLOWANCE

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Age of receivables</b>		
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 2019	As at 31st March 2018
<b>Balances with Banks</b>		
Current account	380.24	279.24
EEFC A/c	154.30	152.06
Cash on hand	54.91	39.38
<b>Total</b>	<b>589.45</b>	<b>470.68</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 2019	As at 31st March 2018
Bank Deposits - Closure on Demand	1565.81	0.00
Deposits held for guarantee	5.70	5.40
Unpaid dividend account	20.50	16.11
<b>Total</b>	<b>1592.01</b>	<b>21.51</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 10. OTHER FINANCIAL ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Non-current</b>		
Cenvat and service tax credit receivable	37.86	39.86
Cenvat Transcredit Receivable	115.28	115.28
Interest reimbursement receivable (TUFS)	126.94	126.94
Security Deposit for Electricity TWAD Board & Others	382.40	119.66
<b>Total</b>	<b>662.48</b>	<b>401.74</b>
<b>Current</b>		
Cotton Purchase debit note	30.91	35.71
Duty drawback & MEIS receivable	297.94	186.67
EB receivable (for wind)	99.87	79.84
Forward cover receivable(Foreign Currency derivative)	268.02	134.11
GST receivable	1746.27	1423.71
Interest Subvention Receivable	5.39	0.00
VAT & Sales tax receivable	5.24	5.24
<b>Total</b>	<b>2453.64</b>	<b>1865.28</b>

### 11. CURRENT TAX ASSETS (NET)

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Current tax assets</b>		
Income tax advances	0.00	2106.96
<b>Current tax liabilities</b>		
Income tax liability	0.00	2069.14
	0.00	37.82
Income tax refund due	54.26	16.44
<b>Total</b>	<b>54.26</b>	<b>54.26</b>

### 12. OTHER CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Non-Current</b>		
Capital Advances	34.71	16.86
<b>Total</b>	<b>34.71</b>	<b>16.86</b>
<b>Current</b>		
Advance for supply of materials	211.66	195.21
Advance for Cotton	830.80	1990.27
LC Opening Charges for import of Cotton	5.47	26.45
Prepaid Expenses	268.45	85.57
LIC Plan Assets	11.70	10.65
<b>Total</b>	<b>1328.08</b>	<b>2308.15</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 13. EQUITY SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<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

(Rs. in Lakhs)

Particulars	Number of Shares	Share Capital
<b>Fully paid Equity Shares</b>		
Balance as on March 31, 2018	5725000	572.50
Balance as on March 31, 2019	5725000	572.50

The company has issued only one class of Equity share having a par value of Rs.10 per share. They entitle the holder to participate in dividends, and to share in the proceeds of winding up of the 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.

Shareholders holding more than 5% Equity shares

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of shares	Percentage	Number of shares	Percentage
1. C. Bhavani	2272566	39.70	2272566	39.70
2. P.V. Chandran	589784	10.30	589784	10.30

### 14. OTHER EQUITY

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Capital Redemption Reserve	15.00	15.00
Securities Premium Reserve	361.06	361.06
General Reserve	17679.81	16679.81
Retained Earnings	28833.66	25251.72
<b>Total</b>	<b>46889.53</b>	<b>42307.59</b>

#### 14.1. CAPITAL REDEMPTION RESERVE

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Balance at the beginning of the year</b>	<b>15.00</b>	<b>15.00</b>
Movements during the year	0.00	0.00
<b>Balance at the end of the year</b>	<b>15.00</b>	<b>15.00</b>

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.



# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 14.2 SECURITIES PREMIUM RESERVE

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	361.06	361.06
Movements during the year	0	0.00
<b>Balance at the end of the year</b>	<b>361.06</b>	<b>361.06</b>

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 2019	As at 31st March 2018
Balance at the beginning of the year	16679.81	15679.81
Add: Transfer from retained earnings	1000.00	1000.00
<b>Balance at the end of the year</b>	<b>17679.81</b>	<b>16679.81</b>

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 2019	As at 31st March 2018
Balance at the beginning of the year	25251.72	20841.22
Add: Total comprehensive income for the year	6307.39	6099.55
Less: Payment of dividends on equity shares	1431.25	572.50
Less: Payment of tax on dividends	294.20	116.55
Less: Transfer to General Reserve	1000.00	1000.00
<b>Balance at the end of the year</b>	<b>28833.66</b>	<b>25251.72</b>

The directors have proposed dividend of Rs. 30/- per share amounting to Rs. 171750000/- for the year ended March 31, 2019 and the same is subject to approval of shareholders at the Annual General Meeting and hence not included as a liability.

### 15. DEFERRED TAX LIABILITY (NET )

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liability	2742.55	3042.04
Deferred Tax Asset	0.00	0.00
MAT credit C/F	0.00	0.00
<b>Total</b>	<b>2742.55</b>	<b>3042.04</b>

### 2018 - 2019

(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
	<b>3042.04</b>	<b>-299.49</b>	<b>2742.55</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

2017 - 2018 (Rs. in Lakhs)

Particulars	Opening Balance	Recognised in Profit or loss	Closing Balance
On account of Property , Plant & Equipment	3257.80	-220.00	3037.80
On account of fair value of Equity instruments	3.12	1.12	4.24
	<b>3260.92</b>	<b>-218.88</b>	<b>3042.04</b>

16. BORROWINGS (Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>From Banks (Secured)</b>		
Loans Repayable on Demand - Working Capital	8366.79	2842.89
<b>From Banks (Unsecured)</b>		
Loans Repayable on Demand - Working Capital	500.00	0
	<b>8866.79</b>	<b>2842.89</b>

### 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

17. TRADE PAYABLES (Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Current</b>		
Due to Micro and Small Enterprises	78.94	0.00
Others	659.46	6098.42
<b>Total</b>	<b>738.40</b>	<b>6098.42</b>

18. OTHER FINANCIAL LIABILITIES (Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Non- current</b>		
Liabilities for Expenses	756.07	756.07
	<b>756.07</b>	<b>756.07</b>
<b>Current</b>		
Unpaid dividends	20.50	16.11
Interest accrued but not due on borrowings	2.43	30.02
Statutory payables	51.62	38.97
Other liabilities for Expenses	511.25	476.24
<b>Total</b>	<b>585.80</b>	<b>561.34</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 19. OTHER CURRENT LIABILITIES (Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Advance received from Customers	153.48	274.74
<b>Total</b>	<b>153.48</b>	<b>274.74</b>

### 20. CURRENT TAX LIABILITIES (NET) (Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Current tax liabilities</b>		
Income tax provisions	2657.73	0.00
<b>Current tax assets</b>		
Income tax advances	2638.56	0.00
<b>Total</b>	<b>19.17</b>	<b>0.00</b>

### 21. REVENUE FROM OPERATIONS (Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Sale of Products (Refer Note (i) below)	64450.09	56957.82
Other Operating Revenue (Refer Note (ii) below)	1109.88	1488.86
	<b>65559.97</b>	<b>58446.68</b>
Note (i)		
<b>Sale of Products Comprises</b>		
Cotton Yarn	35158.81	41034.38
Knitted Fabrics	23122.55	9937.47
Waste Cotton	6168.73	5985.97
	<b>64450.09</b>	<b>56957.82</b>
Note (ii)		
<b>Other Operating Revenue</b>		
Export Benefits	919.54	910.20
Foreign Exchange Fluctuation	0.00	401.21
Profit on disposal of rawmaterial	139.54	148.42
Wind Energy	20.03	0.00
Sale of Scrap	30.77	29.03
	<b>1109.88</b>	<b>1488.86</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 22. OTHER INCOME

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Interest (Refer Note (i) below)	96.06	61.81
Dividend from Current Investments	0.04	0.01
Other non-operating income (Refer Note (ii) below)	43.72	61.31
	<b>139.82</b>	<b>123.13</b>
Note (i)		
<b>Interest Income Comprises of</b>		
From banks on deposits	85.62	55.07
Other Interest	10.44	6.74
<b>Total Interest Income</b>	<b>96.06</b>	<b>61.81</b>
Note (ii)		
<b>Other non-operating income comprises of</b>		
Sundry Parties Written Off	41.33	0.00
Profit on sale of Fixed Assets	0.00	45.34
Increase in fair value of Investments	2.39	5.25
VAT Refund	0.00	10.72
	<b>43.72</b>	<b>61.31</b>

### 23. COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Opening Stock</b>	19928.06	12291.45
Add : Purchases	47077.61	48269.88
	67005.67	60561.33
Less: Cost of materials disposed	2578.19	1948.16
	64427.48	58613.17
Less : Closing Stock	22201.16	19928.06
<b>Total Cost of Materials Consumed</b>	<b>42226.32</b>	<b>38685.11</b>
<b>Materials Consumed Comprise</b>		
Raw Cotton	35745.47	35566.10
Modal	994.78	223.32
Lycra	645.68	310.03
Yarn	4840.39	2585.66
	<b>42226.32</b>	<b>38685.11</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 24. CHANGES IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS (Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Opening Stock Work in progress	2347.71	1352.29
Opening Stock Finished Goods	988.70	830.89
Opening Stock of Waste Cotton	22.74	84.87
<b>Total (A)</b>	<b>3359.15</b>	<b>2268.05</b>
Closing Stock Work in progress	1607.00	2347.71
Closing Stock Finished Goods	2364.67	988.70
Closing Stock of Waste Cotton	84.58	22.74
<b>Total (B)</b>	<b>4056.25</b>	<b>3359.15</b>
Increase / Decrease in Stock (A - B) (-)/(+)	-697.10	-1091.10

### 25. EMPLOYEES BENEFIT EXPENSES (Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Salaries & Wages	2858.80	2577.84
Contribution to Provident Fund & Other Funds	110.62	155.39
Staff Welfare Expenses	807.46	630.44
	<b>3776.88</b>	<b>3363.67</b>

### 26. FINANCE COSTS (Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
a. Interest - Working Capital Loans	930.86	487.07
b. Other Borrowing Costs	11.56	5.79
	<b>942.42</b>	<b>492.86</b>

### 27. DEPRECIATION AND AMORTISATION EXPENSE (Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Depreciation of property, plant and equipment	2884.76	2887.60
Amortisation expense	0.00	0.00
<b>Total depreciation and amortisation expense</b>	<b>2884.76</b>	<b>2887.60</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 28. OTHER EXPENSES

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Stores Consumed	594.50	574.91
Power & Fuel	3369.75	2423.22
Materials Sizing & Fabrication	67.10	16.86
Freight Inwards	31.80	22.43
Machinery Maintenance	45.49	37.25
Building Maintenance	58.69	112.48
Vehicle Maintenance	245.92	182.77
Printing & Stationary	11.23	11.75
Postage & Telephone	23.03	27.71
Travelling Expenses	34.14	32.62
Insurance	88.29	101.84
Licence Fees & Taxes	133.23	173.28
Bank Charges	41.16	59.96
Professional & Legal Charges	64.73	56.03
Salary to Managing Director	24.00	24.00
Auditors Remuneration - for Audit fees	6.00	5.00
Foreign Exchange Fluctuation	435.80	0.00
Freight Outwards	756.29	594.11
Packing Materials	649.70	742.94
Brokerage & Commission	923.78	776.71
Rate Discount	0.00	43.52
Advertisement	10.57	8.33
Loss on sale of Machinery	4.96	0.00
Sundry Parties Written Off	0.00	17.31
Security Service Charges	42.37	36.96
CSR Expenses	143.55	136.32
Miscellaneous Expenses	77.76	51.38
<b>Total</b>	<b>7883.84</b>	<b>6269.69</b>

### 29. INCOME TAX RELATING TO CONTINUING OPERATIONS

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

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Current tax</b>		
Current tax on profits for the year	2663.41	2070.27
Add: interest	0.19	2.69
Adjustments for current tax of prior periods	0.26	1.13
Current tax expense	2663.86	2074.09
<b>Deferred Tax</b>		
(Decrease) in DTL - depreciation	-300.00	-220.00
Increase in DTL - Fair value of Investments	0.51	1.12
Deferred tax	-299.49	-218.88
Total Tax expense for continuing Operations	2364.37	1855.21
Less: Tax relating to other comprehensive income	5.86	3.82
<b>Total tax expense for the year</b>	<b>2358.51</b>	<b>1851.39</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit before tax after exceptional items	8682.67	7961.98
Enacted tax rate in India	34.944%	34.608%
Computed expected tax expense at enacted tax rate	3034.07	2755.48
Tax effect on account of items treated separately	-1.07	-17.51
Tax effect on Income that is exempt from taxation	-614.51	-974.60
Tax effect of non-deductible expenses	51.90	55.83
Tax effect on Difference of book and IT Depreciation	193.02	251.07
<b>Total income tax expense recognised for the year</b>	<b>2663.41</b>	<b>2070.27</b>

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

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligations	16.77	11.04
<b>Total</b>	<b>16.77</b>	<b>11.04</b>
Bifurcation of income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	5.86	3.82
Items that may be reclassified to profit or loss	0.00	0.00
<b>Total</b>	<b>5.86</b>	<b>3.82</b>

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

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(i) Contingent liabilities :</b>		
<b>Claims against the company not acknowledged as debt</b>		
Central Excise Demand	445.32	458.82
Income Tax Demand	11.65	11.65
<b>Other money for which the company is contingently liable</b>		
Export Bills Dicounted / Lodged with the Bank	5199.06	7038.19
Nature of Disputes and amount of demand		
Central Excise Demand		
1. Claim on Modvat Credit not accepted	11.32	11.32
2. Claim of Cenvat Credit not accepted	23.99	23.99
3. Demand relating to de-bonding of 100% EOU	410.01	410.01
4. (i) Service tax on Frieght charges, (ii) Foreign agent commsision and (iii) interest and penalty for non reversal of cenvat credit	0.00	13.50
	<b>445.32</b>	<b>458.82</b>
Income tax Assessment Year 1998 - 99		
Disallowance of claim of replacement of machinery as revenue expenditure	11.65	11.65
	<b>11.65</b>	<b>11.65</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

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.

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(ii) Commitments</b>		
a. Estimated amount of contracts remaining to be executed on capital account not provided for	2404.83	1238.41
Advances made in respect of the above works	115.75	16.14
Capital Commitments net of advances	<b>2289.08</b>	<b>1222.27</b>
b. Other Commitments		
For Import of Raw Materials	6778.61	10964.48

### 30.2. DETAILS OF DIVIDEND PROPOSED AND PAID

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
a) Interim dividend paid during the previous year for FY 2017-18 is Rs. 10/ per share		572.50
b) Final dividend paid during the year for the year ended March 31' 2018 is Rs. 25 per share	1431.25	0.00

c) In respect of the current year, the directors propose that a dividend of Rs. 30/- 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.1717.50 Lakhs. The payment of this dividend is estimated to result in payment of dividend tax of 353.12 Lakhs @ 20.56% on the amount of dividends grossed up for the related dividend distribution tax.

### 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.

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	78.94	0
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



# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 30.4. FINANCIAL INSTRUMENTS

(Rs. in Lakhs)

Particulars	As at 31 March 2019			As at 31 March 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
a) Cash and cash equivalents	-	-	589.45	-	-	470.68
b) Other financial assets-Non current	-	-	662.48	-	-	401.74
c) Trade receivables	-	-	1255.09	-	-	1360.49
d) Bank balances other than cash and cash equivalents	-	-	1592.01	-	-	21.51
e) Other financial assets- Current	-	-	2453.64	-	-	1865.28
f) Investments in subsidiaries	-	-	-	-	-	-
g) Investments in equity	33.35	-	-	30.96	-	-
<b>Total</b>	<b>33.35</b>	<b>0.00</b>	<b>6552.67</b>	<b>30.96</b>	<b>0.00</b>	<b>4119.70</b>
<b>Financial Liabilities</b>						
a) Borrowings	-	-	8866.79	-	-	2842.89
b) Trade payables	-	-	738.40	-	-	6098.42
c) Other financial liabilities - Non current	-	-	756.07	-	-	756.07
d) Other financial liabilities	-	-	585.80	-	-	561.34
e) Other Current liabilities	-	-	153.48	-	-	274.74
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>11100.54</b>	<b>0.00</b>	<b>0.00</b>	<b>10533.46</b>
Financial assets			6586.02			4150.66
Financial liabilities			11100.54			10533.46

### II) FAIR VALUATION TECHNIQUES AND INPUTS USED - RECURRING ITEMS

(Rs. in Lakhs)

Particulars	Fair Value	Fair Value
	As at 31st March 2019	As at 31st March 2018
Financial assets measured at Fair value		
Financial assets		
Investments		
i) Quoted Equity investments	33.35	30.96
<b>Total financial assets</b>	<b>33.35</b>	<b>30.96</b>

### 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	Year ended
	31st March 2019	31st March 2018
Paid as Audit Fees	6.00	5.00
	<b>6.00</b>	<b>5.00</b>

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 30.6. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Amount spent through approved trusts and institutions	29.00	6.50
Amount spent directly	114.55	129.82
<b>Total</b>	<b>143.55</b>	<b>136.32</b>
Amount required to be spent as per Sec. 135 of the Act	140.43	129.86
Amount spent during the year on :-		
Construction / acquisition of an asset	57.97	102.80
On purposes other than above	85.58	33.52
<b>Total</b>	<b>143.55</b>	<b>136.32</b>

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

### 30.7. EARNING PER SHARE

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Earnings used in the calculation of Basic and diluted earnings per share	6318.30	6106.77
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	10
Basic & Diluted Earnings Per Share [in Rs]	110.36	106.67

### 30.8. RELATED PARTY TRANSACTIONS

#### 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 2019	Year ended 31st March 2018
Short term employee benefits	24.00	24.00
Post employment benefits	0.00	0.00
<b>Total compensation</b>	<b>24.00</b>	<b>24.00</b>
<b>Other related parties</b>		
<b>Director's Sitting Fees paid to</b>		
Mrs. Vidya Jyothish Pillai	2.00	1.50
Mrs. Bhavya Chandran	1.00	0.75

Note : Related party relationships are as identified by the Management

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 30.9 EMPLOYEE DEFINED BENEFIT AND CONTRIBUTION PLANS

(Rs. in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Present Value of obligations</b>		
Obligations at the beginning of the year*	86.38	24.10
Interest Cost	6.74	5.92
Current Service Cost	8.86	9.16
Past service Cost	0.00	53.25
Benefit paid	-11.42	-7.51
Actuarial (Gain) / Loss on obligations	8.6	1.46
Obligations at the end of the year (A)	99.16	86.38
<b>Fair value of Plan assets</b>		
Fair value of Plan assets, beginning of the year	97.03	27.44
Expected return on plan assets	7.43	5.50
Contributions	17.82	71.59
Benefit paid	-11.42	-7.50
Actuarial (Gain) / Loss on Plan Assets	0.00	0.00
Fair value of Plan assets, end of the year (B)	110.86	97.03
Funded Status (B-A)	11.70	10.65
<b>Expenses to be recognized for the current year</b>		
Current Service Cost	8.86	9.16
Interest Cost	6.74	5.92
Expected return on plan assets	-7.43	-5.50
Net Actuarial (Gain) / Loss recognized in the year	8.6	1.46
Expense to be recognized in other comprehensive income	16.77	11.04
<b>Actuarial Assumption</b>		
Discount Rate	8.00%	8.00%
Salary Escalation	5.00%	5.00%

### 30.10 . SEGMENT INFORMATION

(Rs. in Lakhs)

Particulars	Textiles		Windmills		Total	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Gross Segment Revenue	65559.97	58446.68	2703.76	3235.16	68263.73	61681.84
Less: Intersegment Revenue	0.00	0.00	0.00	0.00	2703.76	3235.16
<b>Total Revenue</b>	<b>65559.97</b>	<b>58446.68</b>	<b>2703.76</b>	<b>3235.16</b>	65559.97	58446.68
Segment Result	7935.99	6351.36	1549.28	1980.35	9485.27	8331.71
Less: Finance Cost					942.42	492.86
Add: Unallocable Other Income net of Expenditure					139.82	123.13
Profit before Tax					8682.67	7961.98
Less : Tax Expense					2364.37	1855.21
Profit for the Year					6318.30	6106.77
<b>Segment Assets</b>	58279.18	52775.60	2990.85	3625.73	61270.03	56401.33
Unallocated Assets					54.26	54.26
Total Assets					61324.29	56455.59
<b>Segment Liabilities</b>	1842.79	7280.44	410.13	410.13	2252.92	7690.57
Unallocated Liabilities					11609.34	5884.93
Total Liabilities					13862.26	13575.50
Other information						
<b>Capital Expenditure</b>	3013.63	3450.16	0.00	0.00	3013.63	3450.16
Unallocated Capital Expenditure						
Depreciation	2120.95	1984.81	763.81	902.79	2884.76	2887.60
Unallocated Depreciation	-	-	-	-	-	-
Non - Cash Expenses other than depreciation	-	-	-	-	-	-

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### GEOGRAPHICAL SEGEMENT

(Rs. in Lakhs)

Particulars	Europe	Asia	North America	India	Total
Sale of Goods	2612.36	37901.47	3989.37	19946.89	64450.09
(Figures in Brackets relates to Previous Year)	(2377.80)	(28561.15)	(1789.93)	(24228.94)	(56957.82)

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

The sale revenue of textiles segment includes sale to three customers amounting to Rs. 25139 Lakhs (Previous year one customer amounting to Rs. 7596 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 28.05.2019

### 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.

### 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:-

(Rs. in Lakhs)

Particulars		Amount in foreign currency		Equivalent INR	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
<b>Liabilities</b>					
PCFC	USD	9693559.10	1155338.00	6785.49	751.43
Acceptances	USD	0.00	8247950.91	0.00	5364.47
Advances Received	USD	53053.86	298966.90	37.14	194.45
Sundry creditors	USD	138530.93	3236.23	96.97	2.10
Libor Interest	USD	3471.84	0.00	2.43	0.00
		<b>9888615.73</b>	<b>9705492.04</b>	<b>6922.03</b>	<b>6312.45</b>
<b>Advances Received</b>	Euro	38539.00	0.00	29.89	0.00
		38539.00	0.00	29.89	0.00
<b>Assets</b>					
<b>Sundry Debtors</b>	USD	613695.65	1001160.00	429.59	651.15
<b>Debit Note</b>	USD	44160.93	54907.60	31	36
<b>EEFC</b>	USD	40672.44	233795.53	28.47	152.06
		698529.02	1289863.13	488.97	838.92
<b>Sundry Debtors</b>	Euro	65942.37	0.00	51	0
<b>EEFC</b>	Euro	162249.85	0.00	125.83	0.00
		228192.22	0.00	176.97	0.00
Net Exposure	USD	-9190086.71	-8415628.91	-6433.06	-5473.53
Net Exposure	Euro	189653.22	0.00	147.08	0.00

The earnings in Foreign Currency out of exports would easily cover the above net exposure. Further the Forward cover would protect the fluctuations

# AMBIKA COTTON MILLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

<b>Foreign Currency sensitivity analysis (USD)</b>		( Rs.Lakhs )
<b>Impact on profit : 5% increase in currency rate</b>	<b>-321.65</b>	<b>-273.50</b>
Impact on profit : 5% decrease in currency rate	321.65	273.50
<b>Foreign Currency sensitivity analysis (Euro)</b>		
Impact on profit : 5% increase in currency rate	7.36	0.00
Impact on profit : 5% decrease in currency rate	-7.36	0.00

**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 and on behalf of the Board

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

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

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

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

Sd/-  
(E.M. Nagasivam)  
Director  
(DIN : 07894618)

Date : 28/05/2019  
Place : Coimbatore

Sd/-  
(Radheshyam Padia)  
Company Secretary

Sd/-  
(M. Vijayakumar)  
Chief Financial Officer

Book-post

To

From

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

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